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City of SeaTac

Strategic Real Estate Plan Report

January 2022

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Executive Summary, Introduction & Overview

EXECUTIVE SUMMARY

This report summarizes the work that Heartland has completed to provide the City of SeaTac with an examination and analysis of its existing real estate portfolio and real estate-driven policies, and a strategic framework to effectively help the City leverage its real estate in support of these policy objectives. Heartland performed this analysis on behalf of the City, and has recommended this framework to facilitate decision making among city staff and elected officials. The work was divided into three phases: (1) a review of existing City policy as it relates to real estate, (2) a review of the City's existing real estate portfolio, and (3) creating an strategic framework for implementation to guide the City's decision making process with regard to real estate. Further details on each of these phases is provided in this report.



INTRODUCTION

The City of SeaTac ("City") engaged Heartland LLC as a consultant to help establish a strategic real estate plan for the City. At the time of engagement, the City had previously adopted numerous policy and planning documents but lacked a strategic evaluation of the City's current real estate portfolio and a framework for how the City should utilize and transact real estate to support its policy objectives. The City identified the need to have this framework in place to guide the City's evaluation and prioritization of real estate opportunities when they present themselves, in order to be able to efficiently make decisions related to those opportunities.

PURPOSE OF THIS PLAN

The purpose for this plan is to create a strategic framework for the City to evaluate its real estate portfolio. It will examine existing policies, local and regional trends, and the constraints of existing City-owned properties, and use them as a lens through which the City can review its existing portfolio to identify strengths and gaps. Additionally, this framework is intended to help create a process to guide future acquisitions and other real estate decisions to enable the City to utilize real estate to achieve its policy objectives.

WHAT THIS PLAN IS

- An existing conditions (2021) review, consisting of the following:
 - Examination of existing City of SeaTac policies to identify those relevant to real estate
 - Analysis of the City's existing real estate portfolio, both owned and ground leased
 - Review of City- and region-specific reports to identify currently relevant real estate and economic trends
- A Process Framework for the City of SeaTac to analyze, evaluate, decide on, and implement actions pertaining to real estate opportunities.

WHAT THIS PLAN IS NOT

- A fixed analysis. The policies, portfolio, and trends reviewed in this plan are a snapshot of current conditions to provide a guide as to how this review can be conducted and updated in future years
- A prescriptive plan that tells the City of SeaTac what real estate to acquire, dispose of, or improve
- A new policy document

SCOPE OF WORK

The Heartland scope of work for this project was divided into three phases:

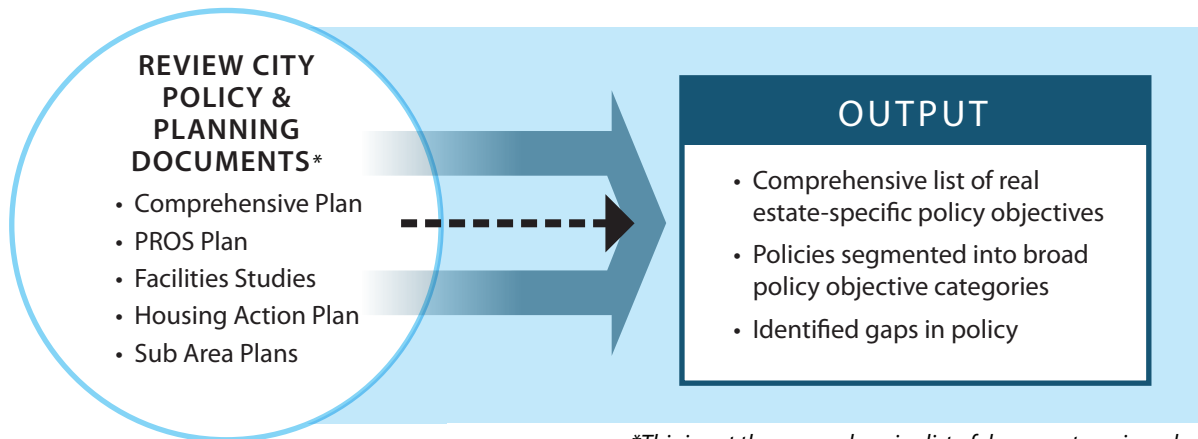
PHASE ONE - Assess and Analyze

In Phase One, Heartland analyzed the City’s existing policy documents as well as the existing real estate portfolio. The policy documents were reviewed to identify policy goals and priorities that could be furthered through the strategic use of real estate. These policy goals and priorities were grouped together into broad categories of policy objectives.

Following this review, Heartland evaluated the existing real estate portfolio, taking into account how the portfolio aligned with the broad categories of policy objectives identified following the review process. Each property was reviewed individually and also viewed through the lens of major economic trends and regional plans as they directly impact the built environment and real estate in the City of SeaTac.

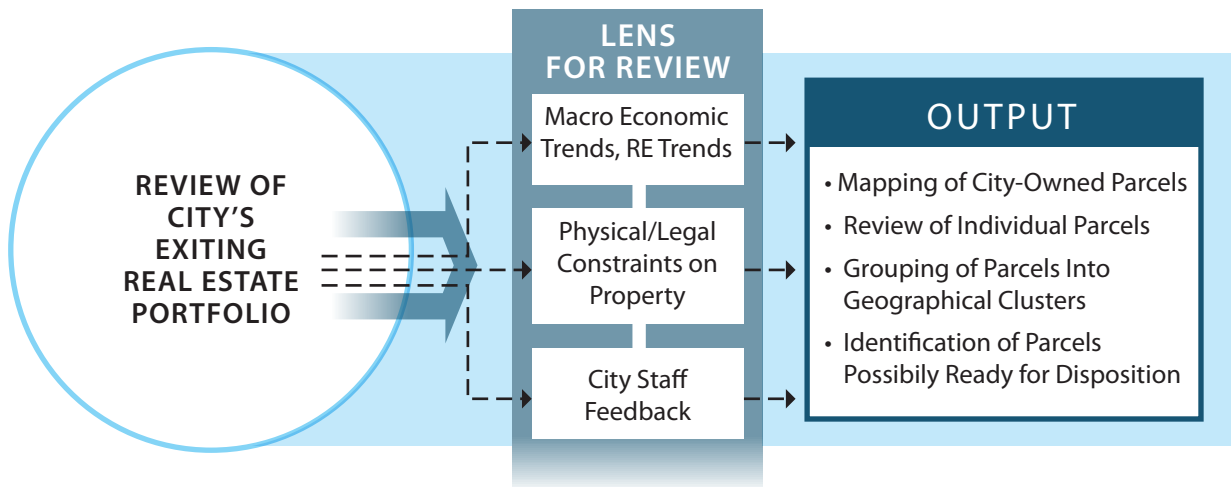
EXHIBIT A – PHASE 1

PHASE 1 TASK 1 - Identify and outline Current Policy/Goals



**This is not the comprehensive list of documents reviewed*

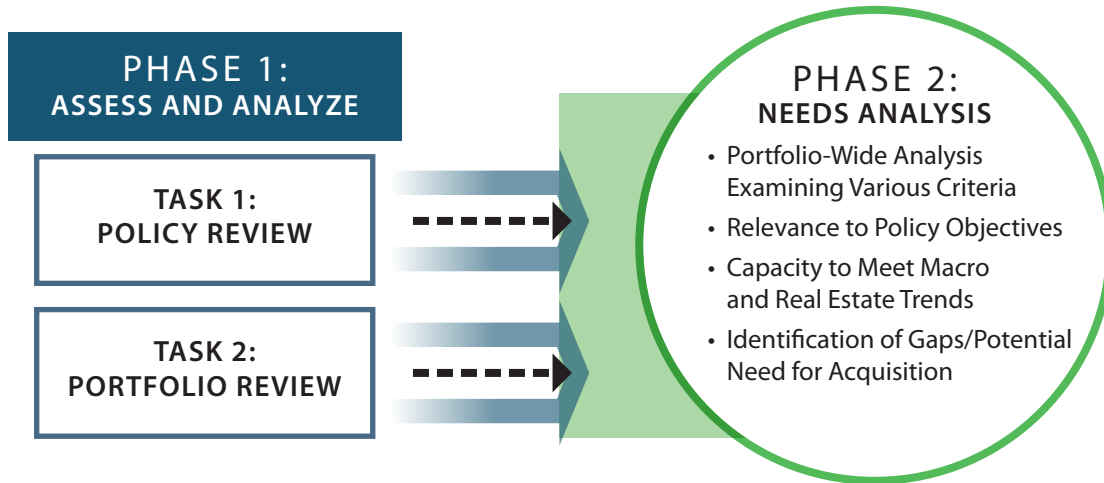
PHASE 1 TASK 2 - Real Estate Portfolio Review



PHASE TWO - Formulate Needs Analysis

In Phase Two, Heartland built a framework to evaluate the strengths as well as the needs/existing gaps in the real estate portfolio as it relates to the portfolio's capacity to achieve adopted policy objectives.

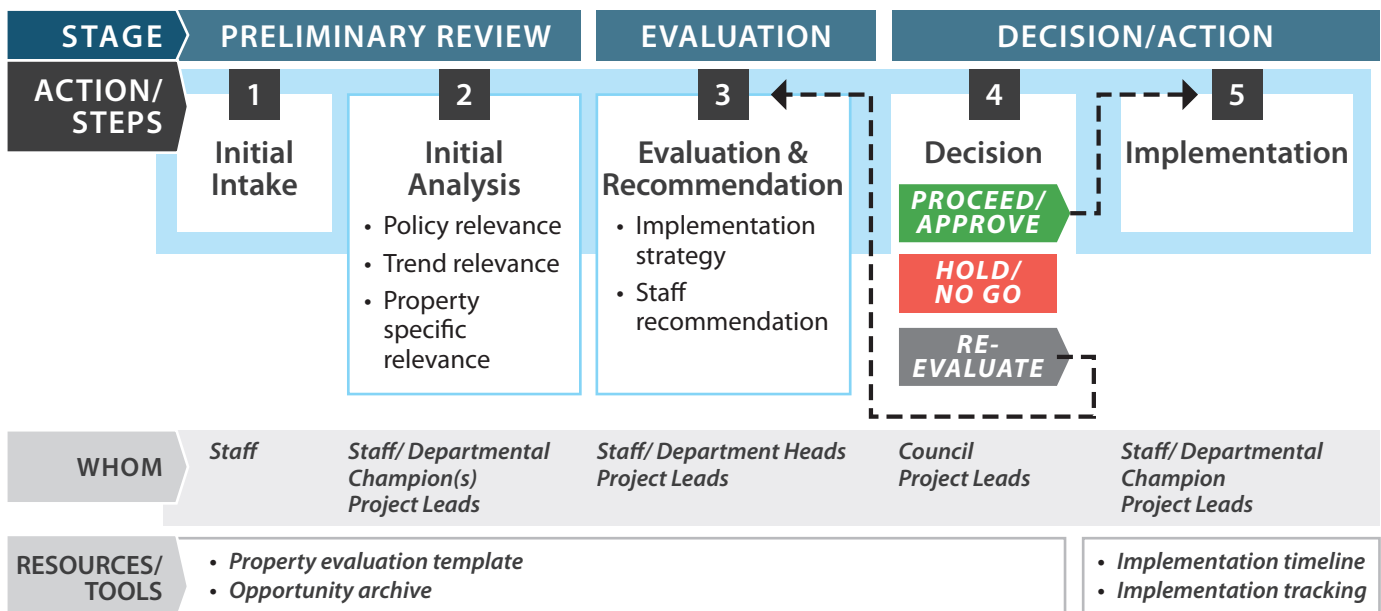
EXHIBIT B – PHASE 2



PHASE THREE – Implementation Framework - Funding & Transactional Strategy

In Phase Three, Heartland worked with City staff to understand the City's existing process for evaluating opportunities and identified specific methods to improve upon this existing process. This proposed Implementation Framework leverages work from Phase One and Phase Two in order to enhance the existing process to empower City staff and legislators to make better informed decisions regarding the City's real estate. It is also not designed to be prescriptive or to recommend specific opportunities or properties that the City is currently evaluating, but to offer the City a process to make informed decisions anchored in policy objectives.

EXHIBIT C – PHASE 3



Real Estate Goals & Policies

APPROACH

Heartland reviewed existing policy documents that were provided by the City staff, with the purpose of identifying existing policies that support the use of real estate. A full list of the documents reviewed can be found in the Appendix on page 37.

From this review, Heartland identified policy objectives relevant to real estate or that will require the use of real estate in order to be achieved. These objectives were compiled into a policy matrix and further refined into broad policy objective categories in which real estate plays a key role. (See Table 1) More detailed descriptions of the objectives are provided in the Policy Relevance section on pages 12-19.

TABLE 1 - POLICY OBJECTIVE CATEGORIES








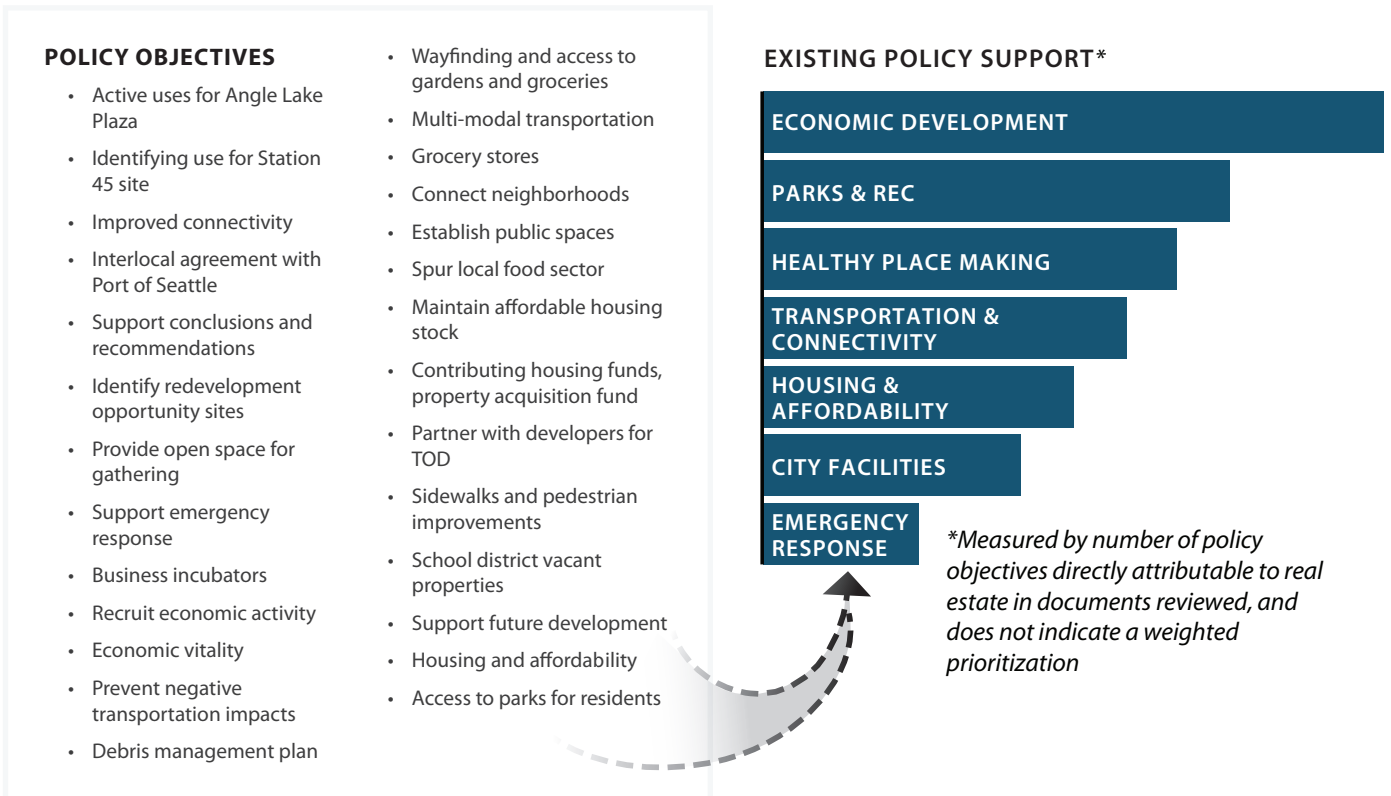
	Economic Development
	Parks and Rec
	Housing and Affordability
	Transportation/Connectivity
	Emergency Response
	City Facilities
	Healthy Placemaking

Table 1 above shows the seven broad categories of policy objectives that have a strong link to real estate that Heartland identified within existing City policy and planning documents from relevant departments within the City. Grouping the policy objectives into broad categories allows for a methodology to assess and map how existing policy objectives are supported by existing policy as it pertains to real estate. See Exhibit D as an illustrative example of the process by which the numerous policy objectives were sorted into policy objective categories, as well as the frequency each were mentioned in the reviewed documents.

