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### CATALYSTS FOR CHANGE: BUILDINGS THAT REINVIGORATE OUR CITIES

Revitalization of our cities will be achieved through the reimagining of existing buildings that catalyze the emergence of vibrant micro neighborhoods and communities.

ur downtowns are sitting in the eye of the perfect storm. Swirling around them are investors making net zero commitments, regulators



BY DOUG DEMERS **B+H ADVANCE** STRATEGY

reporting standards, companies rethinking workplace needs. tenants demanding healthier buildings, and the imperative of digital transformation. When the

storm passes it will leave in its wake a different landscape. One that will be characterized by what the financial industry refers to as the "Great Repricing;" a recalibration of value that will see many assets devalued, some stranded, and others coming out on top.

The revitalization of our cities



IMAGE COURTESY OF B+H

will not happen on a massive scale. It will be achieved through the innovative reimagining of existing buildings that catalyze the emergence of vibrant micro

to the West's Best Contractors

neighborhoods and communities.

There are exceptionally exciting opportunities for those willing to take a long hard look at their real estate portfolio and invest in their preferred future. Existing buildings are, by their very nature, the most sustainable buildings we have. With some

foresight and imagination, an existing asset can be strategically repositioned to serve long

CATALYSTS -- PAGE 7



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### SMALL TOWNS AND SUSTAINABLE GROWTH

Ederra in Cle Elum serves as example of thoughtfully designed, sustainable community outside the urban core.

s municipalities throughout the region move forward on addressing goals for accommodating growth, the attention of developers and homebuilders continues to focus on the role that larger cities play in the future of urban development. They're attracted to the concept of smart, eco-friendly growth, which to date has been intrinsically tied to urban centers, not necessarily the suburbs.

The tendency to look toward downtowns



BY SEAN NORTHROP Trailside Group

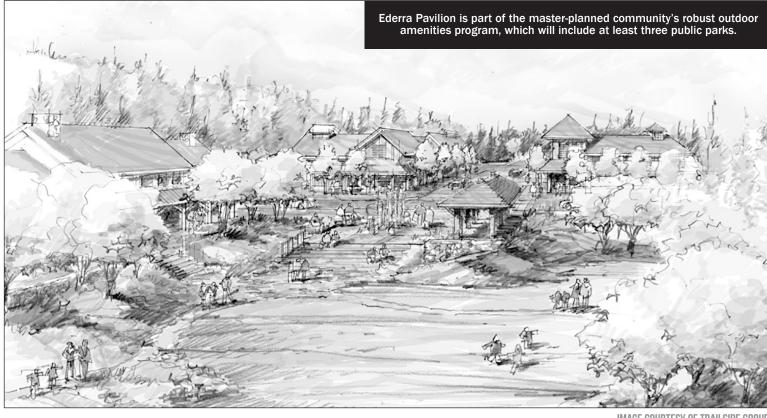
for lessons in sustainably designed communities certainly makes sense. After all, urban centers account for a vast majority of jobs and affordable

housing, not to mention their convenient access to retail, services, and public transit. In addition, developing where core infrastructure already exists has a much lighter footprint on the earth compared to building miles of new roads into distant suburbs.

Small towns can also play a significant role in meeting our long-term sustainable-growth objectives, including here in western Washington. Growing cities with classic downtown elements — particularly those that aren't being fully utilized — can offer interesting opportunities for developers and builders to contribute to the region's economic and environmental health.

A prime example can be found in Cle Elum where Trailside Group is creating Ederra, one of the newest mixed-use developments in the Northwest. The Issaquah-based land-development company is preparing to offer new homesites to builders seeking opportunities in proven master-planned communities, part of Trailside Group's support of a historic Washington mining town striving to achieve a sustainable future. When complete, Ederra will help Cle Elum to build stronger connections with both nature and its existing downtown core, while it provides a creative option for today's increasingly hybrid workforce.

Ederra is a 358-acre masterplanned community that will deliver up to 962 new single- and multifamily homes, complementary on-site retail, miles of new and improved biking and hiking trails, and some 200 acres of open space connecting downtown with surrounding public



**IMAGE COURTESY OF TRAILSIDE GROUP** 

forest land — including the Teanaway State Forest. Public-access outdoor amenities are a significant part of the overall Ederra plan, given the project's pristine location and the Cle Elum community's deep connection with the great outdoors.

In terms of economic benefits, Ederra will provide a much-needed boost to a town with stag-nant tax revenue. Master plans like Ederra typically include the requirement of mitigation fees associated with each home. In contrast to new, single-development homes on scattered lots that pay no mitigation fees, each Ederra home will contribute approximately \$9,000 in fees — revenues that will funnel directly to public schools, first responders, ongoing infrastructure improvements, and other critical services. The new homes at Ederra will establish an ongoing tax base that supports a fiscally responsible future for Cle Elum, something that can't be overlooked by smaller urban communities addressing their long-term growth plans.

Iong-term growth plans.

Throughout the Ederra buildout, Trailside Group will pay at
least \$10 million in mitigation
fees to Cle Elum, including \$1.8
million in early-stage lump-sum
payments which will go straight
into the city's operating budget.
Trailside Group's development
of Ederra will also generate hundreds of well-paying jobs to the
community, helping to ease the
sting of rising inflation and a
potentially recessive economy.

Construction recently started

on phase one at Ederra, which is located just north of downtown Cle Elum and extends deep into unincorporated Upper Kittitas County. The wide variety of homes at Ederra will provide a critical increase in supply to Cle Elum which, like other municipalities across the region, is struggling to keep up with residential demand — especially from residents who want access to both open space and well-connected, environmentally friendly neighborhoods.

Studies show that small towns are increasingly bearing the brunt of the nationwide housing crisis, with costs rising prohibitively in places like Cle Elum due to first- and second-time homebuyers fleeing metropolitan areas in search of moreaffordable housing, not to mention the slower pace of life that communities like Ederra provide.

The Ederra community, originally approved with a development agreement forged 11 years ago between Trailside Group and the city of Cle Elum, is moving forward vigorously with a shared public-private vision for the future of the region. The recently signed memorandum of understanding at Ederra signifies an aspirational vision that Trailside Group has shared all along with the greater Cle Elum community - including residents, business owners and other stakeholders who for years have sought an economically and environmentally viable means of moving this small, mountainside community into a sustainable future.

