

# REQUEST FOR PROPOSALS: 3561 PACIFIC MIXED-USE DEVELOPMENT



TO ENSURE RECEIPT OF ANY ADDENDA TO THE RFP, PLEASE EMAIL: cedhousingdivision@cityoftacoma.org

#### Contacts:

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#### 1. Overview:

The Tacoma Community Redevelopment Authority (TCRA) seeks proposals from an experienced developer/development team to develop mixed-use, affordable housing on a property located at 3561 Pacific Avenue, Tacoma, Washington, 98418.

The site fronts the west side of Pacific Avenue, a route known for its cultural richness and numerous locally-owned businesses. Situated in one of Tacoma's Community Commercial Mixed-Use Districts, any development will need to provide commercial and retail uses intended to serve neighboring residents and attract people from throughout the city. It serves as a nexus for several key neighborhoods, including the Brewery Blocks and Dome District in South Downtown, and the Lincoln and McKinley Business Districts. Several major transportation access points add to the site's accessibility.

In preparation for the release of the 3561 Pacific RFP, the City and the TCRA sought input from professionals from the housing and commercial development fields. Information from these two engagements was used to develop the 3561 Pacific Mixed-Use Site Analysis included in Exhibit 1.

The site is and always been an unimproved vacant lot. Prior to approximately 1960, the eastern portion of the property sloped into a natural ravine. Between 1960 and 1965, the ravine was filled with debris from the construction of the interchange of I-705/I-5. A Phase I Environmental Site Assessment (ESA), Geotechnical Engineering Report, and Soils and Hydrology Report are attached in Exhibit 2.

In 2022, Pierce County transferred 3561 Pacific to the TCRA with the purpose of identifying a partner to develop affordable housing. The terms of the transition agreement require that a minimum of 66% of units (no less than 80 units) constructed on the site be affordable to households earning 80% area median income or less. Affordability will be required for a minimum 40 years.

Pacific Avenue is a City of Tacoma-designated Core Pedestrian Street and residential units are prohibited at street level along the Pacific Avenue frontage. Limited work-live and residential amenity space may be provided, and the remainder of the frontage must be commercial space (retail, office, restaurant).

Additionally, a list of contacts for organizations open to partnering on a proposal is <u>linked here</u>. Please contact <u>cedhousingdivision@cityoftacoma.org</u> if you would like your name added to this list and also specify whether you would like to receive notifications for requests for proposals and funding opportunities.

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# 2. 3561 Pacific Site Information

- Address: 3561 Pacific Avenue, Tacoma, WA 98418
- Pierce County Tax Parcels: 7470021282
- Legal description: THE WEST 288.36 FEET OF BLOCK 70, AMENDED MAP OF FIRST SCHOOL LAND
  ADDITION TO THE CITY OF TACOMA, ACCORDING TO PLAT FILED FOR RECORD JULY 2, 1903, IN
  THE OFFICE OF THE COUNTY AUDITOR, IN CITY OF TACOMA, PIERCE COUNTY, WASHINGTON.
  EXCEPT THE SOUTH 200 FEET THEREOF.
- Land Status: Vacant Land
- Area: 126,209 Square Foot Site (approx. 2.8974 Acres)
- A more detailed site description is included in Exhibit 1
- Environmental reports are included in Exhibit 2

# 3. Public Goals

The property is located at a nexus for several neighborhoods, business districts, and regional transportation routes. This section can help guide respondents in their development of a Mixed-Use Strategy.

In 2021, the City and the TCRA collected recommendations from the neighboring community on what they would like to see in a future development. Those recommendations are summarized below for consideration.

#### Traffic

- Traffic impacts to the neighborhood are mitigated by providing parking sufficient to support residential and commercial uses. Loading zones are clearly designated and thoughtfully located with the safety of residents in mind.
- Supports multi-modal access and transportation throughout the property, ie walking trails, bike parking, dedicated space for rideshare and/or pickup/drop-off locations.

#### **Amenities**

- Add neighborhood-scale amenities. Examples included, but are not limited to, destination retail, restaurants or cafes, public seating, public space, urban trails, a dog park, a playground.
- Add social infrastructure to the neighborhood. Examples suggested by neighbors included additional grocery options, community space, daycare, laundromat, medical clinic.

#### Design

- The landscape treatment creates a park-like atmosphere and public art is incorporated
- Design promotes natural sightlines and visibility through the site, people are able to observe the space, uses, activities, and people around them

#### Equity

- Safety and access by elderly and/or other-abled community members is achieved. An example suggested by neighbors is an accessible playground that offers a range of play experiences to children of varying abilities.
- Support Local employment and enterprise (continued on following page)

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• Proposers under this RFP are required to demonstrate a good faith effort to comply with the requirements of the City of Tacoma's Local Employment and Apprenticeship Training Program (LEAP) and Equity in Contracting (EIC) program. Program Information can be found here:

<u>Local Employment Apprenticeship Program</u> Deborah Trevorrow

253-591-5590

dtrevorrow@cityoftacoma.org

<u>Equity in Contracting Vendors</u>

Gary Lizama

253-591-5826

glizama@cityoftacoma.org

# 4. Proposal Requirements

Required components for the proposal are described below. Each component should be answered as completely as possible and presented in the outlined order.

