



# SHORELINE PLACE



SHORELINE PLACE

Merlone Geier  
Partners

GGLO  
DESIGN

PAC LAND

HEWITT

TENW

Planning Commission | Development Agreement Presentation  
06.06.2019



## Response Topics

### Reference Site Plan

#### Staff Report References:

- 1 - Redevelopment Case Studies
- 2 - Market Analysis
- 3 - Sustainability / LEED ND
- 5 - Open Space and Parks
- 6 - Circulation and access
- 10 - Conceptual Timing/Phasing

# Reference Site Plan



# CONCEPT OPEN SPACE PLAN





# Redevelopment Case Studies



# Shoreline Place – Planning Commission Retail Repositioning Case Studies

Merlone Geier Partners – May 2019



# Goleta Kmart

Goleta, CA (Santa Barbara County)



## Project Overview

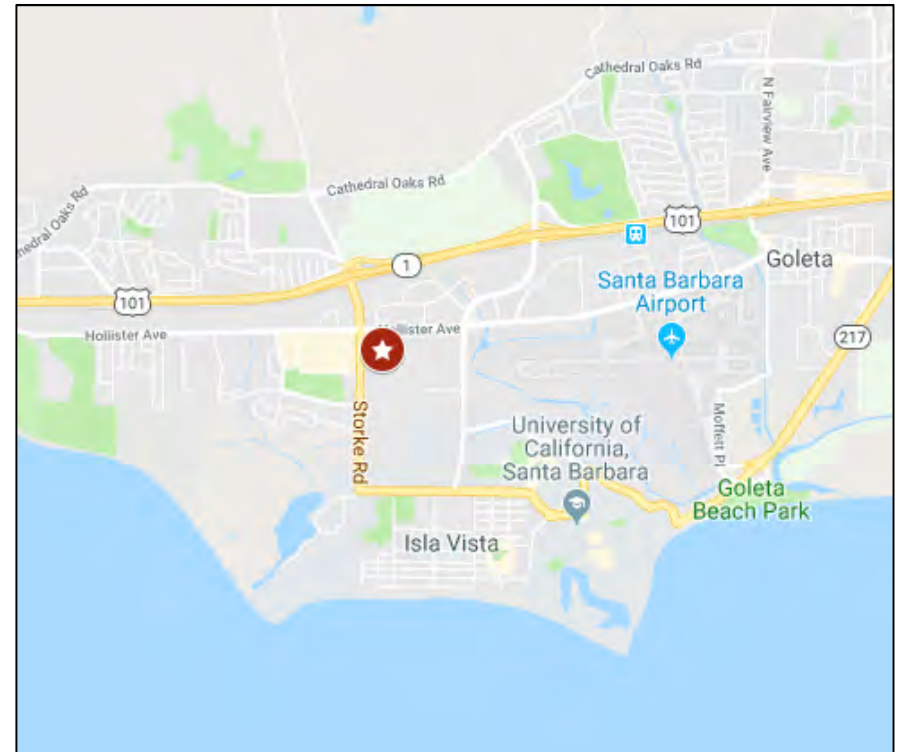
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- Neighborhood shopping center improved with a 117,000 sq ft free-standing Kmart building and 18,000 sq ft shop building
- Located in Goleta, CA, a coastal community of Santa Barbara County
- Acquired from Sears in 2017
- The project is positioned in a strong retail submarket with high barriers to entry and very limited available space
- Merlone Geier replaced Kmart with Target, who will occupy the entire building



# Location & Retail Market

- Located in the coastal community of Goleta, CA in Santa Barbara County
- Proximate to UC Santa Barbara, with an enrollment of over 24,000
- Benefits from immediate access to Highway 101
- Centrally located within a main commercial corridor. Adjacent uses include retail, commercial office, industrial, and hospitality
- Very few large retail spaces available within the submarket





# Demographics

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- Strong demographic profile in the surrounding area drives retailer demand to the commercial corridor

Local Demographics			
	1 Mile	3 Miles	5 Miles
Population	14,782	55,799	77,367
Households	4,168	16,272	24,000
Avg HH Income	\$87,278	\$87,458	\$104,691

# City Desires & Market Dynamics

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## CITY DESIRES

- “Regional Commercial” land use designation within the City’s General Plan, intended to provide for a wide range of retail uses.
- Not located in an area where the City plans to accommodate future housing growth.
- The City has limited the Regional Commercial land use designation to existing locations of “large-box” retail uses, making this Kmart building one of the few locations where a large retailer, like Target, could enter the market.

## MARKET DYNAMICS

- Need for general merchandising retailer in the surrounding commercial area
- University of Santa Barbara student population and surrounding residential communities support the need for large format retailer
- Strong demand from national retailers to occupy the limited space available in a high barrier to entry market



# San Antonio Center

Mountain View, CA (Silicon Valley)

