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URBAN DEVELOPMENT



NEW TOWERS CREATE A CONSTRUCTION TANGO IN DOWNTOWN SEATTLE

Local contractors face skilled labor and building component shortages along with maxed-out concrete batch plants and increasing congestion.

By just about any measure, the Puget Sound region registers as the nation's most active development market. Whether it's the number of tower cranes dotting our skylines, or the square-footage absorbed, the frenetic nature of development in our region is unmistakable.



BY PHIL GREANY
MORTENSON
CONSTRUCTION

Yet completing projects on time and on budget has become an art form that can go unnoticed. Amid the boom, the local construction industry faces a shrinking pool of skilled craft labor, a shortage of building components, maxed-out concrete batch plants, and increasing congestion imposed by our hourglass-shaped city.

Given these constraints, building within an active urban core like Seattle's requires a heightened level of orchestration, relationship-building and foresight.

Retaining skilled workers

It's no secret that our industry faces a profound shortage of skilled craft labor. According to the 2017 Associated General Contractors of America outlook for Washington state, 51 percent of survey respondents believe worker shortages are the top concern, while 39 percent say that worker quality was the biggest concern.

The gleaming faces of the city's newest high-rise towers offer the most telling example of how those concerns play out. Many of the subcontractor partners we call on to fabricate enclosures — glass curtain walls and window systems — are not only at capacity, but have a year-plus

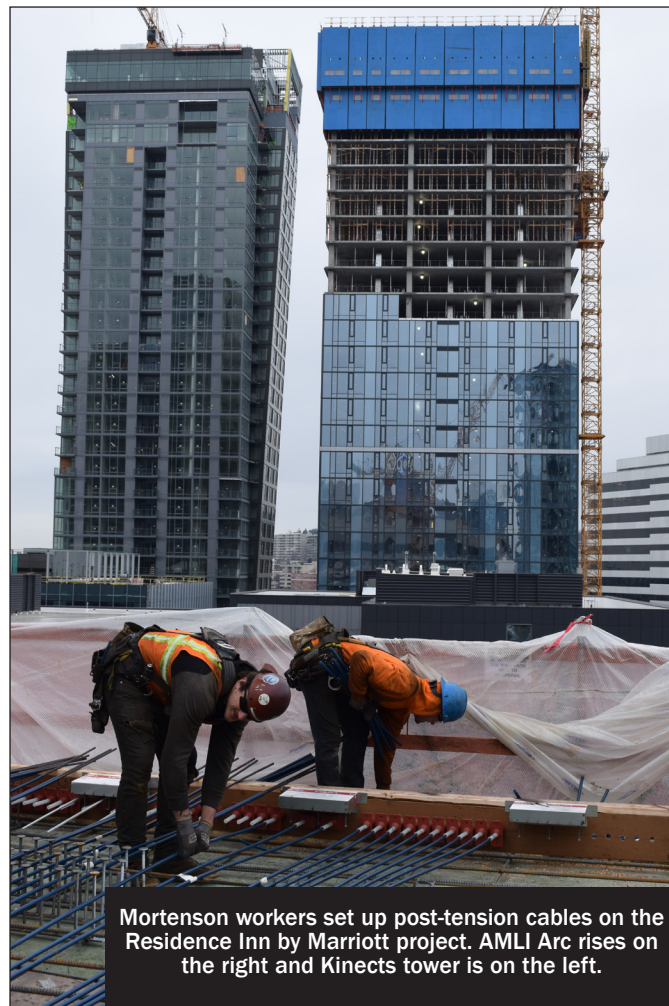
waiting list.

Elevator installers are also in short supply.

To fill the void, many firms find themselves recruiting skilled workers from other states and even overseas. Painters and wallpaper-hangers, too, are among the professionals whose skills are increasingly hard to come by.

As a result, cultivating strong relationships with the best of the best in the subcontractor community has become even more important, particularly when it comes to accommodating fluctuating entitlement timelines and start dates.

One of the ways Mortenson has allied itself with its preferred subcontractors is to involve them in discussions early in the planning phase of a project, rather than dictating assumed timelines and touchpoints. The result is a more



Mortenson workers set up post-tension cables on the Residence Inn by Marriott project. AMLI Arc rises on the right and Kinetics tower is on the left.

NEW TOWERS — PAGE 7

PHOTO FROM MORTENSON CONSTRUCTION

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RENTERS SEEK BUILDINGS THAT REFLECT THEIR LIFESTYLES

As urban apartment units are shrinking in size, successful amenities and common spaces are extensions of residents' living spaces.

Seattle's discerning apartment dwellers want more than upscale amenities — they want an experience.

Today's multifamily residents view their buildings as an extension of their own identities. What does the building they live in say about them? It says a lot.

Supply and demand

According to Dupree + Scott, greater Seattle is slated to receive 16,000 new apartment homes in 2017, with another 18,000 to be completed through 2018.



BY HEATHER HAYES
ANKROM MOISAN

Those numbers sound high until you consider that the U.S. Census Bureau estimates our region is growing by nearly 1,100 people per week.

The issue developers and property managers need to address now is differentiation.

Today's sophisticated renters want amenity spaces that represent and enhance their ideal lifestyles. The building they choose to live in is an extension of their personal brand, a filter through which others see them. Discerning urban renters want their residential building — not just their personal apartment — to reflect their lifestyle, or the lifestyle they

aspire to have. Furthermore, they want authenticity: contextual materials, architecture that reflects a sense of place, and interior spaces representative of local values and culture.

That is where thoughtful, experiential interior design and tangible building identities make all the difference.

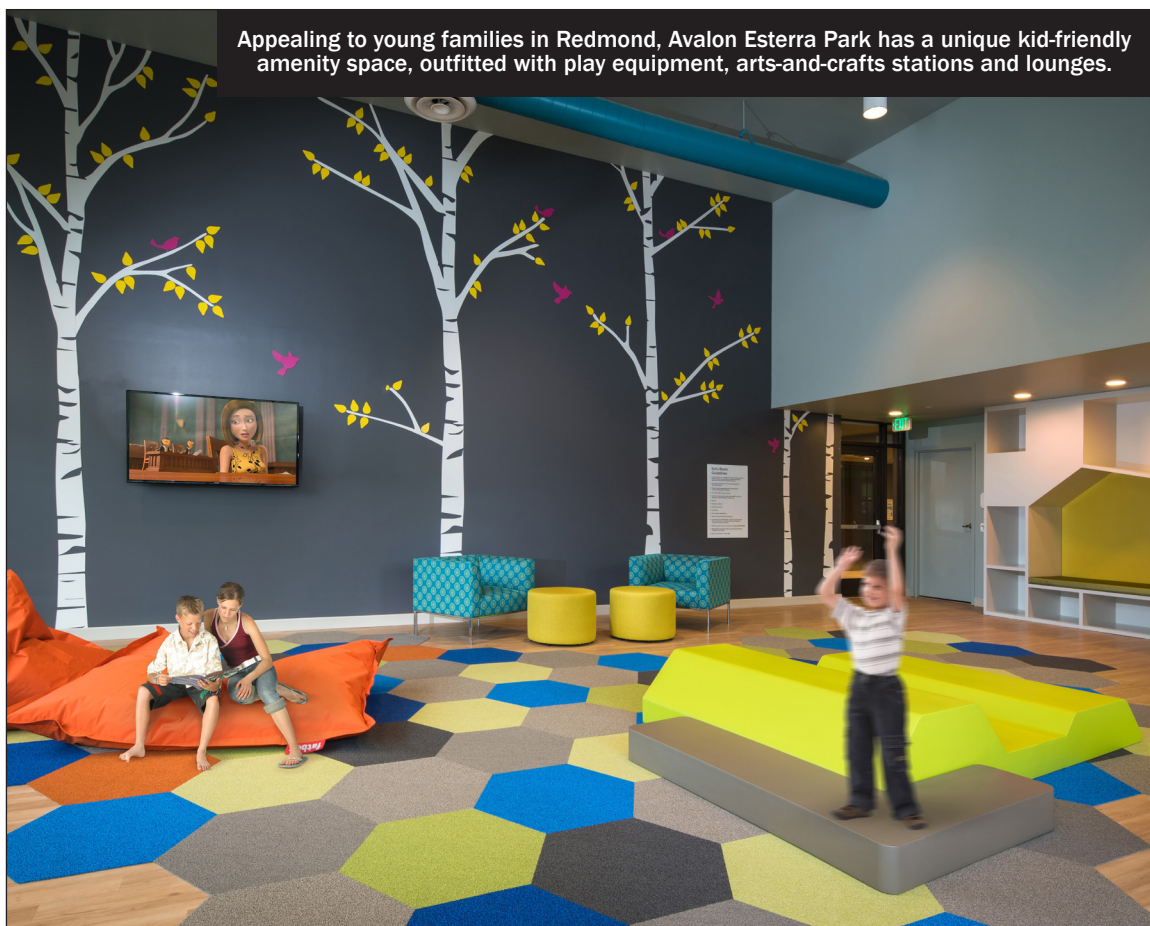
Designing a lifestyle

As urban apartment units are shrinking in size, successful amenities and common spaces are extensions of residents' living spaces. The amenity race is real, and with Seattle's progressive requirement that 5 percent of project square footage (or equal to the site area, whichever is larger) be set aside for building amenities, it means that all new multifamily housing in the city and surrounding areas will offer an array of perks.

Run-of-the-mill amenities might bring renters through the door today, but they won't necessarily retain tenants or build resident loyalty for tomorrow.

So how do designers ensure that residential amenities speak to renters across generations, genders and cultures? We tell a story. Today's renters typically have a strong opinion about a building before they've walked into the leasing office.

A residential community's



Appealing to young families in Redmond, Avalon Esterra Park has a unique kid-friendly amenity space, outfitted with play equipment, arts-and-crafts stations and lounges.