#### 4.A Cover Letter

A maximum two-page executive summary of the major points contained in the proposal, signed by an individual authorized to commit on behalf of the proposing developer. Please include the name of proposer; name, address, telephone number, and email address of the proposer's contact person; the scope of development, and the length of time for which the proposal will remain valid.

# 4.B Identification of Developer/Development Team

#### Basic Information

- Official name, address, and the names and titles of proposer's principals
- Name and contact information for the person who is authorized to receive notices, make decisions, and represent the developer/developers
- Legal entity and any relationship the development organization may have with other entities (joint ventures, parent corporations, etc)

#### Development Team

Name, title, address, telephone, email address, and resumes for key development team members known at this time: the Owner/Developer (required), architect/designer, landscape architect, proposed general contractor, investors, market analyst and any other consultants who may work with the developer on this project.

#### Qualifications and Experience

The development team's ability to complete the project demonstrated by experience in housing and commercial projects of similar size, scope, and type. Provide:

- A list of similar projects, including projects in collaboration with the TCRA or other public entities, completed by the same developer/development team
- Maximum one-page descriptions of project scope(s), challenges faced, location, project costs, length of time to complete and final completion date

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• For each project or relevant experience, a name and phone number of contact person familiar with the project who can act as a reference

# 4.C Project Narrative

Provide a description of the proposed development program, including development timing, and phasing. This section should also describe the proposed number of residential units and bedroom count for all units, onsite features, and amount of parking. Include a description of how the development will integrate with the surrounding neighborhood context and provide appropriate types of services for the population type proposed.

# 4.D Mixed-Use Strategy

Respondents will use this section to envision a strategy for activating the mixed-use component at the site and should include direct connections between elements of the strategy with <u>Public Goals</u>. For the purposes of this section, public spaces should include any retail, community, and open spaces that will be used by residents and non-residents.

Proposals should include a plan to activate commercial spaces during vacancy, and express willingness to utilize the City of Tacoma's Community and Economic Development Department's, Business Services Division as a resource to identify potential leases for the commercial space.

The strategy should consider:

- A process for engaging and identifying commercial occupants and creating a combination of uses that will support long-term occupancy
- Incorporation of social enterprise that improves health and economic outcomes for Tacoma residents
- How commercial vacancies and outdoor spaces can be activated, for example hosting pop-up shops, offering community space for educational and cultural events
- Adding elements of placemaking so that people who visit know where they are and can find their way there, for example, naming of the development, wayfinding, arts and cultural components, and/or landscape design
- Options that the respondent is willing to consider for co-design and leasing of the commercial space.

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# 4.E Project Concept

Illustrations of the proposed site and building configuration, relationship to adjacent properties, pedestrian and vehicular circulation and access points, open space and landscape.

- Site Plan- A diagram showing layout of development on the site including access
- Cross Section- A diagram of building elevation, any proposed below, at, and above grade elements, proposed building heights and relationship to site, street, neighboring context.
- Visual Aids- Examples of relevant images or similar projects that represent the building massing and architectural character.

# 4.F Financial Analysis and Capacity

This section has two focus areas: the financial analysis of the project and the development team's capacity to secure required financing.

#### Financial Analysis of the Development

- Provide a pro forma summary that includes development information, development costs, statement of assumptions, sale/rent value per square foot, construction and permanent loan terms, developer fees, etc.
- Indicate anticipated sources and uses of funds, including amount of equity and identification of any projected financial gap and proposed public subsidy.

#### **Financial Capacity**

Include:

- A copy of all participating firms' most recent certified financial statements dated no later than 1 year prior to submission. If selected more recent financials will be required.
- A statement indicating whether the firm, its related entities, or any of the principal
  personnel included in the proposal are the subject of business-related litigations, liens, or
  legal claims
- A statement indicating whether or not the proposing firm or their related entities has (have) ever declared bankruptcy, including the date, jurisdiction, and amount of liabilities and assets involved

# 4.G Development Timeline

Provide a detailed schedule for the project's completion. Including at minimum the following:

- Timing for any necessary land use approvals needed for the project
- Approximate timing of financing being secured
- Design timeframe
- Permits
- Development timeframe with approximate completion date

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# 5. Instructions for Submission

#### Submit proposals by April 20, 2023 at 4 PM PST.

Upon request, TCRA staff will provide a secure, individual link to a file sharing platform where interested applicants may upload their proposal materials.

