



## MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 12/08/2023  
To: Evan Maxim, CED Director; Jenn Kester, Planning Manager  
From: Zack Shields, Senior Planner – Transportation, Capital Facilities, and Special Projects  
Subject: Former Fire Station #47 (Parcel #: 04300-0009): SREP Analysis

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### Summary

This memorandum provides a property-specific assessment of the former site of Fire Station 47 (FS47). The City of SeaTac currently possesses a significant collection of public real estate assets, including the 24,400-SF property within the City's Urban Center in the South 154th Street Station Overlay District that now sits vacant. My recommendation is for the disposition of the FS47 parcel to be declared as surplus property for the development of multifamily housing.

I recognize that ongoing discussions are taking place regarding the location for a new civic campus in SeaTac. Due consideration should be given to the dispossession of public assets. They play a strategic role in defining and implementing the built environment and often serve as a catalyst or anchor for continued development and meeting policy objectives. It would be judicious to postpone any final decision regarding the Fire Station 47 property until the discussion regarding the civic campus reaches a conclusion.

### Overview

#### Background and Site Information

The site of the former Fire Station 47 lot is in the north-central section of SeaTac, near the City's eastern border with the City of Tukwila, at 3215 South 152<sup>nd</sup> Street, SeaTac, WA 98188. The City completed the demolition and removal of the former fire station building in 2018. As part of the South 154<sup>th</sup> Street Station Overlay District area, the property is adjacent to transit and pedestrian-friendly neighborhoods and a mix of retail and recreation opportunities, including Riverton Heights Park.

The FS47 parcel is 0.5 miles from access to SR 518, 0.3 miles from Tukwila International Boulevard Station, and approximately 1.5 miles from the Sea-Tac International Airport. The parcel is zoned Urban High-Density Residential (UH-UCR), and it is located entirely within the South 154<sup>th</sup> Street Station Area Overlay District. The property comprises 0.56 acres or 24,400 SF. The Fire Station 47 property is situated in an active part of the City, as it lies within the South 154th Street Station Overlay District area and is within walking distance of transit and recreational amenities.

Following a comprehensive assessment of the site and a review of existing city planning studies and system conditions, I developed three potential uses or development alternatives for further consideration. Of the three, for the future use of the former fire station parcel, I recommend Alternative 1: High-density Multifamily Residential Development.

The development of housing within a high-capacity transit corridor is supported by the City's South 154<sup>th</sup> Street Station Area Plan, the Housing Action Plan, the Angle Lake District Station Area Plan, and aligns with the City's Comprehensive Plan policy goals stated in more detail in Exhibit C.

- Alternative 1 (Recommended): High-density Multifamily Residential Development;
- Alternative 2: Civic Campus Candidate Site;
- Alternative 3: Recreational Space for a Pocket Park.

#### Alternative 1: High-density Multifamily Residential Development

Implementing the City Center, South 154<sup>th</sup> Street Station Area, and Angle Lake District Station Area Plans to focus most of SeaTac's commercial and residential growth and redevelopment into SeaTac's designated Urban Center by promoting compatible multifamily residential development to increase the supply of quality housing units in SeaTac that complement the surrounding neighborhood mix of single-family residential, multifamily, commercial, and retail.

#### Alternative 2: Civic Campus Candidate Site

Since the January 2022 production of the SREP Report, the city council has directed staff to begin the process of searching for a suitable site to host the new SeaTac Civic Campus, and they have advised that the new civic campus be in close proximity to transit and the city's Urban Center. The new civic campus is a significant investment, and policymakers are currently deliberating on its best location. The City Center and the Angle Lake Station Overlay Districts are considered potential candidate sites. These locations would exclude the FS47 parcel geographically. Civic campuses can provide easy access to City services and offices for community-based organizations, recreational offerings, or retail businesses. To ensure that the decision-making process is comprehensive, it's crucial to finalize discussions before making a definitive conclusion on the future disposition of the FS47 parcel.

