



LAKWOOD CITY COUNCIL RETREAT AGENDA

Saturday, March 29, 2025

8:30 A.M.

City of Lakewood
Council Chambers
6000 Main Street SW
Lakewood, WA 98499

Residents can virtually attend City Council meetings by watching them live on the city's YouTube channel:

<https://www.youtube.com/user/cityoflakewoodwa>

Those who do not have access to YouTube can call in to listen by telephone via Zoom: Dial +1(253) 215-8782 and enter meeting ID: 868 7263 2373

Page No.1

CALL TO ORDER

ITEMS FOR DISCUSSION:

1. Multigenerational Community Center.
2. Downtown Park.
3. Mixed Use Development.
4. Parking Legislation.
5. Planning and Public Works Workplan.
6. City Manager Recruitment.

ADJOURNMENT

Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.



City Council Retreat

PPW Supplemental Report

3/29/25

Multigenerational Community Centers

Multigenerational Community Centers

A multigenerational community center is a space designed to serve people of all ages, fostering interaction and collaboration between different generations. These centers often provide a wide range of programs and activities tailored to various age groups, such as:

Youth Programs: After-school activities, sports, and educational workshops.

Adult Services: Fitness classes, career development, and social events.

Senior Activities: Wellness programs, hobby groups, and social gatherings.

The goal is to create an inclusive environment where individuals from different generations can connect, share experiences, and learn from one another. These centers often emphasize community building and mutual support, making them valuable hubs for fostering relationships and addressing diverse community needs.

Types, functions, services, and benefits of community centers

Community centers come in various types, each serving specific purposes and groups. Community centers play a vital role in enhancing social cohesion, providing essential services, and fostering community growth.

Here are some common types:

- **Recreational Centers:** These focus on sports, fitness, and leisure activities, often featuring gyms, swimming pools, and sports courts.
- **Cultural Centers:** These celebrate specific cultures or communities, offering art exhibits, performances, language classes, and cultural festivals.
- **Educational Centers:** These provide workshops, classes, tutoring, or skill-building programs, often targeting students or adults seeking personal or professional growth.
- **Senior Centers:** Designed for older adults, these centers offer social activities, health programs, and resources tailored to their needs.
- **Youth Centers:** Focused on children and teens, these often include after-school programs, sports, and mentoring to keep young people engaged and supported.

- Family Resource Centers: These support families with parenting workshops, childcare programs, and community resources.
- Health & Wellness Centers: These offer services like fitness programs, mental health support, and preventive care initiatives.
- Community Development: These aim to empower local residents through job training, financial literacy programs, and small business support.
- Multi-Purpose: These combine multiple functions, serving as a hub for diverse activities and services in the community.
 - Veterans: Supporting veterans with resources, social activities, and mental health programs.
 - Environmental or Sustainability Centers: Promoting green initiatives and environmental education.
 - Makerspaces: Providing tools and equipment for creative projects, like woodworking or 3D printing.
 - Art Studios or Galleries: Dedicated to local artists and art education.
 - Faith-Based: Often linked to religious organizations, focusing on community service and spiritual growth.

Functions and Services

- Social integration and community building
- Educational programs and workforce development
- Health and wellness services
- Cultural preservation and celebration
- Recreational activities and fitness
- Emergency and resource support during crises

Benefits of Community Centers

- Personal benefits:
 - Improved physical and mental health
 - Skill enhancement and education
- Community benefits:
 - Bridging social gaps and reducing isolation
 - Encouraging civic participation
 - Promoting cultural understanding and inclusion
- Economic impact:
 - Job creation and local economic stimulation

- o Supporting small businesses and entrepreneurs

Best Practices & Potential Partnership for Multigenerational Community Centers

Program Design: How centers integrate classes, arts, and social events to appeal to various age groups.

Community Impact: How these centers drive social cohesion and improved community wellness.

Innovative Partnerships: Centers often collaborate with schools, local businesses, and non-profits to extend their reach.