## Project Overview

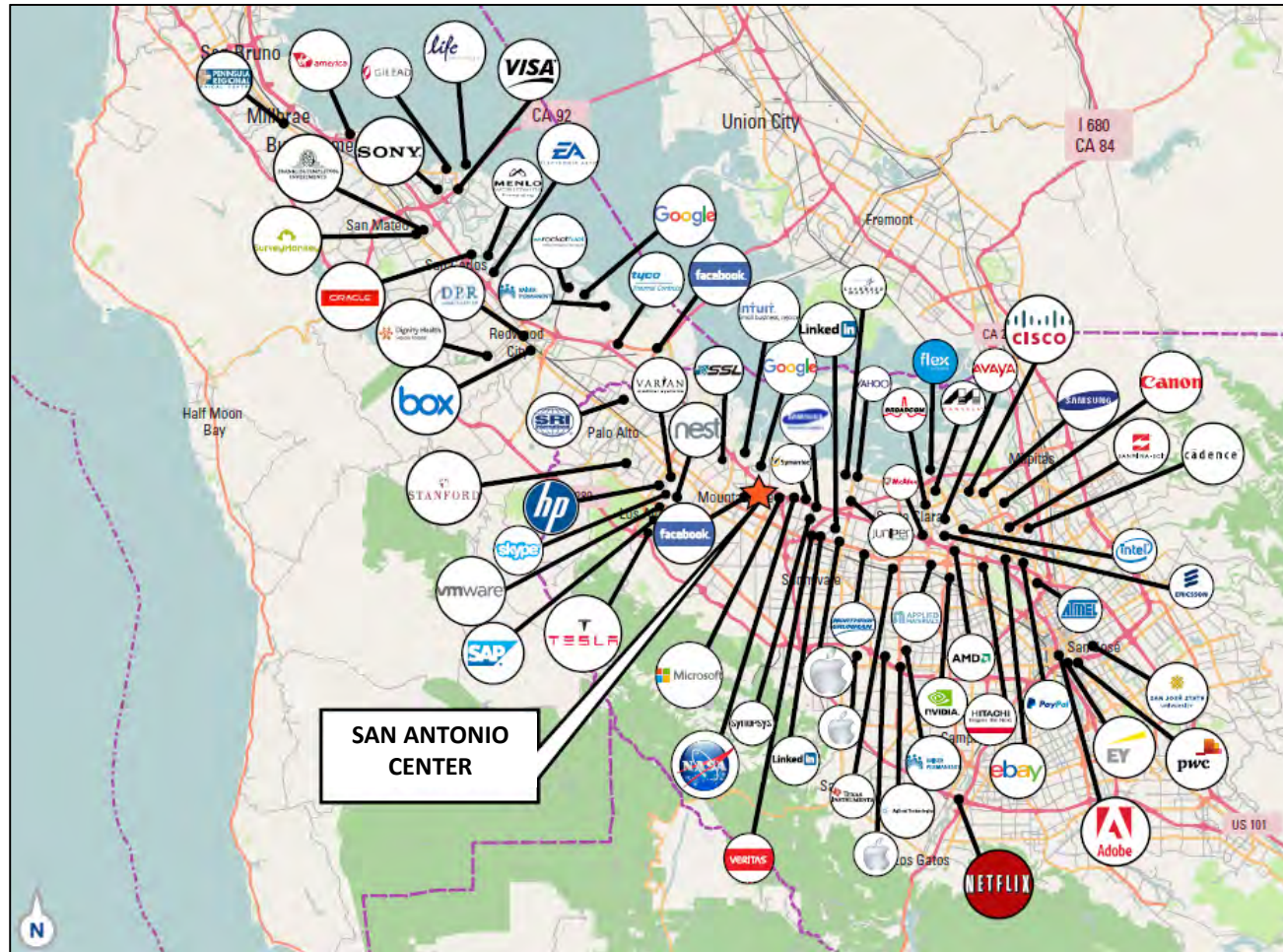
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- Sears anchored retail center originally constructed in the 1950s
- Centrally located within Silicon Valley in Mountain View, CA
- Initial parcel acquired from a private seller in 2009. Several adjacent parcels acquired over time
- 21-acre assemblage and limited retailer encumbrances allowed for multi-phased mixed-use development
- Merlone Geier redeveloped the project between 2011 and 2019 to include 275,000 sf of retail, 457,000 sf of office, 330 residential units, and a 167 room hotel
- Construction of the third phase will be completed in summer 2019



# Office Market

- Centrally located within the most robust technology market in world, providing significant demand for new office development in addition to housing and retail



# Project Aerial & Land Use Summary



## LAND USE SUMMARY

### Phase I & II

Retail	133,000 Sq Ft
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Residential	330 Units
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### Phase III

Retail	142,000 Sq Ft
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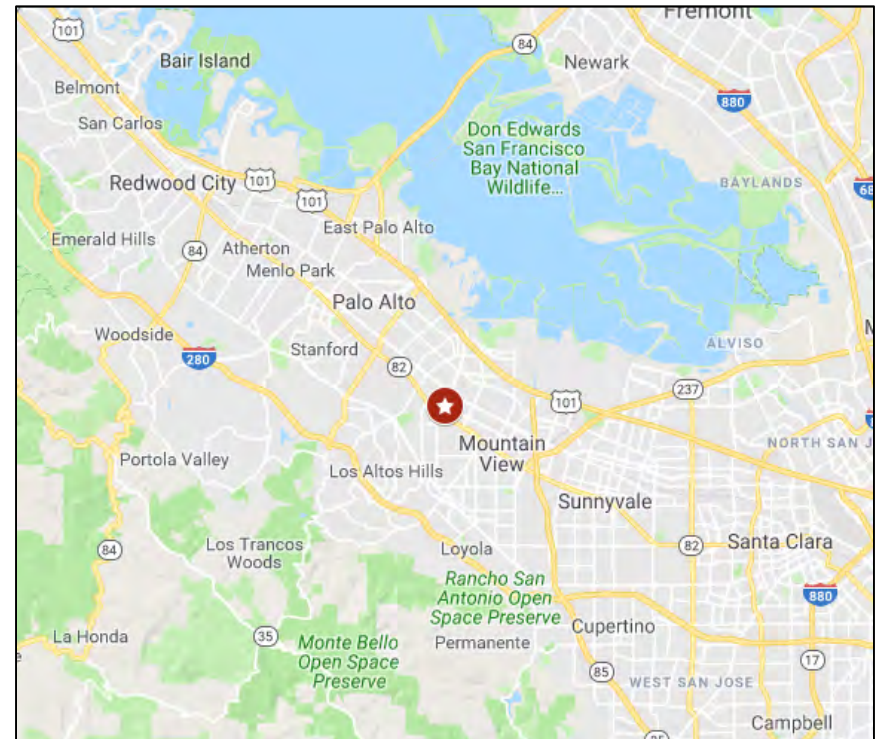
Office	457,000 Sq Ft
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Hotel	167 Rooms
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# Location & Market

- Located in the heart of Silicon Valley, in Mountain View, CA
- Proximate to Stanford University and the office campuses of Google, Facebook, Apple and many other technology companies
- Benefits from walkability to public transportation (CalTrain), connecting the project to San Francisco and the rest of Silicon Valley
- Strong demand for a mix of uses including rental housing, office, retail, restaurants, services and entertainment



# Demographics

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- The project serves as a regional destination for the dense and affluent surrounding area, which includes the cities of Mountain View, Palo Alto, Los Altos, and Sunnyvale
- Average household income within a 5 mile radius is over \$175,000