IMAGE FROM ANKROM MOISAN

RENTERS — PAGE 7

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ON THE COVER

Onni Group is redeveloping the old Seattle Times newspaper complex into mixed-use buildings. On the south block, it plans two 41-story towers containing apartments, retail and parking. Turn to page 9 to see other skyscrapers under construction in Seattle.

RENDERING BY CHRIS DIKEAKOS ARCHITECTS

2017 URBAN DEVELOPMENT TEAM

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AFFORDABLE HOUSING GETS A BOOST FROM IMPACT INVESTORS

Nonprofit developers are getting squeezed by cuts in government funding and increasing real estate costs.

In the face of the current affordable housing crisis, entrepreneurial nonprofit housing providers are implementing new strategies to create affordable housing.

Socially motivated impact investing has supported the growth of sectors such as clean energy, global economic development and sustainable agriculture for over a decade. Only very recently have we seen adaptation of this model as a source of capital to create and preserve high-quality, sustainable affordable housing in high-cost communities like those of urban King County.



BY SUSAN BOYD
BELLWETHER
HOUSING

median income (\$33,600 for an individual; \$48,000 for a family of four) are spending more than half of their limited incomes on housing. This kind of housing cost burden means families cannot invest in education, have no disposable income to support local business, and live under incredible stress.

Some have tried to escape escalating housing costs by moving farther from our cities' job centers. But this escape route has become increasingly perilous. First-tier suburbs that were once considered an affordable alternative to the central city are experiencing rent increases at rates exceeding Seattle's. Over the past two years, Renton, Tukwila and Shoreline have seen rents increase 22, 23 and 28 percent, respectively.

The social, environmental and economic return of investing in housing for lower income people in our urban centers is significant. Kids are healthier and perform much better in schools when their families are stably housed — and not forced to move frequently and farther

from their communities of support to escape devastating rent increases. Workers with reasonable access to job centers, not forced to spend hours commut-

ing, are more likely to be happy and productive employees.

Access to the innovation and energy of our urban centers is positively associated with economic mobility for poor and working class people.

Need for innovation

Even so, it is becoming increasingly challenging to make these types of socially minded investments in affordable housing. The cost of building all types of housing has dramatically increased in the past five years. Land costs in Seattle have almost doubled, and construction costs for multifamily housing have increased as much as 25 percent over that period. In the meantime, public resources — which provide 30-50 percent of the capital funds for a typical subsidized affordable housing development — have diminished significantly.

Federal funds, once the primary source of capital for subsidized housing production, have been severely cut in recent years. The Washington State Housing Trust Fund, funded at \$200 million in 2007, is now \$100 million.

Local funding offers a bright spot. Most recently, Seattle voters doubled the size of the Housing Levy from seven years ago. The King County-wide Vets, Seniors and Human Services Levy renewal will be on the ballot this fall and is proposed to triple in size.

But local backfill is insufficient to meet the need. Seattle has increased production in the past couple of years, but annual production levels are significantly less than what would be required to meet the city's goal of produc-

ing 20,000 new affordable units by 2025.

Around the country, the nonprofit housing sector is exploring the potential of socially motivated impact investments to fill the gap left by the market and government. Some have tapped into large foundations for low-interest enterprise-level capital, providing flexibility to act quickly when opportunities to acquire land or existing units arise. But many organizations exploring impact investments have been frustrated to find that large-scale institutional investors — socially motivated or not — demand high returns not suitable for the long-term financing of rent-restricted housing.

Local example

Bellwether Housing has developed a unique version of impact investing that is specifically designed to fill the gap left by diminishing public funds available for long-term financing. Its approach focuses on local, smaller scale investors: individuals, businesses and foundations deeply connected to the community, directly observing the strain of rising housing costs in their community and inspired by the opportunity to play a role in creating affordable housing.

Unlike large-scale institutional investors, these philanthropically minded investors have been motivated primarily by the impact of the investment — not the return. This allowed Bellwether to structure the investments to function much like the low-interest public debt on which these developments have been so dependent.

In 2014, Bellwether launched

Bellwether helped raise investor funding for Anchor Flats, which is opening next spring.



IMAGE COURTESY OF RUNBERG ARCHITECTURE GROUP



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its first version of Seattle's Future Fund with an offering for a modest \$1.5 million to support the rehabilitation of The Parker Apartments in North Queen Anne. Investors were offered a 2 percent return for a minimum investment of \$25,000 for five years. The investment would come to Bellwether as a loan, which would in turn be advanced into the development. Investors would receive quarterly interest payments and have the opportunity to re-invest at a slightly higher interest rate at maturity of the original investment.

The effort was beyond successful, attracting more interest than anticipated, with individual investments ranging from \$25,000 to \$250,000. Now renovated, The Parker Apartments provide 50 affordable homes for households with annual incomes between \$20,000 and \$50,000.

Success led Bellwether to pursue another offering in 2016 of \$2 million to support the construction of Anchor Flats, a 71-unit building in South Lake Union. The building was designed by Seattle-based Runberg Architecture Group, which has expertise in affordable-housing and is known for designs that balance social, economic and environmental interests.

Bellwether successfully closed

its second fund last fall and anticipates completing construction on Anchor Flats next spring. Future efforts will likely include larger developments in which efficiencies of scale will increase the impact of these private investments.

A model to follow

An effective response to the affordable housing and homelessness crisis we see in Seattle will require doing things differently.

Bellwether's approach has effectively expanded the community's capacity to respond in the face of diminished support from state and federal governments. While we must continue to advocate for renewed investments of state and federal resources, we must also recognize that it is in our interest — individually and collectively — to create communities in which people of all incomes have access to stable, affordable housing. Seattle's Future Fund is evidence that there are many in this community who do.

Susan Boyd is the CEO of Bellwether Housing, a nonprofit developer, owner and operator of multifamily housing affordable to low-income people throughout greater Seattle.



Rafn Co. is building the 71-unit Anchor Flats apartment in South Lake Union.

PHOTO COURTESY OF RAFN CO.

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Thank you to all the visionary clients and project teams who are part of our 50 years. Together we challenge the status quo, and create better outcomes.



MAIN PHOTO: TERRY AVENUE BUILDING + TOM DOUGLAS RESTAURANTS, © LARA SWIMMER / WWW.SWIMMERPHOTO.COM; INSET PHOTOS: LEFT - HISTORIC TERRY AVENUE BUILDING; RIGHT - SHORING + UNDERPINNING

BREMERTON'S TRIPLE TREAT: AFFORDABILITY, NATURE, LIFE BALANCE

Experts see the city's population jumping by about 25 percent in the next four years. The median price of a home is \$250,000.

It's been widely recognized that the Puget Sound area is one of the fastest growing markets in the nation.

This region's growth has been spurred for decades by many different types of industries. Seattle has long been rooted in maritime culture and, like many other coastal cities, our shipping and trade access has been a positive contributor to healthy economic expansion.



BY MARK GOLDBERG
MBG CO.

Fast-forward to today, and Seattle is being redefined as a burgeoning innovation and digital hub, where much of the nation's top technology talent and companies reside.

But as our population continues to densify with thousands of new residents coming to Seattle every month for high-salaried jobs, many long-time residents are increasingly looking outside the city for affordable space and a more-balanced lifestyle.

And as communities throughout the region position themselves to embrace this growth, one question that developers continually ask themselves is: "Where will it happen next?"

Defining appeal

To answer that question, sometimes we need to look at the past,



MBG Co. is developing Water, Wind & Sky on the downtown Bremerton waterfront. It will have 111 multifamily units when it opens in August 2018.

particularly to area communities that have changed their identities. Take Kirkland, for example, which is a waterfront community on Lake Washington with early roots in shipbuilding.

For 20 years, most of the boats on Lake Washington were either built or repaired in the Kirkland area. When the Ship Canal opened in 1917, Lake Washington was accessible for ocean-going vessels. By 1940, Kirkland's Lake Washington Shipyard was building warships for the U.S. Navy on what is now Carillon Point.

A few years later, the Lake Wash-

ington floating bridge opened just south of Bellevue, putting a stop to ferry service.

Kirkland continued to evolve over the 20th century, adapting to the emerging wants and needs of Puget Sound residents who want to live near — not in — the bigger city. Today, according to the Northwest MLS, the median sales price of a home in Kirkland is \$627,040.

So, what are the factors that changed a shipyard community into one of the most beautiful and expensive areas in the state? It's called opportunity — and location.

But identifying these factors isn't always easy. For developers, it takes a healthy dose of vision, not to mention risk, to see what others may not, with the objective of predicting what will make future residents fall in love with a town that is poised for change. Of course, cost and return-on-investment play key roles in this, too, making it even more critical for real estate companies to stay ahead of the urban development curve when targeting communities ripe for growth.

Next stop: Bremerton

Much like Kirkland, the waterfront community of Bremerton has strong shipbuilding roots. Bremerton has witnessed slow and steady growth since its inception, and developers predict even more economic expansion over the next decade, especially given Seattle's rising prices and lack of available space.

Developers recognize the incredible potential of Bremerton, and they anticipate a rising population over the next two real estate cycles as Seattleites seek a slower, more affordable alternative to life in the city.

A recent ballot measure will make it easier for people who want to work in Seattle but live on the Kitsap Peninsula. Starting this July, express ferry service will provide a reliable 28-minute commute from Bremerton to downtown Seattle. Currently, the car ferry takes 55 minutes and gives riders a relaxing, productive commute with Washington State Ferries providing Wi-Fi and sweeping views of Puget Sound and surrounding mountains.

But it's not just a convenient commute that makes Bremerton attractive for downtown Seattle workers. Bremerton has a much lower cost of housing, both for sale and rental, compared to Seattle and other larger cities, as well as recent infrastructure improvements and one of the most picturesque settings in the Northwest. And unlike some Seattle neighborhoods that risk having their views blocked by new development, Bremerton's natural topography will serve to protect and preserve the residents' views and real estate values.