#### Alternative 3: Recreational Space

Current SeaTac Parks, Recreation, and Open Space Plan goals state that SeaTac should strive to provide parks within ¼ mile of transit-oriented development areas, and the South 154<sup>th</sup> Street Station Area Plan recommended this site as a potential future pocket park. However, in subsequent years, since the station plan, development at Riverton Heights Park has provided an improved level of service and recreational opportunities in the station area.

#### **Review of Existing Planning Documentation in Consideration of Fire Station #47**

To develop my recommendation and the alternatives considered, I reviewed the City of SeaTac's Comprehensive Plan, PROS Plan, Facilities Studies, Housing Action Plan, and Sub Area Plans. The SeaTac City Council adopted a Strategic Real Estate Plan in May of 2022 to provide an examination and analysis of the City's real estate portfolio and policies to leverage real estate to further property-specific goals and policies supported by the City's Comprehensive Plan.

#### SeaTac Comprehensive Plan

The City of SeaTac Comprehensive Plan is currently being updated for the 2024-2044 planning cycle. Policymakers and stakeholders have focused on multiple tools to encourage residential development, including managing housing growth and promoting various housing and open space opportunities. For example, SeaTac’s Comprehensive Plan and light rail station area plans to focus growth into designated “urban villages” in the City’s Urban Center, where higher density, pedestrian-oriented development is concentrated with a mix of housing, jobs, retail, services, and other destinations. The Comprehensive Plan encourages the development of this type of “complete community” in all residential neighborhoods by promoting diversity in housing types and transportation opportunities for all segments.

#### *The South 154<sup>th</sup> Street Station Area Plan*

The South 154<sup>th</sup> Street Station Area Plan (2006) sought to leverage its proximity to the light rail station to develop new business opportunities, services for SeaTac residents, and housing opportunities. Subarea plans are at their core city redevelopment and investment guides. They establish a community and market-supported land use vision and desired development pattern for specific neighborhoods and districts. The South 154<sup>th</sup> Street Station Area Plan helped identify the City’s strategies to achieve the vision and preferred development pattern. The parcel previously occupied by the fire station was identified at the time of publication as part of a planned future neighborhood park in The South 154<sup>th</sup> Street Station Area Plan (2006).<sup>1</sup>

In subsequent years since the adoption of The South 154<sup>th</sup> Street Station Area Plan (2006), ongoing capital developments, such as the Riverton Heights Park Property Development, have brought further recreational opportunities to the station area that did not exist at the time of the 154<sup>th</sup> Street Station Area Plan’s development. The Riverton Heights Park today is 7.9 acres (2.0 acres developed), providing playground equipment, a basketball court, picnic area, community lawn, and open space. Today, the FS47 parcel is approximately 0.18 miles from Riverton Heights Park, 0.6 miles from Cascade View Park in Tukwila, and 0.9 miles from North SeaTac Park.

#### *The SeaTac Housing Action Plan*

The SeaTac Housing Action Plan (2021) outlines several key strategies for meeting the City’s housing targets, including proactively planning and coordinating public infrastructure to support urban village development, and continuing conversations with the development community about actions the City can take to attract market-rate rental housing. The Housing Action Plan brought diverse perspectives from every sector of society, from citizen to business owner, student to employee, and homeowner to renter. The result of which was a wide-ranging outlook on new housing in SeaTac. A sampling of those perspectives shows strong support for new housing that enhances social connections and multigenerational living, such as cohousing, cottage housing, or courtyard apartments. There is also strong support for studios and small apartments for single adults living alone.

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<sup>1</sup> P. 24, 154<sup>th</sup> Street Station Area Plan, 2006.

Continued population growth in the Puget Sound Region over numerous planning cycles has increased the demand for good quality housing opportunities for all residents. State-wide, according to the Washington State Department of Commerce, there will be a need for 1.1 million new homes in the next 20 years and an additional 91,357 emergency housing beds for temporary use. In 2021 within the City of SeaTac, there were 10,831 housing units. 52% were single-family occupied homes, 38% were multi-family, and the remaining 10% were a combination of either townhomes, duplexes, or mobile homes.<sup>2</sup>

The Growth Management Act stipulates that the City of SeaTac is required to provide 5,900 housing units by the end of the 2044 planning cycle. Furthermore, with the recent passage of HB 1220 and HB 1110 in the Washington Legislature, the State changed how communities are required to plan for housing. This legislation amended the Growth Management Act (GMA) to instruct local governments to “plan and accommodate” for housing affordable to all income levels. This significantly strengthens the previous goal, which was to encourage affordable housing. HB 1220 and HB 1110 also significantly updates how jurisdictions plan for housing in the housing element of their comprehensive plans.