Ederra is a community that stands for everything that makes Upper Kittitas such a unique place to live and recreate. More than anything, though, Ederra is a smart, thoughtful development that helps Cle Elum to address inevitable urban growth while it preserves valuable open space, trail access, and outdoor

activities. And that's something that benefits everyone, including urban centers like Seattle and Bellevue.

Sean Northrop is the founder and CEO at Trailside Group, a land-development company based in Issaguah.

### INSIDE

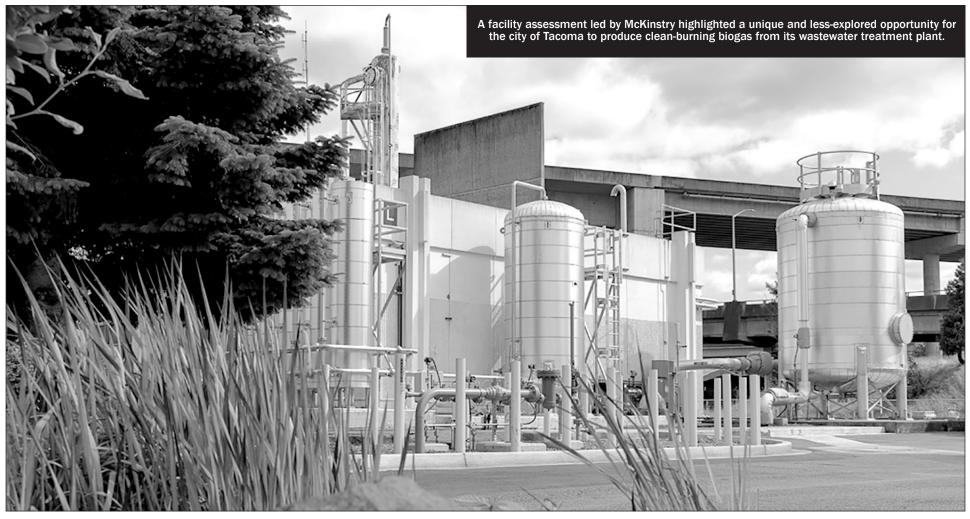
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#### ON THE COVER

Designed by Weber Thompson and built by Cascade Built, Solis is one of Seattle's largest Phius-certified passive house buildings. Learn more about Phius projects on page 12.

#### 2022 URBAN DEVELOPMENT TEAM

SECTION EDITOR: SAM BENNETT ● SECTION DESIGN: JEFFREY MILLER WEB DESIGN: LISA LANNIGAN ● ADVERTISING: MATT BROWN



PHOTOS COURTESY OF MCKINSTRY

### LEGISLATION PROVIDES NEW OPPORTUNITIES FOR ENERGY CONSERVATION PROJECTS

New energy performance contracting language unlocks opportunity for urban developers.

igned by Gov. Jay Inslee on March 24, legislators recently approved HB 1768, a bill that modernizes definitions used in performance contracting language applicable to energy conservation projects involving public entities. The

bill went into

effect in early

June, and the



BY ANDREW WILLIAMSON

expanded language allows state agencies, schools, local and municipalities consider to and apply more solutions to their **MCKINSTRY** performance contracting projects.

More specifically, the updates include emerging solutions such as electric vehicle (EV) charging infrastructure, distributed energy solutions, energy storage initiatives, and grid-interactive measures. These changes can have a positive impact on urban development by making it easier for cities, counties, K-12 schools, and higher education institutions to tackle these types of clean energy projects and others that create energy benefits outside of their "facilities."

#### **HB 1768**

To better understand why these changes were proposed, it's important to first recognize that the original performance contracting law was drafted over two decades ago. While the previous version was effective for many years and helped Washington state establish itself as one of the most successful performance contracting markets in the nation, it didn't consider a clean energy future when adopted.

Put another way, the codes as written prior to HB 1768 limited performance contracting from advancing important clean energy projects. Further supported and strengthened by the current legislative updates, Washington state has a long history of being a national leader in climate innovation and environmental policy - and continues to do so thanks to legislation like HB 1768.

#### WHY NOW?

Today's energy landscape is quite complicated and diverse. The old legislation effectively held us back in ways never intended — it was, simply, dated. So, why was now the time to update this legislation, especially as it relates to responding to greater needs around energy-saving solutions? And not only that but looking at opportunities outside the building, like charging infrastructure?

Three specific deficiencies forced the conversation:

- 1. EV charging is here, and while electric charging is an evolution of our transportation industry, it requires infrastructure that is tied to and operated by our built environment, or "facilities." Electric transportation also creates opportunities to interact with the energy grid, meaning it should be considered in our energy solutions as well.
- Wastewater treatment plants and other physical infrastructure have an opportunity

to contribute to our energy landscape by providing renewable natural gas and other renewable resources to our communities. The new legislation allows us to incorporate these solutions in clean energy project plans.

3. Electrifying our buildings (fuel switching) doesn't always occur because it's purely an energy cost-saving strategy. The pure utility payback has been causing owners to hold back from making conversions. But, if allowed to consider other value streams to justify the return on investment (e.g., cost of carbon, maintenance savings, etc.), owners can more easily get work done.

#### WHAT CHANGED?

HB 1768 modernizes existing statutes, which is a distinctly different task from drafting new legislation. Following is a summary of the updated definitions now in effect as a result of HB

• Public facility: The definition of public facility has been broadened to include structures.

multi-building sites, groups of buildings, site improvements or other facilities

- Cost-effective: The definition of cost-effective now includes other benefits generated by the project, which are purposefully undefined to allow developers and owners to consider other value streams such as the social cost of carbon, maintenance, or other kinds of cost-saving benefits.
- Conservation: The definition of conservation has been expanded to include, but not be limited to, energy cost, energy demand, greenhouse gas emissions, and other utility reductions like water, wastewater and solid waste.
- Distributed energy resources: New language has been added to allow the consideration of distributed energy resources, which include, but are not limited to, energy storage, energy efficiency projects, demand response, grid-interactive efficient buildings, and electric vehicle charging infrastructure.