Residents are also drawn to Bremerton's natural environment, which caters to endless outdoor activities such as hiking, fishing, cycling, kayaking and other wilderness experiences. Simply put, Bremerton possesses a triple treat: affordable housing, realistic access to nature and more-balanced lifestyles for its residents.

Infrastructure demand

Bremerton's population is expected to increase from 39,520 to over 50,000 by 2021, according to a recent report by research firm Conway Peder-son. This projected population increase will result in a demand

for additional apartment units, as well as increased transportation infrastructure.

To meet that need, Kitsap Transit has begun making a wide range of infrastructure improvements to accommodate commuters, including a new bus terminal. The city of Bremerton has been supporting the revitalization of downtown, improving transit and providing park amenities for pedestrians, helping to make the community attractive to both public and private investments.

In addition to infrastructure improvements, recent changes in downtown zoning, particularly for multifamily projects, will also contribute to Bremerton's appeal for developers. The city increased in-city height limitations, making it easier to finance projects, and reduced parking requirement to half a space per unit.

Building on the water

MBG Co. is one of the first developers to recognize Bremerton's prospects for growth, and the company is moving forward with several apartment projects in and near the downtown core.

MBG Co. will bring 111 units online in August 2018 at its Water, Wind & Sky project, which will be using a new process called high-definition building information model. The use of HD BIM in construction can save 30 percent on a project's schedule timeline and 20 percent on its costs. The communication and collaboration of all data on one platform helps cut down on waste during the construction process, which allows for teams to run more efficiently and effectively.



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NEW TOWERS

CONTINUED FROM PAGE 2

engaged group of trade partners who feel invested, have been able to influence the schedule, and know the projected schedule and workforce needs well ahead of time.

Going vertical

To safeguard projects from craft-labor shortages, we self-perform the structural concrete, enclosure installations, shear wall and rough carpentry components on our projects.

Each deck of the upcoming 41-story AMLI Arc residential tower, nearing completion in the Denny Triangle neighborhood, necessitated hundreds of cubic yards of concrete. Getting that concrete on-site was a juggling act of its own. Local suppliers and batch plants are operating at capacity and only deliver on a cyclical basis.

To miss one cycle — by not performing the necessary leg-work to be able to receive it — is to be sidelined until the next open delivery slot. This can set a project back by weeks, and by countless dollars.

Further complicating the logistics of building downtown is coordinating street closures. Permits are granted on a first-come, first-served basis, and requesting one requires working three months ahead.

Other builders aren't the only ones vying for these permits.

With the new Denny Substation expected to be energized early next year, Seattle City Light crews are excavating roads and performing trench work in South Lake Union and Denny Triangle to lay conduit in the new service area.

With all of the roadwork and frenzied construction activity in the neighborhood, many of the general contractors operating in the area meet monthly with Seattle City Light to coordinate. Close communication with other contractors also becomes necessary when operating in exceedingly close quarters.

Case in point: our recent work on the Tilt49 office building and AMLI Arc apartment tower. An 18-foot strip was all that separated our projects from that of a neighboring residential tower. Coordinating day-to-day activities with the other project team was vital, particularly with our cranes sharing air space, and with the alley serving as a key artery for deliveries.

Just-in-time delivery

For decades, the Denny Triangle neighborhood was best known for its patchwork of parking lots and low-rise buildings. Today, those lots are being gobbled up at breakneck pace for the development of office towers, high-rise apartment build-

ings and hotels. Staging areas are a rare commodity.

As a result, any material deliveries need to be made at the precise day and time that they are needed. Each day on each project site, we convene for a "plan of the day" meeting, during which the foreman lays out the day's choreography, including delivery schedules.

For maximum efficiency amid the constraints we face, Mortenson applies lean techniques that originated in the manufacturing world. A key principal of lean is the idea of the just-in-time delivery. Mortenson teams and subcontractors alike commit to lean practices to eliminate wasted materials, time and resources.

Hospitality projects are a different type of animal. Owner-supplied finishes and furniture add another wrinkle to the process. Everything from the wall coverings to carpeting to bathroom finishes are delivered separately, often from a third-party supplier contracted directly by the owner.

And as most Seattleites can attest, increasing gridlock adds an element of unpredictability to the mix.

Neighborhood relations

As buildings in previously under-utilized neighborhoods like Denny Triangle fill up with new residents, office tenants

and hotel patrons, pedestrian safety and community outreach become even more critical.

While building the Residence Inn by Marriott hotel at 924 Howell St. recently, we were surprised to learn that light emanating from a Mortenson logo on our tower crane had been keeping folks awake inside the upper floors of an established apartment tower nearby.

Thanks to previous outreach meetings with residents there, they knew exactly who to call (me) to take care of the issue. We took the simple step of putting the crane lights on a timer.

Relationship-building early in a project's lifecycle can also help meet expectations later on. If we receive a noise variance from the city to begin pouring concrete at 5 a.m. one morning, we like to communicate that to hotel managers, so they can slip a note under guests' doors ahead of time. That way, there are no surprises.

It's one of the many ways being a good neighbor goes a long way, especially in a budding corner of a city on the rise.

Phil Greany is a construction executive with Mortenson Construction, the general contractor for downtown Seattle's Tilt49, AMLI Arc and Residence Inn by Marriott projects, as well as the recently completed Hill7.

BREMERTON

CONTINUED FROM PAGE 6

The Bremerton buzz

According to the Northwest MLS, the median price of homes in Bremerton is \$250,000, which pales in comparison to Seattle's \$640,000. Despite the wide gap in affordability, demand for homes in the Bremerton area is rising. Real estate prices in Kitsap County have already increased by more than 10 percent over the past year, and that number will likely only increase with the addition of the fast ferry and the many other investments being made in Bremerton.

In response to that demand, MBG Co. plans to break ground on two other projects in downtown Bremerton, providing some 317 well-amenitized units to residents seeking greater balance between their work lives and recreational pursuits.

Bremerton offers the lifestyle that many of us only dream of — waterfront living in the shadow of the Olympic Mountains, on the shores of Puget Sound, with restaurants, shops and outdoor activities only steps away from home. It offers a far different lifestyle than Seattle, where increased congestion and rising home prices make it nearly impossible for many workers to afford — and truly enjoy — life in the city.

Enterprising developers like MBG Co. are working to meet this demand with new market-rate housing that enables residents to have the best of both worlds.

Mark Goldberg is the principal at MBG Co. He has over 35 years of experience in the residential, multifamily and commercial real estate markets throughout the Seattle area.

RENTERS

CONTINUED FROM PAGE 3

online presence is a first impression: a website, Facebook posts, and a carefully curated Instagram feed are not just promoting apartments — they're promoting a brand. This is the first place that a building's identity can begin to set your property apart in this market.

It is critical that those first impressions match the experiences and design that the building offers to the potential resident.

Ankrom Moisan's most successful multifamily projects are those in which architecture, interior design and branding are working together in the design process as early as possible — those are the developments with the best stories to tell. These projects best capture the imaginations and emotions of the end users, and keep residents feeling immersed and connected.

A well-designed and branded apartment development will give residents an engaging experi-

ence and, just like a good story, they will want to share it with others.

People see through gimmicks, and that includes contrived design. If amenity spaces are too trendy or overly styled, they will not resonate with residents. If renters don't feel an authentic connection with the amenities, then they will never serve their purpose of enhancing tenants' residential experiences.

The higher rent that tenants are paying for amenities isn't worth it when they don't use them, and when the lease ends the tenants may look for something that better suits their personalities and lifestyles — and then your investment is losing money.

To be successful, amenity spaces must be thoughtfully executed and purposefully enhance the building's appeal. Matching what the building next door offers is not enough to stand out and be resilient in the long term.

Your design team must work with you to identify what purpose each space fulfills, and find an authentic use for the space that will resonate with tenants, and promote the values of the brand and the experience it's selling. The same amenity square footage can be programmed into countless spaces, but will they matter to residents? If the answer is no, it's time to go back to the drawing board.

Diving deep into values

Programming amenities that support and highlight the lifestyle of residents requires a deep dive into who they are. The first step in creating a narrative for their residential experience is working closely with our clients to identify the target residents, and then truly understanding their values. For the health-conscious renter, a small, dark fitness room won't work; whereas, the couple that is downsizing will seek out spaces that allow them

to continue entertaining friends and family.

Every design and branding decision we make is tested against this mindset from the beginning — if it does not align with the resident story, we rework it.

The interiors of a building influence how people live and experience their lives. It is in these spaces that the success of a development is made or lost. Taking the time to understand the people for whom you are designing, and meeting those needs through design in a cohesive and attentive way, is what makes for truly special communities.

Heather Hayes, LEED AP ID+C, is a managing principal at Ankrom Moisan and leads the firm's Seattle Interior Design studio. A graduate of Willamette University, she had a career in public affairs before following her passion and receiving a degree in interior design from Bellevue College.

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MORRISON HERSHFIELD



ILLUSTRATION: WEBER THOMPSON

SEATTLE SKYSCRAPERS UNDER CONSTRUCTION

When Rider Levett Bucknall releases its semi-annual crane index next month, its count for Seattle will stand at 58 cranes. What the report probably won't show is nearly a quarter of those cranes will be at work on skyscrapers in the downtown area.

The DJC has counted 13 skyscrapers under construction in Seattle using the criteria of 40 floors or 400 feet tall.

Architect Blaine Weber, who designed several of the towers on the list, pointed out that a few sub-400-foot-tall projects under construction could add four stories in the DMC zone and five stories in the DOC zone, thanks to the city's Housing Affordability and Livability upzone incentive.

The projects under construction are profiled here and on page 10.



PHOTO BY BENJAMIN MINNICK

F5 TOWER

Address: 801 Fifth Ave.