EXHIBIT D: CHART AND PROCESS EXAMPLE



FINDINGS: POLICY STRENGTHS AND GAPS

AREAS OF STRENGTH:

- **Parks and Recreation:**
City policy documents, particularly the Parks, Recreation, and Open Space (PROS) Plan, provide strong support for a significant amount of real estate to be used for parks and public works, with specific criteria such as level of service and geographic priorities to guide future acquisitions
- **Healthy Placemaking:**
City policy documents contain several specific suggestions for ways to use City-owned real estate to improve placemaking
- **Economic Development:**
The City has clearly stated a priority to use City-owned real estate to support economic development
- **Partnering Opportunities:**
Support exists for City cooperation with Highline School District, the Port of Seattle, King County, and Sound Transit to leverage real estate opportunities where multiple public interests are aligned

POLICY GAPS:

- **Acquisition Strategies:**
Lack of policy guiding acquisition strategies (including acquisition criteria, funding methods, and transaction methods)
- **Disposition Strategies:**
Lack of policy guiding disposition strategies and processes
- **Housing and Affordable Housing:**
Lack of clarity around how City should or should not use City-owned real estate in support of market-rate or affordable housing
- **City Facilities/Civic Uses:**
Lack of clarity around how City-owned real estate should be used to support City facility needs or support City operations and broader impacts on community and economic development

Relevant Trends

In addition to reviewing adopted City policy and planning documents from the relevant departments within the City, the City and Heartland recognized the importance of evaluating current regional trends and how they impact real estate in the City of SeaTac. Heartland reviewed several plans across the Puget Sound Region, as well as plans provided by the City of SeaTac, to better understand their direct and indirect impacts on the existing City real estate portfolio and to inform strategy formulation. This report does not focus on a deeper dive into the research around these trends and plan. Rather, this report leverages existing research and data to summarize at a high-level the trends that are currently impactful on real estate and that should be monitored on an ongoing basis. The following trends are captured in this report:

- **Commercial Real Estate Trends**
- **Airport Economic Impacts**
- **Housing Supply/Demand Gap**
- **Parks and Recreation Trends**
- **Transit and Commuting Trends**

COMMERCIAL REAL ESTATE TRENDS

- Multifamily development market benefiting from growing demand in SeaTac
- Retail shows strong occupancy at 97.7%, but market support for new retail is likely limited
- SeaTac's office market is stable but unlikely to grow rapidly from speculative development
- Industrial uses in SeaTac benefit from strong market support, likely due to the benefits of co-location with the airport
- High-rise construction, although allowed in designated areas, is not likely to be financially feasible in the near term due to current market rents

Sources:

- *SeaTac City Center Economic Opportunities Review (revised) Memo; E.D.Hovee; 11/9/2019*
- *S. 200th St. Corridor Market Opportunities and Growth Scenarios; CAI; 03/2021*

AIRPORT ECONOMIC IMPACT

- Of approximately 35,000 jobs in the City, 26,300 jobs are supported by the Airport, representing 75% of employment in SeaTac
- 1,050 airport employees live in SeaTac, or 7.1% of labor force working at airport
- \$6.4 Billion in economic activity, or 34% of SeaTac's GDP is generated by airport-related activities
- Generates million's of dollars in local taxes, historically around one third of all taxable sales in the City of SeaTac
- \$1.7 Billion in total compensation
- From 2014-2019 total passenger volume grew by 14 million, a 38% increase
- COVID paused this trend, but parking revenues from park and fly operations returning to pre-pandemic levels

Sources:

- *Sea-Tac International Airport Economic Impacts (revised); CAI; 8/2018; [180808_CAI_sea_tac_airport_economic_impacts.pdf \(portseattle.org\)](#)*
- *City of SeaTac CED*

RELEVANT TRENDS

HOUSING SUPPLY/DEMAND GAP

- Since 2012:
 - Home prices have risen 119%
 - Rents have risen 48%
 - Incomes have risen 29%
- Housing costs in SeaTac have risen more slowly than the King County average
- Rents have risen in SeaTac, and are closely aligned with rents in other South King County cities
- Development costs have risen at the same rate as the rest of King County
- Demand for homes in the highest and lowest income brackets is exceeding supply

Sources:

- *SeaTac Housing Action Plan (Draft); City of SeaTac, Berk Consulting, MAKERS; 5/2021*

PARKS AND RECREATION TRENDS

PROS Plan identified the following as priority needs for SeaTac residents:

- Indoor activities (i.e. gym, swimming)
- Community events
- Classes/programs for seniors/adults
- Outdoor activities

PROS Plan identified the following as programming for SeaTac residents:

- Play Opportunities and Trails
- Social Activities and Gatherings/Events
- Increase in need for park space for seniors and children

Sources:

- *PROS Plan – 2020 Plan Amendments; City of SeaTac; 11/2020*

TRANSIT AND COMMUTING TRENDS

- Regional transit ridership growth increased by 19% in 2018, fastest among the top urbanized areas across the nation
- Ridership has been lower at South King County Transit stations; King County pilot testing VIA to Transit to increase access to transit in select communities through this shuttle service
- COVID had a greater impact on coastal transit metros, such as Seattle. National demand dropped by about 73% at the onset of the pandemic
- One year later Seattle area ridership remained 72% lower than at the onset of the pandemic in February 2020

Sources:

- *Puget Sound Trends – The impact of Covid-19 Pandemic on Park-and-Ride and Transit; PSRC - [Puget Sound Trends: The Impact of the Covid-19 Pandemic on Park-and-Rides and Transit – July 2021 \(psrc.org\)](#)*
- *King County – VIA to Transit - [Via to Transit - King County Metro Transit - King County](#)*
- *“The impacts of COVID-19 pandemic on public transit demand in the United States”; Liu, Luyu et al.; PLOS ONE; November 18, 2020; <https://doi.org/10.1371/journal.pone.0242476>*

Portfolio Review & Needs Analysis

PORTFOLIO REVIEW PROCESS

Heartland began its review of the City's real estate portfolio by examining each of the 42 properties noted in the existing data provided by the City. Additional information was also obtained from the King County Assessor records, and the City-owned/controlled properties were mapped to provide geographical context.

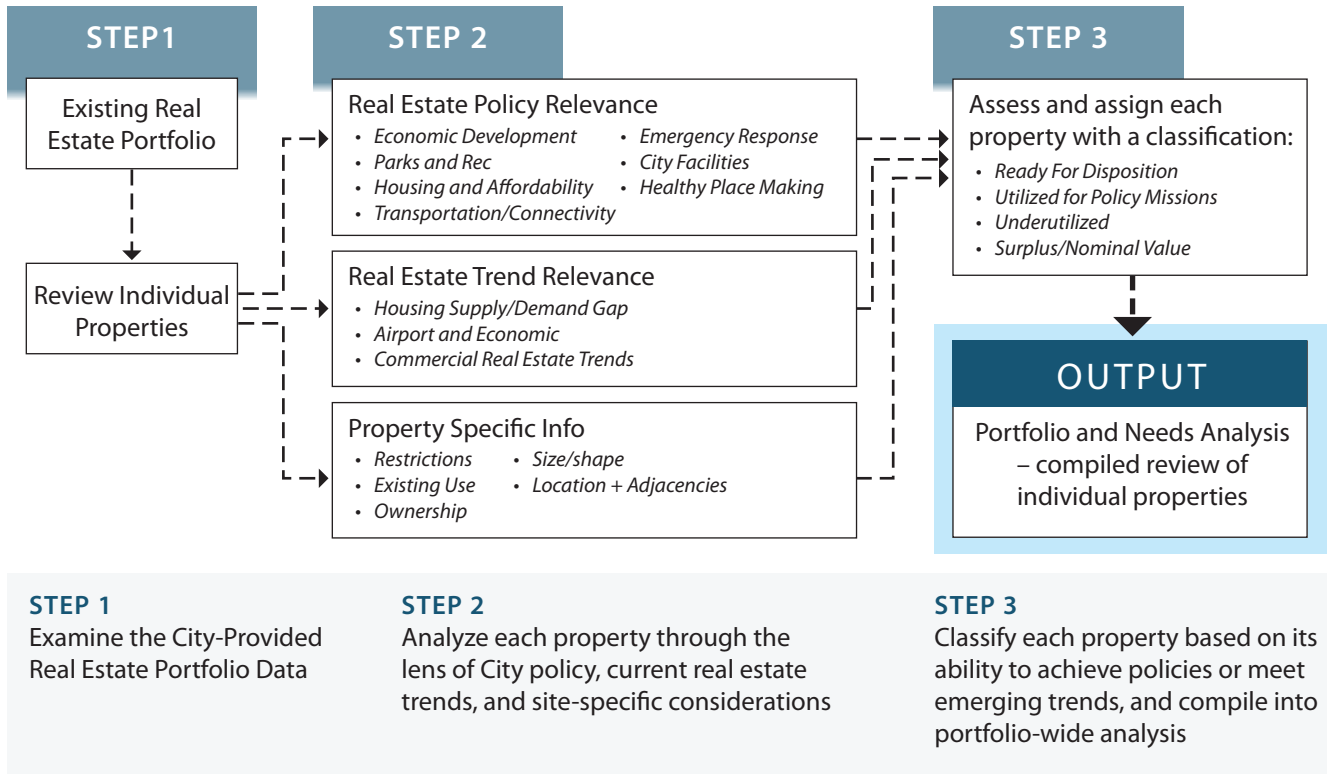
The City-owned/controlled properties were then analyzed through the following lenses: (1) each property's specific attributes; (2) each property's relevance to real estate-relevant policy (through the policy objective categories identified in Phase One, Exhibit A); and (3) through relevant real estate plans, planning documents, and trends impacting the City.

Finally, each property was classified based on its potential to achieve policy goals or meet emerging trends. To classify the properties, each one was assigned one of four following strategic classifications:

	Disposition:	Properties either currently being actively marketed or that have been identified by the City as candidates for likely sale.
	Underutilized:	Properties identified as having value but not maximizing support of a City mission or policy objective. These properties are of significant scale and have the potential to be improved or sold to support the City's mission or policy objectives. Some of these are large parcels that have restrictions or other issues currently preventing redevelopment or other property improvements. In these instances, Heartland has assumed that certain policy objectives such as increasing connectivity or enhancing parks and recreational usage could potentially be achieved. Upon further property specific review and feedback from City staff, these parcels may be reclassified as Surplus/Nominal Value. Eleven properties were classified as underutilized, totaling 22.2 acres across the portfolio.
	Mission:	Properties identified as in service or support of City missions or policy objectives. These properties may also present opportunities to further advance mission or policy objectives. Most of the portfolio by area (87%) is classified as Mission properties, largely due to parks and recreation land.
	Surplus/Nominal Value:	Small properties, often with irregular shapes and/or use restrictions or other encumbrances. These properties have nominal economic value, and are unlikely to achieve mission or policy objectives.

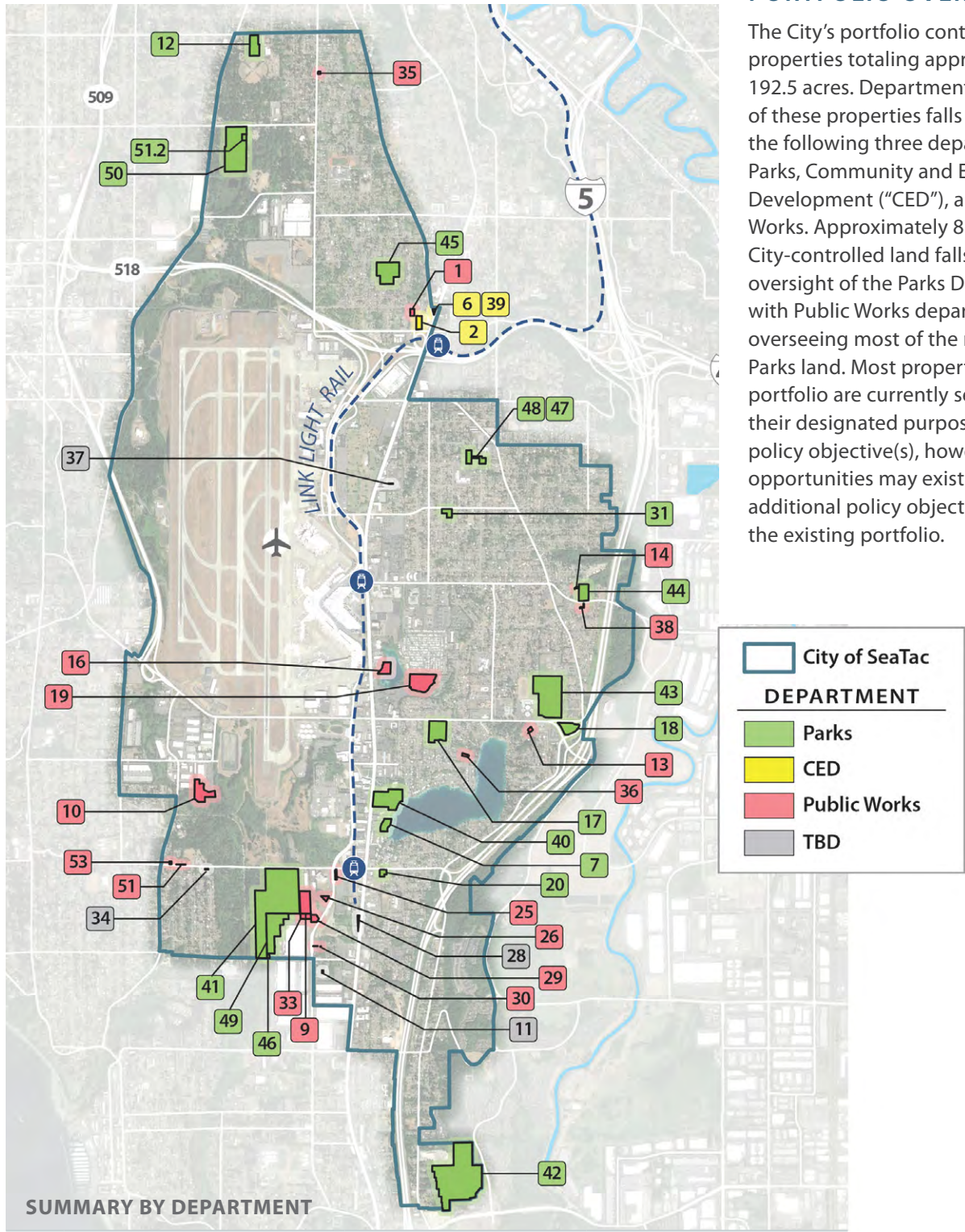
Heartland then compiled the classifications and previous analyses to generate a portfolio-wide analysis. This portfolio-wide analysis provides insight to the patterns and dispersion of the City’s real estate holdings and its strategic positioning. The following diagram (Exhibit E) illustrates this portfolio review process.

EXHIBIT E: PORTFOLIO REVIEW PROCESS



PORTFOLIO OVERVIEW

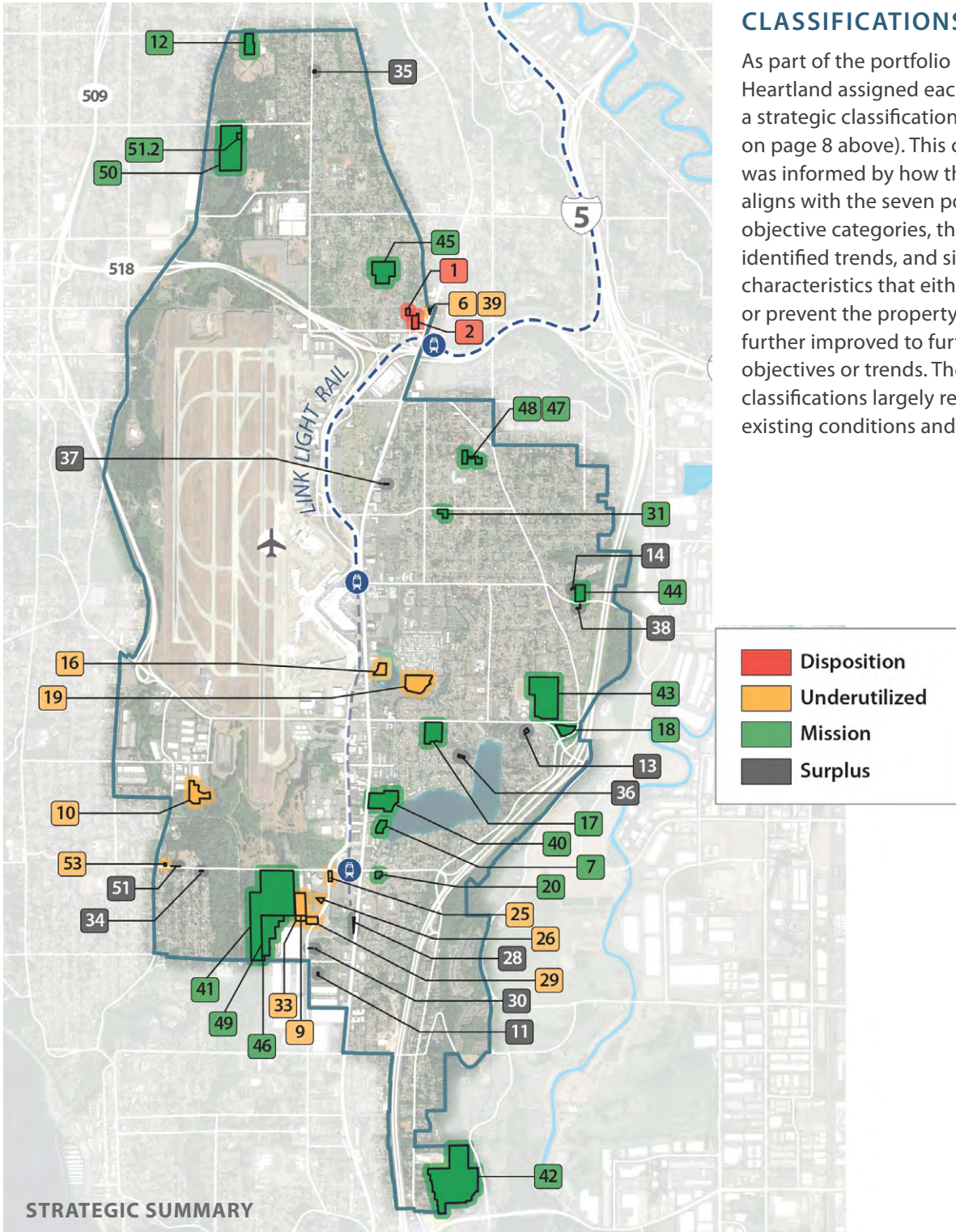
The City’s portfolio contains 42 properties totaling approximately 192.5 acres. Department oversight of these properties falls under the following three departments: Parks, Community and Economic Development (“CED”), and Public Works. Approximately 87% of City-controlled land falls under the oversight of the Parks Department, with Public Works department overseeing most of the non-Parks land. Most properties in the portfolio are currently serving their designated purpose or policy objective(s), however opportunities may exist to advance additional policy objectives within the existing portfolio.



