

# Proposed Asia Pacific Cultural Center



Community & Economic Development Department  
October 11, 2011 E.D. Committee

# Chronology

Date	Action
2/2/11	CEDD met with Developer and requested completion of Initial Project Screening Form
9/29/11	City Manager met with Developer who provided project details
10/3/11	City Manager requested staff review of proposal, which was completed the same day
10/6/11	City Manager discussed staff comments and requested Study Session presentation

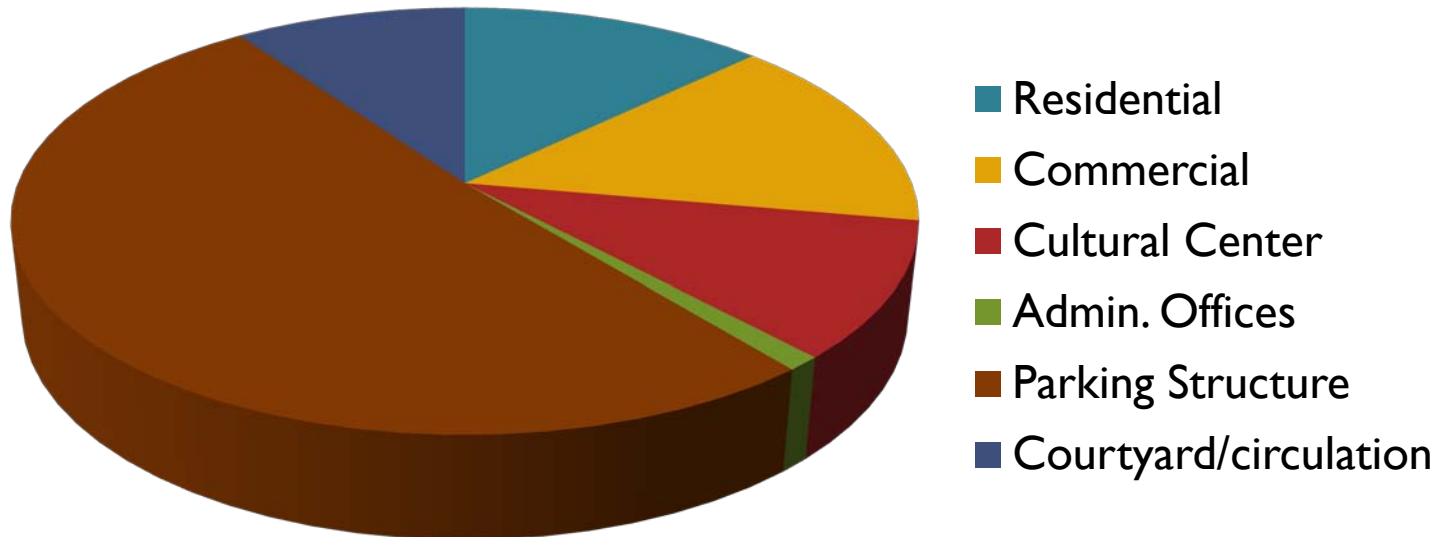
# Developer

- Asia Pacific Cultural Center (assisted by Seattle Chinatown International District PDA)
- 501(c)3 non-profit organization formed in 1996
- Represents 47 countries and cultures
- Mission to bridge communities and generations through arts, culture, education and business
- Offers programs and services, such as language classes, craft making, cooking demonstrations and tea ceremonies, and hosts events

# Proposed Project

- **381,314 sf mixed-use development:**
  - 50 senior low-income apartments and 20 student housing units
  - Large grocer, gift shop and food court
  - Classrooms, tea rooms, exhibition halls and performance auditorium
  - 557 parking stalls

**Square Feet**



# Location



# Site Data

- Zoning: WR – Warehouse Residential
- Land Use: Residential, retail, office, governmental, industrial located entirely within a building
- Comprehensive Plan: High intensity; located within mixed-use and regional growth centers
- Building Height: Limited to 100 feet; some flexibility possible through Development Regulation Agreement

# Background

Date	Action
Late 1990s	Property acquired/assembled for Police HQ
2002	Existing buildings demolished and removed
2002-2006	Partial environmental remediation along Jefferson Avenue
2011	City, Tacoma-Pierce County Health Department, Washington State Department of Ecology and EPA working on environmental assessment and remediation plan

# Value and Encumbrances

- Value:

- 2009 in-house valuation at \$3.9 million  
(3.66 acres--159,383 sf x \$24.50/sf)

- Encumbrances:

- Loans secured by land; sale proceeds to retire debt
  - \$4.2 million loan from General Fund (on entire 6.2 acres)
  - \$175,000 loan from Open Space Fund (including interest)

# Brewery District Study

- History of interest expressed from private developers
- Community desire that land be redeveloped to generate greatest neighborhood benefit, with an emphasis on transit-oriented development, and as a complement to UWT's existing investments
- Parcel's redevelopment ought to generate revenue (B&O tax, property and sales tax) if feasible
- To help increase overall student capacity, locate ancillary uses off UWT campus to relieve pressure on land allocated for academic-related purposes
- Uses may include student/workforce housing, fitness/wellness center, pharmacy, technology retail, restaurants and entertainment

# ULI Recommendations

- Create a destination
- Respect the authenticity of the Brewery District and its buildings
- Enter into negotiations with UWT regarding long-term joint use, such as:
  - Recreation/activity center
  - Student housing
  - Instructional studio space

# Proposed Target Market

- All individuals and families regardless of age
- Local, regional, statewide, national and international
- No market studies conducted to date

# Total Project Cost and Commitments

- \$118.2 million estimated capital cost
- Unknown operating cost
- No financing commitments to date

# Capital Financing Plan

- Intent to raise 100% through capital campaign with worst case at 15% debt
- Proposed funding sources:

## City of Tacoma

CDBG

## Other

U.S. HUD

Foreign Investment (47 Asia Pacific Countries)

Pierce County

Foundations

Corporations and Business Owners

# Developer's Request of City

- Donate land to APCC *or*
- Enter into 99-year lease at non-profit, reasonable rate *and*
- Technical support for housing project
- Technical support for development of cultural center
- Be champion through assistance with Sister Cities relations, construction permit process, grants development, intergovernmental relationships, etc.

# Developer's Proposed Timeframe

- Capital campaign to begin after APCC acquires City-owned site
- Fall 2013 groundbreaking
- Fall 2016 occupancy

# City Request of Developer

- Additional due diligence needed
- Need to insure adequate consideration provided to the City in exchange for the land
- Other City staff and financial resources required

# City Request of Developer (continued)

- Market study to substantiate project feasibility
- Capital and operating pro formas
- Financing contingency plan
- Current Market appraisal of land
- City economic and job creation impact

# Next Steps

- Developer to provide additional information to conduct due diligence
- City to examine financial and potential environmental issues and other impacts