Examples of potential partnerships for Lakewood:

- o Private: Amazon, Target, McLane Northwest
- o Non-profit Arts, Food, Recreation: Lakewood Playhouse; Boys & Girls* Club, Nourish, EFN
- o Education: Pierce College, Clover Park Tech; CPSD
- o Healthcare: Seamar, Franciscan, Greater Lakes
- o Government/Utility: Pierce Transit, Lakeview Light & Power

*The Boys & Girls Club is primarily a youth-serving organization rather than a traditional community center.

Main Challenges Faced by Community Centers

Building a multigenerational community center comes with unique challenges, as it aims to serve diverse age groups and needs. Here are some of the key hurdles.

- **Design and Accessibility:** Creating a space that accommodates people of all ages and abilities can be complex. This includes ensuring physical accessibility, providing age-appropriate facilities, and designing spaces that encourage interaction between generations.
- **Funding and Budgeting:** Securing sufficient funding for construction, maintenance, and programming is often a significant challenge. Multigenerational centers require diverse facilities, which can increase costs.

- **Community Engagement:** Balancing the needs and expectations of different age groups can be tricky. Effective community engagement is essential to ensure the center reflects the needs of all stakeholders.
- **Programming Diversity:** Offering programs that appeal to toddlers, teens, adults, and seniors requires careful planning and resources. It's important to avoid age-specific silos while still addressing unique needs.
- **Operational Sustainability:** Maintaining the center over time, including staffing, utilities, and program costs, requires a sustainable operational model.
- **Zoning and Regulations:** Navigating local zoning laws and building codes can be a barrier, especially if the center includes facilities like gyms, childcare, or healthcare services.
- **Intergenerational Interaction:** Encouraging meaningful interaction between generations, rather than just co-locating services, requires thoughtful design and programming.

Who operates multigenerational community centers?

Multigenerational community centers are often operated by local governments, such as city or county departments, like the Department of Senior Affairs in Albuquerque. These centers may also be managed by non-profit organizations, community groups, or partnerships between public and private entities.

Future of Community Centers

- **Emerging trends and technologies**
 - **Digital Integration:** Many centers are adopting digital check-ins, mobile apps for scheduling, and virtual programming to enhance accessibility and convenience.
 - **Sports and Gaming Spaces:** Dedicated areas for esports and gaming are becoming popular, attracting younger audiences and fostering community engagement.
 - **Sustainability:** Green building practices, such as energy-efficient designs and sustainable materials, are being prioritized to reduce environmental impact.
 - **Inclusivity:** Spaces are being designed to accommodate diverse needs, including universal family changing rooms and accessible facilities for

- o all ages and abilities.
 - o AI and Smart Technologies: Artificial intelligence is being used for tasks like visitor analytics, energy management, and personalized programming.
 - o Health and Wellness Focus: Centers are incorporating features like LED-illuminated sports flooring and multipurpose spaces for physical and mental well-being
- Sustainable practices and design innovations
 - o Renewable Energy: Many centers are installing solar panels and wind turbines to generate clean energy
 - o Community Gardens: Transforming unused spaces into gardens that provide fresh produce and promote urban farming
 - o Water Conservation: Rainwater harvesting systems and low-flow fixtures being implemented to reduce water usage
 - o Recycling and Composting: Centers are setting up comprehensive waste management systems, including composting organic waste
- Policy recommendations for growth and support
 - o Increased Funding: Provide allocations to construction, maintenance and operation of community center
 - o Public-Private Partnerships: Encourage collaboration between government, private business, and non-profits
 - o Zoning and Land Use Policies: Designate areas for community centers to ensure resident accessibility
 - o Incentives for Sustainability: Grants or tax incentives for community centers that adopt green building practices and sustainable operations
 - o Inclusive Programming: Encourage programs that cater to diverse age groups
 - o Technology integration: Support the incorporation of digital tools and smart technology
 - o Community Engagement: Establish policies that involve local communities in the planning and decision-making processes
 - o Evaluation and Feedback: Implement systems to regularly assess the impact of communication centers and gather feedback

Community Centers and Hubs in Lakewood

Community-Engaged Spaces: YMCA, Pierce County Library System & City of Lakewood

Several organizations may not label themselves as “community centers” per se but still operate spaces where community meetings, cultural events, and

recreational classes are held. These venues add to the overall network of community engagement in Lakewood and include the City of Lakewood Park & Recreation Department and Senior Center Activities.