	PROPERTIES	TOTAL AREA (ACRES)
■ Parks	19	167.4
■ CED	3	1.6
■ Public Works	16	23.1
■ TBD	4	0.5
TOTAL	42	192.5

STRATEGIC CLASSIFICATIONS

As part of the portfolio review, Heartland assigned each property a strategic classification (defined on page 8 above). This classification was informed by how the property aligns with the seven policy objective categories, the five identified trends, and site-specific characteristics that either enable or prevent the property from being further improved to further policy objectives or trends. The strategic classifications largely reflect the existing conditions and uses.



STRATEGIC SUMMARY

	PROPERTIES	TOTAL AREA (ACRES)
■ Disposition	2	2.0
■ Underutilized	11	22.2
■ Mission	18	166.8
■ Surplus/Nominal Value	11	1.5
TOTAL	42	192.5

PORTFOLIO POLICY RELEVANCE

In addition to assigning each property a strategic classification, Heartland assessed each property’s potential to achieve the seven identified policy objectives. These assignments were made based on Heartland’s review of the policies specific to each broad policy category and the physical attributes of each parcel. For some categories, such as Parks & Rec, the assignment was relatively straightforward. For others, such as Emergency Response which is often a secondary policy objective for a parcel, the assignment was made based on assumptions such as the size, shape and location of the parcel.

An individual property can contribute to one or more of the policy objectives, though for some only one policy objective applied. For example, a park can support Parks & Rec as a primary policy objective, and Emergency Response as a secondary policy objective. The following table shows the number of properties that currently support or have the potential to support the associated policy objective:

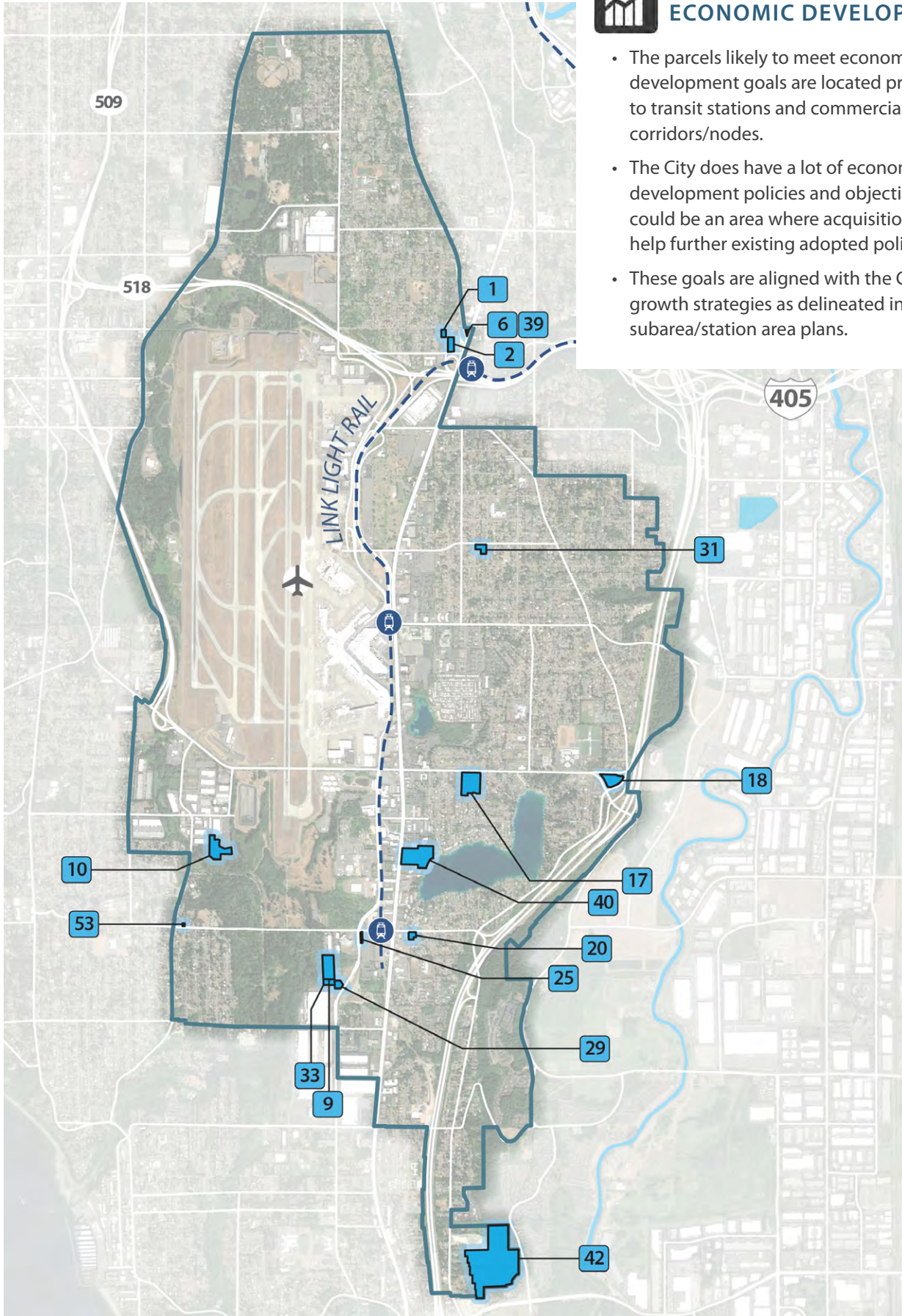
EXHIBIT F: REAL ESTATE POLICY OBJECTIVE SUMMARY

		PROPERTIES	TOTAL AREA (ACRES)
	Economic Development	16	72.7
	Parks & Rec	23	177.3
	Housing and Affordability	5	43.1
	Transportation/Connectivity	6	14.1
	Emergency Response	17	160.3
	City Facilities	4	5.2
	Healthy Placemaking	22	73.7



ECONOMIC DEVELOPMENT

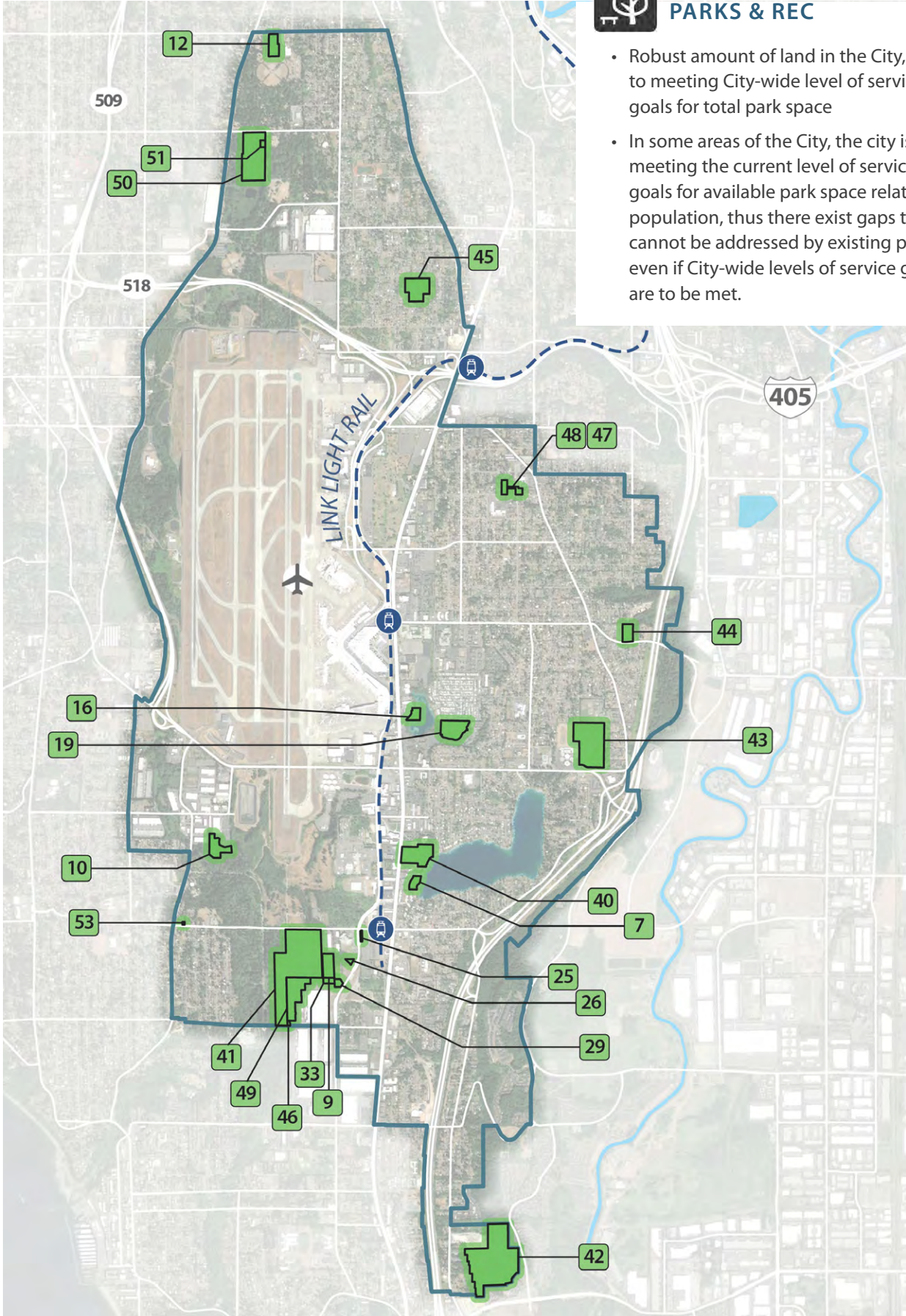
- The parcels likely to meet economic development goals are located proximate to transit stations and commercial corridors/nodes.
- The City does have a lot of economic development policies and objectives, this could be an area where acquisition may help further existing adopted policy.
- These goals are aligned with the City's growth strategies as delineated in the subarea/station area plans.





PARKS & REC

- Robust amount of land in the City, close to meeting City-wide level of service goals for total park space
- In some areas of the City, the city is not meeting the current level of service goals for available park space relative to population, thus there exist gaps that cannot be addressed by existing portfolio even if City-wide levels of service goals are to be met.





HOUSING & AFFORDABILITY

- The City does not currently have housing and affordability policies that necessitate the use of City-owned land.
- Should the City adopt policies that would necessitate City ownership of land, acquisition would likely be necessary.
- #2 – sale closed in Fall of 2021 to support a housing and mixed-use development.





TRANSPORTATION/ CONNECTIVITY

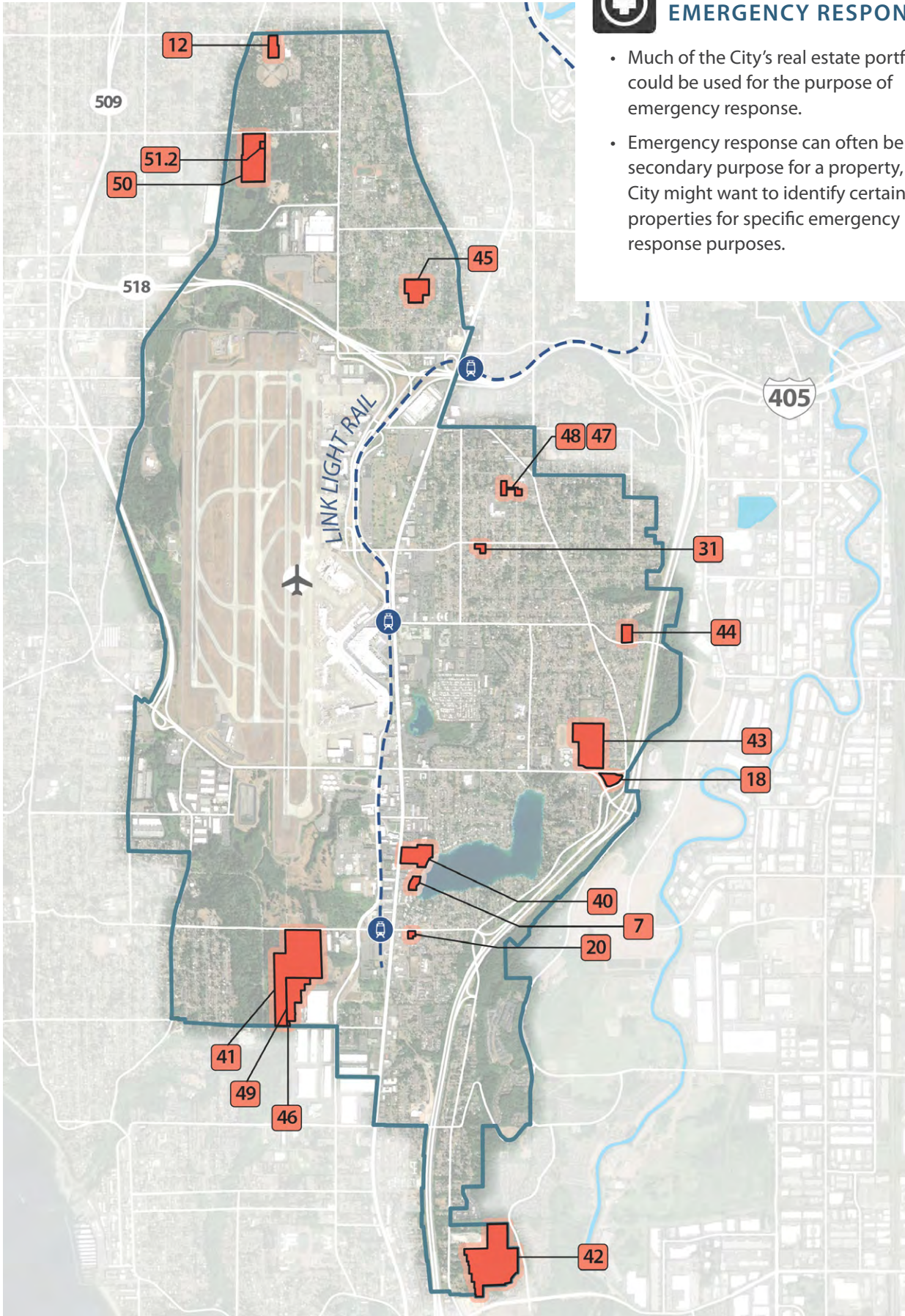
- The City does not have significant real estate holdings that could help further existing transit and connectivity goals.
- Transportation/Connectivity can often be a secondary mission for a property, and future acquisitions could focus on properties that accomplish another policy objective along with transit/connectivity.