What's really exciting about HB 1768 is that it unlocks a

delivery mechanism for public sector owners (K-12, higher education, governments, state agencies and hospitals) in Washington's urban centers. Let's take a closer look at a few examples that show what these changes and the opportunities they afford — can look like in practice. While these projects could be done now, they were not previously possible under the old EPC law (in other words, these were recently completed but are now much easier for public entities to accomplish under the new legislation).

Embracing biogas opportunities in Tacoma. The energy efficiency or renewable energy benefit provided by this project occurred in vehicles, not in facilities. The old legislation specifically called out that efficiency needed to be achieved or produced by a "facility." If the efficiency is driven in "fleet vehicles," it's still energy efficiency, but the previous legislation didn't allow us to consider that.

Efficiency benefits don't have to remain local. They can be benefits realized outside the building, at the grid level, or within the community. Sometimes efficiency is also monetary. Revenue driven by the deployment of facilities, infrastructure or solutions may be the reason to do a project that has a return on investment. The business case for projects can extend beyond just energy efficiency.

Washington commits to complete electrification of public health lab facility. Electrification of the built environment is an opportunity for building owners to capture new value streams through participation in an intelligent energy system. This project wasn't exactly held back by the old legislation — but projects like it might be. If a facility wanted to change its fuel source (or as it's termed in the industry, "fuel switching"), that wouldn't necessarily qualify as energy efficiency under the old legislation.

The new legislation allows us to consider other value streams to justify the benefit of a project such as placing a value on carbon impact of a particular solution. The new legislation allows us to be more flexible about why we're endeavoring to make changes to infrastructure. Said differently, the old legislation only considered energy efficiency. The new legislation allows us to consider not only efficiency, but "clean energy" itself.

King County Metro electric bus charging pilot in Seattle:

King County Metro electric bus charging pilot in Seattle: HB 1768 enables opportunities to create energy benefits outside the building, too. The energy efficiency at King County's Battery Electric Bus project is technically being driven in the buses themselves, not in the "facilities." The old legislation didn't allow us to claim the efficiency benefit for the buses. Rather, they required



us to demonstrate energy benefit within the facilities that the chargers are located. The new legislation allows us to look beyond the facility to claim energy efficiency and return on investment (i.e., cost savings from bus fuel, bus maintenance, etc.).

Yes, we were able to get creative with local governments and municipalities to complete these three projects — but it wasn't easy. Fortunately, HB 1768 opens the door for more projects like this in the future by making it significantly easier for municipalities to tackle their own clean energy initiatives. Projects like these are not only paving the way for Washington state but can serve as an example of what's possible when state legislatures actively pursue a clean energy future.

The constraints upheld by the previous version of this law have been removed, enabling state agencies, school districts, and municipalities to deploy distributed energy resources as qualified energy conservation projects at their facilities. These public institutions are now free to go and do really innovative things. At McKinstry, we celebrate this legislation, as it unlocks our clients' ability to participate in and drive toward a zero-carbon future. Efficient, smart and clean energy solutions are within reach.

Andrew Williamson is business development manager at Mckinstry.



### **CREATIVITY IS HALLMARK FOR 555 TOWER**

Efficiency, predictability and safety: Construction innovations at 555 Tower in downtown Bellevue.



IMAGE COURTESY OF VULCAN





BY RAYMOND **BURDICK** 

KFVIN **STILWELL** 

SPECIAL TO THE JOURNAL

reativity and innovation are prevalent throughout Vulcan Real Estate's 555 Tower in Bellevue. The myriad of logistics involved in constructing a 600-foot-tall, skyline-piercing building of world class caliber is indeed impressive.

As general contractor, Turner Construction has been tasked with the project's careful orchestration, managing the entire jobsite, trades workers, and subcontractors and along with Vulcan, developing relationships with neighborhood stakeholders, the city of Bellevue, and others. Leading a project of this scale and complexity requires tremendous organization and attention to detail, which is where smart systems and technology have been brought in to help bring the project to completion as efficiently as possible.

We are utilizing a number of new and advanced construction technologies with the intention of increasing productivity while also collecting data to inform future development projects.

#### **CRANE VIEW**

The crane hook is easily one of the most important pieces of machinery on any jobsite. A single crane makes about 80 to 100 picks per day and is frequently the only method for moving materials and equipment from the street level to the upper floors of the building. A tool with that much utility holds the key to critical insights into utiliza-tion, productivity and the flow of materials.

We are using Crane View by Versatile to capture crane movement and data, which is then turned into actionable steps that will improve performance of this and future projects. This technology is essentially a camera that tracks all the crane's picks throughout the project. Analyzing how much time is being spent on a particular type of task, our team is able to better plan and sequence the construction schedule.

As we learn more about how the crane is used, we become more and more efficient, allowing

us to complete crane-dependent activities such as steel erection more quickly, saving both time and costs associated with large scale development.

555 Tower is Turner's first project in the Pacific Northwest to use this technology — Crane View was previously used on Vulcan's 520 Westlake project in South Lake Union — and will likely show up on future project sites thanks to the incredible benefits it pro-

#### **SKYBUILD**

Efficiencies are being built into 555 Tower through the use of Otis' SkyBuild, a "self-climbing elevator system." In addition to a traditional temporary construc-tion lift located on the exterior of the building for construction purposes, SkyBuild uses what will ultimately be the permanent service elevators for vertical transportation.

As the building is constructed, Otis installs traveling rails in the elevator shaft so that SkyBuild essentially climbs the tower as each floor is erected. Advantages include hauling materials and labor to the upper floors much faster and smoother than traditional construction elevators, while also sheltering workers and materials on rainy days. This also allows the removal of exterior man lifts earlier in construction, enabling us to button up the curtain wall sooner.

But SkyBuild's benefits extend beyond faster and more efficient project construction. Because the elevators are inside the building, they are silent, reducing construction noise impacts on our neighbors. From a safety perspective, this advancement is much more structurally sound, offering added protection to labor and materials as they move up and down the building safely and quickly. Once the building is complete, Otis will be able to put the final touches on the elevators quickly since many of the permanent components are already in place.