Local Demographics			
	1 Mile	3 Miles	5 Miles
Population	33,528	147,857	293,617
Households	13,842	59,886	112,992
Avg HH Income	\$151,507	\$177,130	\$178,645



# City Desires & Market Dynamics

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## CITY DESIRES

- Desire to see a sprawling and dated retail center converted to a contemporary town center with a synergy of uses
- Supportive of high density rental housing
- Supportive of new class A office to accommodate rapid growth in the local technology sector
- Need for catalyst project to kick off the redevelopment of the larger commercial district surrounding the site

## MARKET DYNAMICS

- Need for new restaurants to support local residents and demand from daytime working population
- Strong demand for a grocery store
- Limited theater options within the surrounding area
- Bay Area housing shortage and significant local job growth supported need for apartments
- Demand for high quality office from rapidly growing technology sector

# NOHO West

North Hollywood, CA

MerloneGeier  
Partners

## Project Overview

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- 481,000 sf stand alone Macy's building and 88,000 sf office building on 25 acre site
- Located in a densely populated submarket of Los Angeles. Approximately 661,000 residents within a 5-mile radius.
- Acquired from Macy's in March 2014
- Infill location, freeway access and visibility, and large unencumbered site area allowed for large scale redevelopment opportunity
- Merlone Geier is under construction on a mixed-use project that includes 275,000 sf of retail, 257,000 sf of office, and 642 residential units
- Construction of commercial portion will be completed in 2019



## Property Aerial





# Site Plan & Land Use Summary

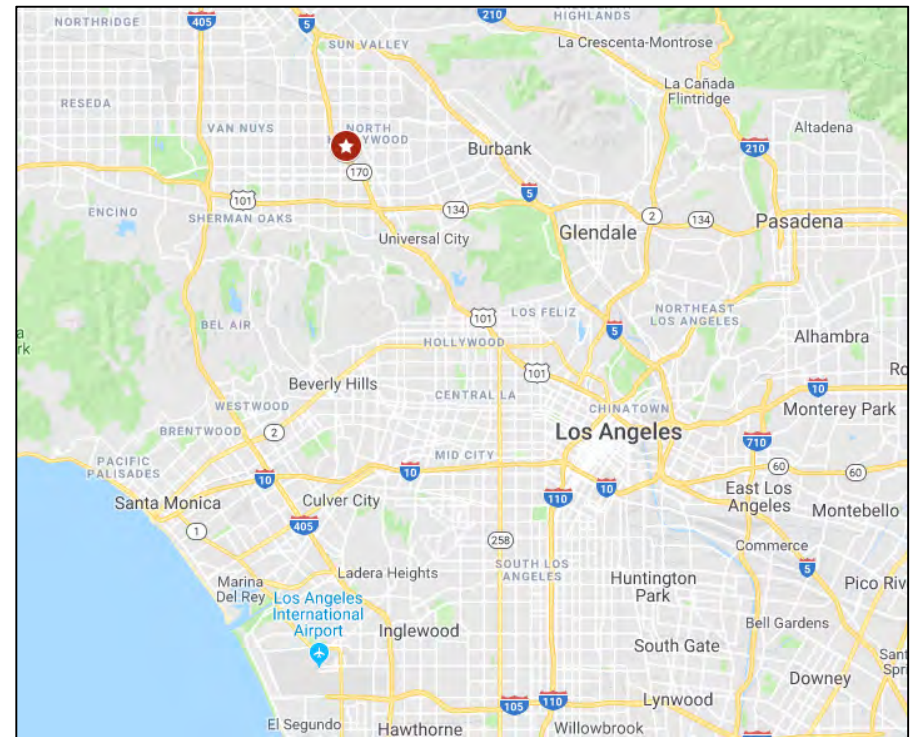


## Land Use Summary:

- Retail – 275,500 Sq. Ft.
- Office – 257,300 Sq. Ft.
- Multifamily – 642 Units

# Location & Market

- Located in North Hollywood within Los Angeles County
- Benefits from excellent highway visibility and access
- High barrier to entry retail market
- Densely populated area
- Proximate to the Glendale, Burbank, and Hollywood office markets
- Strong demand from surrounding communities for an experiential retail center that includes grocery, restaurants, services and entertainment







# Demographics

- Retailers have been attracted to the project due to the surrounding population density - over 650,00 residents within a 5-mile radius

Local Demographics			
	1 Mile	3 Miles	5 Miles
Population	160,055	321,353	662,548
Households	58,980	118,724	236,890
Avg HH Income	\$77,781	\$88,272	\$95,431

# City Desires & Market Dynamics

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## CITY DESIRES

- City's zoning allowed for higher density and a mix of commercial and residential uses
- Desire to see the underutilized and dated department store site redeveloped
- Desire for a new mix of retail uses (restaurants, grocery, fitness, entertainment)
- Supportive of high density rental housing
- Supportive of expanding the existing office footprint on site

## MARKET DYNAMICS

- Robust retailer demand given freeway visibility, access, and demographics
- Lack of quality grocers in the area despite strong demographic profile
- Limited local entertainment and theater options
- Demand for a variety of new restaurants and local services
- Undersupplied housing market
- Demand for office space from local media, entertainment, and technology companies



# Market Analysis

# Market Analysis Summary

Merlone Geier Partners (“MGP”) has conducted extensive market research and analysis in determining the mix and intensity of uses proposed for Shoreline Place. The following is a summary of some of MGP’s key findings and determinations in analyzing the site and market dynamics for each major product type.

## OFFICE -

MGP consulted with office leasing brokers and local experts in determining that the office market in Shoreline is not mature enough to support new class A office development. The following are the main market factors leading to this determination:

### -Unproven Market with Lack of Existing Inventory -

- o Office tenants typically prefer to cluster around their clients, consultants, competitors, and other ancillary businesses within their industries.
- o While the Puget Sound region as a whole has seen unprecedented office growth in recent years, that growth is concentrated in specific submarkets where these office clusters exist and leasing activity supports new development. These areas include submarkets on the Eastside (Bellevue, Redmond, Kirkland) and Downtown Seattle (CBD, S Lake Union, Belltown, Pioneer Square) where the technology and business service sectors are concentrated.
- o Office inventory totals ~62mm square feet in Downtown Seattle and ~33mm square feet on the Eastside. The entire Northside market includes ~8mm square feet of office inventory, which is spread out and typically older vintage.