Multigenerational Community Center Examples

International Multigenerational Centers

Acacia Intergenerational Center (London, UK)



This center is designed as an intergenerational contact zone, fostering meaningful engagement between different age groups. It emphasizes

shared spaces and activities that encourage interaction while addressing the unique needs of each generation.

Funding: London Development Agency £3.5million; Total: £3.5 million (\$4.53 million USD)

Location: Merton, London

Population: 215,200

Time to build: nine months

Established: February/October 2010

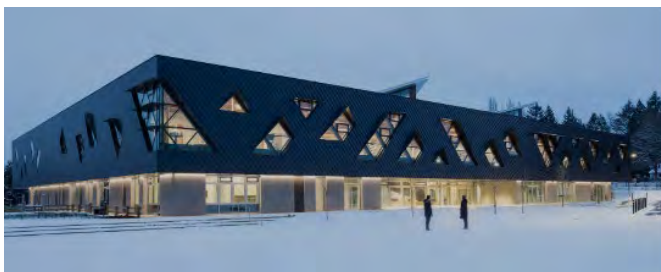
Aim: Breaking down barriers and fostering mutual understanding between young and old

Activities: art, healthcare, storytelling, nutrition, performing arts, adventure playground, gardening, parenting programs, pregnancy services, childcare education

Size: 62,500 SF

Other: built on the site of a disused youth center and motorbike track

Clayton Community Centre (Surrey, British Columbia)



This innovative center includes facilities like a fitness center, pool, library, preschool, and even health and dental services. It's designed to be eco-friendly, with features like rainwater collection for its courtyard pond.

Funding: \$43.5 Million CAD (\$30.3 Million USD)

Location: Clayton, Greater Vancouver British Columbia
Population: Clayton, 14,034; Metro Vancouver, 2.64 million
Time to build: Approximately 2 ½ years from groundbreaking
Established: February, 2021
Aim: Gathering place and social hub for the Clayton Heights community integrating arts, recreation, library, and park spaces
Activities: Fitness center, performing arts, woodworking, music, library, daycare, senior lounge, teaching kitchen
Size: 76,000 SF
Other: A community hub for community engagement

Commonwealth Community Recreation Centre (Edmonton, Canada)



This facility combines sports, recreation, and community meeting spaces. It includes a pool, a turf-lined field house for various sports, and areas for classes and events. Its modern design has won awards for urban architecture.

Funding: \$96.8 million; City of Edmonton partnered with Edmonton Eskimos Football Club
Location: Edmonton, Canada
Population: 1.1 million
Time to build: Renovation and 70,000 SF expansion; approximately 3 years
Established: March, 2012
Aim: Premier recreation facility offering health, wellness, and sports activities
Activities: Sports (including Football league), concerts, events
Size: 220,000 SF
Other: Adaptive reuse; LEED Silver

These centers highlight the importance of thoughtful design and programming to create spaces that serve all generations effectively.

[Notable Community Centers Across the United States](#)



YMCA Community Centers (Nationwide) is regarded as a successful multigenerational community center model. A strong proponent of holistic programming, many YMCA locations foster intergenerational exchanges through fitness classes, educational events, and community celebrations. Programs are intentionally designed so that children, parents, and seniors can participate together.

Dunedin Community Center (Dunedin, Florida)



A newer model in urban community development, this center focuses on

bridging the generational divide through hands-on projects. Community gardens, shared art installations, and cross-generational mentoring programs help foster a sense of ownership and connectivity among participants.