#### **EMERGENCY ELEVATOR SYSTEMS**

One of the most important considerations for the design of high-rise buildings is the safe evacuation of people in the event of an emergency. To take advantage of updates to the International Building Code in 2009, 555 Tower was designed with occupant evacuation elevators as an innovative and forwardlooking approach to safe egress. This is directly opposite of the traditional guidance to take the stairs in the event of a fire emer-

gency. Historically elevators have been reserved for first responders for firefighting and rescue operations.

.555 Tower will be one of relatively few buildings in the world to incorporate occupant evacuation elevators, and the first in the city of Bellevue. Code permits the use of elevators as an alternate to an additional exit stairway that would otherwise be required for high-rise buildings over 420 feet high. This is not only a significant benefit to those challenged by age, health or restricted mobility for self-evacuation, but it also provides occupants another way to exit more quickly and easily than stairs alone.

The familiar elevator lobby sign stating "In case of fire, use stairway to exit. Do not use elevator" will be replaced in 555 Tower's elevators with "In case of fire, use elevator or stairs" with accompanying visual and audible messaging to instruct occupants

in an emergency.

Using the passenger elevators for the code-required "additional means of egress" in lieu of an additional exit stairway also affords more flexibility for tenant space with increased access to daylight and views. This is especially advantageous in very tall buildings where floorplates typically reduce in size as the building increases in height due to limitations such as prescribed zoning regulations, structural design and other design constraints.

#### BUILDING FOR THE FUTURE

The need for commercial office space in the greater Seattle area is at its all-time high with technology companies and others hiring at astounding rates and the region continuing to attract companies and workers seeking the region's high quality of life. Market fundamentals continue to be strong, suggesting there are no immediate signs of slowing. A recent survey conducted by Axios found the Seattle Metro Area (which includes Bellevue) as the most desired destination among recent college graduates.

555 Tower is helping to lead the way for future development in the Pacific Northwest. From timesaving construction techniques to safe and efficient building features, the caliber of execution within this project raises the bar for the region and champions a path for smarter, stronger building practices.

Raymond Burdick is director of commercial construction for Vulcan Real Estate; Kevin Stilwell is vice president and construction executive at Turner Construction.

**CATALYSTS** 

**CONTINUED FROM PAGE 2** 

into the future.

We've developed a checklist of fundamental considerations for positioning your existing portfolio for long term success.

The five elements of a catalyst building:

- 1. Create connection. Historically our downtown buildings have stood as monoliths; selfcontained and aloof. Understanding who and what surrounds your asset and creating connections between activities and services, plugs your building into a network where it becomes an indispensable node.
- 2. Establish a brand identity. The ebb and flow of human activity craves an anchor. Sustainable buildings are rooted in their location. They connect users deeply to the unique characteristics of their environment. Memorable

identities are created when the DNA of local history and geography is translated and fused with the aspiration of the community you are striving to create.

- 3. Embrace the natural world. There is an increasing body of evidence that supports the positive mental and physical wellness benefits of healthy buildings. Buildings that let in natural light. provide access to the outdoors, are filled with natural materials and greenery, are sought after by tenants and demand significantly higher rents.
- 4. Be climate ready. Real estate accounts for approximately 39% of total global emissions. As companies seek to mitigate their carbon footprints and tenants increasingly vote with their feet, buildings that can demonstrate best practices in resource

consumption and decarbonization will be in demand.

5. Leverage technology. Al, big data, machine learning and predictive analytics are powerful tools in any real estate portfolio. From building operations and management to successful marketing and tenant communications, a technology strategy that supports your building's goals is a critical tool in optimizing ROI.

As the financial and regulatory environment shifts in step with tenant and user expectations, assets that can demonstrate a thoughtful, holistic approach to repositioning will be the long-

term winners.

Doug Demers is managing principal at Seattle, at B+H Advance Strategy, a consulting practice.



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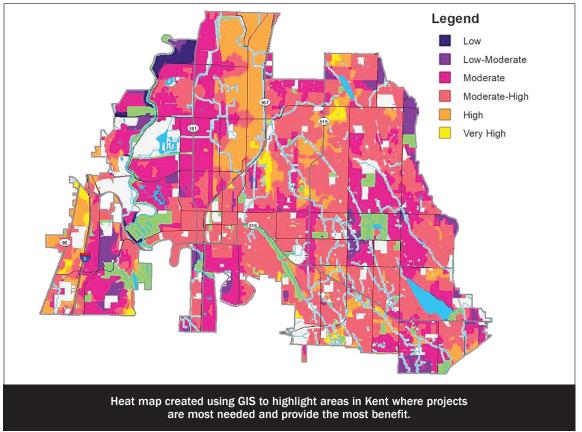
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### USING GIS TO SUPPORT EQUITABLE COMMUNITY DEVELOPMENT

GIS data helps decision makers plan projects and allocate resources.



IMAGES COURTESY OF HERRERA

rom revealing data patterns and trends to streamlining collaborative planning efforts, geographic information systems (GIS) technology has revolutionized our ability to display and analyze spatial information. First developed in the



BY JENN SCHMIDT HERRERA **ENVIRONMENTAL CONSULTANTS** 

rapidly evolvtechnoling ogy plays an essential role in community development, informing urban design and infrastructure planning decisions. Importantly, GIS provides a unique framework to high-

this

light patterns of inequity and support the development of more equitable communities.

In recent years, GIS has become an invaluable tool for identifying and visualizing pat-terns of social inequity within communities, including income disparities, access to public transit, proximity to environmental hazards, access to recreation opportunities, and other social issues that have a geographic footprint. Leveraging GIS data to create maps that highlight these disparities provides decision makers with the critical information they need to develop equitable solutions in their communities.

Parks and open spaces are a tangible reflection of the quality of life in communities that provide economic value and positive health impacts. Insufficient access to these resources negatively impacts communities leading to hotter temperatures, increased air pollution, more frequent flooding, and poor health. To help mitigate these outcomes, Seattle-based engineering firm, Herrera Environmental Consultants, uses GIS in innovative ways to support urban development and parks projects through an equity-focused lens. Currently, Herrera is providing GIS support to the city of Kent; which recently ranked as the 10th most ethnically diverse city in the nation. To better and more equitably serve current and future residents, the city is updating its Parks and



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The designation curriculum is designed to equip practitioners with the skills they need to profit from the ever-changing commercial real estate industry. Students will need to complete these courses to earn the CCIM designation.