#### SeaTac PROS Plan

Alongside the growth in housing, the City should provide increased access and availability to recreational opportunities. The SeaTac Parks, Recreation, and Open Space (PROS) Plan (2020) sets forth the City’s vision for a system of park facilities and recreational programs that substantially benefit the community. The PROS Plan consists of an overview and inventory of the City, its population, and its parks and recreation facilities, with substantive future goals and capital planning recommendations and implementation strategies. Critically, the PROS Plan aligns with the City’s Comprehensive Plan and level of service (LOS) requirements.

SeaTac’s Park System LOS is set to provide the same ratios of facilities the community enjoys in 2019 through the six years consistent with the Comprehensive Plan (2026 and 2035). Based on expected growth from 2020-2040, the capital facility program would meet and sometimes exceed the minimum LOS.<sup>3</sup> Furthermore, park offerings have grown in the area adjacent to FS 47, including the Riverton Heights Park development, bringing high-quality health and recreational opportunities for all residents and visitors to SeaTac.

#### Strategic Real Estate Plan Report

The City Council determined that the acquisition, use, and disposition of real property are an implementation strategy for adopted SeaTac goals and policies, which requires the City of SeaTac to develop a strategic approach and guiding principles to address its real property portfolio.<sup>4</sup> The SREP was devised to leverage existing data and research to summarize, at a high level, the trends currently impactful on real estate that should be monitored continuously. Adopted in March 2022, the SREP’s design is a snapshot of existing trends and conditions

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<sup>2</sup> P. 2, Housing Action Plan, 2021.

<sup>3</sup> **Exhibit 2:** Level of Service 2020-2040, PROS Plan

<sup>4</sup> Resolution 22-006, City of SeaTac City Council

considered part of examining the City's real estate portfolio. Through the process culminating with the SREP report, several critical policy gaps were noted that remain to be addressed by decision-makers.

Heartland identified the following gaps in policy: a need for acquisition strategies, disposition strategies, and clarity around the use of City-owned real estate for affordable housing and City facility needs. According to Heartland, the current policy areas with the most significant ambiguity in the existing decision-making process are found in the City's evaluation and decision-making stage.

## Appendix

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	● ● ● ● ●

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><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Source of the opportunity should be mentioned here (existing portfolio recommendation, 3rd party-sourced acquisition opportunity)</li> </ul>	<p>The initial analysis lays out the basics of the real estate opportunity to be evaluated:</p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>▪ Summarize the type of opportunity being presented</li> <li>▪ Record basic property and deal information:                             <ul style="list-style-type: none"> <li>- <i>Parties involved</i></li> <li>- <i>Opportunity supports which policy objectives</i></li> <li>- <i>Key Stakeholders</i></li> <li>- <i>Costs/Price</i></li> <li>- <i>Property info</i></li> <li>- <i>Location</i></li> <li>- <i>Potential timing – timing vs. timeline to incorporate</i></li> <li>- <i>Impacts of decisions</i></li> <li>- <i>Alternatives or other viable options</i></li> </ul> </li> <li>▪ Identify a “departmental advocate” (departmental lead or project manager) to advance the opportunity through the evaluation phase</li> </ul>

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><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>▪ Engage in a more in-depth review of the opportunity viewed through the following lenses:                             <ul style="list-style-type: none"> <li>- <i>Policy objectives</i></li> <li>- <i>Real estate and economic trends</i></li> <li>- <i>Initial analysis outputs</i></li> <li>- <i>Implementation strategy</i></li> </ul> </li> <li>▪ 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"> <li>- <i>What is the key driver of this opportunity (e.g. an immediate need or a proactive action to meet a future need)</i></li> <li>- <i>Does this support policy a primary policy objective, and if so which one(s)?</i></li> <li>- <i>Does this support any additional policy objectives, and if so, which one(s)?</i></li> <li>- <i>Are there additional policy objectives that are furthered in addition to the primary policy objective?</i></li> <li>- <i>Is this opportunity responsive to current real estate and economic trends?</i></li> </ul> </li> </ul>