#### Request Link to Proposal Folder.

To be assigned a folder, please email <a href="mailto:cedhousingdivision@cityoftacoma.org">cedhousingdivision@cityoftacoma.org</a> using the subject line <3561 <a href="mailto:Pacific Mixed Use Applicant Request">Pacific Mixed Use Applicant Request</a>. Include in the body of your email the developer/development team name, and a name, email, and phone number for the person(s) who will be assigned access to the folder. A folder assignment should be requested no later than April 18, 2023 so access can be confirmed prior to the due date.

The following components should be uploaded to the file sharing platform in PDF format along with any applicable supporting documents:

- 4.A Cover Letter
- 4.B Identification of Developer/Developer Team
- 4.C Project Narrative
- 4.D Housing Concept
- 4.E Mixed-Use Strategy
- 4.F Financial Analysis and Capacity
- 4.G Development Timeline

Access to the folder will be denied after the submission deadline has passed. Questions and requests for technical support may be directed to: cedhousingdivision@cityoftacoma.org

### 6. Evaluation Criteria

Responses will be evaluated using the following criteria for a total maximum score of 100 points. Responses that bring fresh food access to the property and/or include a thoughtful combination of build-to-suit commercial spaces will be prioritized.

# Demonstration of developer/development team's capacity in the following areas: (25 Points)

- Organization history (5)
- Qualifications and experience of the development team (10)
- Successful completion of similar projects (10)

# Evaluation of the proposed development program's:

#### (35 Points)

- Affordable housing component 10)
- Project design and programming for the intended population (10)
- Proposed financing, leveraging (10)
- Development timeline (5)

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Alignment of the proposed Mixed-Use Strategy with <u>Public Goals identified in section 3</u>: (40 Points)

- Traffic (10)
- Amenities (10)
- Design (10)
- Equity (10)

# 7. Selection Process

All proposals submitted in response to this RFP will be reviewed for their relative strengths and weaknesses based on the submission requirements and evaluation criteria described in this RFP. Selections will be based on the completeness and quality of responses to this solicitation.

Responses that bring fresh food access to the property and include thoughtful combination of build-to-suit commercial spaces will be prioritized.

While a selection panel will lead the processes for internal and public review of proposals, the TCRA Board will be the approval body for the development project selected.

Upon receipt of proposals, TCRA staff will develop technical summaries of each proposal to aid in the evaluation process. A selection panel consisting of TCRA staff, a TCRA Board Member, City staff, community members (commercial and/or residential) be provided a package containing each proposal, a technical summary, and a scoring matrix based on evaluation criteria. Panel members review and score proposals, then make recommendations for which proposals to move forward in the selection process.

The TCRA will notify all proposers of the results of the panel's decision. Proposers who are selected to move forward in the process will be required to present their proposals to community members at a public meeting. If a selected proposer is not able to present their project, another proposer may be selected to present in their place or the panel may opt to move only two selections forward.

Presenters will be sent the time, date, and meeting instructions for the public meeting. Each presentation will be followed by an opportunity for proposers to answer questions about their development program. Then, proposers will be asked to leave the meeting and attendees will be invited to debrief and provide input on how closely the proposals align with Public Goals.

The selection panel will meet again to form a recommendation to the TCRA Board on which development project should be selected. The panel's recommendation will be presented to the TCRA Board at a regular public meeting. While the panel may recommend a project, the TCRA reserves the right to deny the panel's recommendation, to select an alternate project for development, or to reject all proposals. Proposers will be notified of the TCRA's final decision.

The selected team will be expected to maintain a certain level of community engagement throughout the project. At minimum, proposers should be prepared to set up a project website tracking ongoing progress.

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# 8. Schedule

Activity	Date	
RFP Released	January 9, 2023	
Site Inspection (RSVP required)	February 7, 2023 1 PM-3 PM	
Applicant Information Session		
Click here to join via Zoom		
Dial In: 253-215-8782	February 15, 2023 @ 1 PM	
Meeting ID: 862 1337 6035		
Passcode: 635364		
Deadline for Submitting Questions on RFP	February 22, 2023	
Full Q&A list posted	March 1, 2023	
Deadline to Request Proposal Folder Link  April 18, 2023 @4 PM		
Proposal Submittal Deadline	April 20, 2023 @ 4 PM	
The following dates are subject to change based on cedhousingdivision@cityoftacoma.c		
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Staff Proposal Review & Technical Summaries	April 24, 2023 – May 22, 2023	
Panel Review of Applications	May 22, 2023 – June 14, 2023	
Community Presentation and Q+A Session	Week of May 22, 2023	
Panel Recommendation Finalized	June 14, 2023	
TCRA Project Selection	July 13, 2023	

# 9. Terms

#### Proposer is Responsible for Independent Due Diligence

The information and documentation provided herein and in the Exhibits is for informational purposes only and is <u>not</u> to be solely relied upon by proposers in the creation of proposals. The TCRA makes no warranty as to information regarding the value, title to, or condition of the property provided herein and proposer acknowledges that it shall have no right to rely on such information. Further, by submitting a proposal, the proposer acknowledges sole responsibility for the independent verification of all property information and for performing independent due diligence of the condition, value, and title of the property.