The following courses will be offered in the greater Seattle / Spokane metro area by the Washington State CCIM Chapter:

CREN (Commercial Real Estate Negotiations) - 7 CE Hours, September 12, 2022

CI 103: User Decision Analysis for Commercial Investment Real Estate, September 13 - 16, 2022

CI 104: Investment Analysis for Commercial Investment Real Estate, October 24 - 27, 2022

CI 101: Financial Analysis for Commercial Investment Real Estate, October 31 -November 3, 2022 (Spokane, WA)

The Washington State CCIM Chapter and the CCIM Education Foundation offer the following scholarship opportunities to provide tuition assistance to industry members to attend CI 101, CI 102, CI 103, or CI 104 WA.

Up To \$1,500 (CI Courses - Live Offerings Only)

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Elise & Vic Lyon \$1,500 Endowed Scholarship (CI 103 / CI 104) (4 available)

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Open Spaces Plan to guide the continued development of the overall park system.

To help the city prioritize its investments, Herrera developed a series of maps that characterize existing park access and park need by ranking and overlaying datasets such as demographics, health outcomes, walking distance to parks, park recreational values, population density, public transportation, and other key factors.

This resulted in a set of "heat maps" highlighting areas where projects would provide the most benefit, with an emphasis on prioritizing investments in traditionally underserved communities. By sharing this data with the community through interactive StoryMaps, stakeholders gain a better understanding of the process and an opportunity to provide input ensuring results align with the lived experiences of community members.

Similarly, Herrera is working with the city of Lynnwood to help develop its Equitable Park Access Plan. This plan will provide a long-term vision for parks, recreation, trails, and open space while also functioning as an action plan for capital project implementation for the next 10 years. Herrera is applying GIS technology on this community-led, equity-based project, helping to quantify existing park

access, need, and equity mapping. GIS datasets are the basis for heat maps focused on park access and racial and social equity. Once the park access and racial and social equity maps are completed, Herrera will overlay the maps with climate change vulnerability and other key datasets to develop the park need composite map.

Likewise, Herrera continues to utilize GIS in its work with the city of Seattle to center equity in infrastructure improvements. Seattle Public Utilities' (SPU) Longfellow Starts Here project places community-centered planning and racial equity at the forefront of its execution. This project focuses on improving water quality in Longfellow Creek by reducing combined sewer overflows and treating stormwater runoff, while maximizing community benefits.

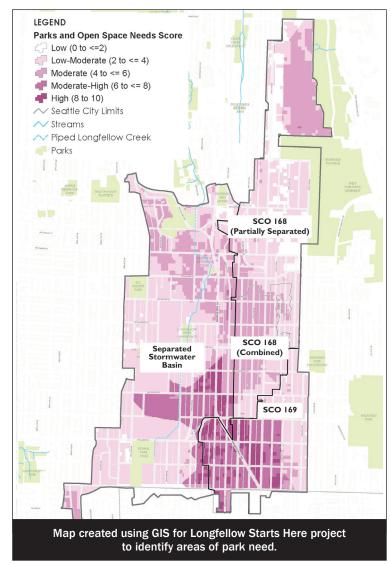
To help SPU identify opportunity areas through an equity lens, Herrera used GIS datasets to create 11 multivariable maps in multiple analysis categories consisting of Needs and Feasibility. Through this work, Herrera synthesized dozens of spatial datasets into easy-toread maps. Needs multivariable maps highlight areas of need for improved community mobility, parks access, or opportunities for collaboration between SPU and other city departments to achieve multi-benefit projects.

Racial and social equity mapping was also part of the Needs mapping, which included synthesizing race and ethnicity, socioeconomic status, and health data into a block group-level vulnerability score. Feasibility multivariable maps highlight potential areas to implement SPU infrastructure. By overlapping these maps, SPU can easily identify the best locations to focus on detailed technical and partnership analyses to stretch capital dollars.

Using these maps, a series of workshops were held with a community-based integrative design team to share information regarding existing conditions. Through this data, patterns of need were more easily identified compared to looking at multiple individual datasets. In addition, this process recognizes the common reduction and racialization of data, emphasizing the need for spatial analysis to be grounded in the experience of the community while promoting discussion of the causes of inequities.

To address this, Herrera identified and mapped community need as part of this workshop effort, overlaying datasets to help "truth" the other maps and center equity and community priorities. The Integrative Design Team also provided feedback on

USING GIS --- PAGE 15







IMAGES COURTESY OF GIS INTERNATIONAL GROUP

### REAL ESTATE COMPANIES NEED TO THINK CREATIVELY

Suburban cities, apartment developers need creative solutions to meet rising market demand.

he pandemic has created a great deal of uncertainty for both consumers and businesses. Real estate developers are certainly not immune to the ebbs and flows of economic trends, no matter the size of the market. Despite recent fluctuations, one thing is for sure:

BY RYAN GRAMS GIS INTERNATIONAL GROUP

Demand for well-designed, centrally located apartment units is still remarkably strong, especially here in the Puget Sound region.

A recent report issued by industry data collector Apartment List

shows that average multifamily rents in Seattle have risen sharply, some 1% over the past month alone. What's more, rents have increased by nearly 19% in the area year over year, with median rents in Seattle sitting comfortably at \$1,681 for one-bedroom apartments and at about \$2,100 a month for two-bedroom units. These growth trends are outpacing both statewide and national numbers.

Yet it's not just the region's most-urban areas experiencing this massive push for additional apartment homes. Rents in



GIS Plaza is a six-story mixed-use building featuring 16 luxury condominiums, commercial space, and the first mechanical auto-valet stacked parking system of its kind in downtown Bellevue — all with sweeping views of lush-green parks, old-growth trees and other residential communities.

smaller markets like Issaquah are growing, too, up 14.2% year over year, according to the Apartment List study. Other submarkets with rising year-over-year demand include Bothell (16.6%), Kirkland (12%), and Redmond, which reports a whopping 17.1%

increase.

As everyone knows, economic growth is good, as it can generate family-wage jobs, valuable

tax revenue and, of course, other financial and lifestyle opportunities for most every individual and business. The more important

question, however, is whether our recent apartment growth can be sustained? In other words, are developers, investors and municipal decision-makers committed to doing what's possible to meet that demand with market-rate units?