**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**

<b>4. DECISION</b>	<b>5. IMPLEMENTATION</b>
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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

**Exhibit B**

**Key Parcel Information**

<b>SOURCE:</b>	Existing portfolio – Fire Station 47
<b>DEVELOPMENT CAPACITY:</b>	Yes
<b>KEY STAKEHOLDERS:</b>	City staff, residents, businesses, elected officials
<b>COSTS/PRICE:</b>	Not previously disclosed
<b>Address:</b>	3215 South 152 <sup>nd</sup> St., SeaTac, WA 98188 (URBAN CENTER)
<b>Parcel #:</b>	004300-0009
<b>Size:</b>	Approx 24,400 SF or 0.56 acres
<b>Dims:</b>	Approx 122' x 220'
<b>Zoning:</b>	Urban High Density Residential (UH-UCR)
<b>Height/Density:</b>	None per City code, Subject to FAA standards
<b>Highest &amp; Best Use:</b>	Multi-family Dwelling
<b>Restrictive Size Shape:</b>	No
<b>Water:</b>	Water District #125
<b>Sewer/Septic:</b>	Public
<b>Road access:</b>	Public
<b>Parking:</b>	Adequate
<b>Street surface:</b>	Paved

## Exhibit C

### Goal-Policy Appendix

*Parcel Location:* 3215 S 152<sup>nd</sup> St.

*Recommendation:* Multi-Family Housing

*Alternatives Reviewed & Considered:* Pocket Park; New Civic Campus

#### *Source: SeaTac Comprehensive Plan*

##### *Vision Statement*

The City of SeaTac is envisioned to be economically strong, environmentally sensitive, visually pleasing, and people-oriented with a socially diverse but cohesive population and employment mix. These attributes create a positive identity and image for the community and contribute to a city of the future that works.

The essence of a growing, prosperous, and vibrant City of SeaTac is found not in its built or natural environment alone but in the collective spirit of those who live and who work within the SeaTac community.

The built aspects of this community—its residential and commercial structures, transportation network, park and recreation facilities, utility systems and other public and private facilities, as well as the natural environmental setting—are not considered as ends in themselves, but as means for enhancing the quality of life and enriching the human spirit.

#### Goal 2.1

Focus growth to achieve a balanced mix and arrangement of land uses that support economic vitality, community health and equity, and transit access.

- Policy 2.1A

Implement the City Center, South 154<sup>th</sup> Street Station Area, and Angle Lake District Station Area Plans to focus the majority of SeaTac’s commercial and residential growth and redevelopment into three distinct complete communities within SeaTac’s designated Urban Center.

- Implementation Strategies:

- Implement the subarea plans to focus growth into three communities in the urban center and prioritize projects.
- Prioritize infrastructure investments that would serve growth in the Urban Center

- Policy 2.1B

Direct moderate and high density residential development to the Urban Center, especially within the City Center and station areas.

- Implementation Strategies:

- Incentivize multi-family residential projects in the Urban Center through measures such as density bonuses, multifamily tax credits, and infrastructure improvements.

- Policy 2.1E

Promote efficient use of land by requiring development of the appropriate type and density for each zone.

#### Goal 2.2

Create walkable, compact, transit-oriented communities with a range of transportation, employment, housing, recreation, goods, and service choices for residents of all income levels.

- Policy 2.2B  
Promote dense residential and employment uses in transit communities to provide current and future residents with greater access to transportation, housing, and economic opportunities.
- Policy 2.2F  
Foster high quality, diverse, affordable housing.

#### Goal 2.3

Achieve a mix of housing types while maintaining healthy residential neighborhoods and guiding new housing development into appropriate areas.