### -No Direct Freeway Visibility

- o Freeway access and visibility is an important factor for tenants looking to relocate to suburban areas.
- o Shoreline Place is located in an area which does not provide the level of visibility likely needed to attract a major user to this suburban setting.

### -Market Rent Levels vs. Cost of Construction -

- o Market rents within Shoreline and surrounding Northside submarkets are not at a level that supports the cost of construction.
- o Based on the imbalance between costs and rents, an office development in this location would be infeasible.

# Market Analysis Summary

## RETAIL -

MGP has extensive experience in developing, operating, and leasing retail properties across the West Coast. In addition to soliciting community feedback on how to improve Shoreline Place, we leveraged our in-house leasing and development expertise to determine the appropriate types and amount of retail for this project. The following are key market factors that led to our decision:

### -Grocery Stores are Key to Successful Mixed Use

- o We have found that having a high quality grocery tenant is one of the most important aspects in determining the success of a mixed use project today. As a result, we have focused on the Central Market continuing to anchor this project.

### -Limited Demand From Non-Grocery Anchors

- o In the current retail market environment, large format retailers are being selective on expansion opportunities and are particularly sensitive to nearby competition and market saturation. More contraction than expansion is occurring in general in the large retailer space.
- o Given the proximity of Shoreline Place to Alderwood Mall and Northgate Mall, many retailers in those locations are unwilling to open additional stores at Shoreline.
- o Lack of freeway visibility has also been a major factor that has limited anchor tenant demand for the location.

### -High Demand for Restaurants with Limited Existing Supply

- o There is a general lack of restaurant inventory in the Shoreline area today and an opportunity to provide that missing component to the marketplace here.
- o Our community survey, which received 6,000 responses, indicated an overwhelming preference for additional restaurants at Shoreline Place.
- o Providing a variety of dining options on-site will greatly contribute to the activity and vibrancy of the project.

### -Successful Retail Projects Focus on Experience over Scale

- o Today's retail shopper puts a premium on experience when deciding where and when to shop or dine. Providing an environment that satisfies that need will be important to the success of Shoreline Place.
- o Our community survey highlighted a preference for a University Village-type configuration and experience. With that goal in mind, we have focused on a retail footprint that provides for smaller shop spaces, walkability, and a direct integration between the retail and interesting outdoor gathering areas.
- o We have focused on providing an experience that will promote a vibrant center for the community, which led us to the scale and size of retail in the Shoreline Place plan.



# Market Analysis Summary

## RESIDENTIAL -

MGP has a history of developing mixed-use projects that include retail and residential. In determining the appropriate amount of residential, we consulted local apartment brokers and developers who are active in the Puget Sound region. Our key findings include:

### -Housing Market Extremely Under-supplied

- o Following unprecedented job growth in the region, there continues to be a need for high quality rental housing in the greater Seattle area.
- o Despite a surge in construction activity in recent years, supply continues to lag the demand created in large part by the growth in Seattle’s technology industry.

### -Importance of Proximity to Transit & Access to Urban Job Centers

- o Shoreline's access to public transportation, which provides for access to the urban core makes this an attractive location for residential development.

### -Residential Promotes Project Vibrancy and Drives Retail Sales

- o Having a critical mass of on-site residents provides for 24-hour activity at the project, which contributes to the overall project vibrancy and experience.
- o On-site residents provide built-in demand for restaurants, grocery, and local goods and services.

# Sustainability / LEED ND

## Commitment to Sustainability

Shoreline Place master plan framework is designed be an integral part of the solution to the environmental challenges facing the planet.

The developer agrees to incorporate at least the following LEED ND (Neighborhood Development) Credit categories into the project design and implementation (DA § 28):

- Preferred Locations;
- Access to quality transit and bicycle facilities;
- Housing and jobs proximity;
- Walkable streets;
- Compact Development;
- Mixed Use Neighborhoods;
- Connected and open Community;
- Connected parks and outdoor space;
- Access to Civic and Public Space;
- Community Outreach and Involvement;
- Tree-lined and shaded streetscapes;
- Rainwater Management;
- Heat Island Reduction;
- Recycled and Reused Infrastructure; and
- Light Pollution Reduction.



# Open Space and Parks



# OPEN SPACE CALCULATIONS - SITE

OPEN SPACE SUMMARY	
PROMENADE NORTH	0.39 AC
PROMENADE SOUTH	0.33 AC
COMMUNITY OPEN SPACE	0.90 AC
WEST PEDESTRIAN SHARED STREET	0.39 AC
EAST PEDESTRIAN SHARED STREET	0.31 AC
WEST PLAZA	0.23 AC
EAST PLAZA	0.43 AC
WESTMINSTER WAY PLAZA	0.49 AC
TOTAL	3.47 AC



NOTE: Does not include: lower level public places per SMC 20.50.240.F or multi-family open space to be provided in accordance with 20.50.240.G



# Potential Park Impact Fee Credits

Calculation of park impact fee requirements:

Proposed # of units	1,358
Park Impact Fee per unit	\$2,683
TOTAL PIF Due	\$3,643,514

Land value as determined in the park impact fee study:

Land value per acre	\$860,122
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Park/Open Space Area	Acres	Credit (acres x land value)	Cumulative Credit	Remainder
			\$0	\$3,643,514
Community Open Space	0.9	\$774,110	\$774,110	\$2,869,404
East Plaza	0.43	\$369,852	\$1,143,962	\$2,499,552
West Plaza	0.23	\$197,828	\$1,341,790	\$2,301,724
Retail "E" Plaza	0.11*	\$94,613	\$1,436,403	<b>\$2,207,111</b>
<b>TOTAL</b>	<b>1.67</b>	\$1,436,403		

\*Exact areas to be confirmed and credit calculated at time of building permit



# Potential Park Impact Fee Credit Requirements

Eligible Open Space	Requirements
Community Open Space	Provide park-like amenities including a playground and/or an off-leash area or similar type destination park amenity. Plus gathering space such as an amphitheater or sloped turf area. Wide planting areas to provide separation from vehicular and pedestrian thoroughfares. Should be landscaped with perimeter trees to preserve open feel and sightlines. Area should be conducive to small music or theater performances. Electrical service should be provided. At least one piece of free-standing public art. Include parking as long as it is signed for Community Open Space use only. Requires easement to access from B Street and/or 156th.
East and West Plaza	Pedestrian only plaza. Landscaped for gatherings and events such as farmer's market, musical performances or art festivals. An interactive water feature that allows access to the water for small children and people with disabilities. Moveable outdoor seating. Public art as a stand-alone feature or incorporated throughout the plaza. The East Plaza should include play features for children. East and West Plaza should be visually integrated.
Retail "E" Plaza – area at 155 and Westminster.	Pedestrian only, terraced plaza. Signature art feature that relates to the Interurban Trail and bridges.