Funding: \$22.8 million

Location: Dunedin, Florida

Population: 35,930

Time to build: Approximately 2 years

Established: March, 2016

Aim: Improve quality of life by providing recreational programs

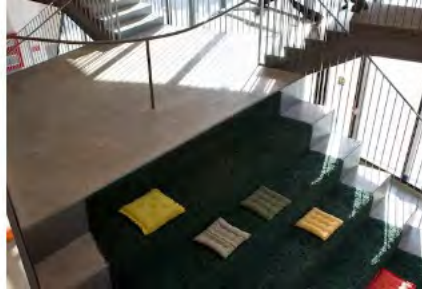
Activities: Camps, dance, music, fitness, sports, theater

Size: 60,000 SF

Other: Provides flexible spaces for classrooms, crafts, games, preschool, branch library

These centers illustrate different models of integrating multigenerational activities—each one shaped by the community’s cultural, social, and economic context. They provide valuable examples of how public spaces can encourage learning, dialogue, and social harmony across age groups.

SOS Children’s Villages Lavezzorio Community Center (Chicago, IL)



Completed in 2008, the building houses an organization called SOS Children's Villages, which works with children and families in the foster care system.

Funding: \$3.5 million with land and some materials donated

Location: Chicago, Illinois, Gresham neighborhood

Population: 2.64 million

Time to build: approximately 2 years

Established: 2007

Aim: serve as a central hub for foster care families and the broader Auburn-Gresham neighborhood

Activities: Foster care, reunite families, multipurpose spaces for learning, job training

Size: 16,800 SF

Other: Goal is recreational, educational and socialization for families

[Puget Sound Area Community Centers](#)

Below is a curated list of community centers in Washington state that are often recognized for their outstanding programs, modern facilities, and dedication to serving diverse, multigenerational populations.

Ballard Community Center (Seattle, WA)



In the heart of Ballard, this center is known for its dynamic programming which blends recreation, arts, and community engagement.

Dance and art workshops, youth sports leagues, adult exercise classes, and neighborhood forums. The center actively nurtures strong neighborhood bonds through innovative, intergenerational initiatives.

Funding: Unknown

Location: Ballard, Washington

Population: 43,966

Time to build: 2 years

Established: Late 1980s

Aim: To be the focal point of the neighborhood for programs, events, and arts, and recreation

Activities: Play area, ballfields, ping pong, gardens, pottery, childcare, library

Size: 18,600 SF

Other: Opened new playground in 2024

Renton Family First Community Center (Renton, WA)



The Renton Family First Community Center is a locally focused, family-oriented facility in Renton, Washington. It is dedicated to fostering community connection by providing a welcoming,

supportive space for residents of all ages.

Funding: Sources included King County's Veterans, Seniors, and Human Services Levy (VSHSL) grants, county, state, and federal grants, and private donations from foundations, companies, and individual

Location: Renton, Washington

Population: 104,491

Time to build: First concept, 2014; 9 years

Established: 2023

Aim: Empower individuals and strengthen community bonds through education, personal growth, recreation, health services, and meaningful connections.

Activities: family & youth programming with educational workshops, enrichment activities, and recreational programs that support the development of children, youth, and families; intergenerational engagement designed to bring together different generations through shared experiences, the center champions initiatives that encourage mentorship, cultural exchange, and community celebrations.

Size: 21,000 SF

Other: Partnership between former Seattle Seahawk Doug Baldwin Jr.'s Family First Community Center Foundation, the City of Renton, the Renton School District, and HealthPoint, a network of non-profit community-based health centers.

Eastside Community Centers (Tacoma, WA)

Tacoma's historically underserved Eastside neighborhood had a great need for a community center. The vision was inspired by Billy Ray Shirley III, a



young community leader who lost his life to gun violence in 2011. The community rallied in support of Billy Ray's dream and community and industry partners came together to build the Eastside Community Center.