If the developer is selected and elects to proceed after exercising its due diligence, it shall acquire or take possession of the parcel(s) in "AS-IS" CONDITION.

#### **Inspection Period**

The inspection period for the site is set for a 2-hour window on February 7, 2023 from 1pm - 3pm. As a

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courtesy to the current occupants of the site only a portion of the site will be accessible. If you plan on attending the inspection period please send an email to <a href="mailto:cedhousingdivision@cityoftacoma.org">cedhousingdivision@cityoftacoma.org</a> no later than 4pm on February 3, 2023. Include the following in your email: Agency/Organization, number attending, an email or phone contact, and the anticipated arrival time between 1pm and 3pm (latest arrival time is 2:45).

# Building Permits, Zoning Variances, and Financial Viability

The sale or transfer of the property in no way guarantees or warrants demolition permits, building permits, zoning variances, or financial viability.

# TCRA Rights and Procurement Conditions:

By responding to this RFP, the developer/development team acknowledges and consents to the following TCRA rights and conditions:

- The TCRA shall be the sole judge as to which proposals best meet the selection criteria and reserves the right to appoint and change appointees of the Selection Advisory Commission.
- The TCRA may reject any or all proposals received, to waive any submission requirements contained within this RFP, or to waive any irregularities in any submitted proposal.
- The TCRA may cancel, withdraw, postpone, or extend the RFP in whole or in part at any time without incurring any obligations or liabilities.
- The TCRA may hold meetings and conduct discussions and correspondence with one or more of the developers/development teams or use assistance of outside technical and legal experts and/or consultants in the evaluation process.
- To ensure receipt of any addenda to the RFP, please email: <a href="mailto:cedhousingdivision@cityoftacoma.org">cedhousingdivision@cityoftacoma.org</a>.
- The TCRA may conduct investigations with respect to the qualifications and experience of each proposer or proposal and to request additional evidence to support any claim made in a proposal.
- The TCRA may take any action affecting the RFP process, or the property, that is determined to be in the TCRA's best interest.

#### Confidentiality

All documents submitted to the TCRA are subject to the Washington Public Records Act and, unless exempt from disclosure, must be made available to the public. In no event shall the TCRA, or any of its agents, representatives, employees or consultants, be liable to a Proposer as the result of the disclosure of all or a portion of a proposal submitted under this RFP.

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# **Exhibits**

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# Exhibit 1

# 3561 Pacific Mixed-Use Site Analysis and Evaluation for Siting a Small- to Mid-Size Food Store or Food Bank

# I. Disclaimer

All data included in this analysis is subject to the following disclaimers:

- Information has been collated in good faith from various sources, including interviews, databases, and regional policy.
- This report is for information only. Business or investment decisions should not be based solely on the information presented in this report. The Tacoma Community Redevelopment Authority will not be responsible for any losses incurred by users because of decisions made based on any information included in this report. Costs of any due diligence or verification of information regarding the property will be at the proposer's expense.
- We do not guarantee or take responsibility for the accurateness, completeness, reliability, or usefulness of any information. Opinions expressed in the report are based on prevailing market and policy research and is subject to change.

# II. Site Information

Address: 3561 Pacific Avenue, Tacoma, WA 98418

Pierce County Tax Parcels: 7470021282

<u>Legal Description</u>: THE WEST 288.36 FEET OF BLOCK 70, AMENDED MAP OF FIRST SCHOOL LAND ADDITION TO THE CITY OF TACOMA, ACCORDING TO PLAT FILED FOR RECORD JULY 2, 1903, IN THE OFFICE OF THE COUNTY AUDITOR, IN CITY OF TACOMA, PIERCE COUNTY, WASHINGTON. EXCEPT THE SOUTH 200 FEET THEREOF.

Land Status: Vacant Land

Area: 126,209 Square Foot Site (approx. 2.8974 Acres)

<u>Land Use Designations</u>: 3561 Pacific is designated as a Crossroads Center. The Crossroads Center is a concentration of commercial and/or institutional development that serves many nearby neighborhoods and generally includes a unique attraction that draws people from throughout the city. It is directly accessible by arterials and local transit. Pedestrian accessibility is important within the center, but because of its focus on larger scale commercial development, the crossroads center continues to provide for automobile parking.

The property is in a Community Commercial Mixed-Use (CCX) zoning district. CCX has a **minimum density** requirement of 40 residential units/acre for properties fronting Pacific Ave. The primary use and development standards for CCX are found in TMC 13.06.040. Development in the CCX will also be subject to landscaping and design standards found in TMC 13.06.090 and TMC 13.06.100, respectively.

Pacific Avenue is a designated Core Pedestrian Street (TMC 13.06.010) and residential units are prohibited at street level along the Pacific Avenue frontage. Limited work-live and residential amenity space may be provided, and the remainder of the frontage must be commercial space (retail, office, restaurant).