EMERGENCY RESPONSE

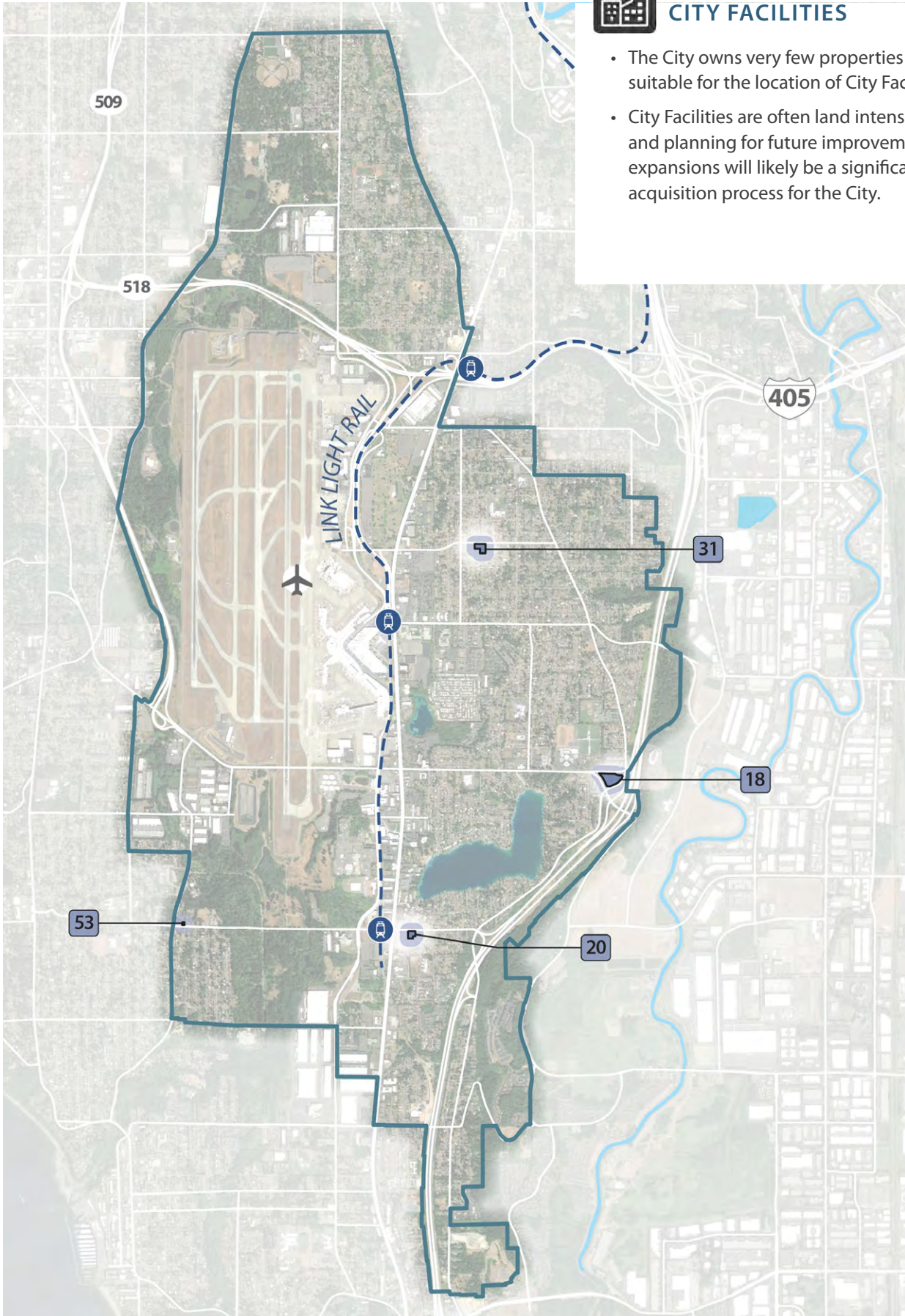
- Much of the City's real estate portfolio could be used for the purpose of emergency response.
- Emergency response can often be a secondary purpose for a property, but City might want to identify certain properties for specific emergency response purposes.





CITY FACILITIES

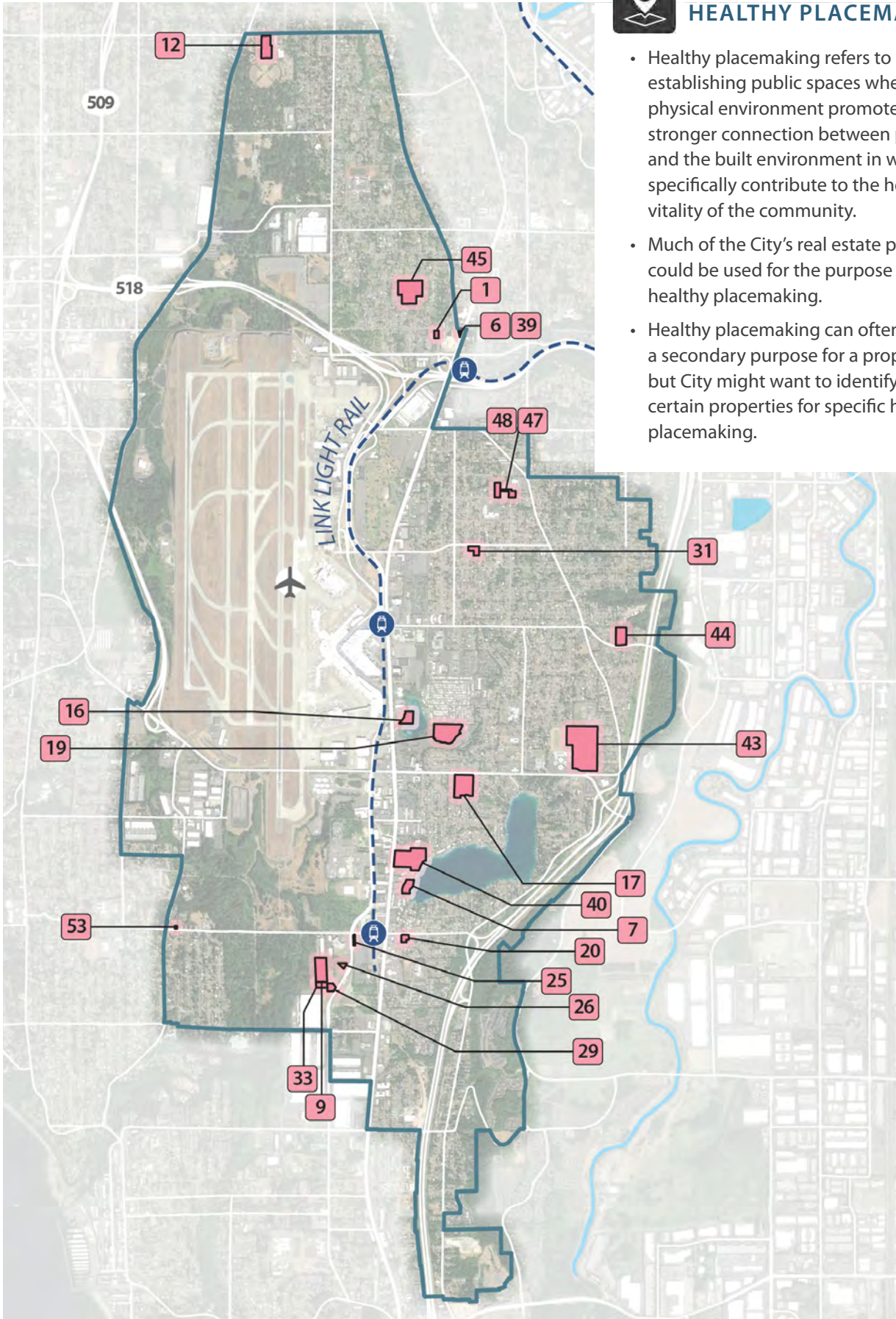
- The City owns very few properties suitable for the location of City Facilities
- City Facilities are often land intensive, and planning for future improvements/expansions will likely be a significant acquisition process for the City.





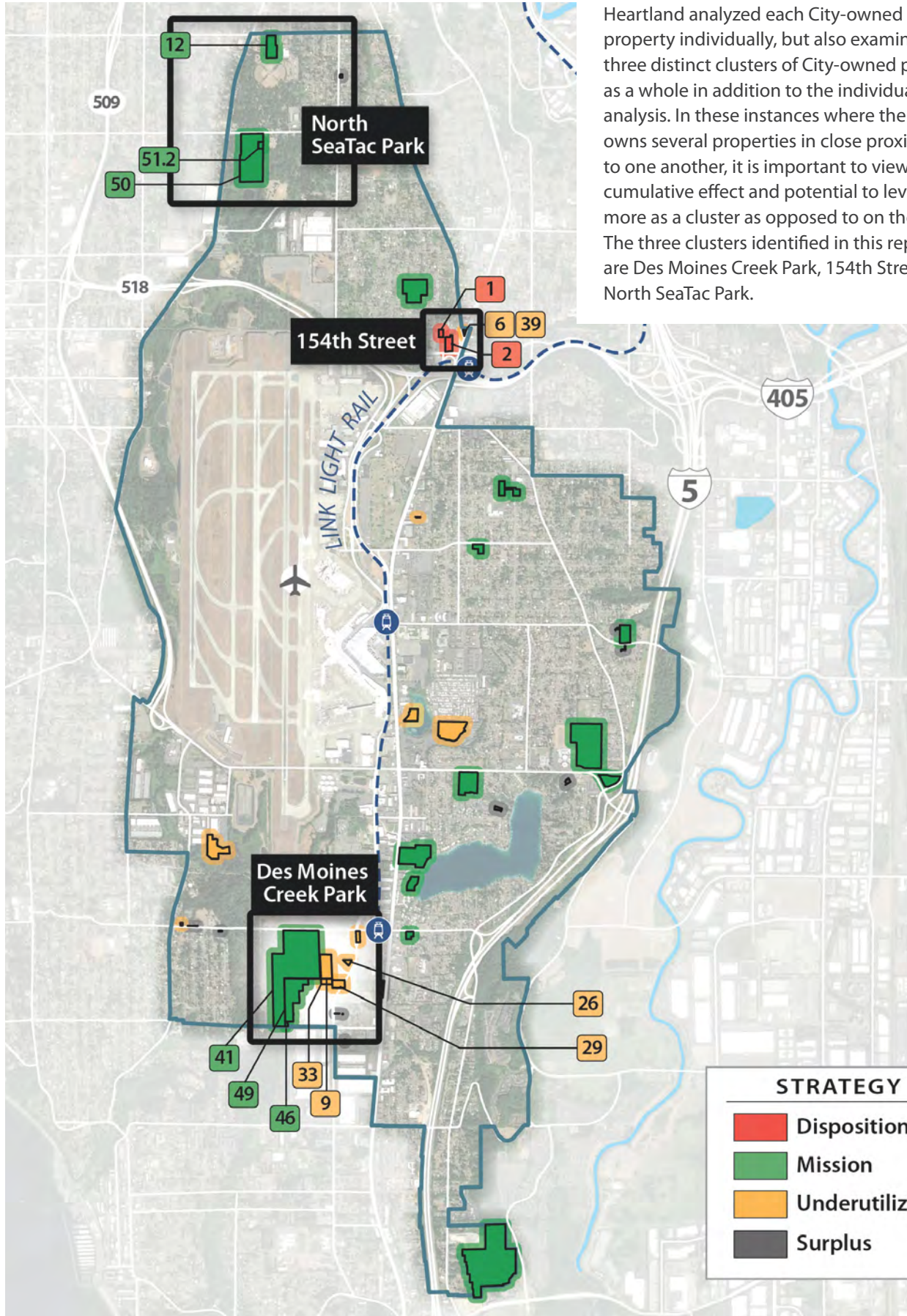
HEALTHY PLACEMAKING

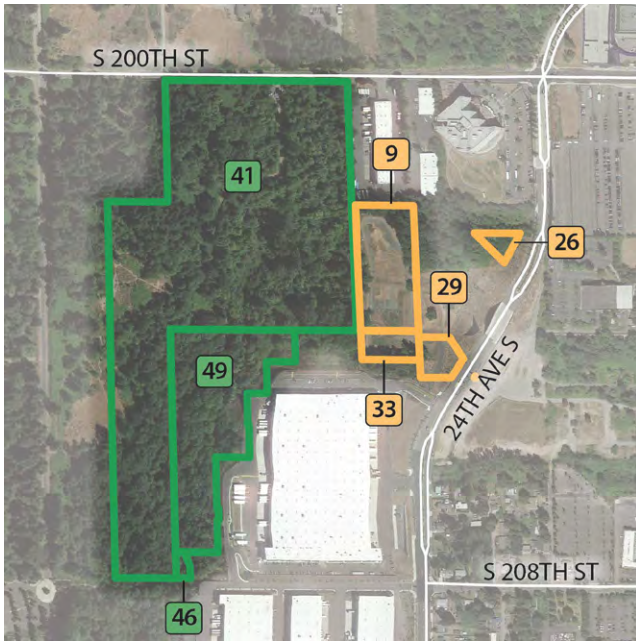
- Healthy placemaking refers to establishing public spaces where the physical environment promotes a stronger connection between people and the built environment in ways that specifically contribute to the health and vitality of the community.
- Much of the City’s real estate portfolio could be used for the purpose of healthy placemaking.
- Healthy placemaking can often be a secondary purpose for a property, but City might want to identify certain properties for specific healthy placemaking.



PROPERTY CLUSTERS

Heartland analyzed each City-owned property individually, but also examined three distinct clusters of City-owned property as a whole in addition to the individual-level analysis. In these instances where the City owns several properties in close proximity to one another, it is important to view their cumulative effect and potential to leverage more as a cluster as opposed to on their own. The three clusters identified in this report are Des Moines Creek Park, 154th Street, and North SeaTac Park.





DES MOINES CREEK PARK

The Des Moines Creek Park cluster of properties is comprised of parcels that are formally part of Des Moines Creek Park and those that are adjacent or proximate to the park but not currently programmed as park land. Des Moines Creek Park is a regional park, and is located close to both the Angle Lake light rail station area and industrial land primarily owned by the Port of Seattle and which supports many airport-related jobs. The City has an opportunity to leverage both existing park land and other underutilized parcels in this area to support both the mission of a regional park and potentially other healthy placemaking and/or economic development objectives given the proximity of transit and a number of employers.



154TH STREET

The City noted ownership of four parcels in the 154th Street area, all of which are proximate to the Tukwila International Boulevard Light Rail Station. Property #2 was sold in Fall 2021 to be develop as a mixed-use multifamily project, while property # 1 has been designated for disposition by the City but is not yet under contract to be sold. These parcels have the potential to contribute to several policy goals, including economic development, healthy placemaking, connectivity to transit, and housing production. They are also well located to respond to commercial real estate and housing trends, given their proximity to the light rail station and several major corridors.



NORTH SEATAC PARK

North SeaTac Park is the largest park within the City of SeaTac, and while most of the land is leased long term from the Port of Seattle, the City manages the park, and can program it to serve both the region and local/nearby residents. There are some limitations in what the City can do with the land given the land ownership by the Port, as well as Federal Aviation Administration (FAA) regulations due to proximity to the north end of SEA Airport runways.

Implementation Framework

OVERVIEW

PURPOSE: Ongoing review, and evaluation of new opportunities

The City of SeaTac municipality owns a substantial real estate portfolio of public assets. The Implementation Framework, described in detail in this section of the report, is designed to provide the City of SeaTac with a process to evaluate both the City’s existing real estate portfolio on an ongoing basis, as well as the pursuit of new real estate opportunities to fulfill and/or accomplish policy objectives. Specifically, the overarching vision for the City is defined in the Comprehensive Plan and related policies. Public assets and civic buildings play a strategic role in defining and implementing the built environment and often serve as a catalyst and/or anchor for other development.

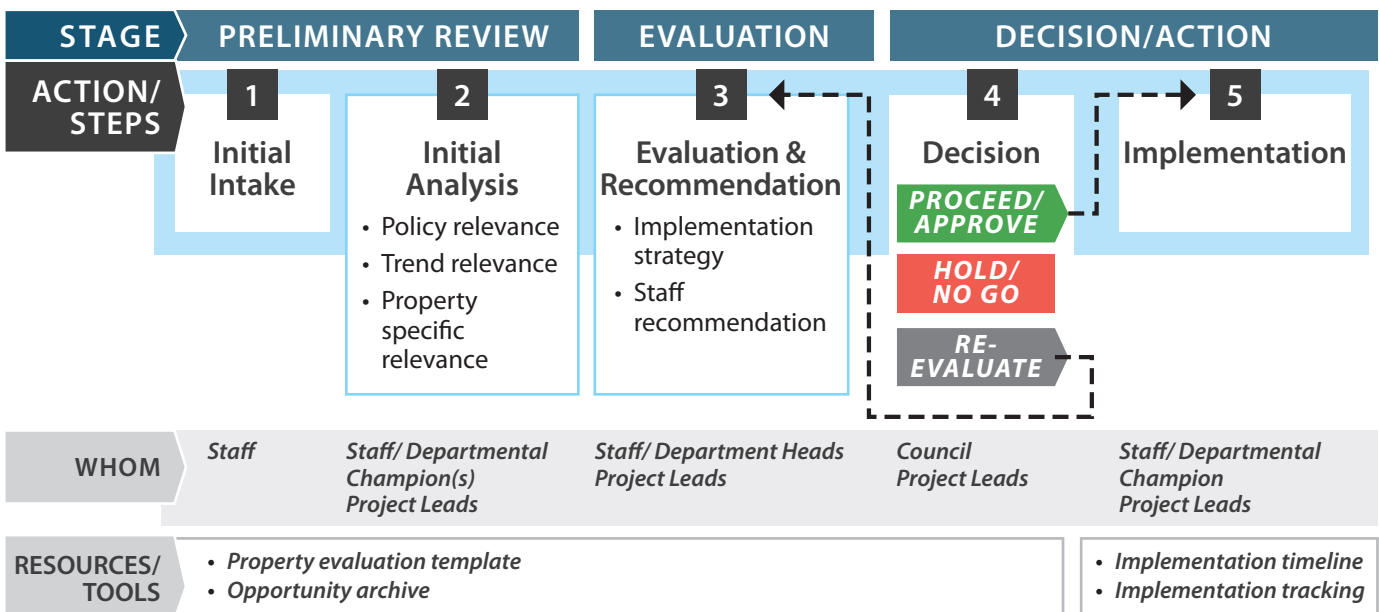
Heartland worked with City staff to understand the City’s existing process for evaluating opportunities and identified specific methods to improve upon this existing process. This proposed Implementation Framework is not designed to reinvent the City’s process, but rather to further define and enhance the existing process to empower City staff and legislators to make better informed decisions regarding the City’s real estate. It is also not designed to be prescriptive or to recommend specific opportunities or properties that the City is currently evaluating, but to offer the City a process to make informed decisions anchored in policy objectives.