The answer is more complicated than a simple yes or no. Our successful delivery of apartment supply will require developers to stay current with work and lifestyle trends among consumers, while cities throughout the Puget Sound region will need to ensure they're doing everything possible, in terms of zoning and codes, to support the industry's push for new multifamily development. This will be especially important

This will be especially important for the area's suburban markets, which are experiencing record demand for market-rate housing near transit, restaurants, retail and other goods and services. Apartment demand in local submarkets has been on the rise for years, a trend that was exacerbated over the past 24 months as companies relaxed their workfrom-home policies and apartment dwellers took advantage of lower costs and greater space afforded by suburban multifamily communities.

These smaller markets could take a lesson from Seattle and Bellevue planning departments, which recently relaxed their codes to accommodate taller buildings, greater densities, and lower parking requirements in certain downtown neighborhoods — together spurring new investment and development activity. A few ideas that might help to guide these cities' efforts to amend their sometimes-outdated code include:

Sidewalk width and usage: Cities such as Kent, Auburn, and Burien, to name just a few, are seeing massive growth in the apartment-development sector, with more demand on the way, especially as mass transit continues to expand to these communities. Currently, there's some confusion among real estate owners on what they can and cannot do there in terms of ground-plane development. For instance, it would greatly benefit both developers and residents to update codes with less ambiguous requirements for wider sidewalks, strategic locations for curb cuts, and conditional use for restaurants and

Accommodation for transportation and technology: No one expects lower-density markets like White Center and SeaTac to have the same level of demand for pedestrian mobility and bike lanes as Seattle and Bellevue. Recently, Redmond, which is far more populated than most other suburban municipalities, increased its code accommodations for commuter and recreational bicyclists. Smaller cities could better support multifamily growth by updating their codes to incentivize bike-friendly com-

munities, as well as employing mandates for EV-charging equipment, not to mention technology focused on automated pick-ups and deliveries for its residents.

Reasonable parking requirements: Years ago, Seattle and Bellevue revised their codes to include zero-parking requirements in their highest-density neighborhoods. That's not reasonable for smaller municipalities, of course, even as residents' reliance on automobiles diminishes in secondary communities throughout the Sound. Some cities, however, still have outdated codes requiring far too much on-site parking than necessary, or less bike-storage minimums than what should reasonably be required of developers who want to meet the needs of environmentally focused apartment residents.

The burden of meeting the region's growing market-rate housing demand is hardly on just the suburban planning departments alone — investors and developers are equally responsible. Real estate companies need to think more creatively about what urban residents want, and how to deliver projects in a nontraditional way. For instance, for the GIS Plaza project that will deliver later this summer, the GIS International Group team worked collaboratively with Bellevue on approving the city's first automated auto-parking system, enabling the high-rise development to accommodate 20 cars in a space designed for just six, thanks to a German-designed auto-stacking solution geared specifically for small-site buildings like this.

Developers must continue to deliver more user-friendly apartment layouts - so many residents are now using their homes as offices, too, a trend that won't end any time soon — thoughtful amenities programs, and unique on-site storage options for bikes, scooters, and other urban-mobility preferences. These consumer needs can't be satisfied through only space planning and design. Apartment developers that expect their projects to experience long-term success also need to think about managing their properties with a blend of human- and technology-based resources, all with the goal of keeping residents healthy, safe, and satisfied.

The Seattle area has experienced record growth in urban and small-market apartment development, and that trend will continue for the foreseable future. It's up to real estate owners and city planners to work collaboratively and creatively on delivering buildings that will meet that demand and in so doing, support our local economies for decades to come.

Ryan Grams is principal at GIS International Group, a real estate development and construction company serving the greater Puget Sound area.



# FINDING THE PATH TO ZERO WITH RESILIENT URBAN DESIGN

Passive building developments using Phius standards are the future of urban development.

ver the past decade, the Phius passive building standard and design methodology have proven to be an effective path to zero with clear benefits for developers, designers, builders and inhabitants. A clear business case for Phius methods has been made to developers — it can be done and it works.

Multifamily Phius projects are



BY KATRIN Klingenberg Phius

successfully and cost-effectivelv being implemented nationwide, forming small neighborhoods of which urban planners and . climate justice activists have taken notice. Even more benefits

begin to emerge if the concept is applied on a larger scale such as a city block.

An urban landscape centered on passive principles is not only more sustainable and a better place to live, but also more resilient and adaptable as a system. If organized into island-able microgrids, it can react much more effectively to an unforeseen grid outage due to an extreme weather event and insulate its inhabitants from unpredictable energy price spikes.

On a larger scale, benefits of the new renewable distributed energy grid are coming into focus. It is the best baseline for buildings to become an integral part of the infrastructure for renewable energy delivery.

The benefits for a community certified and organized as a microgrid and designed with Phius standards are substantial.

Of course, the benefits on a per-building basis are most obvious: significantly improved quality of construction, indoor air quality, health, comfort and generally improved quality of life as a result. But just as important are building durability, safety, and low maintenance costs, all resulting in peace of mind. These buildings are resilient against outages even before solar and microgrids are added because they can coast through power outages during extreme weather/climate events and maintain habitability—that is true peace of mind.

An even higher level of resiliency and adaptability can be attained if a group of zero-energy buildings organizes into a microgrid,



IMAGES FROM PHIUS

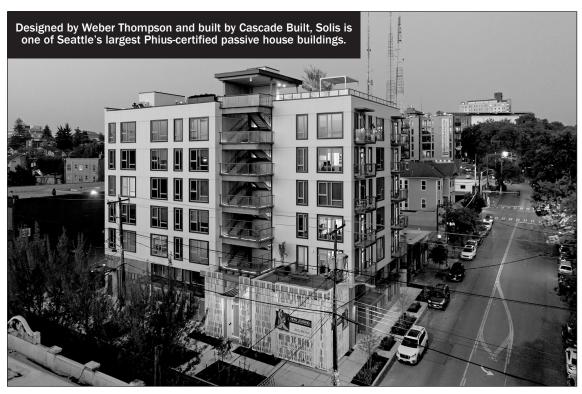
adds its own PV production and batteries, and shares those on a community level. Then, it can produce enough energy to meet its community's entire (extremely low) energy consumption and might still have some left over to export.