## Park Maintenance Contribution in addition to Impact Fees

New addition to DA Subsequent to May 16 PC Meeting § 9.F, Park Maintenance Contribution

Developer agrees to make voluntary contribution, as an additional public benefit for maintenance of trails in Shoreview and Boeing Creek Parks.

Two equal installments of \$50,000 each will be contributed at the issuance of a Certificate of Occupancy for the first two residential buildings.

The contribution is based on annual City wide park maintenance costs per resident as provided by the Shoreline Parks Department.

Contribution are in addition to the required Park Impact Fees.

# Signage/Visibility and Demolition



# Proposed Signage

## Map Legend

- Proposed buildings
- Existing/proposed open space
- Existing buildings
- Driving paths and parking aisles
- Pedestrian trails and bridges
- City streets
- Signalized intersections

## Signage Legend

- Multi-tenant pylon signs
- Multi-tenant monument signs
- Single-tenant monument signs
- Vehicular wayfinding signs
- Pedestrian wayfinding signage
- Signage mounted to top of building elevation or tower



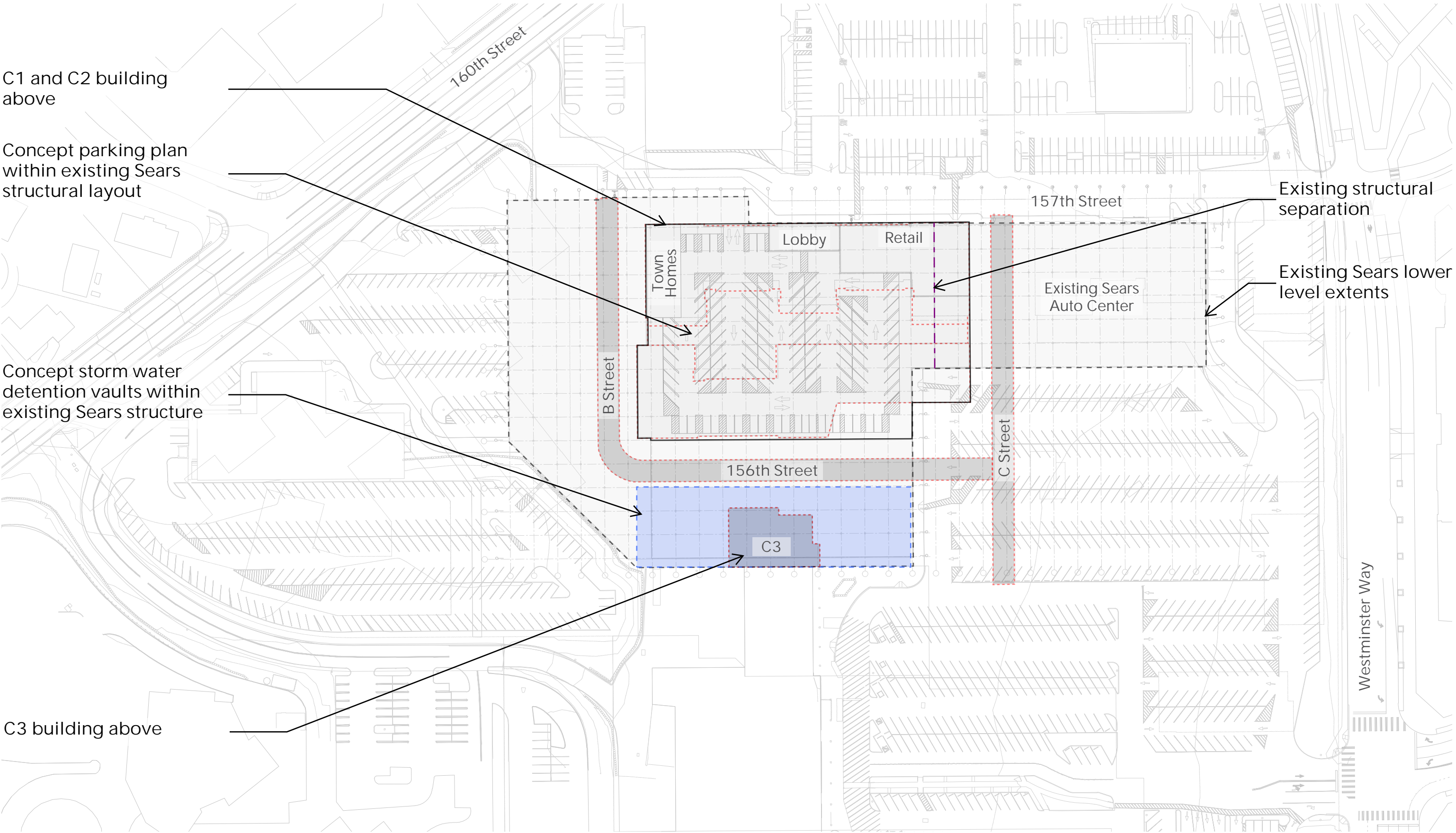
# Potential Sear Lower Level Reuse

C1 and C2 building above

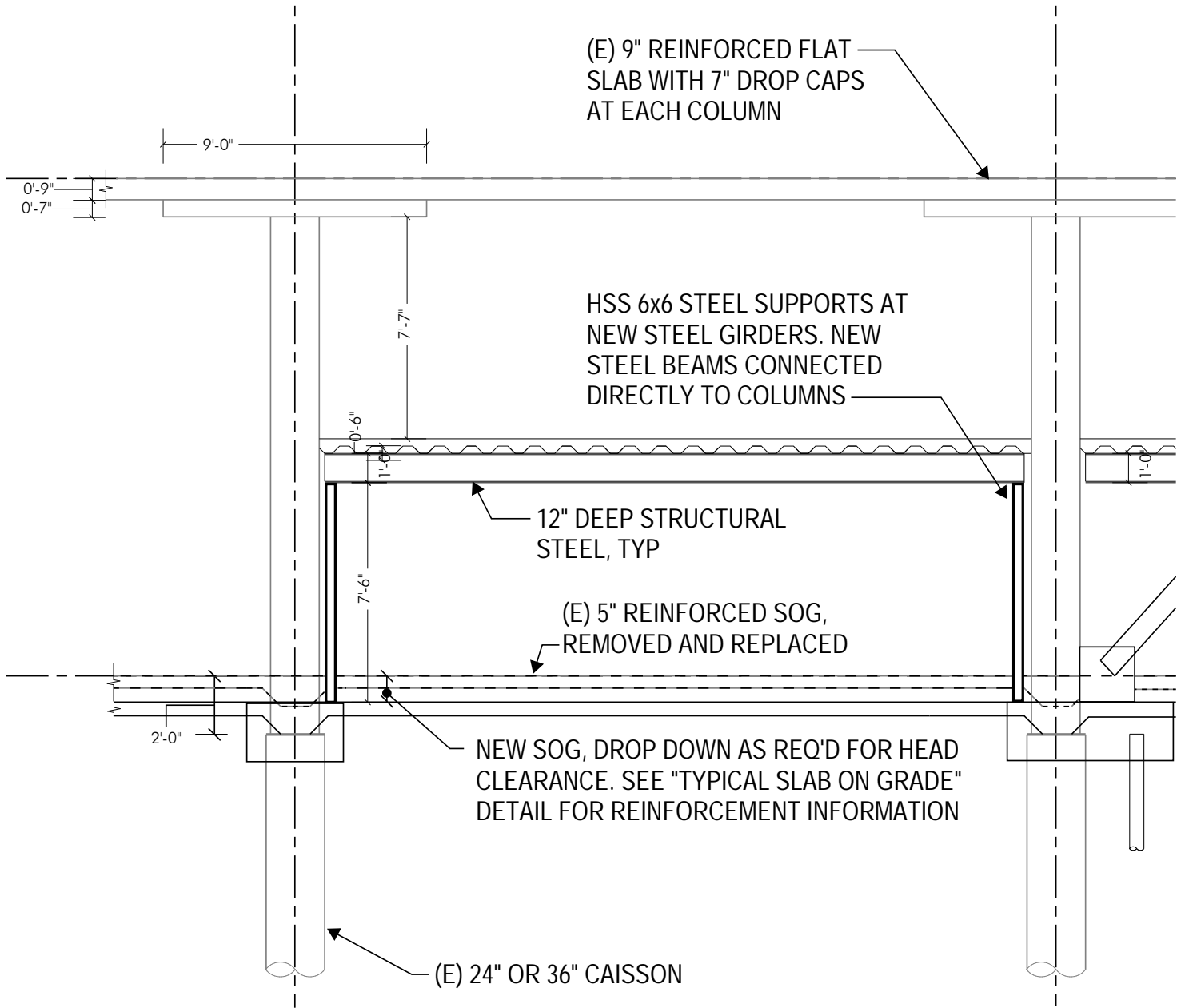
Concept parking plan within existing Sears structural layout