The process laid out in this framework involves an active initial review and ongoing periodic updates as trends and policies in the City evolve over time, with these reviews to be formally recorded and used as historical references.

Process (summarize the process based on existing and proposed changes)

City staff provided Heartland with input on the process currently used by staff to evaluate real estate decisions. This process, which is informal in nature and not codified, consists of five action steps, which Heartland has reclassified into three broader stages. These five action steps and three broad stages are illustrated below:

1. Initial Intake/Review against existing policy basis (Preliminary Review)
2. Initial Analysis (Preliminary Review)
3. Evaluation (Evaluation)
4. Decision (Decision/Implementation)
5. Implementation (Decision/Implementation)



Opportunities for Improvement

City staff feedback emphasized that the areas with the greatest amount of ambiguity and least amount of structure in the existing decision making-process are found in Step 3 (Evaluation) and Step 4 (Decision) of the process. The City desires to pivot from a reactive approach to a holistic strategic approach for evaluating opportunities. This improved strategic approach to real estate decisions instead will enable the City to achieve their goals by:

- Rooting decisions in existing policy objectives
- Routinely evaluating the existing real estate portfolio to measure effectiveness in achieving these policy objectives. This includes evaluating the level to which policy objectives direct the use of real estate and addressing policy gaps.
- Creating a standard process/format that more effectively communicates the evaluation of opportunities and document the process and analysis to establish a consistent decision-making process.
- Incorporating the evaluation of implementation strategies for new opportunities at the evaluation stage to better prepare legislators for key decisions.
- Recording an archive of opportunities evaluated to function as a living document that can guide decisions on future opportunities.

On-going Evaluation

The City of SeaTac has dynamic real estate needs and opportunities, thus the existing real estate portfolio will benefit from periodic evaluation. The work performed by Heartland in the first two phases of this report represents a guide for these future evaluations by presenting a consistent format. This ongoing policy-centric evaluation of the existing portfolio combined with a consistent process for the evaluation of new opportunities as they arise will provide clarity to City staff and legislators and allow them to measure how the portfolio of properties and/or opportunities align within existing policy objective categories. Additionally, this evaluation serves as a living record of progress towards specific real estate strategic goals and will help further anchor the real estate strategy.

Recommendations

RECOMMENDATION	NOTE	POTENTIAL DELIVERABLES & ACTIONS
Opportunity Tracking through the Process Framework	As opportunities are evaluated , create a tracking document as a way to organize, annotate, and archive to further efficiencies in the future	Chart (e.g. Gantt Chart) to track important milestones and decision points and manage timelines
Opportunity Evaluation Framework	Leveraging the property evaluation cards in Phase 2, create a template for the initial property evaluation and assessment to be uniformly organized	Template Evaluation Sheet; see Appendix for property card examples for template format
Updates to this report to make it a living document	Recommend a portfolio review cadence, and potentially revisit the policy matrix as well	City staff suggested that a cadence of 2-4 years would coincide well with the budget cycle. Potential for other drivers of cadence

PROCESS FRAMEWORK STAGE 1: PRELIMINARY REVIEW

Initial Intake/Discussions

The current opportunity review process typically begins with internal discussions about real estate opportunities and decisions. These discussions often materialize into an initial analysis of the opportunity or pursuit. This step should identify the source of the opportunity (e.g. existing real estate portfolio or recently listed for sale property). The initial intake step should also identify the policy objective(s) that would be furthered by this opportunity as an early screening tool. By formalizing this initial intake stage, the City can create a record to track staff analysis of real estate opportunities through the implementation process. This formalized intake process will also better position the opportunity to efficiently move through the process. Creating a formal tracking procedure also provides a convenient tool to review new opportunities in the context of previous opportunities, in addition to the context of the City's existing real estate portfolio.

Initial Analysis

Following the formalized initial intake, the opportunity proceeds through an initial staff-level analysis. This initial analysis is intended to examine the basic details and information around the opportunity to facilitate the decision-making process among staff to advance (or not advance) the opportunity to the evaluation stage. Regardless of the decision to proceed or not proceed to the evaluation stage, the full preliminary review stage (Initial intake + Initial analysis) should be archived, along with the reasoning behind the decision to proceed or not proceed with the opportunity.

PROCESS FRAMEWORK STAGE 2: EVALUATION

The evaluation stage involves the most staff time and focus of the three stages. In this stage, staff will determine if they decide to recommend a real estate action to City Council. This recommendation will need to be supported with analysis of the real estate itself as well as an evaluation of how to implement the opportunity.

There are two types of evaluations that staff can focus on in the Process Framework:

Opportunity Evaluation:

Opportunity evaluation is the consideration of opportunities to acquire or dispose of real estate. This includes opportunities directly sourced by the City (e.g. identifying a property to satisfy the Parks and Rec desired level-of-service objectives), or ones that become publicly available when a third party markets them for sale (e.g. the Sound Transit Request For Proposals for the Angle Lake Station site). Similar to the preliminary review stage, each opportunity evaluation should be recorded and archived whether the decision is to proceed or not proceed with the opportunity. This provides an opportunity to reevaluate this opportunity in the future and leverage the resources already invested in evaluation. Archiving these records also reduces the potential risk of duplicating efforts to review the same opportunities.

Portfolio Evaluation:

The portfolio evaluation is the review of the City's existing real estate portfolio. This review includes an evaluation of each City-owned and City-leased property individually as well as a comprehensive review of the complete portfolio to gauge the degree to which existing properties in the portfolio are supporting the City's policy objectives through the existing real estate assets. The work in Phases One and Two of this report illustrates Heartland's approach to this review process. As the real estate portfolio is dynamic and changes over time, it will remain necessary to update this portfolio-level evaluation on a regular cadence. Additionally, the City establishing the frequency of this cadence of portfolio reevaluation is a recommendation of this report.

Evaluation Components

Real Estate Policy Relevance

The most important evaluation component is understanding how the opportunity or existing property supports existing policy objective(s) through real estate. When reviewing properties in the portfolio it is important to distinguish between the way properties currently contribute to the policy objectives and the potential to amplify existing contributions or contribute to additional policy objectives.

When evaluating new opportunities, Heartland’s recommendation is to employ the same methodology regarding policy objectives used in evaluating the existing real estate portfolio. Leveraging the input and conversations in the preliminary review phase, it is important to establish how the opportunity contributes to the real estate policy objective categories shown in Table 1.

In addition to supporting the direction of the real estate strategy, the evaluation of policy objectives presents the opportunity to evaluate City policy and potentially identify areas where additional policy direction may be helpful in guiding real estate decisions. Ultimately, real estate is a tool to implement policies and provides places to deliver services.

Real Estate Trend Relevance

The evaluation of real estate trend relevance examines how a property in the City’s existing portfolio or a new opportunity aligns with current economic and real estate trends impacting the City of SeaTac. As the portfolio review and opportunity review are an ongoing process, the understanding of trends impacting the City will need to be refreshed as trends evolve. At the time of this report the following were identified as the most significant trends to monitor:








- Commercial Real Estate trends
- Airport Economic Impacts
- Housing Supply/Demand Gap
- Parks and Recreation Trends
- Transit and Commuting Trends.

Property-Specific Evaluation

Property-specific evaluations are essential when reviewing both existing City-owned real estate and new opportunities being evaluated. This detailed evaluation includes physical characteristics (parcel size, shape, topography, etc.), as well as non-physical attributes such as zoning and site context (surrounding ownership, land use, political implications, etc.). Most of these physical site considerations are included in the individual property reviews found in the Appendix of this report, while the non-physical attributes to be considered will vary depending on the specific opportunity.

The property specific evaluation is a tool to measure the degree to which the site can serve policy objectives or relevant real estate trends. As a hypothetical example, a property with existing improvements that could be repurposed by the City to further policy objectives may provide greater and more efficient policy support when compared to a parcel that requires redevelopment. The unique features of each opportunity or property should be fully explored and clearly communicated in this section of the evaluation. It is also important to consider parcels holistically and there relationship in and among the City’s full real estate portfolio.

TABLE 1 - POLICY OBJECTIVE CATEGORIES

	Economic Development
	Parks and Rec
	Housing and Affordability
	Transportation/Connectivity
	Emergency Response
	City Facilities
	Healthy Placemaking

Implementation and Funding Strategy Evaluation

Identifying potential implementation and funding strategies in this evaluation phase allows decision-makers to understand what is and what is not possible when prioritizing among several potential opportunities and contextualizing them along with existing implementation efforts. If a decision to proceed with an opportunity is approved, the implementation strategy evaluation will also serve as a roadmap to guide the implementation process.

Evaluating implementation and funding strategies also has the effect of quantifying the potential impact on the City's human and financial resources and capacity. For example, an opportunity to ground lease City-owned land to a development partner requires substantially less staff time and financial capital than one where the City were to self-develop on the same property. Implementation and funding strategies are further explored in more depth in the next section of this report, see page 29.

Additionally, real estate investment decisions can have impact on future development capacity (e.g. bonding, use of tax revenues, etc.).

PROCESS FRAMEWORK STAGE 3: DECISION/IMPLEMENTATION

Decision

Following the City staff's preliminary review (initial intake and initial analysis) and evaluation, the vetted potential opportunities are presented to the City's legislative decision makers. City Council can choose to approve the opportunity, decline to act on the opportunity, or request a re-evaluation of the opportunity by staff.

The organization around this stage of the process should be designed in a consistent format to help facilitate the decision-making process. A consistent format helps to streamline and more effectively communicate the important information around each opportunity/decision, and enables the legislative decision-makers to become familiar with the process and find it easier to digest and evaluate.

It is also essential to identify the decision considerations related to each opportunity. Examples of these considerations should include:

- Is administrative or council review/approval required?
- Based on the implementation strategy evaluation, will this action require a budget amendment?
- Would additional City staff need to be hired or third party vendors need to be contracted in order to execute on this transaction?
- What are the opportunity costs of executing on this opportunity?
- Are there any other/better options available?
- What are the implications of delaying the timing of the decision?

Organizing and presenting these questions along with the strategic context for each opportunity empowers decision makers in the decision-making process.

Implementation

If the process framework is followed, the implementation of the opportunity should prove to be relatively straightforward. The decision by the City to pursue an opportunity will have identified what the opportunity is as well as the implementation strategy. Key City staff that will execute and/or oversee implementation activities should be identified with their roles clearly established. Staff will then be empowered to carry out the implementation, both internally and via external specialists (e.g. attorneys, brokers, general contractors, etc.). Progress of the implementation process should be tracked both for reporting and historical record keeping.

IMPLEMENTATION STRATEGIES

As part of the evaluation stage of the process framework, Heartland has recommended that staff examine potential implementation strategies to include with a recommendation to Council. These strategies can take the form of transaction strategies or funding strategies, some of which can function as both.

Once City staff has determined that they would like to recommend an opportunity based on property-specific merits (or possibly in conjunction with the property-specific analysis), an evaluation of potential funding/transaction methods for an opportunity enables City legislators to understand what tools they have at their disposal, or even how to prioritize multiple simultaneous opportunities. Rather than adding questions to the decision-making process, proactively examining these tools can in fact help clarify the opportunity further.

There are three components to the strategy:

- Development Structure
- Funding Method
- Transaction Methods

Overlap exists between these three components. Some funding methods are also transaction methods. Certain funding sources are only possible for a public project, while others would only be available to a public-private transaction. The list below is not a list of all available options, but rather outlines some key or common options and strategies available to the City, and why the City might choose one over the others.

Development Structure

The City will first need to determine if it wishes to develop the opportunity on its own, with another public entity, or to engage with a private development partner in order to implement the opportunity.

DEVELOPMENT STRUCTURE: SELF-DEVELOP

What is meant by self-develop?

To self-develop in public transactions, City performs the role of a typical land developer to source internal and external resources to execute the development of real estate. In this transaction method, the City assumes the risks associated with development, but retains the highest degree of control over the development. This is not a funding method, and would likely require public funds in order to construct as this would not rely on a public-private partnership.

Why would the City choose to self-develop?

- The City wishes to have the highest degree of control over development
- The City believes that it can develop the property more efficiently than the private sector given the type of use and financing available

Why would the City choose not to self-develop?

- The City does not wish to assume the full risk associated with self-developing a property
- The City believes that involving a private partner to develop the property via another transaction strategy would be more efficient or effective than self-developing the property
- The City lacks the resources or capacity to engage in this process, or the benefit associated with self-developing a property does not justify the cost

DEVELOPMENT STRUCTURE: PUBLIC PARTNERSHIP

What is meant by public partnership?

Public partnerships refer to partnerships with mutually aligned public agencies. This structure would combine the interests, efforts, and resources of the City and one or more additional public entities (e.g. King County, the Port of Seattle, school district, etc.). The partnership could take the form of sourcing capital from another public agency or from another public agency taking on the development risk for a mutually aligned project that the City is a party to.

Why would the City choose to leverage public partnership?

- To provide additional sources of funding to leverage the City’s sources for a mutually aligned mission
- When the City desires to use land that is controlled by another public entity control that could be contributed to a mutually aligned goal or objective

Why would the City not choose to leverage public partnership?

- The City and the other public entity are not mutually aligned on mission and goals
- The cost-benefit trade-off does not make sense for City resources
- The City can more efficiently develop the property either on its own or with a private partner
- Interlocal agreements and the decision-making process can be lengthy and complex

DEVELOPMENT STRUCTURE: PUBLIC-PRIVATE PARTNERSHIP

What is meant by public-private partnership?

Public-private partnership encompasses a wide range of deal structures that combines both private and public interest into an opportunity or development project. The advantage to the City in selecting a Public-private partnership is that the developer sources and/or fronts much of the capacity, energy and resources required to manage the development process. The benefit to the City varies depending on the deal, however the City can use public-private partnership to lower risk and reduce demand on internal capacity.

Why would the City choose to utilize a public-private partnership?

The City could choose to leverage a Private development Partnership when the scale goes beyond just the functions required by the city. For example, if the city wanted to control a civic use within proposed mixed-use new commercial development proposal. In this hypothetical example, the City could negotiate a contribution to secure a civic interest in this development to promote the public facilities Policy objective. Helping to facilitate this mixed-use development through the private development partnership could also compound the policy support by also supporting Healthy placemaking policy objectives and possibly economic development objectives as well.

Why would the City not choose to utilize a public-private partnership?

- Risk of public scrutiny
- No credible development partners
- Benefit (material/nonmaterial) or pursuing the partnership does not justify the cost.
- City wants more control over project, and also has ample resources and capacity to execute by self-developing

Funding Methods

Funding methods for public uses are often limited by what the intended use are, but with creative implementation, several different funding sources can be used. Some funding sources are specific to publicly developed projects, while others are more associated with public private development. Examples of funding for publicly developed projects are:

- City of SeaTac Lodging Tax Funds
 - *Can be used for Economic Development projects that promote tourism*
- Operating Budget funds
 - *Unlikely to be used for anything other than very minor improvements to existing facilities*
- Municipal Debt (either General Obligation or Revenue)
 - *Would necessitate involvement of city finance and outside parties to execute*
 - *More difficult politically to approve*
 - *Could be dependent on projections of future revenues, if applicable*
- County or State funds
 - *These funds are often grant funds intended for specific purposes*
 - *These could also be leveraged in public partnership projects*
- Federal Infrastructure (ARPA) funds
 - *Specific to the federal infrastructure bill passed in 2021 and highly competitive with other eligible uses*
 - *Only applicable to specified types of projects*

Public-private partnerships are also able to utilize funding methods available for publicly developed projects if they meet defined criteria, and also have the benefit of leveraging those sources with private debt and equity markets as well as other funding sources specific to public-private development programs. Many of those sources are linked to specific transactions, which can be found in the next section.

Transaction Methods

The below list is not comprehensive, but shows several potential transaction methods, some of which are also funding methods. Most of these apply to public-private partnerships.

TRANSACTION & FUNDING METHOD: TAX INCREMENT FINANCING

What is tax increment financing?