Such passive building design on a block level is also inherently grid-friendly by significantly reducing loads and the need for costly power plants. This helps city managers meet the energy demand.

With this type of design, the buildings and city blocks become capable of demand response and interactivity benefiting the wider grid. One could argue this also benefits national security by "hardening" the grid for greater reliability.

As communities look to decarbonize building operations in an effort to adapt to and mitigate

PATH TO ZERO — PAGE 15





IMAGES COURTESY OF MG2

### HOW TO CREATE A COMPELLING DESTINATION

In the last 20 years, there have been new efforts at turning shopping malls into mixed-use environments.

evelopment patterns in the U.S. are changing. According to the Census Bureau's Annual Retail Trade Survey, from 2019 to 2020, online sales increased by \$244 bil-



BY MARK TAYLOR

lion. Our shopping centers and malls are going through a significant transformation. While the number of stores is decreasing, the remaining stores are reinventing. As

a result, the shopping experience is less transactional and more experiential.

Space once occupied by a single mall is being reevaluated with an eye toward various uses, including residential, office, hotel, etc. Of course, there is no one right way to create a compelling destination or a place where people want to live, work, and play. But we do know the importance of parks, green spaces, and open areas, whether it's a great lawn, playground, garden, town square, or biking trail.

Not only are they essential for mental and physical health, but they provide opportunities for social interaction and for building community. For developments, curated parks are a



destination and can serve as an entertainment venue that draws crowds day in and day out. Curated parks can become the heart of a dynamic mixed-use community, encouraging activity, fostering connection, and promoting a healthy lifestyle.

It is not widely known that architect Victor Gruen, the father of the shopping mall, did not set out to create a monolithic entity. In the early 1950s, he designed Southdale Center in Edina, Min-

nesota, modeled after the European arcades he knew as a child in Vienna.

"Gruen's design for Southdale would become the single most influential new building archetype of the postwar era," says Steven Johnson, the author of Wonderland: How Play Made the Modern World. "But there is a tragic irony behind his success. The mall was only a small part

DESTINATION — PAGE 13

**CONTINUED FROM PAGE 13** 

of Gruen's design for Southdale. His real vision was for a dense, mixed-use, pedestrian-based urban center with residential apartments, schools, medical centers, outdoor parks, and office buildings."

Instead of a vibrant, urban community, Southdale and its successors propelled suburban sprawl. But in the last 20-plus years, there have been new efforts at turning shopping malls frequently accompanied by large swaths of land, often in the form of expansive parking lots into mixed-use environments. In some instances, entire malls are coming down, making way for brand new ground-up, mixeduse districts. In other cases, land used for parking is being turned into multifamily residential units, office buildings, health care clinics, and hotels to create a 15-minute lifestyle.

Recently, Paris Mayor Anne Hidalgo and professor Carlos Moreno of Sorbonne University have brought the "15-minute city" to the public's attention. It's a simple and compelling concept: people live, work and play, go to school, exercise, shop for groceries, etc., all within a 15-minute walk or bicycle ride. During COVID, the 15-minute city captured the imagination of people everywhere, the perfect foil to those early pandemic days when everyone was forced to stay inside and isolate.

We can take the 15-minute, multi-modal, mixed-use model to the next level with two words: Healthy Communities. They're not a new idea. In 2013, the Urban Land Institute released the report, Ten Principles for Building Healthy Places. It begins: "Put people first."

Healthy Communities are not simply urban spaces with a mix of uses. Putting people first means accounting for multiple needs. For example, how do residential, office, and retail buildings connect? Putting people first instead of the vehicles that carry them means we are considering how pedestrians will use the public realm. How far are they willing to walk between destinations? What amenities are needed along the way for people to feel safe and invited? And how can we insert green space - from pocket parks to robust open spaces — into the environment? Putting people first means offering people choices, providing them with spaces where they feel comfortable pausing, spaces that invite interaction and encourage socialization.

To create Healthy Communities, MG2 has expanded on the traditional live-work-play model, adding the more intangibles of "nourish," "learn" and "move." The plans for Crossroads, in Bel-



levue, is one example. At Crossroads, we intentionally knit residential, retail, and green space into the fabric of the community and improved connections to transit and community hubs for a pedestrian experience throughout and beyond the property.

One of the key aspects of Crossroads, in addition to a multifamily residential complex, will be the 15,000 square feet of green space - open to the public - with a freestanding food and beverage pavilion meant to anchor and draw in the neighborhood. Along with an expansive lawn, there will be outdoor seating, picnic tables, barbecue grills, fire pits, and a music stage. The park will be programmed and activated throughout the year and connect the residents to the shopping center and a nearby public park with trails for walkers, runners, and cyclists.

Another example is Washington Square in Tigard, Oregon, just outside Portland, where a mix of new offerings is replacing closing anchor stores. These additions are not only reinvigorating the mall but also introducing new ways to connect as a community. The mix of uses includes a hotel and co-working space alongside future multifamily residences with various food and beverage offerings and entertainment venues.

But the glue that holds it all together is park space. At Washington Square, careful consideration was given to how people make their way through the property. What will draw people to the area? What will encourage

them to linger? What will drive them to return? In this case, that includes a sculptural play area, water feature, and flexible open lawn space with small cafes along the perimeter and larger restaurants to act as focal points.

Both Crossroads and Wash-

ington Square have tailored approaches to existing developments and offer a mix of live-work-play, nourish-learnmove. They're what we need right now: dense, mixed-use, and pedestrian-based, with a focus on outdoor green space. They're healthy communities: just what

Victor Gruen had in mind.

For 20 years, MG2 Principal Mark Taylor has dedicated his career to building community-centric, mixed-use retail environments that inspire, entice and delight.

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#### PATH TO ZERO

CONTINUED FROM PAGE 12

against future extreme climate events, passive zero buildings provide a solution for urban planners to do just that. Phius buildings are optimized for low energy consumption and allow the design team to quantify how much energy will be needed and design the (much smaller) energy generation system accordingly. This would be impossible to do for a city block of non-Phius buildings.

Passive buildings also come preelectrified. Added solar PV, batteries and microgrid technology set these city blocks up perfectly for electric vehicles.