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Uses: Broad commercial use category, subject to design and development standards.

Minimum Lot Area: None Maximum Height Limit: 60 feet – up to 75 feet

with bonuses

Minimum Lot Width: None Front Yard Setback: None

Side Yard Setback: None Rear Yard Setback: None

Maximum Setback: 10 feet on pedestrian streets Floor Area (FAR): None, except 45,000 square foot

maximum for retail uses. Retail uses are allowed to be larger than 45,000 square feet but must

obtain a Conditional Use Permit.

### References:

<u>Tacoma Permits</u> <u>One Tacoma – Comprehensive Plan</u> <u>Tacoma Municipal Code</u>

# **Topography and Environmental Constraints**



A Phase 1 Environmental Site Assessment, Geotechnical Engineering Report, and Soils and Hydrology Report are available in Exhibit 2.

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#### **Neighborhood Description**

Adjacent uses include greenspace, residential and commercial properties. To the north of the property is South Downtown area, which includes the newly redeveloped Brewery Blocks, offering 200+ residential units at completion and the University of Washington Campus. Also to the north is the Thea Foss Waterway, which is home to approximately 236 residential units with another potential 330 units in the pipeline.

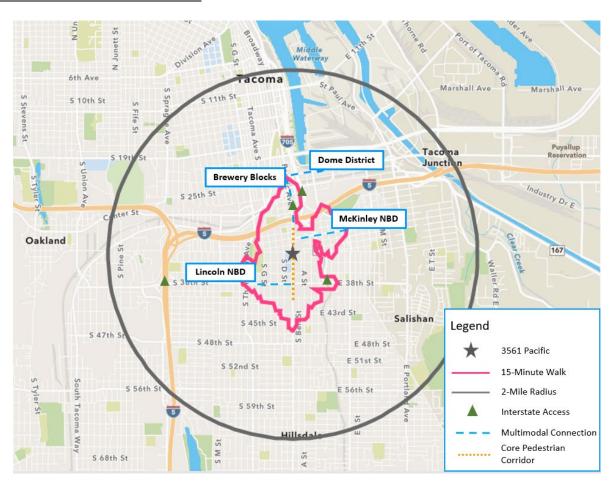
The Dome District is less than a five-minute drive away, which is the region's largest multi-modal hub. As one of the Tacoma station areas for Sound Transit's light rail expansion. The Dome District is on the verge of absorbing a significant residential population, where 152 units were recently completed and another 344 are planned.

Two neighborhood business districts are also within walking distance of the property. The McKinley Business District contains a mix of older and more recently completed multifamily properties are complimented by several retail, restaurants and bars, and community assets. The Lincoln District is home to long-time, family-owned businesses, including several international groceries.

#### **Transportation Access**

The 3561 Pacific property is located just south of I-5 and I-705. It is easily accessible from the State Route 7 spur and the 38<sup>th</sup> Street/I-5 interchange. The property is served by Pierce Transit's Route 1 with a stop located at each end of the 3500 block. It is also on a key corridor in the planned Bus Rapid Transit System.

#### **Neighborhood Access and Connections**



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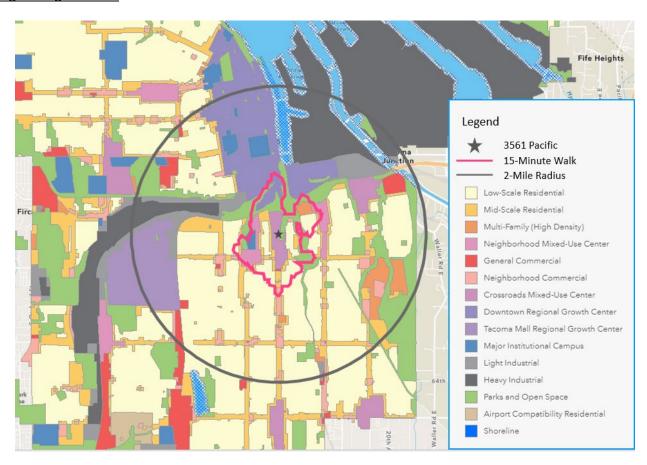
# III. Planning Underway and Future Conditions

Several local and regional planning processes are underway that will have significant influence on the future conditions at the site. Investment in infrastructure, public transportation, and outreach in the immediate neighborhood will support future developments and will also offer ongoing community engagement opportunities to the selected proposer to align their outreach efforts to residents and the design/recruitment for mixed-use component of 3561 Pacific.