Tax Increment Financing (“TIF”) is both a funding and a transaction method that requires a public-private partnership. TIF captures property taxes generated from the increased assessed valuation on a privately developed site following infrastructure investment. TIF was previously not enabled in Washington State, but became law in 2021 and can begin to be implemented in 2022.

Why would the City choose to pursue tax increment financing?

TIF is a powerful tool that enables the development of sites that lack development feasibility due to a lack of necessary supporting infrastructure that would be too costly for the private sector to construct. The City would choose to pursue TIF if the development of a key parcel by the private sector was an objective, and the City desired to construct the infrastructure to support the private development, to fund public infrastructure and improvements, or a combination of the two.

Why would the City not choose to pursue tax increment financing?

The recently passed TIF legislation has many limitations, including a limit of how many areas (two) within a municipality it can be used, a limit to the assessed value of the TIF increment area, and a specific list of improvements that it can be used to fund. The opportunity must line up with these restrictions. Additionally, TIF must pass a strict “but for” test to demonstrate that the project would not have happened without the TIF funds, and can potentially be difficult to implement without a strong financial case and political support.

TRANSACTION & FUNDING METHOD: 63-20 FINANCING

What is 63-20 financing?

63-20 Financing is a public-private partnership tool that allows for the issuance of public bonds by nonprofit corporations on behalf of state and municipal entities. The name refers to a ruling made by the Internal Revenue Service in 1963. This tool differs from a traditional issuance of municipal bonds to fund the construction of public facilities in that it enables a private developer to manage the development and financing of the facility, overseen by the nonprofit bond issuer. Thus, a municipal entity can have a facility constructed for it as part of a private development, provided that the developer complies with the pertinent IRS regulation.

Why would the City choose to pursue 63-20 financing?

- Eliminates the need to acquire or utilize existing public land for new public facilities
- The City would not need to issue any debt or rely on other scarce public financing tools to fund the construction of the municipal facility
- Provides a mechanism for the City to eventually own the facility following its construction and occupancy

Why would the City not choose to pursue 63-20 financing?

- Requires finding a willing and competent private developer that owns a parcel that matches the City’s needs for a facility
- Involves a complex financial and legal structure (though one with a track record in Washington State)
- Cedes more development control to the private sector as opposed to direct financing and development by the City

TRANSACTION METHOD: EMINENT DOMAIN

What is eminent domain?

Eminent Domain refers to the power the City government has to take, through condemnation, private property for a public use. Entire properties or portions of property can be condemned. It is often utilized when there is a clear public need and there are no sufficient alternative properties available to acquire. Eminent domain is almost always used for publicly developed projects as opposed to public-private development.

Why would the City choose to pursue eminent domain?

- Acquiring properties for Rights of Way and public access for transportation or public works purposes when landowners are unwilling to transact.
- A clear need exists for a specific property to serve a public benefit that would otherwise be impossible to provide, and the value or necessity of this public benefit justifies the costs (both material and political) to pursue Eminent Domain.

Why would the City not choose to pursue eminent domain?

- State constitutional restrictions of eminent domain for economic development uses.
- Eminent Domain is frequently a contentious, expensive, and timely process.
- There are typically alternative approaches, or alternative properties that could be pursued, with Eminent Domain to be used as a last resort.
- Eminent Domain would not be recommended for pursuits with less policy objective support, and especially for policy efforts that may be perceived as desired but not necessary.

TRANSACTION METHOD: GROUND LEASE

What is a ground lease?

A ground lease (or land lease) is a long-term lease that grants the lessee the right to improve and maintain full utilization of the property, subject to specified lease terms and within legal rights, for the specified term and in exchange for lease income paid to the lessor. The lessor retains legal ownership of the property and receives lease income, while granting long-term control of the site to a different entity. There can often be a trade-off between the amount of lease revenue and the degree of control granted to the lessee. For example, if a ground lease terms heavily restrict the type of development/land use on a site, this will likely reduce the amount of lease revenue achievable, but allows the lessor to maintain more control over how the site is used.

Why would the City choose to pursue a ground lease?

As Lessee:

- The City can enter into a ground lease as a lessee to gain control over publicly owned land owned by a different government agency that is not willing or legally able to sell the land. The current ground lease agreements with the Port of Seattle for North SeaTac Park provide an example of this arrangement.

As Lessor:

- The City desires to retain long-term ownership of a property but wishes to engage the private sector to develop the site. This provides lease revenue to the City that can provide a revenue source to be deployed towards other policy objectives.
- The City desires to retain a level of control over the use of City-owned land but in a manner that is still economically feasible for a third party to develop the site. This could take the form of limiting a site to commercial development in a way that supports current economic development policy objectives.

Why would the City not choose to pursue a ground lease?

- The City would not likely pursue a ground lease as a lessee if permanent and/or complete control of the site was desired or legally required.
- Pursuing a ground lease as the lessor would be unfavorable if the City desires a high degree of control over how the site is developed or used, or if the intended use was one that held little economic value to potential lessees.

TRANSACTION METHOD: LAND BANKING

What is meant by land banking?

Land banking is a strategy to preserve lands for future anticipated uses. In a real estate market such as King County where the cost of land is rapidly increasing, the cost to acquire and carry undeveloped or underutilized land can often be less than the potential future cost to acquire land of similar scale, character and location. Additionally, the availability of developable land in the future may be even more scarce, and land banking can thus preserve an opportunity that might not exist if the City waited until the need was more immediate.

Why would the City choose to leverage land banking?

- The City has identified one or more clearly understood needs for certain type of land in the future.
- The City has developed a long-range plan for a specific use (e.g. park development, municipal facilities, etc.)

Why would the City not choose to leverage land banking?

- The future need is speculative or the land is not useful for any specified future plans.
- Lack of policy objectives to support such strategies

Case Studies

CASE STUDY: CITY HALL

The below is a case study that uses the Process Framework to analyze the decision to renovate or relocate SeaTac’s City Hall. This follows the structure that can be seen in the Process Overview Table, found in the Appendix on page 70.

PROCESS FRAMEWORK STAGE 1: PRELIMINARY REVIEW	
1. INITIAL INTAKE	2. INITIAL ANALYSIS
<p>The initial intake is the step that formalizes the initiation of this process:</p> <p>ACTIONS</p> <ul style="list-style-type: none"> Capture the opportunity in this formal template to carry the opportunity through the process and create a historical record of the analysis and evaluation of the opportunity <p>OPPORTUNITY: City Hall is becoming functionally obsolete and in order to serve the City and its citizens a new or substantially renovated City Hall will be required in the relatively near future. The City has previously engaged a consultant to estimate the cost of both a renovation and new construction based on specified needs for a modern City Hall facility. This opportunity is now being entered into the City of SeaTac Real Estate Opportunity Framework for current evaluation as well as historical record-keeping.</p> <ul style="list-style-type: none"> Source of the opportunity should be mentioned here (existing portfolio recommendation, 3rd party-sourced acquisition opportunity) <p>This opportunity is currently internally sourced, there is no specific third-party-sourced opportunity currently being examined.</p>	<p>The initial analysis lays out the basics of the real estate opportunity to be evaluated:</p> <p>ACTIONS</p> <ul style="list-style-type: none"> Summarize the type of opportunity being presented Longer form summary of the opportunity description in the initial intake, summarizing the specifics of both a renovation and a new construction opportunity Record basic property and deal information: <ul style="list-style-type: none"> <i>Parties involved</i> If Renovated: City of SeaTac If Relocated: City of SeaTac, Potential 3rd party land owners and/or development partners <i>Opportunity supports which policy objectives</i> Primary: City Facilities Secondary: Economic development Tertiary: Healthy placemaking <i>Key Stakeholders</i> City staff, legislators, residents and businesses <i>Costs/Price</i> Per Draft City Hall Report: Renovation Expansion: \$73.9M New Construction: \$76.3M (not including land or site costs) <i>Property info</i> Refer to Property Card for City Hall Parcel If evaluating any specific acquisition parcels, identify that here <i>Location</i> If evaluating any specific acquisition parcels, identify that here <i>Potential Timing – Timing vs. timeline to incorporate</i> Immediate decision (renovation) vs. longer timeline (new construction) <i>Impacts of decisions</i> For example, operating during a remodel for over a year, (interruptions, noise, logistics etc.) <i>Alternatives or other viable options</i> Identify a “departmental advocate” (departmental lead or project manager) to advance the opportunity through the evaluation phase If applicable, identify the department/staff who will take the lead in advancing the opportunity through the next two stages

PROCESS FRAMEWORK STAGE 2: EVALUATION

3. EVALUATION

The evaluation stage is the most time-intensive stage of this process. This stage will allow City Staff to determine if they wish to recommend an action on an opportunity and enable a simpler and more formal decision step in the next stage:

ACTIONS

- Engage in a more in-depth review of the opportunity viewed through the following lenses:
 - *Policy objectives*
 - Primary: City Facilities**
 - Secondary: If new construction, potential intended uses for existing City Hall site and secondary uses at new site**
 - *Real estate and economic trends*
 - Identify the land value and potential development capacity of the existing parcel(s) for the new construction option**
 - Identify available land to target for new construction as well as land value trends: would landbanking make sense given trends or wait until ready to build**
 - *Initial analysis outputs*
 - Review of the real estate parcel specifics, with additional evaluation as needed (environmental, traffic/transit, etc.)**
 - *Implementation Strategy*
 - Review the list of potential development structures, funding methods, and transaction methods**
 - For renovation: likely a public development structure, utilizing public funding sources. Potential for a public-private partnership via a sale and a 63-20 transaction**
 - For new construction:**
 - **Public development structure utilizing public funding sources. Possibility of using a landbanking strategy.**
 - **Public-Private Development Structure: List the potential transactions**
 - **63-20 Financing (privately owned property)**
 - **Tax Increment Financing (privately owned property)**
 - **Ground Lease (city-owned land, either currently owned or to be acquired) to be developed by private partner and leased to City)**
- Frame the evaluation for formal consideration by City legislators. This framing should proactively address questions that legislators will want to understand before voting on an action. These questions could include (but not necessarily be limited to) the following:
 - *What is the key driver of this opportunity (e.g. an immediate need or a proactive action to meet a future need)*
 - Need to frame this opportunity in terms of when the facility needs to be replaced by**
 - *Does this support policy a primary policy objective, and if so which one(s)?*

PROCESS FRAMEWORK STAGE 2: EVALUATION

3. EVALUATION (CONTINUED)

- Does this support any additional policy objectives, and if so, which one(s)?

Previously commissioned facility reports indicate a clear need to update the City Hall facility

- Are there additional policy objectives that are furthered in addition to the primary policy objective?

Refer to the evaluation of secondary policy objectives that can increase the public value of this opportunity

- Is this opportunity responsive to current real estate and economic trends?

Refer to the evaluation of trends such as land values and use potential for existing City Hall site

- Are there other alternatives to this opportunity that could be accomplished without this action, and if so why is this proposed action preferred?

In this case, City is proactively evaluating several strategies concurrently, which will give more strength to a recommended course of action

- What implementation strategies could potentially be utilized to pursue this opportunity to maximize the benefit to the City, reduce risk to the City, and achieve stated policy objectives?

After vetting all of the above potential implementation strategies, list the preferred option and the reasoning for why it is better than the others, and what made the options that were not chosen less feasible

- What are the opportunity costs for pursuing this opportunity (e.g. would this preclude the City from pursuing other desired opportunities)?

Given that this is an action that will likely be needed in some form, this could be informed by the cost vs. alternative strategy cost if not using the least expensive method, potential opportunity cost in not redeveloping the existing City Hall site for a new use, etc.

- What are the capital and operating budget ramifications for this opportunity under any identified implementation strategy?

To be informed by the evaluation of the recommended strategy

- What City Council actions are necessary to act on this opportunity

Resolutions, public ballot measures, etc.

- What are the benefits (to the community and policy objectives) and risks measured against the costs?

Include input from several departments and potential citizen outreach given the magnitude of this very important project

- Make a formal recommendation to City Council

Departmental advocate to make the formal recommendation when ready for a Council vote. For an action of this magnitude, the advocate will likely need to keep City Council informed throughout the first two Stages of this process.

PROCESS FRAMEWORK STAGE 3: DECISION/IMPLEMENTATION	
4. DECISION	5. IMPLEMENTATION
<p>The Decision Step is where the process transitions from the analysis and evaluation prepared by staff to the decision process of the City’s legislators.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • City Council to consider the recommendation from staff and take one of the following actions: <ul style="list-style-type: none"> • <i>Move forward with the opportunity</i> • <i>Request that staff re-evaluate with feedback as to what still needs to be understood/addressed</i> • <i>Hold/Shelve</i> <p>This action may also require a public ballot measure or other legal actions.</p>	<p>Once a decision has been made to pursue an opportunity, ideally the implementation strategy will also have been identified. City staff will execute and/or oversee the implementation, both internally and via external specialists.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Identify staff involved in implementation and their roles Likely a multi-departmental effort, led by City administration • Procure necessary 3rd party vendors Potential vendors include legal, brokerage (for acquisition), design and engineering, general contractor, real estate developer, municipal finance advisor, etc. • Track progress for current and historical recording purposes

APPENDIX CONTENTS

- List of Documents Reviewed (page 37)
- Individual Property Reviews (pages 38-69)
- Implementation Process Overview Table (pages 70-71)

DOCUMENTS REVIEWED

- North SeaTac Lease
- Comprehensive Plan
- 2010 SeaTac Airport Mkt Study
- North SeaTac Park Map with Numbers
- TIP Project
- Economic Vitality Introduction Draft
- Angle Lake District Station Area Plan
- CAI Market opportunities Draft
- City Center Vision Report Draft
- Lease Agreements List
- List Of Market Studies
- Memo - SeaTac Economic Opportunities Report
- North SeaTac Park Leased Parcels as of 6/9/2021
- Property Inventory as of 4/5/2021
- Property Inventory Fee Sheet 4/5/2021
- PROS Plan
- Proposed Amendments to the PROS Plan 2021
- S 154th Street Station Area Action Plan
- CEMP Manual 2016 Basic
- Port of Seattle/SeaTac Interlocal agreement
- City hall Report Daft Revised
- SeaTac Housing Action Plan
- Maintenance Report Reduced Final
- Transportation Master Plan 2020

INDIVIDUAL PROPERTY REVIEWS

Heartland has created individual property reviews for each property owned by the City, other than the eleven parcels classified as Surplus/Nominal Value. Each property review “card” contains relevant property stats and information, Heartland’s rating of each property’s relevance to the seven policy objective categories and five regional trends, and multiple bullet points reflecting Heartland’s observations and questions regarding the potential future use of the property. These questions are not intended to suggest a particular use or improvement for a property, as City staff is more familiar with the needs and nuances of each particular property. This merely serves as an example of how the City can think about each parcel as it related to the City’s existing policies and the regional trends impacting the City. The associated property numbers have been assigned by the city and represent the City’s internal numbering system. These City-assigned property numbers represent no sequential ordering.