Height: 48 stories

Description: 516,000 square feet of office space on floors 20-48; 189-room luxury hotel on floors 2-16; retail, conference rooms, spa and restaurant

Finish: July 2017 (hotel opening September 2017)

Developer: Daniels Real Estate

Architect: ZGF Architects

General contractor: JTM Construction



RENDERING BY LMN ARCHITECTS

HYATT REGENCY SEATTLE

Address: 808 Howell St.

Height: 45 stories

Description: 37-story tower with 1,260 hotel rooms set on an eight-story podium containing 105,000 square feet of meeting and ballroom space

Finish: Mid-2018

Developer: R.C. Hedreen Co.

Architect: LMN Architects

General contractor: Sellen Construction



IMAGE FROM WEBER THOMPSON

STRATUS

Address: 2101 Ninth Ave.

Height: 42 stories

Description: 396-unit luxury apartment tower with at-grade high-end retail and underground parking

Finish: Fall 2017

Developer: GID Development Group

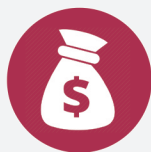
Architect: Weber Thompson

General contractor: Sellen Construction

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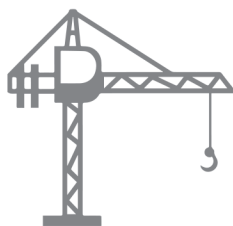


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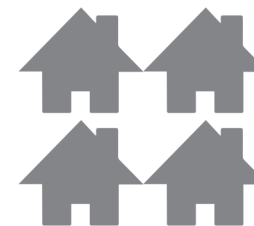
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IMAGE FROM WEBER THOMPSON

ARRIVE (FORMER POTALA TOWER)

Address: 2116 Fourth Ave.
Height: 41 stories
Description: 344 luxury apartments over Indigo Hotel over high-end retail
Finish: Winter 2018
Developer: The Molasky Group of Companies
Architect: Weber Thompson
General contractor: PCL Construction Services



IMAGE FROM ZGF ARCHITECTS

AMLI ARC

Address: 1800 Boren Ave.
Height: 41 stories
Description: 393 luxury apartments in 429,000 square feet of space; amenity spaces on 12th and 41st floors
Finish: November 2017
Developers: Mortenson Development and AMLI Residential
Architect: ZGF Architects
General contractor: Mortenson Construction



IMAGE BY STUDIO 216

KINECTS

Address: 1823 Minor Ave.
Height: 41 stories
Description: Single tower with 357 apartments, 4,800 square feet of retail and 315 underground parking stalls
Finish: Summer 2017
Developer: Security Properties
Architect: Bumgardner Architects
General contractor: Andersen Construction Co.



RENDERING BY CHRIS DIKEAKOS ARCHITECTS

1120 DENNY WAY

Address: 1120 Denny Way
Height: 41 stories
Description: Two apartment towers containing 1,179 units and 28,118 square feet of retail
Finish: Mid-2020
Developer: Onni Group
Architect: Chris Dikeakos Architect
General contractor: Onni Contracting Washington



IMAGE FROM WEBER THOMPSON

NEXUS

Address: 1200 Howell St.
Height: 40 stories
Description: 382 condo units and 3,200 square feet of high-end retail in a 539,688-square-foot tower
Finish: Summer 2019
Developer: Burrard Group
Architect: Weber Thompson
General contractor: Skanska USA Building



IMAGE FROM WEBER THOMPSON

970 DENNY

Address: 970 Denny Way
Height: 40 stories
Description: 468 residential units, 15,580 square feet of retail and 359 parking stalls
Finish: Spring 2018
Developer: Holland Partner Group
Architect: Weber Thompson
General contractor: Holland Construction



IMAGE BY GRAPHITE DESIGN GROUP

MCKENZIE APARTMENTS

Address: 2202 Eighth Ave.
Height: 40 stories
Description: 450 apartments in an oval-shaped tower
Finish: 2018
Developer: Clise Properties
Architect: Graphite Design Group
General contractor: Hoffman Construction



IMAGE FROM WEBER THOMPSON

HELIOS

Address: 204 Pine St.
Height: 40 stories
Description: 408 luxury apartments over 3,500 square feet of at-grade high-end retail
Finish: Summer 2017
Developer: Equity Residential
Architects: Joint venture of Weber Thompson and GBD
General contractor: Turner Construction



IMAGE BY PICKARD CHILTON

2+U

Address: 1201 Second Ave.
Height: 38 stories (503 feet)
Description: 665,000-square-foot complex with retail and an outdoor urban village below a 38-story office tower
Finish: Second quarter of 2019
Developer: Skanska USA Commercial Development
Architects: Pickard Chilton; Kendall/Heaton Associates; Graham Baba Architects
General contractor: Skanska USA Building



IMAGE COURTESY OF URBAN VISIONS/STUDIO 216/OLSON KUNDIG

2ND & PIKE

Address: 1430 Second Ave.
Height: 39 stories (400 feet)
Description: 339 luxury apartments, 7,153 square feet of ground floor retail, 6,400-square-foot "sky bar" restaurant on eighth floor
Finish: Late 2017
Developer: Urban Visions
Architects: Olson Kundig; Ankrom Moisan Architects
General contractor: Sellen Construction

WHEN IT COMES TO APARTMENTS, ONE SIZE DOESN'T FIT ALL

Innovation in the size and configuration of apartment units is an increasingly crucial element of design in order to keep pace with market demand.

Innovation lies at the heart of Seattle. Aerospace to Outlook, cloud services to drone delivery — a DNA of innovation is a mainstay of our region's pre-eminence. And it just doesn't get any sexier than innovative types of apartment units. Right?



BY DYLAN SIMON
COLLIERS

Given that the size, shape and dimensions of an apartment unit impacts rental rates (and the capability of increasing rates over time), concessions and occupancy, I argue it's worth further study, and certainly innovation.

My vantage point as a broker of apartment sales affords me the opportunity to underwrite the performance — and anticipated performance — of thousands of apartment units each year. I can dislocate perception from reality on how myriad apartment unit types

perform over time and ultimately, how the performance impacts value.

Historical perspective

Over the last 30 years the apartment industry worked towards a continual progression of chasing market demand, and in doing so, creating efficiencies in the size of apartment units. If the average unit size in the 1980s was around 1,000 square feet, by the late 1990s the comparable unit shrunk to just under 900 square feet.

Although the stock of apartments in our region experienced little growth in the 2000s — compared to an increase of approximately 80,000 units from 1985 to 1995 — those built during this time period averaged around 800 square feet. The next development cycle, starting in the mid-2000s, produced efficient units in the mid-700-square-foot range. Post Great Recession, when dirt was once again

An urban one-bedroom unit at the Uptown 11 in Seattle's Lower Queen Anne.



ONE SIZE — PAGE 19

IMAGE COURTESY OF COLLIERS SEATTLE MULTIFAMILY TEAM

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UNUSED BUILDING? CONSIDER HOUSING HOMELESS FAMILIES THERE

Nonprofit Mary's Place has been working with developers and property owners to create temporary shelters before development begins.

What would it take to bring every homeless child in our community inside?

Mary's Place, a nonprofit organization that runs several family day centers and shelters that provide just over 450 beds each night in King County, has given this question a great deal of thought. The answer, according to Executive Director Marty Hartman, is partnerships.



BY KRIS RICHEY CURTIS
KINZER PARTNERS

"Family homelessness is our community crisis right now, and the community must come together to solve it," Hartman says.

Mary's Place partners with service providers, medical professionals, employers, landlords, community groups, congregations, schools — anyone and everyone — to address the issue of family homelessness. Their goal is to move families into permanent homes and get them stable as quickly as possible.

But while Mary's Place staff and the families they serve search for

A former Travelodge on the site of a future Amazon high-rise serves as a Mary's Place shelter for homeless families.



PHOTO BY BEN VANHOUTEN PHOTOGRAPHY

that affordable house or apartment in a white-hot rental market, they are also increasingly working with forward-thinking developers and property owners to expand their shelter capacity.

These unique public-private partnerships are turning out to be a win-win for the entire community.

Last year, Amazon partnered with Mary's Place to convert a vacant hotel on the site of a future headquarters building in the Denny Regrade neighborhood into a shelter for 200 family members. Last month the Seattle-based company announced that the new building would contain 47,000 square feet of space for a permanent Mary's Place shelter.

While Amazon is the best known of Mary's Place partners, other local corporations and businesses have also provided temporary shelter space in their unused buildings.

Vulcan Inc. has made available a single-family home in South Lake Union, and office space for the growing staff at Mary's Place in the old KEXP radio building on Dexter Avenue in downtown Seattle. Pemco Insurance provided a large office building in the Cascade neighborhood of South Lake Union that served as a family shelter for just over a year, and smaller property owners have provided a former restaurant space and two single-family homes in North Seattle.

The organization also partners with local governments.

The Mary's Place Family Center in North Seattle is a resource center and night shelter for 100 family members in a former bank building on loan from the city of

Seattle. King County has provided a public health building in White Center that sleeps 70, and Mary's Place will soon open a shelter in another county-owned building in Kenmore, a former sheriff's precinct, for 80 family members.

Other communities like Auburn, Tukwila and Federal Way are considering similar arrangements to accommodate this interim use in their communities.

Mary's Place also partners with companies like BNBuilders, GLY Construction, Perkins + Will and Kinzer Partners who provide pro bono or low-cost services to quickly convert these empty buildings into shelter. They add showers, washers and dryers, curtain room dividers, kitchens, fire and earthquake upgrades, and other improvements that may be required to make the buildings family ready.

Jessica Clawson, a longtime volunteer and now board member at Mary's Place, says the organization is a great tenant and neighbor.