- Policy 2.3E  
Provide a high density living option through the Residential High Density designation. Some compatible non-residential uses may be allowed, including neighborhood oriented commercial when part of mixed use development.

#### Goal 3.4

Increase housing options in way that complement and enhance nearby residential and commercial uses.

- Policy 3.4A  
Encourage development of residential areas and lots with adequate existing utilities and transportation systems
- Policy 3.4B  
Promote a variety of housing types and options in all neighborhoods, particularly in proximity to transit, employment, and educational opportunities.

#### Goal 3.6

Increase housing opportunities for all economic segments of the community, especially in SeaTac's transit communities.

- Policy 3.6A  
Identify, maintain, and enhance the existing affordable housing stock in SeaTac.
- Policy 3.6B  
Use City land use and construction-related codes to encourage development and adequate supply of affordable housing for all economic segments of the forecast population.
- Policy 3.6 D  
Cooperate with the private sector, non-profit agencies, and public entities in the planning and development of affordable housing in SeaTac.
- Policy 3.6E  
In transit communities, ensure no net loss of affordable housing units.
- Policy 3.6H  
Encourage equitable dispersal of affordable housing throughout the City.

#### Goal 3.7

Encourage a variety of housing opportunities for persons with special needs.

- Policy 3.7A  
Support and plan for assisted housing opportunities using available federal, State and County resources.
- Policy 3.7B  
Encourage the equitable distribution of special needs housing throughout the City

### Goal 5.1

Plan for public facilities to adequately serve existing and new development by establishing levels of service (LOS) standards and determining the capital improvements needed to achieve and maintain these standards for existing and future residents and employees.

- Policy 5.1B

Sets forth Level of Service (LOS) standards as follows:

- Category 1: City-owned and/or operated facilities to which concurrency will be a test for new development.

Stormwater Management: Adequate capacity to mitigate flow and water quality impacts as required by the adopted Surface Water Design Manual.

- Category 2: City-owned/operated facilities to which concurrency will not be a test for new development.

City Hall: 256 gross sq. ft. per employee

Parks and Recreation (per thousands in population):

- Community Parks: 1.70 acres per 1,000
- Neighborhood Parks: 0.27 acres per 1,000

- Category 3: Facilities owned and operated by non-City service providers that must be adequate and available to development.

- Sewer: 125 gallons per day per household, 60 gallons per day per employee
- Water: 150 gallons per day per household, 75 gallons per day per employee

- Policy 5.1E

Use LOS standards to prioritize public facility needs in cases where two or more types of public facilities are competing for limited City funds.

### Goal 5.3

Provide adequate public facilities concurrent with new development impacts.

### Goal 7.2

Provide a well-designed, pedestrian-friendly, and community-oriented environment in the Urban Center.

- Policy 7.2A

Implement the City Center and Station Area Plans to encourage the development of distinctive focal points (i.e., high activity neighborhood and commercial centers) within the Urban Center.

- Policy 7.2D

Partner with developers to catalyze high-quality, transit-oriented developments in the station areas.

- Policy 7.2O

Create public spaces within the Urban Center

- Policy 7.2P

Encourage the development of buildings and structures in the Urban Center which provide civic functions.

### Goal 7.3

Enhance the character of residential areas and promote a range of well-designed housing types

- Policy 7.3B

Require high-quality multifamily building and site design that fosters a sense of community, relates to the street, has unobtrusive parking arrangements, provides usable open space, and ensures compatible transitions between different types of housing.

### ***Subarea Plan Vision Statements***

*Parcel Location:* 3215 S 152<sup>nd</sup> St.

*Source:* ***SeaTac PROS Plan***

#### Goal 1

Provide diverse active and passive recreational opportunities through a parks, open spaces, interlinking trails, programs, events, and community centers system.

- **Objective 1A**  
Add community and neighborhood park facilities with a blend of active and passive facilities to achieve the adopted level of service standard.
- **Objective 1G**  
Continue the City's existing process to evaluate recreational needs through a variety of methods including input from community members such as advisory committees, surveys, and findings from the PROS Plan

#### Goal 2

Preserve and acquire land for a comprehensive system of parks, open spaces, and trails that responds to the recreational, environmental, health, and aesthetic needs and desires of park users.