Concept storm water detention vaults within existing Sears structure

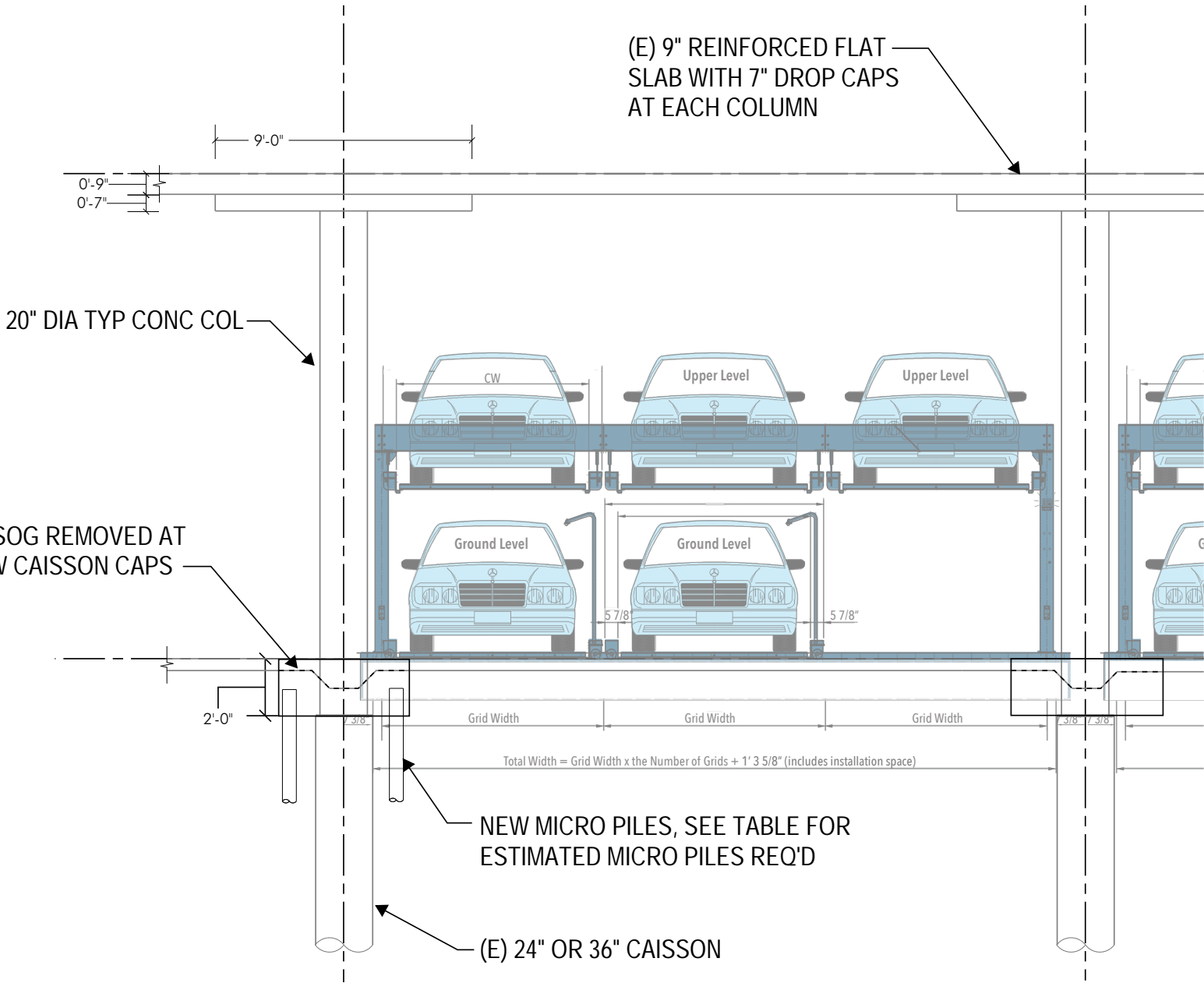
C3 building above



# Potential Sear Lower Level Reuse



Concept new intermediate steel parking level section



Concept parking stackers on existing slab on grade

# Conceptual Timeline / Phasing



# PROPOSED BLOCK PLAN & DA REQUIRED IMPROVEMENTS PER PHASE

## Block A:

- N. 160th Street Amenity Zone and Pedestrian Facility from A St to 157th St "North Promenade." (if precedes Block B). (DA§ 7.E).
- Block A Promenade. (if precedes Block B).

## Block B:

- Community Open Space. (if precedes Block C). (DA§ 5.B)