1

PROPERTY REVIEW



PROPERTY NOTES

- City approved property for disposition, which is now on hold for further evaluation
- Less than 1/2 mile from the light rail station, and within the 154th Street Station Area
- Urban High-Density Residential zoning supportive of multifamily development, the likely highest and best use
- Page 24 of the 154th St Station Area plan identifies this parcel as part of a future community park

STRATEGIC POSITIONING

Strategic Classification:

DISPOSITION

ASSET PROFILE

Inventory #:	1
Name:	King County Fire Station #47
Size (Acres):	0.56
Address:	3215 S. 152nd St
Improved:	Vacant
Zoning:	UH-UCR
Site Use:	King County Fire Station
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Mar-1991
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ●
Housing and Affordability	● ● ● ●
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	● ● ● ●
Airport Growth	
Commercial Real Estate	● ● ● ●
Parks	
Transit	● ● ● ● ●

2

PROPERTY REVIEW



PROPERTY NOTES

- Property sold in May 2020 and is no longer part of the SeaTac Portfolio
- This sold to the Inland Group, as part of the larger development on the parcel directly East
- Closed on September 28, 2021 as part of a large redevelopment project (includes 585 apartments with 365 workforce affordable and about 25,000 square feet of retail/commercial space)

STRATEGIC POSITIONING

Strategic Classification: **DISPOSITION**

ASSET PROFILE

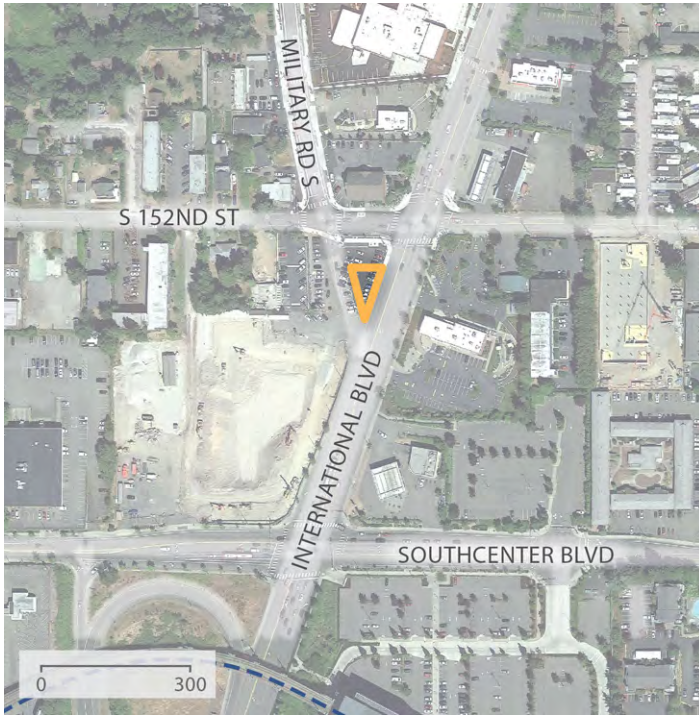
Inventory #:	2
Name:	Economic Unit w/ Parcel 004300-0015
Size (Acres):	1.43
Address:	15247 Pacific Hwy S.
Improved:	Vacant
Zoning:	CB-C
Site Use:	Vacant Land - Future Apartments
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Sold
City Department:	CED
Date Acquired:	Dec-2009
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ●
Housing and Affordability	● ● ● ●
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	● ● ● ●
Airport Growth	
Commercial Real Estate	● ● ● ●
Parks	
Transit	● ● ● ● ●



PROPERTY NOTES

- Location ideal for commercial development, more likely for retail than office
- Size and location reduce site’s ability to directly support housing development
- Potential to enhance station area placemaking
- Potential to improve transit connectivity
- Property tied-up through nearby development through approximately 2022
- City Owns property directly north (#39)

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	6
Name:	Southerly Ptns of Triangle Parcel
Size (Acres):	0.05
Address:	15211 Pacific Hwy
Improved:	Vacant
Zoning:	CB-C
Site Use:	Vacant Land
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	CED
Date Acquired:	Mar-2018
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ● ●
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation	● ● ●
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	● ● ●
Parks	
Transit	● ● ● ● ●

7

PROPERTY REVIEW



PROPERTY NOTES

- Property connects to the greater Angle Lake Park
- Park potentially provides an access point for surrounding developments to access both the lake and the park to the north

STRATEGIC POSITIONING

Strategic Classification:

MISSION

ASSET PROFILE

Inventory #:	7
Name:	0
Size (Acres):	1.88
Address:	Hughes Remaining Land on Angle Lake
Improved:	Vacant
Zoning:	P
Site Use:	Vacant Land - City of SeaTac (Wetland)
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Nov-1997
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation	● ● ●
Emergency Response	●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ●
Transit	



PROPERTY NOTES

- Noted as restricted to use as drainage only
- Does this restrict public access or are other public uses possible?
- Given proximity to Angle Lake Station area, could this property be used to increase connectivity to the Des Moines Creek Park?
- Property appears to lie at a lower elevation than surrounding area making it less developable

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	9
Name:	Detention Pond / Large
Size (Acres):	4.47
Address:	204th and 24th Ave S.
Improved:	Vacant
Zoning:	AVC
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	PW / Drainage
Date Acquired:	Oct-2000
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ●
Economic Development	●
Housing and Affordability	
Healthy Placemaking	●
City Facilities	
Transportation	● ●
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	● ●
Transit	● ●

10

PROPERTY REVIEW



PROPERTY NOTES

- Appears to be wetlands and noted as use restricted
- Appears to be adjacent to WSDOT land
- Adjacent to industrial uses
- Could this parcel be used for connectivity or park development?
- Likely high levels of noise given the proximate location of runways, does this also impact other uses such as parks and rec?

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	10
Name:	Regional Retention Pond or JA Green Pond Des Moines Creek Basin (Wetland) (Committee)
Size (Acres):	4.85
Address:	13th and S. 192nd St
Improved:	Vacant
Zoning:	I
Site Use:	Vacant Land - City of SeaTac (Wetland)
Land Use Status:	Vacant (Industrial)
Ownership Interest:	Fee
City Department:	PW/ Drainage
Date Acquired:	May-2001
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ●
Economic Development	●
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	● ●
Commercial Real Estate	
Parks	● ●
Transit	

12

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective and contributes to larger vision of North SeaTac Park, which is a regional park
- Soccer fields, which contribute to developed, active park objectives
- Likely fully realizing its policy and strategic objectives

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	12
Name:	Ptns of North SeaTac Park
Size (Acres):	3.17
Address:	18th Ave S. and 128th
Improved:	Vacant
Zoning:	P
Site Use:	Park
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Mar-1996
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	



PROPERTY NOTES

- Property does not look to have good accessibility
- No noted restrictions
- Adjacent to Masterpark but likely subject to shoreline development restrictions
- Majority of the parcel appears to be underwater
- Potential to support parks and recreation and/or healthy placemaking policy objectives
- Development Agreement Encumbrance

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	16
Name:	Vacant Land, Bow Lake Waterfront West
Size (Acres):	2.00
Address:	Vacant Bow Lake Waterfront - Next to Master Park
Improved:	Vacant
Zoning:	CB-C
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	Apr-2010
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	●
Economic Development	
Housing and Affordability	
Healthy Placemaking	●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	●
Transit	

17

PROPERTY REVIEW



PROPERTY NOTES

- Income-generating property for the City that is leased to the YMCA
- Supports community needs through city Land without the City bearing the burden of operations or development

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	17
Name:	Matt Griffin YMCA
Size (Acres):	6.47
Address:	3595 S. 188th St
Improved:	Improved
Zoning:	UL-5000 (SDO)
Site Use:	Matt Griffin YMCA
Land Use Status:	Health Club
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Dec-2009
Use Restrictions:	Present

POLICY GOAL RELEVANCE

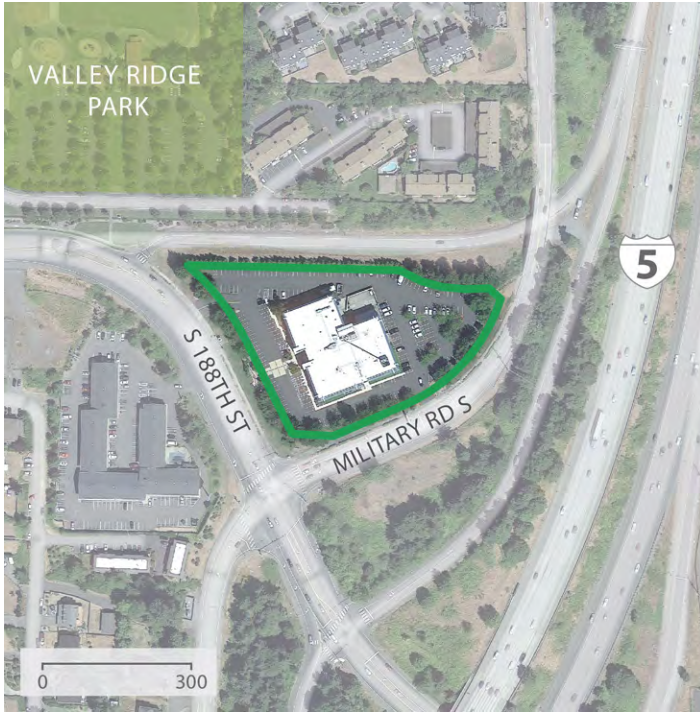
Parks and Rec	
Economic Development	● ● ● ●
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	● ● ●
Parks	
Transit	

18

PROPERTY REVIEW



PROPERTY NOTES

- Assessment of redevelopment of City Hall facility shows a rehab project would be similar in cost to a new facility
- City Hall could potentially relocate to a more central location
- Potential to explore different transaction structures to either rehab or relocate
- Site would potentially be feasible for multiple uses
- If relocating City Hall in the future, potential to acquire new land now and landbank for the interim

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

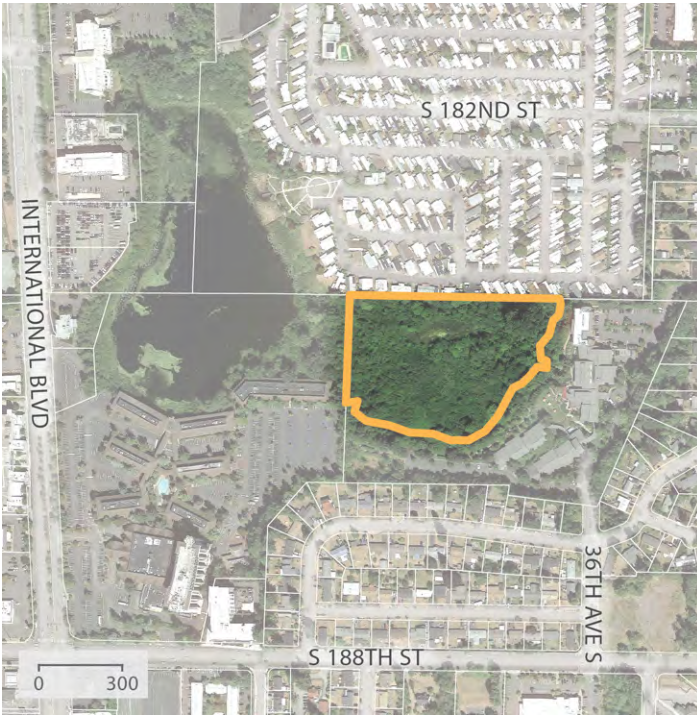
Inventory #:	18
Name:	SeaTac City Hall
Size (Acres):	3.07
Address:	4800 S. 188th St
Improved:	Improved
Zoning:	CB
Site Use:	SeaTac City Hall
Land Use Status:	Office Building
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Dec-2009
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ●
Housing and Affordability	● ●
Healthy Placemaking	
City Facilities	● ● ● ● ●
Transportation	
Emergency Response	● ●

APPLICABLE TRENDS

Housing	● ● ●
Airport Growth	
Commercial Real Estate	● ● ●
Parks	
Transit	



PROPERTY NOTES

- Likely subject to development restrictions due to adjacent wetlands
- Property lacks street access
- Proximity to residential development could create an opportunity for use as a park, healthy placemaking objectives, or general connectivity.

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	19
Name:	Bow Lake Wetlands
Size (Acres):	7.23
Address:	185th and 36th Ave S.
Improved:	Vacant
Zoning:	UH-900
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Open Space Tmbr Land/ Greenbelt
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	Oct-2002
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	●
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ●
Transit	



PROPERTY NOTES

- Supports mission objective for use as a fire station

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	20
Name:	Fire Station #45 (New)
Size (Acres):	0.81
Address:	3011 S. 200th St
Improved:	Improved
Zoning:	UH-1800
Site Use:	City of SeaTac Fire Station #45
Land Use Status:	Governmental Service
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jun-2018
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ●
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	● ● ● ● ●
Transportation	
Emergency Response	● ● ● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	●
Parks	
Transit	



PROPERTY NOTES

- Potential to contribute to several policy objectives due to location proximate to additional development sites (Sound Transit), and Angle Lake Light Rail Station
- Given size and shape it will require additional assemblage to leverage value
- Adjacent to Sound Transit development parcel

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	25
Name:	Vacant Land - Across from Fed. Detention Center being ±50 ft.
Size (Acres):	0.32
Address:	S. 26th St and 200th
Improved:	Vacant
Zoning:	RBX
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Right of Way / Utility, Road
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	Jul-1999
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ●
Economic Development	● ●
Housing and Affordability	●
Healthy Placemaking	● ●
City Facilities	
Transportation	● ● ●
Emergency Response	

APPLICABLE TRENDS

Housing	● ●
Airport Growth	● ●
Commercial Real Estate	● ● ●
Parks	● ● ●
Transit	● ● ●



PROPERTY NOTES

- Noted as land left over from construction of SR 509
- Proximate to Des Moines Creek Park and Angle Lake Light Rail Station
- Potential to support healthy placemaking and/or parks and recreation objectives

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	26
Name:	Remainder for SR 509
Size (Acres):	0.43
Address:	24th Ave and 201St
Improved:	Vacant
Zoning:	RBX
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	May-2015
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	● ●
Commercial Real Estate	
Parks	
Transit	● ●



PROPERTY NOTES

- Noted as land left over from construction of SR 509
- Proximate to Des Moines Creek Park and Angle Lake Light Rail Station
- Adjacent to Amazon Fulfillment Center
- Potential to support healthy placemaking and/or parks and recreation objectives

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	29
Name:	Remainder West SR 509 East of Storm Ponds
Size (Acres):	1.60
Address:	24th Ave and 202nd
Improved:	Vacant
Zoning:	MHP
Site Use:	Vacant Land - City of SeaTac
Land Use Status:	Vacant (Multi-family)
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	Oct-2017
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

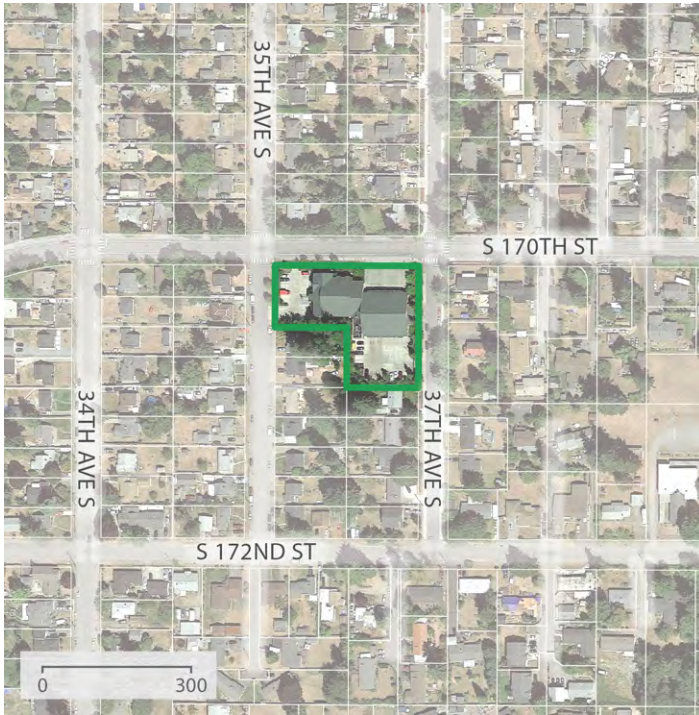
Parks and Rec	● ●
Economic Development	● ●
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	● ●
Commercial Real Estate	●
Parks	
Transit	● ●

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PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as a fire station

STRATEGIC POSITIONING

Strategic Classification:

MISSION

ASSET PROFILE

Inventory #:	31
Name:	Fire Station #46
Size (Acres):	1.23
Address:	3521 S. 170th St
Improved:	Improved
Zoning:	UL-7200
Site Use:	SeaTac Fire Station #46
Land Use Status:	Governmental Service
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jun-2018
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ●
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	● ● ● ● ●
Transportation	
Emergency Response	● ● ● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	●
Parks	
Transit	



PROPERTY NOTES

- Proximate to Des Moines Creek Park and Angle Lake Light Rail Station
- Adjacent to Amazon Fulfillment Center
- Potential to support healthy placemaking and/or parks and recreation objectives

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

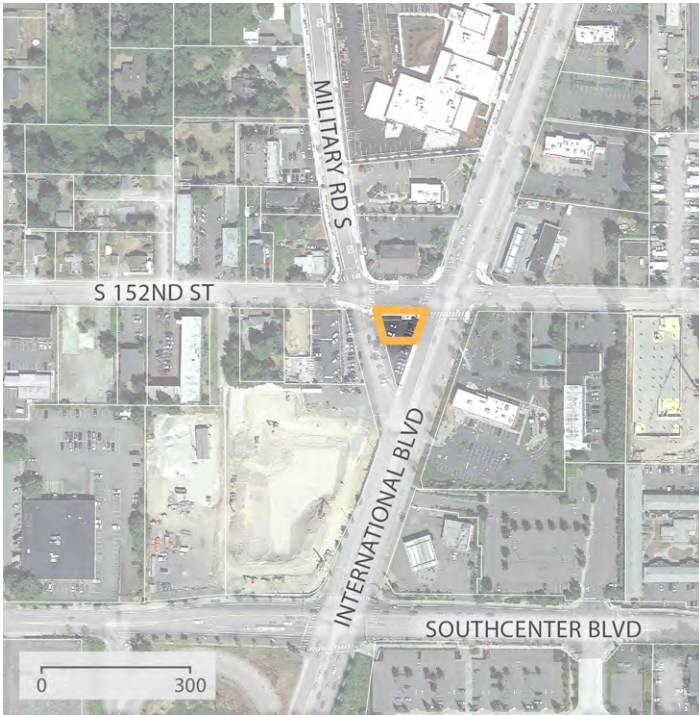
Inventory #:	33
Name:	Detention Pond
Size (Acres):	1.03
Address:	204th and 24th Ave S.
Improved:	Vacant
Zoning:	AVC
Site Use:	Vacant - Port of Seattle
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	PW / Drainage
Date Acquired:	Oct-2000
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ●
Economic Development	● ●
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	● ●
Commercial Real Estate	●
Parks	
Transit	● ●