- **Objective 2A**  
Continue City efforts to expand the PROS system so that all residents live within one-half mile of a community or neighborhood park.

*Source: South 154<sup>th</sup> Station Area Plan (2006)*

**S 154th SA Vision Summary:** Vibrant, mixed use, pedestrian-oriented residential neighborhood and place to celebrate cultural diversity.

### Station Area Principles

- **Mixed Use Neighborhood** Provide a variety of commercial and residential developments within walking distance of the station facility and other amenities.
- **Pedestrian-Friendly** Make the station area an inviting, accessible and safe place to walk, offering engaging streetscapes and interactive places to gather.
- **Transit-Oriented** Provide attractive, safe and convenient transit stops and convenient access to the light rail station, as well as pedestrian amenities. Establish a range of complementary land uses within the station area that are integrated with transit and supported by retail, employment and civic uses.
- **High Quality Design** Require that all developments within the station area are attractive, designed at neighborhood scale and facilitate an overall aesthetically pleasing environment.
- **Celebration of SeaTac's Diversity** Create an environment that celebrates the many nationalities of people living in SeaTac, through such steps as encouraging businesses that serve the City's diverse populations, commissioning public art that acknowledges SeaTac's diversity, and creating a gathering spot for family-oriented festivities.

## Exhibit D

### Strategic Real Estate Plan Methodology

The SREP examines the need for City facilities, their operations, and external factors such as regional trends through the lens of identified policy objectives in **Exhibit C** derived from the City of SeaTac Comprehensive Plan. The Strategic Real Estate Plan analysis is devised such that each parcel is viewed individually and as part of a cluster. The consultant hired to draft the SREP, Heartland, noted the importance of property clusters to their analysis and the SREP's design. They state,

*“Heartland analyzed each City-owned property individually but also examined three clusters of City-owned property as a whole in addition to the individual level analysis. In these instances where the City owns several properties near one another, it is important to view their cumulative effect and potential to leverage more as a cluster as opposed to on their own” (p. 20, SREP).*

The site of FS47 is in one of three identified property clusters in SeaTac. While this memorandum is focused on one parcel, Heartland's analysis expressly indicates the importance of comprehensively viewing the 154<sup>th</sup> Street Station Area. SREP Implementation Framework is divided into seven broad categories of policy objectives linked to real estate, including economic development, parks and recreation, housing and affordability, transportation/connectivity, emergency response, city facilities, and healthy placemaking.

### SREP Implementation Framework

#### **1. What is the key driver of this opportunity?**

- a. This parcel has the potential to contribute to several policy goals of the City, including economic development, healthy placemaking, connectivity to transit, and housing production. It is also well located to respond to commercial real estate and housing trends, given the proximity to the light rail station and several identified major corridors.
- b. The post-SREP project landscape in the City of SeaTac requires strategic utilization and planning of surplus lands. The former fire station site is uniquely situated in a moderate to high-growth area, making it a prime candidate for a first case study using the SREP implementation framework.
- c. The parcel is located in a pre-identified station area key to transit-oriented development in the City.

#### **2. Does this support any primary policy objectives, and if so, which one(s)?**

- a. The former fire station site has the potential to support primary policy objectives, including economic development and housing and affordability.
- b. Primary policy goals and objectives in support of recommendation:
  - i. Goal 2.1  
Focus growth to achieve a balanced mix and arrangement of land uses that support economic vitality, community health and equity, and transit access.
    1. 2.1A
      - a. Project focuses growth in S 154<sup>th</sup> Station Area
    2. 2.1B,