- N. 160th Street Amenity Zone and Pedestrian Facility from A St to 157th St "North Promenade." (if precedes Block A). (DA§ 7.E).
- B Street. (if precedes Block C). (DA§ 8).
- Block A Promenade. (if precedes Block A).

## 1st Building permit for a residential building:

- N. 160th Street Mid - Block Pedestrian Crossing with RRFB. (DA§ 7.C)
- N. 160th Street re-channelization to provide 3 travel lanes and bike lanes on both sides. (DA§ 7.D)

## Block C:

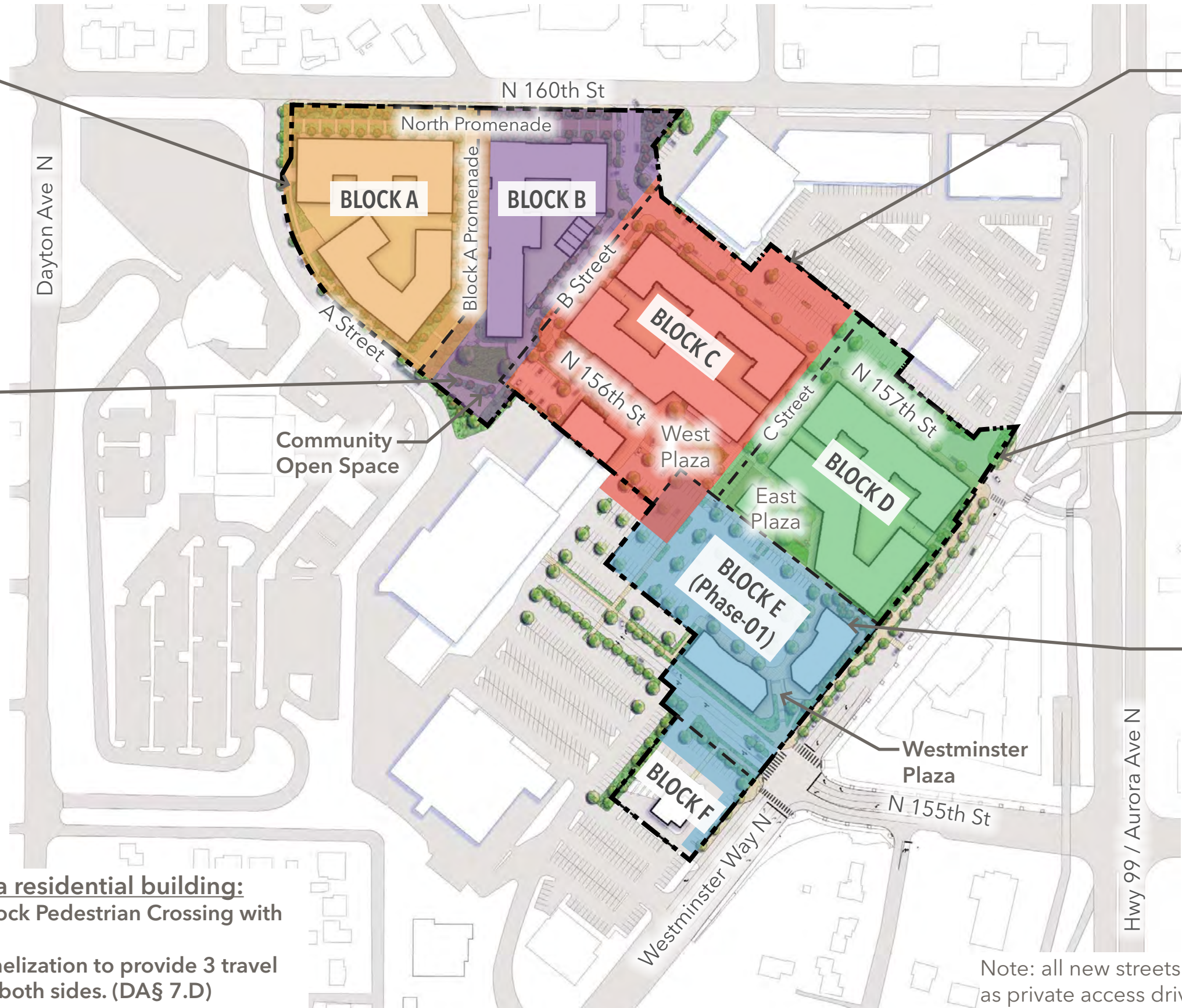
- Community Open Space. (if precedes Block B). (DA§ 5.B)
- West Plaza. (DA§ 5.B)
- Pedestrian Shared Street. (DA§ 5.B)
- N. 157th Street and bike sharrow from 160th St to Westminster Way. (if precedes Block D).
- B Street. (if precedes Block B). (DA§ 8).