#### Home in Tacoma

In 2021, the Tacoma City Council adopted Home in Tacoma – Phase 1, which directed staff to make amendments to the One Tacoma Comprehensive Plan and land use code increasing density along multiple corridors throughout the city. New residential designations will allow for construction of "missing middle" housing types, such as duplexes, triplexes, cottage housing, and small multifamily developments along with single-family housing. The package also includes incentives for the development of affordable housing (see Incentives) and establishes a conditional use permit process offering greater flexibility for nonresidential sites in residential zoning districts. Home in Tacoma – Phase 2 is currently underway. This scope includes implementing zoning changes for Low-scale and Mid-scale Residential designations, reviewing design standards, and develop a coordinated anti-displacement strategy. The map below indicates new land use scenario, which will allow more residential growth near the site and foster future support for its mixed-use component. Email <a href="mailto:homeintacoma@cityoftacoma.org">homeintacoma@cityoftacoma.org</a> to receive updates and/or submit comments and questions.

### **Neighboring Land Use**



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#### Pacific Avenue Subarea Plan and Environmental Impact Statement

Beginning in late 2022, the City of Tacoma will be initiating Picture Pac Ave, a subarea planning process for the Pacific Avenue Corridor. The plan will result in a long-term vision for growth and development that will guide future investments along the corridor from approximately I-5 to South 96<sup>th</sup> Street. Elements of the plan will touch on a variety of topics complimenting the future 3561 Pacific mixed-use development, including:

- Enhancing multimodal connections
- Identifying opportunities for aligning new developments with infrastructure needs
- Identifying strategies for anti-displacement
- Streamlining project-level impact review and permitting processes through preparation of a Planned Action Environmental Impact Statement

#### <u>Public Transportation Investments</u>

Pierce Transit is planning to upgrade its current route 1, which runs along Pacific Avenue from Spanaway to downtown Tacoma, with increased service frequency and multimodal transportation improvements. The new bus rapid transit STREAM line will have a station immediately north of the site at 34<sup>th</sup> and Pacific. With approximately 55,000 residents and 35,000 jobs, this route is currently Pierce Transit's highest ridership corridor and is only projected to grow. Construction will begin fall of 2024 and service is expected to begin in early 2027. About a mile away, the Tacoma Dome District is the planned location for an improved station area on Sound Transit's expanding regional light rail system. The station area is an important focus of the region's transit-oriented development planning that is already bringing additional residential and commercial growth to the immediate district and its surrounding neighborhoods. Just north of the site, an eight-story mixed use project is planned for construction in early 2023 that will bring an additional 119 residential units to the immediate site vicinity

## IV. Incentives

#### Tacoma Permits Affordable Housing Permit Program

Housing projects with 10 or more affordable housing units may be eligible for expedited permitting and/or predevelopment fee waivers. Eligibility requirements apply.

For more information, contact Dustin Lawrence | 253-591-5620 | dlawrence@cityoftacoma.org

#### City of Tacoma Business Financing

The City of Tacoma can assist you in obtaining financing for your start-up, business expansion, build out, and other working capital needs. Loans range from \$5,000 - \$5 million (based on fund availability). For more information, contact Dierdre Patterson | 253-591-5621 | dpatterson3@cityoftacoma.org

#### Multifamily Tax Exemption Program

Eligible projects can apply for 8-, 12-, or 20-year property tax exemptions based on the level of affordability provided. For more information, contact Debbie Bingham | 253-591-5117 | dbingham@cityoftacoma.org.

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# V. Evaluation of 3561 Pacific for Locating a Food Store or Food Bank

Healthy food access is an important service delivery for future residents of 3561 Pacific. Concerns have been expressed by the community and members of the TCRA that lack of vehicle access may pose challenges for residents accessing grocery stores, especially households with children. While many amenities are accessible from the site and its surrounding neighborhoods, fresh food access is harder to reach without a car or multiple bus trips.

Besides the need for healthy food access for residents of affordable housing developments, co-location of a grocery store/market or food bank would be a welcome benefit for the entire neighborhood. The efficiencies they create can more than offset the time invested in forming a unified vision for the project. With clear social, economic and environmental benefits, they are often an easier sell to those who would otherwise oppose affordable housing in their backyard."

Finally, its central location in a mixed-use center that is planned as a destination for surrounding neighborhoods adds to its viability as a location to support a fresh food store.

# A. Trade Area and Existing Grocers

Convenience plays an important role in attracting and retaining customers for food stores. Most sales will be generated by customers living or working relatively close to the 3561 Pacific Avenue property. Citywide livability goals support compact, complete neighborhoods where daily services can be accessed in a 20-minute walk. Due to the number of physical barriers near the site (ie hills, swathes with no traversable thoroughfares, etc.), we have limited the Primary Trade Area to a 15-minute walkshed. This has the potential to attract customers using multimodal transportation options including such as bikes, electric scooters, or rideshare.

The Secondary Trade Area is a 2-mile radius of the site. This captures daytime employees and districts with significant, future residential growth who may also drive to the site due to its convenience. This area captures a 10-minute drive and food store competitors serving both trade areas.