"Mary's Place comes into a building and breathes life into it, preventing vandalism and other illegal uses," Clawson says. "The building is well cared for and property owners get the additional benefit of providing an interim use that helps solve a community problem. It just doesn't get much better than that!"

Clawson is a partner at

McCullough Hill Leary, a business, real estate and land-use law firm that works with developers to obtain permits for their projects.

Pearl Leung, external affairs director at Vulcan Inc., confirms that the interim shelter use has worked well for them.

"Mary's Place takes care of the building, provides 24-7 eyes on the property, and the families that call it home-for-now are positively engaged in the neighborhood," Leung says.

Clawson participates on a team of volunteer real estate and development professionals working with Mary's Place that is continually researching and exploring opportunities for new partnerships. When buildings in current use as shelters are ready for development, the committee ensures that new buildings are coming online to replace and grow shelter capacity.

Clawson encourages property owners to take a look at their portfolios and development plans and consider if there is an opportunity there. "You may not think that your space would work, but Mary's Place is very creative. Let's talk!" she says.

Kris Richey Curtis is partner at Kinzer Partners, a real estate consulting and brokerage firm based in Seattle. She is a Mary's Place board member and chairs their Site Selection Committee.

Public agencies post plans for

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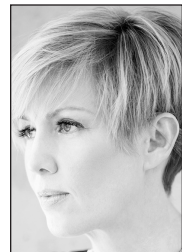
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WESTBANK TEES UP 3 BIG PROJECTS IN SEATTLE

The Vancouver, B.C.-based developer is building about 2,000 rental units downtown.

Westbank, a Vancouver, B.C.-based firm, is developing three major projects in Seattle — 707 Terry, 1200 Stewart and 3rd and Virginia — and sees its role in this city expanding in the near future.



BY JILL KILLEEN
KILLEEN
COMMUNICATION
STRATEGIES

The company has been drawn to Seattle as both a challenge and an opportunity. “The city’s economy is built on innovation, with companies from Boeing to Amazon fueling a robust, diversified and fast-growing economy,” said Michael Chaplin, development manager at Westbank. “We see this as a critical moment, which offers us the chance to positively impact the city’s built environment. What Westbank is hoping to bring to Seattle, is a body of work that reflects the city’s creativity and vibrancy, which will not only add artistry but contribute environmentally and culturally.”

As the practice evolves, the intent is to focus the core of Westbank’s work in a select few cities where it is believed the company can make a significant contribution.

Westbank may be better known for mixed-use office, retail and residential projects, but it has also made significant contributions to affordable housing and workforce housing in Vancouver, B.C., and Toronto, and believes it has a greater role to play in this capacity, in these cities and in Seattle, going forward.

Homes for Seattle

In Seattle, Westbank intends to participate in the city’s Multifamily Tax Exemption program and is working closely with the city to incorporate affordable housing into each project, in accordance with this and other relevant city policies.

Westbank has similar experience in Vancouver, B.C., with the redevelopment of Woodward’s, working with all three-levels of government to provide 200 units of affordable housing in a project that sparked the revitalization of the city’s Downtown Eastside.

All three of the projects in Seattle will be predominantly comprised of purpose-built rental housing. With 1200 Stewart incorporating 1,051 units after opting into Housing Affordability and Livability (HALA), 3rd and Virginia with 453, also after HALA,

and 707 Terry with 488 units, these three projects combined will add approximately 2,000 rental units to the city.

Sustainability and art

Westbank is equally committed to building deeply sustainable projects.

In Vancouver, B.C., it recently completed Telus Garden, a mixed-use office development that achieved the highest LEED score ever recorded (12 points above platinum) and uses up to 90 percent less thermal grid energy than comparable buildings.

In Seattle, 1200 Stewart, 3rd and Virginia and 707 Terry will be built to a minimum of LEED gold, with the office component of 3rd and Virginia targeting LEED platinum.

Westbank has also long-held the belief that art is integral to the communities in which its residents live. For over two decades it has been introducing prominent public art into its projects and allowing this art to inform the design of its buildings. To date, the company has 30 installations of public art either completed or underway by some of the world’s most accomplished artists, including Zhang Huan’s “Rising” at the Shangri-La Toronto, Diana Thater’s “Light Art” at the Shaw Tower, Martin Boyce’s “Lantern” installation at Telus Garden and Rodney Graham’s “Spinning Chandelier” at Vancouver House.

A privilege to be in Seattle

According to Chaplin, Westbank considers it “a privilege to have been selected to partner with the Frye Art Museum and to honor the legacy of Charles and Emma Frye, whose generosity has allowed the Frye to become the accessible center for art and culture it is today.”

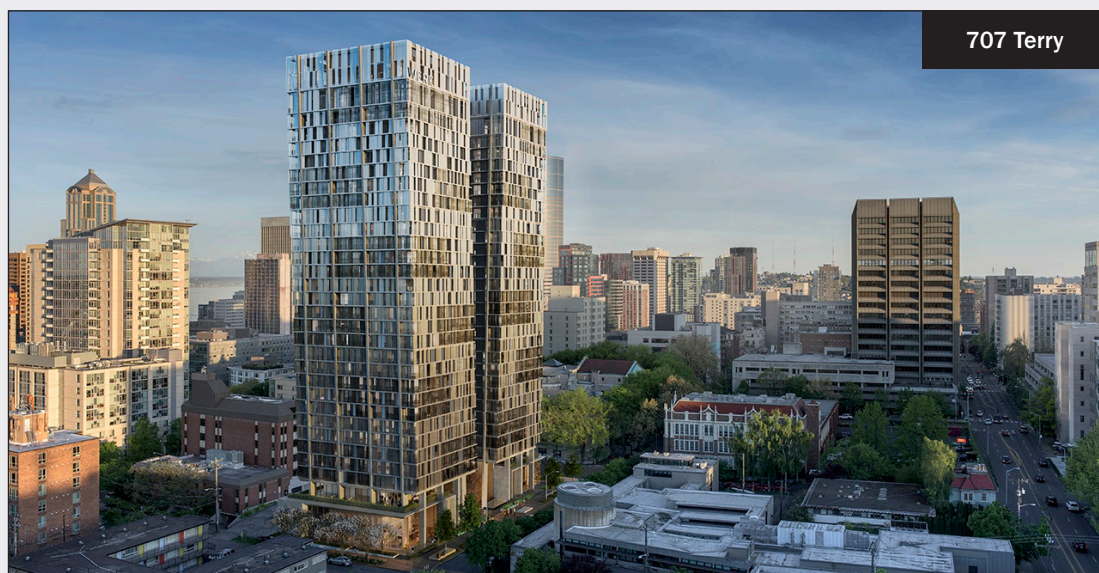
The project at 707 Terry is designed to complement the neighborhood’s skyline and the adjacent St. James Cathedral. The two-tower concept embodies the theme of “creative tension” — both towers are linked via a pedestrian skybridge at the 31st level, which holds the two towers together even as they lean outward in ascension.

Designed to reflect and complement the Frye Art Museum building, 707 Terry’s facade is composed of a series of shoji screens, representing a canvas and woven together to create a framework. The initial pattern of the screens represents the layout of certain art work on the walls of the Frye, and as the

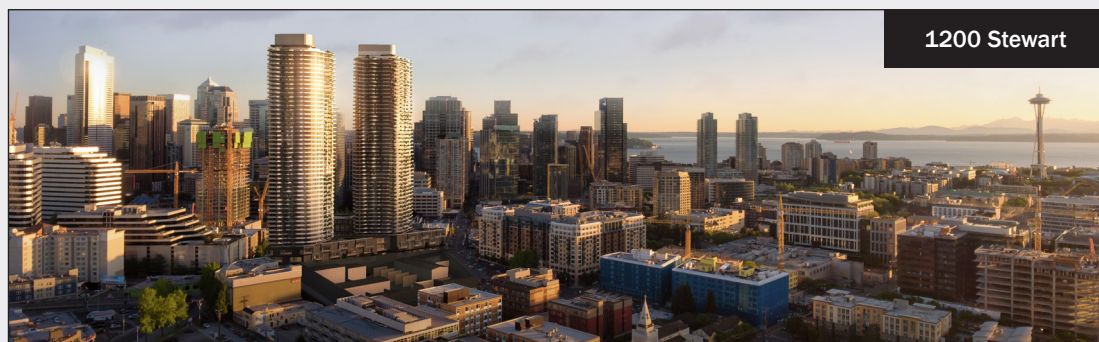
WESTBANK’S TRIFECTA



3rd and Virginia



707 Terry



1200 Stewart

screens are shifted, new patterns begin to emerge, creating an artful representation of urban living.

The Frye Art Museum has been vocal in its desire to ensure this project is one that is responsible to and beneficial for the neighborhood and city. Westbank’s project provides several significant contributions to the Frye

and the surrounding community, including the incorporation of additional building setbacks to create a front courtyard for the museum and increased public space at the street level, the integration of art niches for added gallery space, as well as a museum-operated parking lot for visitors.

At 1200 Stewart, the company

has designed a two-tower project that reflects the balance between the surrounding urban and natural environment while adding a new landmark to the city.

1200 Stewart will be a mixed-use project comprising retail and residential with a strong afford-

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The driverless, connected cars of the future offer a unique opportunity to rethink what a vehicle looks like.

IMAGE COURTESY OF EMMANUELE SPERA FOR NEXT FUTURE TRANSPORTATION

Imagine if your typical Seattle morning commute began with summoning an affordable ride share service through an app. Rather than walking or driving to a bus stop, you wait outside your home to be picked up by a driverless shuttle with algorithms that have optimized your trajectory and that of the dozen or so passengers already inside.



BY MIKE USEN
DKS ASSOCIATES

Some personal autonomous vehicles on the road this morning have traditional front-facing seats, but many have seats facing inward to a common area where parents are serving breakfast on the way to school and commuters are starting their work day. Some passengers appear to be sleeping. Nearly all the vehicles on the road, for both passengers and freight, are electric and driverless, sporting the logos of the companies that operate them.