## Block D:

- East Plaza. (DA§ 5.B)
- C Street. (DA§ 8).
- N. 157th Street with bike sharrow lane from 160th St to Westminster Way. (if precedes Block C).

## Block E:

- Westminster Plaza. (DA§ 5.B)
- Contribution to Westminster Way N. frontage improvements (with 1st building permit). (DA§ 7.A)
- Contribution to Westminster Way N. / N. 155th Street intersection. (with 1st building permit) (DA§ 7.B)







  
**SHORELINE  
PLACE**



# Additional Slides

## StormWater Management and Boeing Creek

At 17.3 acres of the 1,740 acre Boeing Creek Basin, Shoreline Place accounts for less than 1% of the overall basin.

Shoreline Place is in alignment with the recommendation/strategy of the City Basin Plan.

### Current conditions

- o Runoff - Little to no flow control or detention, storm drainage off the 17.3 acres is not detained and drains quickly to the stream thus contributing to the peak flows and erosive conditions in the creek.
- o Water quality - No existing water quality treatment exists.

### Proposed developed condition

- o Runoff - required to match pre-developed forested conditions which results in negligible stormwater leaving the site.
- o Water quality - significantly reduces total impervious surface and pollution generating impervious surfaces by replacing parking lots with buildings and open spaces. MGP will be required to provide enhanced water quality treatment for all pollution generating surfaces that remain.

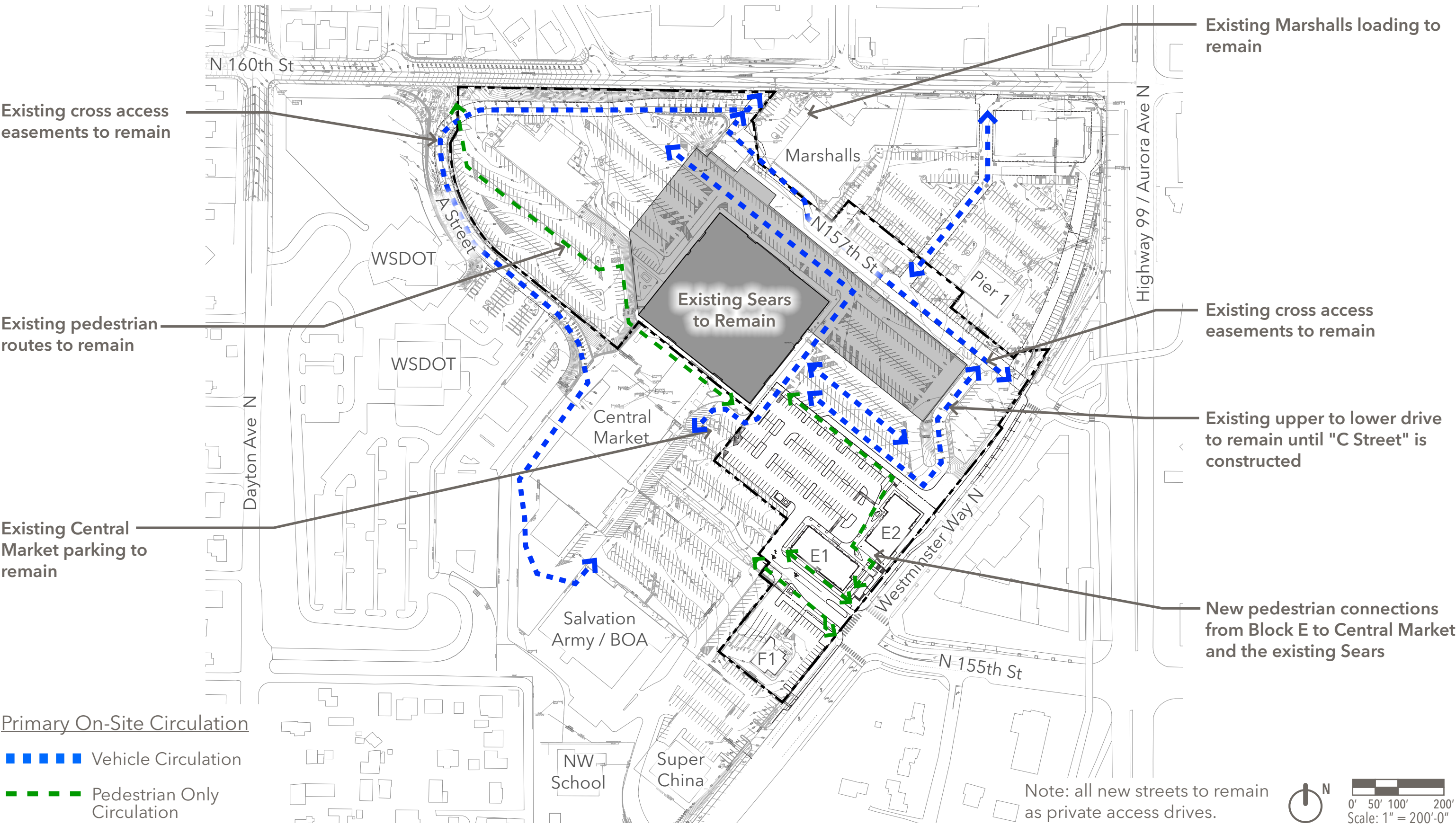
The developed condition will be a significant improvement over the current conditions.

The existing stormwater regulations will essentially eliminate stormwater discharge in all but significantly large events.



PROPOSED PHASE-01 PLAN

-Circulation-



# POTENTIAL FIRST RESIDENTIAL PHASING (BLOCKS A AND D)

## -Interim Circulation-

N 160th Frontage Improvements including: pedestrian path, bike lanes, and mid-block crossing

New 160th Street Driveway to proceed respecting easements with adjacent owners

New pedestrian promenade

Existing lower level Sears to remain

C Street provides improved vehicle and pedestrian connection to upper and lower site areas

Westminster mid-block connection

Block F to remain respecting easements with adjacent owners

### Primary On-Site Circulation

- Vehicle Circulation
- Pedestrian Only Circulation