Additional benefits provided through the rigorous Phius certification process include reliable third-party verification of design, construction and performance. The quality assurance required for Phius certification serves as a valuable risk management tool.

Many states are recognizing the larger-scale quality-of-life benefits of passive buildings as well as the positive impact they can have on the energy infrastructure. The number of multifamily units certified to the Phius stan-

dard has been accelerating nationwide. Phius has certified or pre-certified more than 8.6 million square feet including nearly 300 single-family dwellings and more than 200 multifamily projects.

Massachusetts is the first state to recognize those benefits on a state-wide basis. It has proposed to include Phius standards performance levels in its new zero energy stretch code for all new multifamily construction. New York State is likely going to follow suit.

And that is just the beginning. Urban passive building developments follow-

ing this mold are proven to be safer and healthier for inhabitants while adding a level of grid stabilization that is impossible with lesser-built buildings. These buildings are the future of urban development, and it's a matter of when — not if — we get there.

Katrin Klingenberg has developed and delivered building-science-based training on how to design and build energy-efficient and zero-energy buildings.

#### **USING GIS**

CONTINUED FROM PAGE 9

other heat maps and the metrics used to develop them in an iterative process.

By transforming geospatial datasets into easy-to-read maps and actionable insights, resources are better allocated across communities, promoting racial equity and social justice for years to come. Industry experts anticipate increases in innovative GIS and other technology used to identify and address inequities through mapping and spatial analysis.

By using GIS data to better understand patterns in the community, we are helping to provide decision makers with the information that they need to center equity in how they plan projects and allocate resources. When we build these analyses in collaboration with the community, we stand the best chance of working together to help create long-lasting change.

These efforts continue to make a difference in a wide range of urban development projects across Washington state. Herrera has enjoyed supporting its clients' efforts to identify projects that have the greatest impact on future generations.

Jenn Schmidt is a spatial science manager for Herrera Environmental Consultants.

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### SAMMAMISH'S NEW TOWN CENTER WILL BUILD COMMUNITY

The development will have local shopping, dining and entertainment, along with housing for young adults, residents across the income spectrum, and senior citizens.

e founded Innovation Realty Partners to do something innovative: build communities of the future. We believe in commu-



**SAMWICK** INNOVATION **REALTY** 

We have been working seven years to make this dream a reality in Sammamish. Today, we all

seek a sense of unity and connection. It is more than simply making a living - it is living. We can contribute to the common good by creating vibrant environments where people can thrive. We can engage with one another in clean, open spaces where our young adults long to remain well after their generation typically moves away, and where our grandparents can stay within close proximity to affordable housing, seniors' activities, shops, and nature. In this era of uncertainty and division, we are determined to prepare places for the future with serious thought, vision, technological innovation and, above all, heart.

In 2014, we discovered the perfect opportunity to bring this vision to life. We learned about Sammamish's forward-thinking and ambitious plan, adopted in 2008, to create a mixeduse community known as Sammamish Town Center in the heart of the city. After reading and understanding the grand plans for its Town Center, we realized the city needed a committed private partner to bring this to fruition, starting with the responsibility of acquiring the land and then designing and building the neighborhood we



IMAGE COURTESY OF INNOVATION REALTY

all envisioned. We were encouraged that the town embraced its motto of "Building a Community Together." It seemed a perfect alignment with our company's mission to "leave the land better than we found it.'

Our enthusiasm was boosted when learning Forbes magazine, in 2012, in its census of 'The Friendliest Place to Live in America" (which surveys 500 towns with populations under 125,000) voted Sammamish No. 1. WalletHub similarly voted Sammamish as the No. 1 small city in the United States in 2020 and 2021.

We understand the positive impact we can make in Sammamish by helping to balance competing interests. We do this, as imagined in the city's Town Center Plan, by providing local shopping, dining, and entertainment in combination with housing options for young adults, residents across the income spectrum, and senior citizens.

When we became involved, dozens of different property owners owned the land the city identified for a town center. We needed to aggregate these different properties into one cohesive and coordinated site to make the city's unique growth plan possible.

The scope and scale of the land aggregation cannot be understated in today's market of scarce land. Over five years, with the help of many, we acquired approximately 90 acres of contiguous and properly zoned land to embark on a journey to build tomorrow's community. Once we neared completion of our land gathering, we began to implement the city's long-held intentions expressed in its governing laws and planning documents. The Town Center's planned capacity is 600,000 square feet of commercial development and approximately 2,000 housing units. This represents, as initial plans called for, "a large majority of the City's overall capacity for commercial and residential development."

What an incredible opportunity to do good - together. This community will be accessible to automobiles but committed to a "park-once" environment, where people park and walk from retailers to restaurants to the public gathering places — out of the cars and onto foot, with tree-lined pedestrian-friendly sidewalks and streets. In the midst of traditional suburbia, the options for the future will expand to include new and different neighborhoods, transit options, housing choices, public open spaces, and civic uses.

Concentrated growth in a compact location creates the density needed to address tomorrow's challenges, preserves the characteristics of existing neighborhoods (instead of sprawling throughout Sammamish), and most importantly protects the environment. Higher-density development generates less traffic than low-density development per unit; it makes walking and public transit more feasible and creates opportunities for

multi-use parking. Residents of low-density single-family communities tend to have two or more cars per household; residents of high-density apartments and condominiums tend to have only one car per household. A new transit center would thus be justified, dramatically reducing traffic flow by eliminating many commutes to Bellevue, Redmond, Seattle, Issaguah, and other employment destinations. One Sammamish resident told us it takes her two hours each way to reach her classes at the University of Washington. Together, we hope to eliminate that incomprehensible transit burden.

During the journey to make this a reality, we continue to be guided by an image of the future:

- A place where familiar faces
- greet one another.

   A "park-once" environment where people park and walk from retail uses to restaurants to the public gathering places.
- A central pedestrian-friendly hub with trees, sidewalks, parks, and water features; where families stroll, and children play in the safety and comfort of a small
- All integrated with housing choices and transit options.

Now is the time to make this long overdue Town Center a reality - a place where we are truly building community together.

Matthew Samwick is founder and operating manager of Innovation Realty Partners LLC.