Traffic is heavy, but your ride breezes through intersections that have been optimized with signal prioritization, programmed to collect data from current traffic conditions. You're dropped off at a multimodal hub, where a line of autonomous shuttles, cars, and buses are lined up at the curb to drop off and pick up passengers. Commuters stream out to the bike share station to hop on electric bikes for the last leg of their trip. Your whole commute, which in 2017 might have taken 50 minutes via bus, is now closer to 20. And it costs half of what it would have in 2017, while consuming a lower carbon footprint.

Changing transportation

This futuristic vision could be Seattle in as little as 13 years according to "Three Revolutions in Urban Transportation," a fascinating new report published last month by the Institute for Transportation & Development Policy and University of California, Davis.

The article posits that we are on the cusp of three game changers — vehicle electrification,

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automation and shared vehicle usage — that will revolutionize transportation. How these revolutions play out depends on our commitment to policies that support a changing transportation network.

Without this commitment, the report warns of an alternate future characterized by significantly worse congestion, urban sprawl, and an expanded carbon footprint. Will the convenience and low cost of automated Ubers and Lyfts seduce riders off public transit and encourage exurban growth? Could thousands of empty, driverless vehicles enroute to their next pickup make congestion worse?

Looking to the future

Such concerns about mobility are shared by local public agencies.

Carol Cooper, who supervises King County Metro Transit's Market Development group, says: "King County, SDOT and Sound Transit have been working closely on these issues to have a coordinated approach. Autonomous vehicles (AVs) will certainly be beneficial in various ways but we are currently focused on the competing demands on right-of-way and curb space and how AVs will change those dynamics. How AVs will interface with

transit is something we need to be proactive about and we are exploring innovative new approaches to encourage shared mobility."

Along with mobility, parking will also be impacted by these looming changes. The demand for parking is expected to decline radically with the rise of autonomous vehicles, and we need to start planning for that future now.

Daniel Rowe, who oversees King County Metro's access to transit program, understands these future challenges. King County Metro's new long-range plan proposes adding 3,300 permanent parking stalls, but Rowe explains that, "for major capital investments in parking, we need to ensure that investments are adaptive to allow for changes in mobility patterns, such as lower demand for long-term parking and potential to convert parking to other uses such as affordable housing. We are going to need help from the architecture community to design parking to accommodate future needs."

As a national director for Smart Cities and Connected Vehicles at the transportation planning and engineering firm DKS Associates, Adrian Pearmine is often at the forefront of these issues. He advises state and local governments one day and collaborates

with connected vehicle technology pioneers the next.

Pearmine advocates for a future that is guided by carefully developed plans and regulations, not left to chance or to the technology and transportation industries. "There is too much at stake," Pearmine says. "In the short term, it's public safety and equity. In the long run, it's all of the issues that are discussed in the UC Davis study."

In an ideal world, Pearmine says, "the combination of technology, business models, and the appropriately applied blend of policy and regulation has the potential to make transformational change. And not just in transportation, but across all sectors of society and city design."

Mobility as a service

As the fastest growing large city in the U.S., Seattle must accommodate a 40 percent increase in total daily person trips forecasted by 2040.

Evan Corey from Seattle Department of Transportation acknowledges that the city will need to explore new avenues.

"Although the agency has invested heavily in public transit, SDOT and our public transit partners also acknowledge the benefits and risks that new, shared mobility services

and emerging transportation technologies may bring," Corey says. "App-enabled transportation lets consumers better understand their transportation options, book and pay for trips, and receive incentives for using shared transportation modes. We are working to test new avenues for Seattleites to consume mobility as a service and enhance their experience while moving throughout the city."

High-capacity transit, walkable neighborhoods and bikeable streets are the bedrock of Seattle's transportation system. Even so, the city is facing questions about the future. How do we legislate for these changes? How do we plan for a city with streets that operate very differently than they do today? Each of these questions

leads directly to a new set of questions.

The changes to our streets may be as transformative as the invention of the horseless carriage at the beginning of the 20th century, and questions won't be answered by just one industry. Transportation planners and engineers, agencies, policymakers, technology companies, vehicle manufacturers, and even hardware firms will need to work together to be sure we face a future that is a commuter's dream rather than a dystopian streetscape.

Mike Usen, AICP, is a senior transportation planner at DKS Associates in Seattle. His practice focuses on helping the rapidly evolving transportation industry facilitate a carbon-free shared mobility transportation future.

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BUILDINGS SOAR SKYWARD AS MODULAR FRAME SYSTEMS EVOLVE

The 17-story Sky3 apartment tower in Portland is the tallest building to use Inter-Steel Structures' modular framing system.



BY EVIN
GIBSON



HEIDI
MAKI

SWENSON SAY FAGET

As with all technology, modular frame building systems (MFBS) continue to advance.

In 2009, Swenson Say Faget completed the 10-story Ballard at the Park mixed-use project with Security Properties and Bumgardner Architects (two levels of underground parking, ground floor retail, one floor for resident amenities, and six floors of apartments). We used the Inter-Steel Structures Inc. (ISSI) modular frame building system. At that time, it was the tallest ISSI project.

Today, we are constructing the tallest ISSI building again, this time a 17-story building in downtown Portland called Sky3 Place.

Sky3 Place is considered a high rise as defined by the building code and therefore requires the use of primarily noncombustible materials in construction. Anyone who has seen the 1974 classic "The Towering Inferno"

may realize this is just common sense, but the restriction is actually based on the effective height limitations of a standard fire truck.

The most common types of non-combustible framing for high-rise buildings are concrete floor slabs and columns, or steel beams and columns supporting concrete floors. Both of these systems meet the noncombustible material requirement; however, they require the placement of large columns throughout the building. This can be a considerable disadvantage when every square foot is ultimately important to the bottom-line of the project, and where columns interfere with architectural design.

Additionally, these traditional framing systems require a large amount of time and labor to construct on site. Each piece of rebar and each steel beam must be placed before completing the floor and moving on to the next level.

An ideal candidate

During design development, the team determined that Sky3 was an ideal candidate for the use of a modular frame building system. The ISSI system was selected for the structural walls supporting the upper 13 stories of the building. Factors that influenced our approach include:

- Per building code, the non-

combustible material requirement immediately rules out traditional wood stud wall framing, and limits the use of steel-framed walls to those that meet minimum fire resistance ratings. ISSI modular steel walls meet code and are fire-rated by Underwriters Laboratories for up to four-hour assemblies.

- The use of ISSI framing allows the Sky3 project to overcome the 75-foot building height restrictions placed on wood-framed buildings, without the bulky columns found in traditional steel or concrete framing.

- The upper 13 apartment floors are virtually identical on every level, such that the walls align vertically and carry the structural load by stacking on each other the full height of the building. Any offset of the walls would require large and costly beam additions to support the weight of the concrete and steel floors.

- A 2-foot-thick post-tensioned concrete slab provides a base for the 13 floors of stacked bearing walls. This size accommodates the open architectural layout of the parking, retail, and amenities spaces at the ground level and below grade floors.

- The ISSI system consists of roughly 8-foot-long pre-assembled wall panels that are fabricated in an off-site, controlled environment and arrive at the

MODULAR FRAME — PAGE 18



The exterior ISSI panels at Sky3 Place are insulated and accept many types of cladding.

PHOTO BY SWENSON SAY FAGET



IMAGE BY ANKROM MOISAN ARCHITECTS

SKY3 PLACE

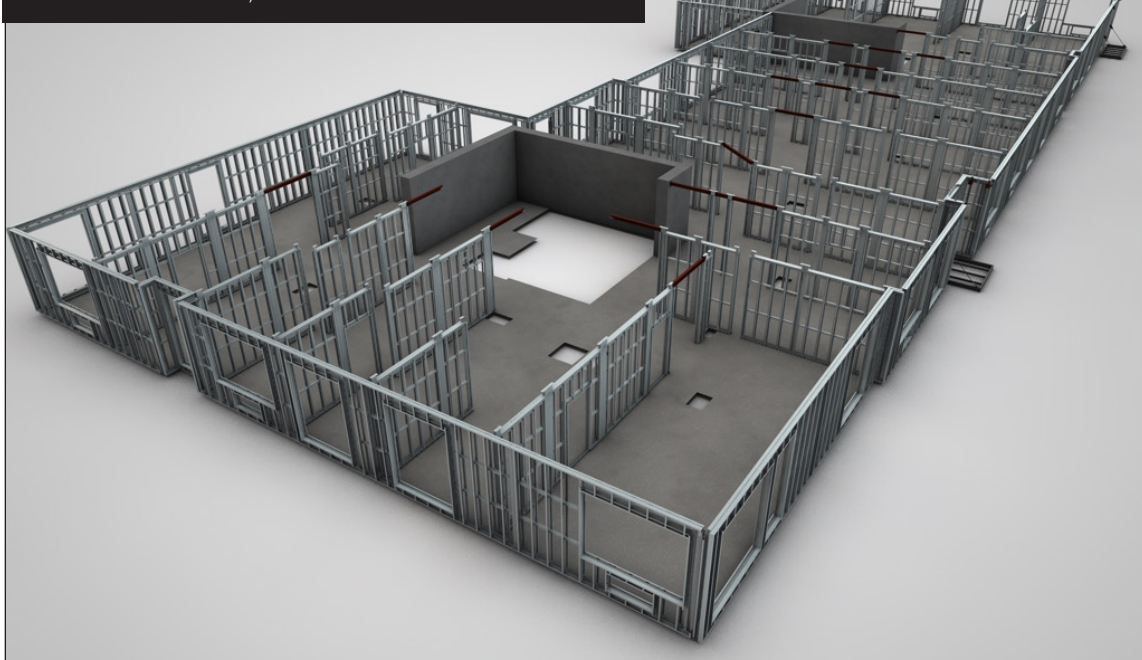
Sky3 Place celebrated its grand opening earlier this month at 1221 S.W. 11th Ave. in downtown Portland.