PROPERTY NOTES

- Location ideal for commercial development, more likely for retail than office
- Size and location reduce site’s ability to directly support housing development
- Potential to enhance station area placemaking
- Potential to improve transit connectivity
- Property tied-up through nearby development through approximately 2022

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	39
Name:	Northerly Ptns of Triangle
Size (Acres):	0.11
Address:	15201 Pacific Hwy
Improved:	Vacant
Zoning:	CB-C
Site Use:	Vacant Land
Land Use Status:	Vacant (Commercial)
Ownership Interest:	Fee
City Department:	CED
Date Acquired:	Mar-2018
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	
Economic Development	● ● ● ●
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation/Connectivity	● ● ●
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	● ● ●
Parks	
Transit	● ● ● ● ●



PROPERTY NOTES

- Supports mission objective for use as Angle Lake Park.
- How else could this real estate further support healthy placemaking or economic development in addition to parks and recreation objectives?
- Could connectivity via trail to property #7 be enhanced to improve park features or increase connectivity?
- Property could be presently maximizing its mission potential

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	40
Name:	Angle Lake Park
Size (Acres):	8.93
Address:	19408 International Blvd
Improved:	Improved
Zoning:	P
Site Use:	Angle Lake Park
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Feb-1994
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	●●●●●
Economic Development	●●
Housing and Affordability	
Healthy Placemaking	●●
City Facilities	
Transportation	
Emergency Response	●●●

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	●●●
Transit	

41

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as park space
- There are also use restrictions on this parcel
- How does this parcel connect to the surrounding City properties? Can these connections be improved?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	41
Name:	Des Moines Creek Park
Size (Acres):	42.24
Address:	2151 S. 200th St
Improved:	Vacant
Zoning:	P
Site Use:	
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jan-2004
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	●

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	● ●
Transit	

42

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as Grandview Park
- Provides an off-leash dog park
- Are there other park and rec objectives that could be served by this large parcel?
- Is full park being utilized? Can some be repurposed for economic development or healthy placemaking opportunities?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	42
Name:	Grandview Park
Size (Acres):	37.70
Address:	3600 S. 228th St
Improved:	Improved
Zoning:	P
Site Use:	
Land Use Status:	Vacant (Single-family)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Feb-2004
Use Restrictions:	Present

POLICY GOAL RELEVANCE

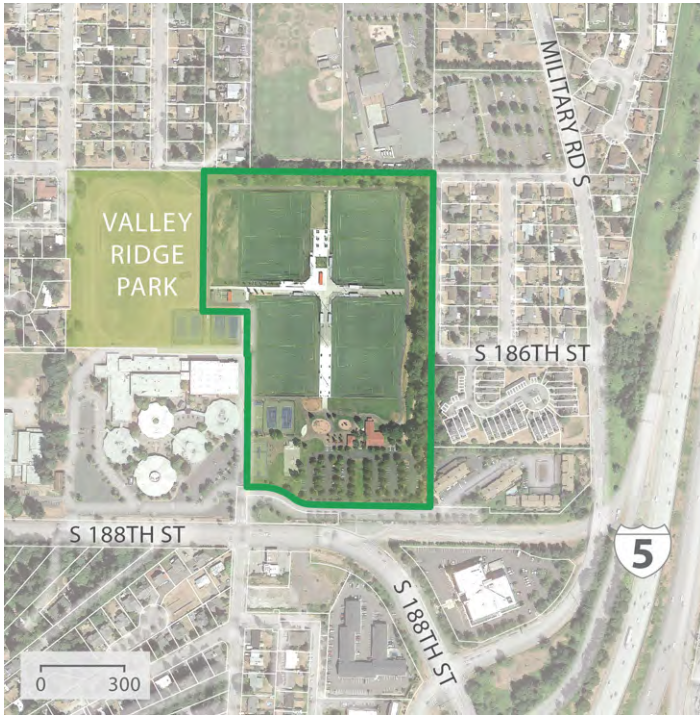
Parks and Rec	● ● ● ● ●
Economic Development	● ●
Housing and Affordability	● ●
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	

43

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as Valley Ridge Park and community center
- Adjacent to Tye High school
- Can property be used to further support healthy placemaking opportunities with the adjacent school?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	43
Name:	Valley Ridge Park and Community Center
Size (Acres):	19.89
Address:	4640 S. 188th St
Improved:	Improved
Zoning:	P
Site Use:	Valley Ridge Park and Community Center
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Feb-1994
Use Restrictions:	Present

POLICY GOAL RELEVANCE

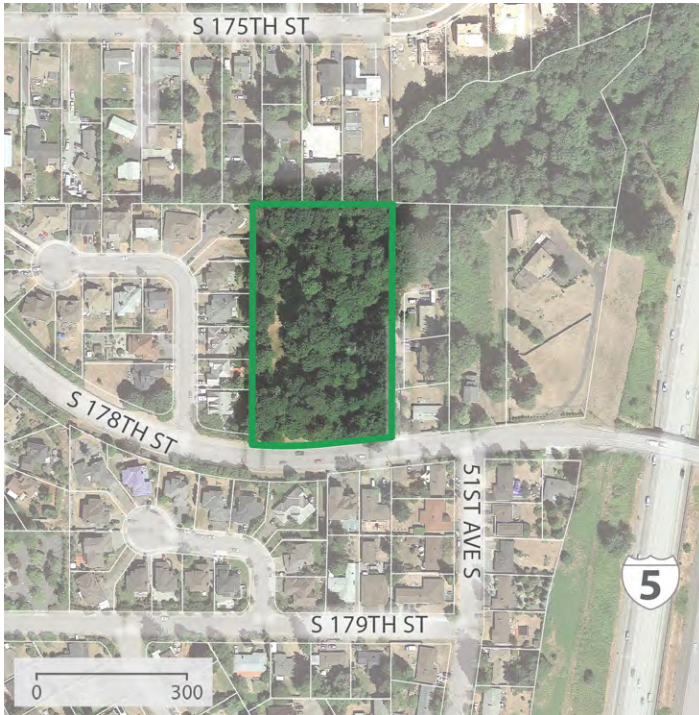
Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation	
Emergency Response	● ● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	

44

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as Bow Lake park which provides open space
- Are there other park and rec objectives that could be addressed with this parcel?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	44
Name:	Bow Lake Park / Steep Slopes
Size (Acres):	3.05
Address:	178th Ave off Military
Improved:	Vacant
Zoning:	P
Site Use:	
Land Use Status:	Vacant (Single-family)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Feb-1994
Use Restrictions:	Present

POLICY GOAL RELEVANCE

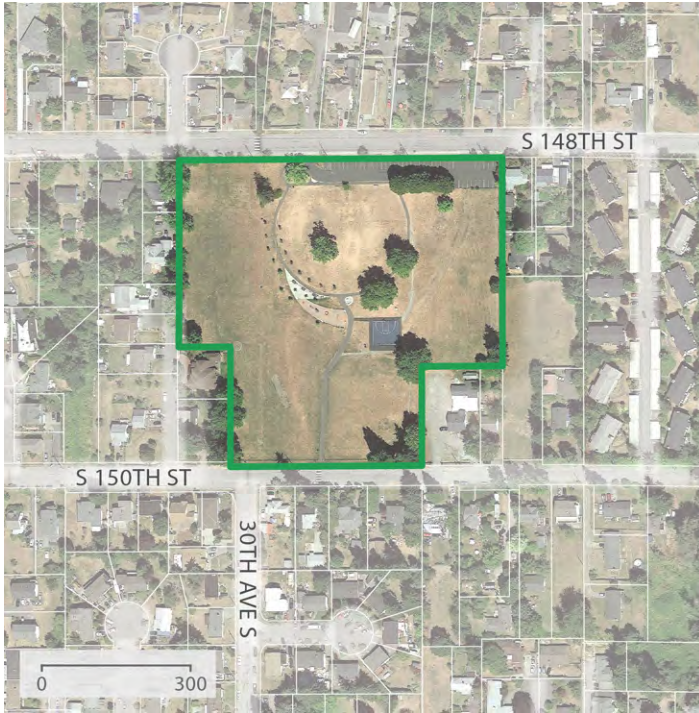
Parks and Rec	● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ●
Transit	

45

PROPERTY REVIEW



PROPERTY NOTES

- Supports a mission objective for use as Riverton Heights Park
- Creates active and children-friendly park amenities such as picnic tables, basketball courts, paths and play equipment.
- Can the southern portion of the park be better utilized or improved to complement surrounding uses?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	45
Name:	Riverton Park
Size (Acres):	7.95
Address:	30th and S.148th St
Improved:	Vacant
Zoning:	UL-7200
Site Use:	Vacant Land
Land Use Status:	Vacant (Single-family)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jul-2007
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	

46

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use a park.
- There are use restrictions on this parcel
- How does this parcel connect to the surrounding City properties? Can these connections be improved?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	46
Name:	Des Moines Creek Park
Size (Acres):	0.21
Address:	208th and 21st St
Improved:	Vacant
Zoning:	P
Site Use:	
Land Use Status:	Vacant (Single-family)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jan-2004
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	●

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	● ●
Transit	

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PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as McMicken Heights Park
- Park space is unimproved and does not seem to meet emerging City trends (park space for seniors, preschool)
- Is this designated as park space merely because it is connected to the active portion of McMicken Park?
- Can some or all of space be used to support goals other than Park Space, such as healthy placemaking, or provide additional space for City Facilities?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	47
Name:	McMicken Heights Park
Size (Acres):	1.06
Address:	S. 166th and 40th Ave S.
Improved:	Vacant
Zoning:	P
Site Use:	Small Park
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	May-2010
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ● ●
City Facilities	
Transportation	
Emergency Response	●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	



PROPERTY NOTES

- Supports mission objective for use as improved portion of the McMicken Heights park.
- Features active recreation amenities including pickle ball and tennis courts, play equipment and picnic tables
- Can northern portion of property be improved with additional active recreation?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	48
Name:	McMicken Heights Park
Size (Acres):	1.34
Address:	S. 166th and 40th Ave S.
Improved:	Vacant
Zoning:	P
Site Use:	
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	May-2010
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	
Transportation	
Emergency Response	● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ● ● ●
Transit	

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PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use a park
- There are also use restrictions on this parcel.
- How does this parcel connect to the surrounding City properties? Can these connections be improved?
- How should we score this an the other DMC Parcels, given that the current use or the Potential for future use. For example, this park contributes way less value as a park when compared to valley ridge park

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	49
Name:	Des Moines Creek Park
Size (Acres):	9.80
Address:	208th and 21st St
Improved:	Vacant
Zoning:	P
Site Use:	
Land Use Status:	Vacant (Single-family)
Ownership Interest:	Fee
City Department:	Parks
Date Acquired:	Jan-2004
Use Restrictions:	Present

POLICY GOAL RELEVANCE

Parks and Rec	● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	●

APPLICABLE TRENDS

Housing	
Airport Growth	●
Commercial Real Estate	
Parks	● ●
Transit	



PROPERTY NOTES

- Supports mission objective for use as Sunset Park
- Park is improved with active recreation amenities including baseball, softball, and soccer fields, trails, and a picnic area
- Could the property be further improved to maximize use for mission objectives?

STRATEGIC POSITIONING

Strategic Classification: **MISSION**

ASSET PROFILE

Inventory #:	50
Name:	Sunset Park
Size (Acres):	17.48
Address:	13659 18th Ave S.
Improved:	Improved
Zoning:	P
Site Use:	North SeaTac Park
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Occupy
City Department:	Parks
Date Acquired:	NA
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ●
Transit	

51.2

PROPERTY REVIEW



PROPERTY NOTES

- Supports mission objective for use as Sunset Park
- Park is improved with active recreation amenities including baseball, softball, and soccer fields, trails, and a picnic area

STRATEGIC POSITIONING

Strategic Classification:

MISSION

ASSET PROFILE

Inventory #:	51.2
Name:	Sunset Park
Size (Acres):	0.54
Address:	13659 18th Ave S.
Improved:	Vacant
Zoning:	P
Site Use:	Vacant Land - Park
Land Use Status:	Park, Public (Zoo/Arbor)
Ownership Interest:	Occupy
City Department:	Parks
Date Acquired:	NA
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	● ● ● ● ●
Economic Development	
Housing and Affordability	
Healthy Placemaking	
City Facilities	
Transportation	
Emergency Response	● ● ●

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	
Parks	● ● ●
Transit	



PROPERTY NOTES

- House became non-occupiable with septic/ROW conflict, City had to acquire. Industrial user has expressed interest in acquiring.
- Industrial zoning could potentially increase support for economic development.
- Industrial development planned to the North
- Not located in a central or transit focused part of the City
- Proximity to Des Moines creek park for housing or placemaking opportunities

STRATEGIC POSITIONING

Strategic Classification: **UNDERUTILIZED**

ASSET PROFILE

Inventory #:	53
Name:	Zamora
Size (Acres):	0.11
Address:	1140 S. 200th St
Improved:	Improved
Zoning:	I
Site Use:	SFR
Land Use Status:	Single-family (C/I Zone)
Ownership Interest:	Fee
City Department:	PW
Date Acquired:	Sep-2019
Use Restrictions:	None Noted

POLICY GOAL RELEVANCE

Parks and Rec	●
Economic Development	● ● ●
Housing and Affordability	
Healthy Placemaking	● ●
City Facilities	●
Transportation	
Emergency Response	

APPLICABLE TRENDS

Housing	
Airport Growth	
Commercial Real Estate	● ● ●
Parks	
Transit	

IMPLEMENTATION PROCESS OVERVIEW TABLE

PROCESS FRAMEWORK STAGE 1: PRELIMINARY REVIEW	
1. INITIAL INTAKE	2. INITIAL ANALYSIS
<p>The initial intake is the step that formalizes the initiation of this process:</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Capture the opportunity in this formal template to carry the opportunity through the process and create a historical record of the analysis and evaluation of the opportunity. • Source of the opportunity should be mentioned here (existing portfolio recommendation, 3rd party-sourced acquisition opportunity) 	<p>The initial analysis lays out the basics of the real estate opportunity to be evaluated:</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Summarize the type of opportunity being presented • Record basic property and deal information: <ul style="list-style-type: none"> - <i>Parties involved</i> - <i>Opportunity supports which policy objectives</i> - <i>Key Stakeholders</i> - <i>Costs/Price</i> - <i>Property info</i> - <i>Location</i> - <i>Potential timing – timing vs. timeline to incorporate</i> - <i>Impacts of decisions</i> - <i>Alternatives or other viable options</i> • Identify a “departmental advocate” (departmental lead or project manager) to advance the opportunity through the evaluation phase

PROCESS FRAMEWORK STAGE 2: EVALUATION
3. EVALUATION
<p>The evaluation stage is the most time-intensive stage of this process. This stage will allow City Staff to determine if they wish to recommend an action on an opportunity and enable a simpler and more formal decision step in the next stage:</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Engage in a more in-depth review of the opportunity viewed through the following lenses: <ul style="list-style-type: none"> - <i>Policy objectives</i> - <i>Real estate and economic trends</i> - <i>Initial analysis outputs</i> - <i>Implementation strategy</i> • Frame the evaluation for formal consideration by City legislators. This framing should proactively address questions that legislators will want to understand before voting on an action. These questions could include (but not necessarily be limited to) the following: <ul style="list-style-type: none"> - <i>What is the key driver of this opportunity (e.g. an immediate need or a proactive action to meet a future need)</i> - <i>Does this support policy a primary policy objective, and if so which one(s)?</i> - <i>Does this support any additional policy objectives, and if so, which one(s)?</i> - <i>Are there additional policy objectives that are furthered in addition to the primary policy objective?</i> - <i>Is this opportunity responsive to current real estate and economic trends?</i>

PROCESS FRAMEWORK STAGE 2: EVALUATION

3. EVALUATION (CONTINUED)

- Are there other alternatives to this opportunity that could be accomplished without this action, and if so why is this proposed action preferred?
- What implementation strategies could potentially be utilized to pursue this opportunity to maximize the benefit to the City, reduce risk to the City, and achieve stated policy objectives?
- What are the opportunity costs for pursuing this opportunity (e.g. would this preclude the City from pursuing other desired opportunities)?
- What are the capital and operating budget ramifications for this opportunity under any identified implementation strategy?
- What City Council actions are necessary to act on this opportunity
- What are the benefits (to the community and policy objectives) and risks measured against the costs?
- Make a formal recommendation to City Council

PROCESS FRAMEWORK STAGE 3: DECISION/IMPLEMENTATION

4. DECISION	5. IMPLEMENTATION
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The Decision Step is where the process transitions from the analysis and evaluation prepared by staff to the decision process of the City’s legislators.

ACTIONS

- City Council to consider the recommendation from staff and take one of the following actions
 - *Move forward with the opportunity*
 - *Request that staff re-evaluate with feedback as to what still needs to be understood/addressed*
 - *Hold/Shelve*

Once a decision has been made to pursue an opportunity, ideally the implementation strategy will also have been identified. City staff will execute and/or oversee the implementation, both internally and via external specialists.

ACTIONS

- Identify staff involved in implementation and their roles
- Procure necessary 3rd party vendors
- Track progress for current and historical recording purposes