- a. Project directs moderate growth into the Urban Center
  - 3. 2.1E
    - a. Project promotes efficient use of land by requiring development of the appropriate type and density for the zone.
- ii. Goal 2.2  
Create walkable, compact, transit-oriented communities with a range of transportation, employment, housing, recreation, goods, and service choices for residents of all income levels.
  - 1. 2.2B,
    - a. Project promotes dense residential uses in transit communities
  - 2. 2.2F
    - a. Project fosters high quality, diverse, and affordable housing.
- iii. Goal 2.3  
Achieve a mix of housing types while maintaining healthy residential neighborhoods and guiding new housing development into appropriate areas.
- iv. Goal 3.6  
Increase housing opportunities for all economic segments of the community, especially in SeaTac’s transit communities.
  - 1. Policy 3.6A
    - a. Project enhances affordable housing stock.
  - 2. 3.6E
    - a. Project helps to ensure no net loss of affordable housing unit. 3.6F, 3.6H
- v. Goal 3.7  
Encourage a variety of housing opportunities for persons with special needs.
  - 1. 3.7A,
    - a. Project plans for assisted housing opportunities.
  - 2. 3.7B
    - a. Project encourages equitable distribution of special needs housing.
- vi. Goal 7.2  
Provide a well-designed, pedestrian-friendly, and community-oriented environment in the Urban Center.
- vii. Goal 7.3  
Enhance the character of residential areas and promote a range of well-designed housing types
  - 1. Policy 7.3B
    - a. Project requires high-quality multifamily building and site design that fosters a sense of community, relates to the street, has unobtrusive parking arrangements, provides usable open space, and ensures compatible transitions between different types of housing.
- c. Comprehensive Plan Residential and Commercial-related goals:
  - i. Goal 2.1
    - 1. References Exhibit C
- d. Capital Facilities
  - i. Goal 5.1



1. References Exhibit C
- ii. Goal 5.3
  1. References Exhibit C
3. **Is this opportunity responsive to current real estate and economic trends?**
  - a. SeaTac contends with a unique element that contributes to difficulty establishing a typical real estate market analysis. The economic engine that is the SeaTac International Airport distorts typical market analysis. We know this presents unique opportunities and challenges.
  - b. Multifamily housing is responsive to this scenario by providing housing to employees and service personnel, as well as in important nodes elsewhere within SeaTac that are touched by proximity to our transit system. Furthermore, it is conducive to healthy placemaking efforts by focusing housing development in nodes that are invested in furthering affordable housing stocks. This is the case for the area surrounding FS47, where ongoing development occurs at the Polaris at SeaTac Apartments.
  - c. **Summary of Trend Evaluation:**
    - i. Commercial Real Estate
      1. Multifamily development market benefitting from growing demand
      2. Strong retail occupancy but limited support for new retail
      3. Office market stagnation
    - ii. Airport Economic Impact
      1. 75% of employment concentrated at the Airport
      2. 7.1% of the labor force working at the airport
      3. \$6.4 Billion in economic activity (34% of GDP)
    - iii. Housing Supply/Demand Gap
      1. Rising costs.
      2. Stagnating supply.
      3. Demand exceeding supply.
    - iv. Parks and Recreation
      1. Community and outdoor access lost due to COVID-19
      2. Community events- post COVID-19
      3. Growth in parks since the PROs Plan
    - v. Transit and Commuting
      1. Regional growth in ridership
      2. Varied impacts of COVID-19 on transit
      3. Decreased ridership in South King County Stations
4. **Are there other alternatives to this opportunity that could be accomplished without this action, and if so, why is this proposed action preferred?**
  - a. Yes. Alternatives to multi-family housing, such as a mixed-use residential development, civic campus or public park, were considered.
    - i. **Pocket Park:** Previous City policy documents, such as the South 154<sup>th</sup> Street Station Area Plan, called for the parcel to be part of a new public park. However, since then, other recreational opportunities have been created near the parcel. For example, the Riverton Heights Park Property has been developed, bringing greater access to parks and recreation to that neighborhood.
    - ii. **Mixed-Use Residential:** After thoroughly reviewing publicly available city planning documentation, council records, and previous marketing materials, I found no

evidence to support or recommend the disposition of the property for mixed-use residential purposes.

- iii. **Civic Campus:** The SeaTac City Council has instructed the City Manager to initiate a search for a site to build a new civic campus that would house a new City Hall building. After deliberation, it is anticipated that this campus will be situated in the vicinity of the City Center District or the Angle Lake Station Area. Upon reviewing the property, the FS47 site has not been excluded as it is within an existing station area and the urban center.