The 17-story building has 195 residential units and 13,000 square feet of retail. Amenities include a rooftop deck and pea patch, indoor clubhouse, wine cellar, workout facility, bike room and repair station, dog grooming station, and resident guest suite.

The Molasky Group of Companies is the owner, Absher Construction is the general contractor, Ankrom Moisan Architects is the designer and SPSI supplied the ISSI panels.

RENDERING BY SWENSON SAY FAGET

3-D models of each ISSI panel helped assist in the panel design to ensure vertical stacking, connection to structural members, and conflicts with MEP.



DON'T QUESTION THE VALUE OF GREEN DESIGN — BANK ON IT

Developers operating in a competitive marketplace see the appeal of sustainable design in attracting tenants.

Many of today's office trends are shaped by the need for increased productivity by employers and the more collaborative needs of millennials, now the largest segment of the workforce. The 40-hour work week has become a 47-hour work week with the majority of managers expecting staff to be available 24-7.

This erosion of the boundary between working primarily at an unchanging desk to one where time or location is blurred by unlimited demands has led to fundamental office space design changes.



BY KRISTEN SCOTT
WEBER THOMPSON

Increased productivity demands and extended work time have led to a more varied, flexible work environment — all the better to entice us to stay engaged at work. A healthier workforce is also naturally more productive.

These two goals are driving the increasing adoption of sustainable principles in workplace design supported by programs such as LEED, International Living Future's Living Building Certification and the newer Well Building Standard.

One microcosm where these trends are being adopted is Seattle's Fremont neighborhood, rapidly becoming another tech hub as South Lake Union gets built out and perhaps overly identified with one company.

Two newly constructed, fully leased office buildings — NorthEdge, Tableau Software's new corporate headquarters near Gasworks Park, and Data 1, an office/retail building in Fremont's commercial heart — showcase some of these trends through their generous daylighting and strong outdoor and neighborhood connections.

A third project, Watershed, under construction this fall, is designed under Seattle's Living Building Pilot Program. It will meet aggressive energy and water reduction and stormwater re-use goals. It also will vet all building materials for exclusion of toxic chemicals on the International Living Future's Red List toward Living Building Petal certification.

While some developers question the cost of green building certification, those operating in a competitive marketplace see the practical appeal of sustainable design in attracting tenants to their buildings. Tenants know that sustainable principles like

access to natural daylighting and fresh air are keys to employee attraction and retention.

The Fremont neighborhood has a reputation for attracting sustainably focused companies like Brooks Sports, which moved into Stone 34, the pioneering Deep Green Pilot project completed in 2014 by Skanska (and sold to Unico) that set the bar for sustainable design in market rate office in Seattle.

Here are some practical office design trends that don't break the bank:

- **Good design can help reinforce the company culture.** Seattle is a competitive hiring environment; attracting top talent is a constant challenge. A cool office space designed with millennials' working style in mind helps.

Data 1's glass office space is centered on an interior courtyard that can be used throughout the day as flexible break out spaces or all-company gatherings. NorthEdge's weathering steel and dark materials palette connect to the industrial history of its site while the stepped building form opens up to the views of Lake Union and downtown Seattle.

- **Mixed-use buildings with local retail move office away from inward-focused workspaces to a culture where opportunities to go out to lunch or run errands are within walking distance.** Data 1 has five new locally owned restaurants along the street front connected to an outdoor mews on the west end and stepping terraces along Troll Avenue with outdoor seating. NorthEdge's new restaurant/deli takes advantage of its location next to the Burke-Gilman Trail while extending the restaurant connection from Fremont to Gasworks Park.

- **Bikes!** Supporting alternative ways of getting to work helps reduce carbon footprint and focus on a healthier lifestyle. Bike clubrooms are becoming a major amenity in new office buildings. A large one like Data 1's with room for 200 bike stalls and a full locker room acts as a casual place for conversation, catching up on the news, grabbing a cup of coffee and shower — all before heading upstairs to work. Stone 34 and NorthEdge have large locker rooms that are in constant use for outdoor activities ranging from bicycling and running to even kayaking.

- **Daylighting and fresh air.** It's not just about reducing energy;

3 FREMONT OFFICE PROJECTS FOCUSING ON SUSTAINABILITY

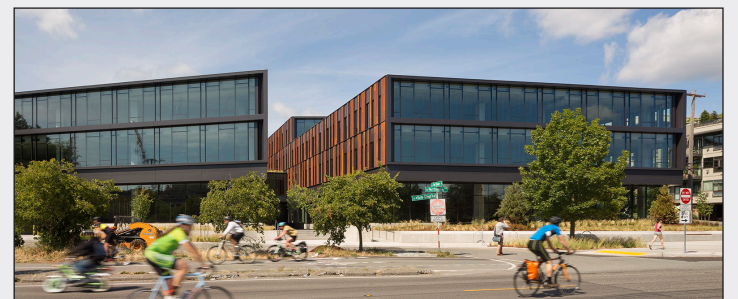
DATA 1

Developer: CoU LLC
Architect: Weber Thompson
Landscape architect: Weber Thompson
Sustainability: Pursuing LEED gold certification
Completed: June 2017



WATERSHED

Developer: CoU LLC
Architect: Weber Thompson
Landscape architect: Weber Thompson
Sustainability: Pursuing Living Building Pilot Program certification
Completion: Late 2018



NORTHEdge

Developer: Touchstone
Architect: Perkins+Will
Landscape architect: PFS Studio
Sustainability: Certified LEED silver (Core & Shell)
Completed: 2016



we are more productive and creative in a naturally daylit space. Data 1 has floor-to-ceiling glass with almost 60 percent of the interior naturally daylit, and protective exterior shade fins to keep heat gain in check. In addition, operable windows are a must. Being able to open a window for fresh air keeps humans more alert and connected to the outside environment. This sense of individual control over the work environment is highly desired by today's more mobile workforce.

- **Expressed structure.** The

exposed castellated (notched with openings) steel beams in Data 1 and Watershed are structurally efficient and lightweight, while allowing sprinklers and HVAC systems to run through them, minimizing floor-to-floor height and creating an airy, open space. Their unusual form also makes for a visually interesting ceiling plane filled with changing light and shadow patterns keeping you aware of the time of day.

- **Open office plans with quiet breakout spaces and a mix of meeting places.** Open offices are great for daylighting, but

not so terrific for quiet, focused work. Today's space plans have everything from rooms for private conversation to open meeting areas with soft seating and great views to more structured conference rooms of varied sizes.

- **Roof decks with outdoor rooms and greenery.** Rooftops are an opportunity to create equal access to views, provide alternate meeting spaces and host a great staff party. The flexibility of working outside, away from your desk, is highly desired by some

GREEN DESIGN — PAGE 18

GREEN DESIGN

CONTINUED FROM PAGE 17

employees even in our misty climate. Green roofs are easy on the eye, as well as providers of sustainable stormwater mitigation. NorthEdge's serenely cascading landscaped terraces, Data 1's expansive rooftop deck with fire pits, barbecues and greenery, and Watershed's multilevel decks all provide different places to gather or work outside and feel inspired by urban nature.

● **The feature stair.** It's a place to linger with great views or catch-up with a co-worker from a different floor, as well as a way to

encourage healthier employees and energy reduction by limiting use of the elevator. Making the stairs highly visible and open to the exterior re-frames them as a vital part of a company's social connectivity.

● **Doing something for the greater good.** Recent studies show that employee engagement in social and environmental causes at work leads to much higher job satisfaction. Data 1 and Watershed are filtering and cleaning 500,000 gallons annually of toxic, polluted stormwater

from the Aurora Bridge before it goes into Lake Union. The lushly landscaped bio-filtration swales and educational signage on Troll Avenue will engage the building occupants and the neighborhood in the process.

More than ever before, companies are hiring an in-demand, self-empowered workforce that isn't shy about making its desires known. Thoughtful, sustainable and fundamentally cool offices with attractive amenity spaces are emerging as a valuable aspect to strong recruitment,

increased job satisfaction, and more productivity, creativity and retention — all leading to quicker leasing and renewals.

The practical application of sustainable design principles are at the core of current trends, and are becoming the norm rather than the exception. Companies and developers who don't recognize this may find it harder to fill their spaces.

Kristen Scott is a senior principal at Weber Thompson, where she heads the commercial office architecture design team.

MODULAR FRAME

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site ready to install. Each panel contains load-bearing structural steel framing with sound-resistant steel furring and is ready for site-applied wall finishes. Floors are simple metal deck and concrete placed directly on the wall panels.

● Craning the modular wall panel systems into place means faster construction — and that translates to less financial downtime for the owner.

● Panels typically utilize powder-actuated fasteners to connect the wall panel to the panel

directly below. This installation process allows for small adjustments as needed to maintain proper alignment.

● The earthquake-resisting system consists of heavily reinforced concrete walls around the full height stair and elevator cores of the building.

Engineers at Swenson Say Faget worked closely with Ankrom Moisan Architects, Absher Construction and the off-site fabricators during development of each ISSI floor plan to ensure

that the wall locations were well coordinated. Autodesk Revit and Rhino were used to create detailed three-dimensional models of nearly every component of the wall system. This model was shared with the design and fabrication team to ensure that everyone was working from the same datum.

The model also enabled sequenced installation drawings for use by the construction team on site, kind of like instructions for a 13-story tall bookshelf from Ikea.

MFBS limitations

Even with their many advantages, modular frame building systems are not without limitations. There is a practical limit to the number of stories that can be supported on the walls, as the thickness of the wall supporting many stories can become excessive.