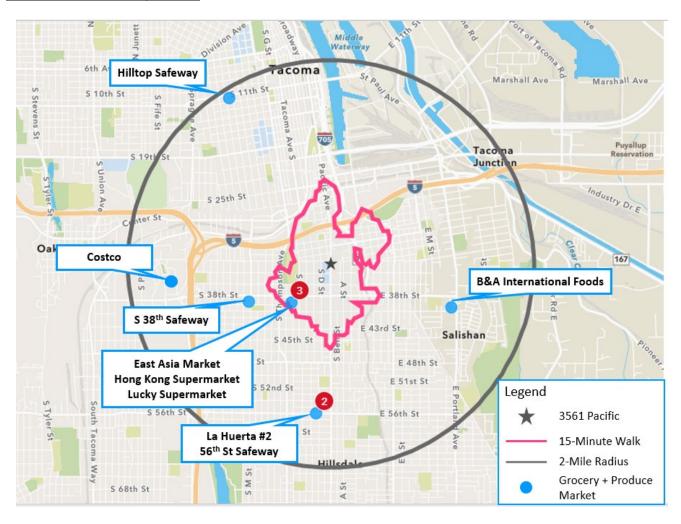
Within the Primary Trade Area, there are three food stores offering fresh produce. These three locations are clustered in the southeast area of the 15-minute walkshed and may not conveniently serve the entire Primary Trade Area, especially families with children.

There are nine stores offering fresh produce in the Secondary Trade Area. The majority of these serve residential neighborhoods to the east, south, and west of the 3561 Pacific Property. There are inadequate fresh food options for neighborhoods to the north of the property, South Downtown and the Dome District, which are planned to absorb major residential growth. There are also inadequate fresh food options to accommodate the daytime population, which includes workers who may seek convenient food options during lunch hours or on their commute home.

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# **Trade Areas and Existing Grocers**



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#### B. Food Store Customer Potential

#### Household and Food Spending

Variable <sup>1</sup>	Primary Trade Area	Secondary Trade Area	Tacoma
2022 Population	4,767	61,200	222,535
2022 Housing Units	2,072	24,246	93,466
2022 Household Size	2.33	2.53	2.43
2022 Percentage of	21.4%	26.3%	25.3%
Households with			
Children <sup>2</sup>			
2022 Median Age	38.8	35.5	37.2
2022 Median	\$55,951	\$64,795	\$75,796
Household Income			
2022 Percentage of	58.9%	58.8%	58.7%
Total Food Spending on			
Food at Home			
2022 Aggregate	\$14,758,535	\$189,965,342	\$891,382,110
Household Income			
Spent on Food at Home			
by Trade Area			
2027 Housing Units	2,168	25,558	96,598
2027 Median	\$68,229	\$78,181	\$91,622
Household Income			
2027 Aggregate	\$19,299,858	\$241,938,132	\$1,087,035,055
Household Income			
Spent on Food at Home			
by Trade Area			

<sup>&</sup>lt;sup>1</sup> Unless otherwise noted, Esri Consumer and Demographic Data extracted from Business Analyst Online, August 2022.

#### Household and Food Spending Observations

- The number of housing units in the Primary and Secondary Trade Areas are projected to grow at a higher percentage than greater Tacoma (.05%). This is attributable to 3561 Pacific's proximity to existing Downtown and Tacoma Mall Regional Growth Centers, and the Port of Tacoma Manufacturing/Industrial Center, which advance local planning for centralized residential and job growth. (*Puget Sound Regional Council, Vision 2050*)
- Households with children younger than 18 years of age is slightly higher in the Secondary Trade Area than in greater Tacoma. Households with children are more likely to trip-chain or incorporate shopping trips into other daily activities like work, school, etc., and may be traveling by car for that reason. A lack of fresh food options for residents in South Downtown and the Dome District indicates a potential to attract these customers.
- The Primary Trade Area has a slightly lower percentage of households with children younger than 18 years of age than the Secondary Trade Area or Greater Tacoma. This may indicate a slightly higher expendable income and less need to trip chain or travel by car.

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<sup>&</sup>lt;sup>2</sup> 2016-2020 American Community Survey 5-year, extracted August 2022.

- Median income in the Primary Trade Area is projected to grow at a slightly higher rate (21.9%) than the Secondary Trade Area (20.7%) or Greater Tacoma, at (20.9%).
- Spending on food is slightly higher in the Primary Trade Area.
- Percentage of spending on food at home is projected to grow at a higher rate in both the Primary and Secondary Trade Areas (130.8%, 127.4%) than greater Tacoma (121.9%).