Funding: \$32 million; Funded by

Metro Parks, Washington state, New Market Tax Credits

Location: Tacoma, Washington

Population: Tacoma, 223,000; East side is approximately 33,000

Time to build: Feasibility began 2014; Center completed 2018

Established: October, 2018

Aim: To be a multipurpose hub for the community for recreation, learning, and social interaction

Activities: Events, fitness, arts, afterschool, swimming, gym, pickleball, biking, teen center, senior meals

Size: 55,000 SF

Other: A stunning location for weddings

[Additional Puget Sound Centers](#)

The following are links to the Centers included in the Council Retreat PowerPoint presentation and the Lakewood Community Center Action Plan Report

Kenmore hanger

<https://www.grahambaba.com/the-kenmore-hangar>

<https://www.kenmorehangar.com/>

Richland Community Center

<https://www.arcarchitects.com/project-details/135386>

<https://www.richlandparksandrec.com/facilities/richland-community-center>

Auburn Community Center

<https://www.arcarchitects.com/project-details/135259>

https://www.auburnwa.gov/city_hall/parks_arts_recreation/facility_rentals/meeting_banquet_rooms/auburn_community_event_center

Rosehill Community Center (Mulkilteo)

<https://www.arcarchitects.com/project-details/rosehill-community-center>

<https://mukilteowa.gov/256/Recreation-Cultural-Services>

Eastside Community Center (Tacoma)

<https://www.arcarchitects.com/project-details/136815>

<https://www.parkstacoma.gov/place/eastside-community-center/>

Rainier Beach Community Center (Seattle)

<https://www.arcarchitects.com/project-details/rainier-beach-community-cente-pool>

<https://www.seattle.gov/parks/all-community-centers/rainier-beach-community-center>

Lakewood Parks and Recreation Legacy Plan

The Lakewood Parks and Recreation Legacy Plan is a strategic roadmap developed by the City of Lakewood to guide the future of local parks, recreation facilities, and community programming.

Integration of a multigenerational community center in Lakewood with the Legacy Plan will be crucial to meet goals and programming ideals, and to meet community need now and into the future. Although details may evolve over time, the plan generally focuses on the following key areas:

Purpose and Vision

The plan is designed to ensure that Lakewood's parks and recreational resources remain vibrant, accessible, and well-maintained for current and future generations. It aims to:

- Modernize existing facilities
- Develop new community resources
- Enhance the quality and variety of recreational programming

Key Objectives

Facility Improvements: Upgrading and expanding current parks, community centers, and recreational amenities to meet modern standards for accessibility, safety, and functionality.

Inclusive, Multigenerational Programming: Expanding programming that caters to all age groups—from youth activities (like sports leagues and after-school programs) to adult education classes and senior wellness programs—to foster community engagement and social connections.

Legacy plan multigenerational programming

- **Sustainability and Environmental Stewardship:** Incorporating green practices such as water conservation, eco-friendly landscaping, and energy-efficient facility upgrades to protect natural resources and support long-term sustainability.
- **Community Engagement:** Actively involving residents through public meetings, surveys, and community input sessions to ensure the plan reflects the needs and desires of the Lakewood community.
- **Financial and Implementation Strategy:** Outlining phased initiatives with clear short-, medium-, and long-term goals. This includes identifying funding sources (such as local bonds, grants, or public-private partnerships) and establishing measurable benchmarks for progress.

Inclusive Community Engagement

Objective: Ensure that all community facilities and programs are structured so they welcome participation from every age group.

Key Points:

- **Community Input:** The plan calls for ongoing engagement with residents—through surveys, town halls, and forums—to ensure programming meets the diverse needs of families, youth, adults, and seniors
- **Shared Programming:** Initiatives to design events (like family fitness days or cultural festivals) that intentionally bring together participants from different generation
- **Intergenerational Program Initiatives**

Objective: Develop targeted programs that support cross-generational learning, interaction, and support.