The 13 ISSI stories of Sky3 are supported on walls of a total thickness of 8½ inches, including the architectural finishes. This thickness is not unusual for an apartment wall system and was easily incorporated into the floor plan. Above about 13 stories, however, requires a thicker system and is potentially less cost-competitive to conventional concrete and steel systems.

Since the structural components of MFBS projects must be identical on repeating levels, architectural design is then limited to these parameters. For some projects, that is not ideal.

Undoubtedly improvements to the technology of building systems will continue to evolve over the next decade. We look forward to seeing how it unfolds. In the meantime, we continue to design MFBS projects throughout the Northwest to accommodate taller residential projects with quicker construction times for our clients.

Another ISSI example is the 13-story St. Helens Apartments in Tacoma. This project is currently in design and has two levels of underground parking, ground floor retail, one floor for resident amenities and nine floors of apartments.

Evin Gibson, PE, SE, is project manager with Seattle-based structural engineering firm Swenson Say Faget. He has 12 years of experience with SSF designing steel, concrete, masonry and wood structures. Heidi Maki, marketing manager at the firm, has 20 years of AEC marketing experience.

WESTBANK

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able housing contribution achieved through the city's HALA program. The project includes a three-story podium with retail tenants that will bring vibrancy and activity to the neighborhood and will also include a unique galleria concept to creating a visually arresting draw for the community. By extending the sidewalk area and creating a mid-block connection between Denny Way and Stewart Street, this galleria space will also provide a covered gathering place for the neighborhood year-round.

1200 Stewart's public benefit package will include streetscape enhancements, new bus shelters and Westbank's participation as a founding partner in the Westlake Microparks project, an initiative to create a stronger pedestrian connection between Denny Way and Lake Union Park, two important neighborhood hubs.

3rd and Virginia is a proposed mixed-use tower that will provide office and residential space to the neighborhood, with an office podium designed to relate to the scale of the neighboring buildings. A jeweled "veil" created by local artist John Hogan will provide a unique focal point for the project's podium, for visitors and passerby at street-level. Above, a minimalist residential tower transitions into an iconic gesture atop the project, a spherical amenity space inspired by Buckminster Fuller's geodesic dome. Westbank has designed the sphere atop the project in tribute to Fuller, in order to provide a distinctive termination for the project and a new landmark on the Seattle Skyline. Within the sphere, a cantilevered pool deck will offer 360-degree views of Puget Sound.

3rd and Virginia will also include an affordable housing component, through the city's HALA program.

Long term commitment

The core of Westbank's mission is to create a body of work with a high degree of artistry that helps foster more equitable and beautiful cities. With these first three developments in Seattle underway, Westbank is looking to create lasting and meaningful contributions to Seattle, with more to come.

Jill Killeen is the principal of Killeen Communication Strategies, a Vancouver, B.C.-based public relations firm specializing in luxury real estate, development and hotels. Westbank is a client of the firm.

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ONE SIZE

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turned and framing hammers began to swing, average unit sizes again shrunk — landing in the 625- to 675-square-foot range.

During this progression not only did average unit size shrink, the number of bedrooms per unit followed suit. Change was not for the sake of change in and of itself. Market demand pushed towards urbanization, more single-occupancy and a move from slab-on-grade “garden court” buildings to mid-rise apartment buildings on podiums.

Smaller units and the effective loss of three-bedroom units certainly are not innovations, more iterative in nature. Yet much like the technology boom we’ve experienced in the last 15 years, true innovation crept into the industry in the last 10 years with the advent of truly different unit types.

What’s an urban 1-bedroom?

“I don’t understand,” a prospective tenant exhorts, “there is no door to the bedroom?” Yes, no door. Voila, the urban one-bedroom is born. Referred to as a studio one-bedroom, urban one-bedroom, junior one-bedroom, bachelor one-bedroom, etc., this hybrid unit type is the best of both worlds — at least to the owner.

The prospect of rental rates near those of a one-bedroom and not requiring those pesky windows and doors that a “true” one-bedroom requires is an elegant solution. And surveying the national apartment market, this rare-breed of unit is as particularly Pacific Northwest as the fabled Sasquatch. While this unit type traveled far and wide to Portland and San Francisco, there is a disproportionately large number of urban one-bedroom units on Seattle rent rolls.

As of this writing, the urban one-bedroom is a bit of old news. Part of the maturation process of this innovative unit type includes the renter set growing wise to its advent and the promise of living like a true one-bedroom. As years pass and some of the luster is lost, urban one-bedrooms are finding a price niche right where they rightly belong: between that of a studio and true one-bedroom.

The urban one-bedroom remains a useful tool in the architect’s quiver — obtaining more bang for the buck in tight spaces and offering residents a tad more privacy as they mature into that stage of adulthood necessitating a door to their bedchamber. In exchange, the pony-wall and sometimes slider-door add dollars to a rental rate what would otherwise reflect that of a studio.

Are micros just a fad?

Micro apartment units, on the other hand, are brand-new and a fad, right? Destined to go the way of the dodo bird and archaic use of a possession called a car. Not so fast.

In the timeline of innovation, micro apartments are about as old as Facebook, that brand-new startup with nearly 2 billion users. Although Facebook was founded in 2004, it really found its commercial stride around 2007, as did micro apartments.

Not only does that mean micro apartments survived — and thrived — through the Great Recession, existence for a decade certainly proves commercial and financial utility.

The use of the term “micro” (not aPodment, which is a brand like Xerox or Kleenex) finds us in a definitional wasteland. To that end, we’ve developed a lexicon for unit types short of a traditional studio unit. Enter terminology for “efficiency units.”

Rise of efficiency units

Arguably Seattle’s greatest contribution to the innovation of unit types over the last 30 years is the segment of the industry we term efficiency units. Encapsulated therein one finds congregate housing, micro housing, SEDUs (old and new) and EDUs. By one’s attempt to describe and define each, one is destined for inaccuracy and the tendency to cross one person or another.

There is likely no greater definitional confusion than that found in the world of efficiency units, and for that reason it may seem foolhardy to try. Except for one reason.

Mainstream investors and developers are catching-on to this produce type, and entering the fray in record number.

Efficiency units have become nearly mainstream. Rumors of \$4/square foot rents in micro units from two and three years ago are now confirmed at rental rates now exceeding \$5/square foot.

When one considers they could build a single one-bedroom unit at 675 square feet and price it at \$2,200 per month, or build three SEDUs at 225 square feet and achieve \$1,250 per month (cumulatively \$3,750 per month), dismissing the product type seems shortsighted.

Efficiency units are here to stay, and as with any innovation time is required for understanding, iteration and eventually, acceptance. Yet now the need for acceptance is more by the investment and development community than anyone else. Renters have spoken (for over a decade) and they are happy to pay for an efficiently designed, low-cost

EFFICIENCY UNIT DEFINITIONS

Unit Type	Minimum Size	Average Size	Average Monthly Rent	Description	Status
Congregate Housing	70 SF	140-200 SF	\$700-\$1,000	A type of housing in which each individual or family has a private bedroom or living quarters, but shares with other residents a common dining room, recreational room, or other facilities.	Allowed in Certain Zones
Micro Housing	70 SF	140-200 SF	\$700-\$1,000	Housing style started in Seattle in 2009. 8 bedrooms containing a kitchenette and private bathroom share one common area like a kitchen. This style of project was banned by legislation in 2014.	Not Allowed
SEDU (old)	220 SF	220-250 SF	\$1,000-\$1,300	A Small Efficiency Dwelling Unit (SEDU) is a slightly undersized conventional studio apartment. It has a complete kitchen, bathroom and closet space.	Not Allowed
SEDU (new)	220 SF	270-300 SF	\$1,100-\$1,400	This unit designation is a result of SDCI adopting the “70-7” rule, a new interpretation of building code language that establishes the “minimum clear floor space” in a dwelling unit. The result is that it is almost impossible to design a unit at the minimum size of 220 SF. These rules are currently under review and may or may not change in 2017.	Allowed
EDU	300 SF	300-370 SF	\$1,400-\$1,600	An Efficiency Dwelling Unit (EDU) is simply a conventional studio apartment. Typically these are called Efficiency Dwelling Units when the average unit size in a building is less than 400 SF.	Allowed

GRAPHIC COURTESY OF COLLIERS SEATTLE MULTIFAMILY TEAM

unit, even if that monthly check equates to greater than \$5/square foot.

As far as investors, we’ve found some prescient ones willing to pay upwards of \$700 a square foot to own assets that on average produce 30 percent more net operating income per rentable square foot. Investing in assets that produce income more efficiently is certainly no fad!

Everything old is new again

A long, long time ago apartment buildings contained two- and three-bedroom units. And in some cases, such units comprised more than 30 percent of the rent roll. Well, those times

are upon us again. Calling the resurgence of an “old” unit configuration innovative belies the term. Yet, market forces are redefining this unit type.

The urbanization defining Seattle’s current market cycle continues to evolve, and part of such evolution is urbanization of downtown markets in Redmond, Issaquah and Shoreline. Otherwise suburban markets will again see the development of two- and three-bedroom units. Yet, the innovation of these units will go beyond smaller and more efficient layouts and will include finishes and features more attune to decidedly urban geographies.

Further out on the continuum, as affordability concerns

and statutory mandates take root in building design, expect urban buildings to have layouts and features customarily found in more community-oriented buildings that serve all age ranges. Every other urbanized center in the world has built this way for hundreds of years — the innovation to come might just bring us back to a global norm.

Dylan Simon is senior vice president of investment sales in Colliers’ Seattle Office. Simon and Jerrid Anderson lead the Seattle Multifamily Team, focusing on the sale of apartment buildings and apartment development land in the Puget Sound Region.



ILLUSTRATION: WEBER THOMPSON

DATA 1

Congratulations to Troll Ave, LLC and the rest of the project team on the completion & 100% leasing of Fremont's newest retail and commercial office building.

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