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

- a. Further define the possible opportunities surrounding development structures, e.g., Council support: self-development, public partnership, or public-private partnership
- b. Funding Methods
  - i. Certain funding sources are only possible for a public project, while others would only be appropriate for a public-private transaction.
  - ii. Some overlap exists between implementation strategies.
- c. Transaction Methods: ground lease, land banking, tax increment financing, 63/20 financing, or eminent domain
- d. Look at pre-existing administrative operations; are we nimble enough to contend with real estate and economic development trends?

**6. What are the opportunity costs for pursuing this opportunity?**

- a. The possible opportunity costs are low. The City has several important capital facility projects on the horizon, but the housing development on this parcel would allow current CIP projects.

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

- a. Development structure:
  - i. Self-develop
    - 1. Why would the City choose to self-develop?
      - a. Highest degree of control over development
      - b. The City can develop the property more efficiently than the private sector, given the type of use and financing available.
    - 2. Why would the City not choose to self-develop?
      - a. The City does not wish to assume the full risk.
      - b. The City believes involving a private partner to develop via another transaction strategy would be more efficient.
      - c. The City needs more resources/capacity to engage, or the benefit does not justify the cost.
  - ii. Public-Private Partnership
    - 1. Why would the City choose to utilize a public-private partnership?
      - a. The City could choose to leverage a private development partnership when the scale goes beyond just the functions required by the City.
    - 2. Why would the City choose not to utilize a public-private partnership?
      - a. Risk of public scrutiny
      - b. No credible development partners
      - c. The benefit does not justify the cost.

- d. If the City wants more control over the project and has the resources and capacity to self-develop
  - iii. Public Partnership
    - 1. Why would the City choose to utilize a public partnership?
      - a. Leverage additional sources of funding
      - b. When the City desires to use the land controlled by another public entity.
    - 2. Why would the City choose not to utilize a public partnership?
      - a. The City and other entities are not mutually aligned on mission and goals.
      - b. The City can more efficiently develop the property either on its own or with a private partner
- b. Funding Methods
  - i. City of SeaTac Lodging Tax Funds
    - 1. Can be used for economic development projects promoting tourism.
  - ii. Operating Budget Funds
    - 1. Unlikely to be used for anything other than minor improvements to existing facilities
  - iii. Municipal Debt (General obligation or revenue)
    - 1. Would necessitate the involvement of City finance and outside parties to execute
    - 2. More difficult to politically approve
    - 3. Could be dependent on projections of future revenues
  - iv. County or State funds
    - 1. These funds are often grant funds intended for a specific purpose
    - 2. The funds could be leveraged in public partnership projects
  - v. Federal Infrastructure (ARPA funds)
    - 1. Specific to the federal infrastructure bill passed in 2021 and highly competitive with other eligible uses
    - 2. Only applicable to specified types of projects
- c. Transaction methods
  - i. Tax increment financing
  - ii. 63/20 financing
  - iii. Eminent Domain
  - iv. Ground Lease
  - v. Land Banking

**8. What City Council actions are necessary to act on this opportunity?**

- a. The Council has several potential tools available regarding the FS47 property:
  - i. The City can move to sell the parcel by initiating the RFP process with potential limitation/covenant to ensure policy objectives are adequately met.
  - ii. The City can seek a public/private partnership to retain and contract for the development.
  - iii. The City can declare the property as surplus and move toward a potential partnership with local partners such as the South King County Housing & Homeless Partners.

**9. What are the benefits to the community and policy objectives and risks measured against the costs?**

- a. The community would benefit from increased affordable quality housing options in a transit-oriented development area. This would further economic development, housing affordability policy objectives, and healthy placemaking. A risk/cost assessment is premature, with specific development-related information that is yet to be available.

**Policy Objectives:**

**Housing affordability**

The City does not currently have housing affordability policies regarding surplus City-owned land.

**Economic development**

The parcel will likely meet economic development goals due to location- transit and commercial corridors.

**Healthy placemaking**

The promotion of public spaces which foster more robust connections to the environment and contribute to the community's health is very- important.