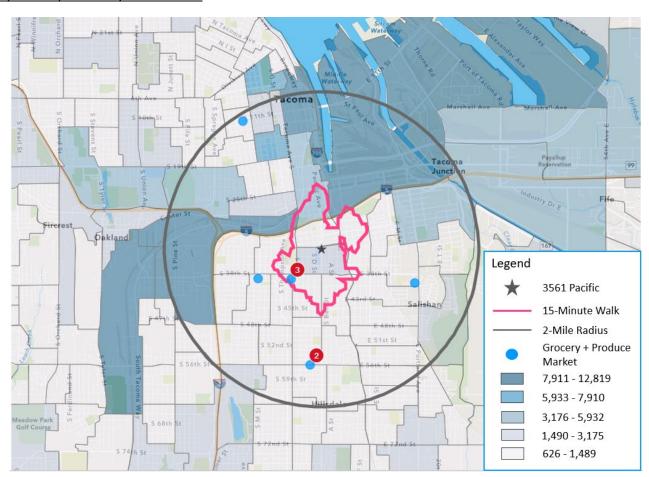
#### Population

Daytime Populations reflect significant employee activity in South Downtown and at the Port of Tacoma. As the 3561 Pacific property is served by several major transportation routes (See Traffic Patterns), there is high potential for these populations to be categorized as convenience shoppers as well.

Variable <sup>1</sup>	Primary Trade Area	Secondary Trade Area	Tacoma
2022 Total Population	4,767	61,200	222,535
2027 Population	4,898	63,681	229,016
2022 Population Per			
Square Mile	4914	4871	4476
2027 Population Per			
Square Mile	5,049	5,069	4,607

<sup>&</sup>lt;sup>1</sup> Esri Population Data extracted from Business Analyst Online, August 2022

#### **Daytime Population by Census Tract**



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# Significant Employers within Trade Area

Several public and privately owned facilities with substantial employee bases are located within the immediate vicinity of 3561 Pacific. The number of employees based in those facilities are reflected in the table below:

Employer	Approximate Number of Employees		
Tacoma-Pierce County Health Department	300		
South Sound 911	237		
Pierce County Facilities	135		
South Sound Credit Union	95		

### **Traffic Patterns**

- 10-11,000 vehicles pass the site each day. Similar traffic counts are recorded near small-format grocers in other parts of the city.
- Within a five-minute drive, there is an I-5/I-705 entrance that serves 42,000 vehicles per day. Just south of the property at 38<sup>th</sup> and Pacific Avenue, daily traffic counts reach 18,000.
- Unless otherwise noted, Kalibrate Technologies Q1 2022 traffic counts were extracted July 2022 from Esri. Select traffic counts are included in the map to reflect traffic routes towards the site.

# C. Examples of Local Small- and Mid-scale Food Stores in Tacoma

Business	Owns or Leases	Phone	Address	Est. Square Footage	Employees	Annual Sales	Opened
Cappy's Produce	Leases	253-503-1576	1232 72 <sup>nd</sup> Street E, Tacoma, WA 98404	5,350	4	\$190,739	2009
La Huerta #2	Leases	253-474-1645	5605 Pacific Avenue # B, Tacoma, WA	10,040	3	\$869,000	2007
Marlene's Market & Deli (Tacoma)	Leases	253-472-4080	2951 S 38 <sup>th</sup> Street, Tacoma, WA, 98409	14,480	45	\$14,476,000	1996
Met Market (Tacoma)	Leases	253-761-3663	2420 North Proctor Street, Tacoma, WA, 98406	28,830	200	\$11,830,000	1995
Stadium Thriftway	Leases	253-627-8275	618 N 1 <sup>st</sup> Street, Tacoma, WA, 98403	12,870	65	\$7,975,510	1967
Tacoma Boys (Tacoma)	Owns	253-756-0902	5602 6 <sup>th</sup> Avenue, Tacoma, WA 98406	10,390	25	\$1,894,632	1985

Sources: City of Tacoma DART Map, Pierce County Assessor-Treasurer Information Portal, AllBiz United States Business Directory

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#### D. Local Food Banks

Tacoma/Pierce County food bank locations and contact information can be found at the Emergency Food Network's website, <u>linked here</u>.

Ideal size for a food bank with a self-serve model is 4,000-5,000 square feet. This would accommodate the necessary space for freezers, refrigeration, and walk-in chillers and dry storage for inventory. Other space needs include an indoor waiting area and space for partner agencies to provide wrap-around services such as rental assistance, vaccinations, cooking demonstrations with ingredients commonly found in food banks, etc. Sites should be located in areas that provide ingress/egress for delivery trucks, access to public transportation, sidewalks, and American Disability Act-compliant pathways.

A recent study completed by University of Washington Tacoma in partnership with Nourish Pierce County provided guidance on how Pierce County food banks can shift their sourcing and service models to become responsive to diverse food preferences, languages, and religious and/or cultural norms. These best practices may be taken into consideration if the respondent elects to partner with a food bank in their mixed-use strategy.

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# Exhibit 2

# Links to Environmental Reports

# Phase 1 ESA 3580 and 3561 Pacific Ave E Tacoma 060813\*

\*Combined report for two parcels. Note that data describing 3561 Pacific refers to it as '282, its abbreviated parcel number.

**Geotechnical Engineering Report** 

Soils and Hydrology Report

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