Key Points:

- Collaborative Workshops: Programs that pair youth with seniors in mentorship, storytelling, or community history projects
- Health & Wellness Programs: Offering group exercise classes, nutrition workshops, or mental health seminars tailored in ways that encourage mixed-age participation
- Cultural & Arts Programming: Art installations, music events, or performance series that invite contributions and participation from all age groups

Facility Adaptation and Design

Objective: Create physical spaces within parks and community centers that are flexible and accessible for every generation.

Key Points:

- Multifunctional Spaces: Redesigning or upgrading facilities—like recreation centers and outdoor parks—to allow simultaneous use for school programs, senior activity groups, and community events
- Accessibility Features: Ensuring that design modifications meet universal design standards so that children, adults, and elders can all use facilities comfortably and safely
- Technology Integration: Modernizing spaces to include digital resources and interactive displays that can serve educational and intergenerational storytelling purposes

Implementation Strategies and Partnerships

Objective: Identify sustainable funding and collaborative partnerships to support long-term multigenerational programming.

Key Points:

- Funding Streams: The plan outlines potential local bonds, grants, and public-private partnerships earmarked for developing programs that directly address intergenerational activities
- Community Organization Collaborations: Partnering with local nonprofits, schools, and cultural institutions to co-create programs that enhance connectivity across generations

- Pilot Programs: Launching small-scale intergenerational projects as test cases to refine and eventually scale solutions across Lakewood's parks and recreation infrastructure

Mixed Use Development

Strategic Development Approach for Lakewood

Mixed Use Development

Brick-and-Mortar Sales

Retail sales at brick-and-mortar stores have been trending downward due to shifting shopping patterns. Americans became accustomed to making online purchases during the COVID mandates and continue to shop online despite the reopening of physical stores.

In Lakewood, the impact of this shift is clearly visible through the vacancies at Town Center:

- Brick-and-mortar sales lag e-commerce by 81%
- Brick-and-mortar store sales declined by 70.6% from 2022 to 2023
- In-store sales decreased an additional 0.87% between 2023 and 2024

Experience-Driven Lifestyle Districts

With changing shopping habits, the Town Center in Lakewood has lost much of its previous retail draw. This pattern is consistent nationwide, leading many communities to adopt experience-driven lifestyle districts. These districts host events, performances, and social gatherings, creating a strong sense of community and belonging. They blend residential, commercial, cultural, and entertainment spaces into dynamic environments where people can comfortably live, work, shop, and socialize.

The key factor in the success of these districts is residential density. Experience-driven, live-work-play communities attract residents who seek more than just housing; they desire convenient access to culture, dining, entertainment, wellness, and connectivity. Increased foot traffic and dwell time lead to greater local spending, stimulating demand for small businesses, services, and hospitality. This generates a multiplier effect, boosting property values, reducing vacancies, and attracting private investment.

Benefits include:

- Increased local spending by residents at accessible, nearby businesses
- Job creation across retail, hospitality, wellness, tech, and creative sectors
- Cultural activation through local events, markets, music, and public art
- Attraction and retention of younger professionals and creative talent

Over time, these districts develop a distinctive cultural identity, fostering civic pride, stewardship, and long-term community resilience.

CBD Subarea

Lakewood's Comprehensive and Subarea Plans advocate for dense, mixed-use developments that integrate residential and commercial uses within walkable, transit-oriented neighborhoods. Policies prioritize redevelopment of underutilized parcels, emphasizing residential density alongside commercial uses. This approach aligns environmental sustainability with economic vitality, reducing greenhouse gas emissions and supporting local businesses.

Currently, the targeted redevelopment area in the Town Center includes about 65,000 square feet of vacant commercial space. Adding more commercial square footage without new residential units would be counterproductive and contrary to stated city policy. Increasing residential density is crucial to revitalizing commercial activity and ensuring the long-term viability of existing and future businesses.

It should be noted that in its analysis of the Lakewood Comprehensive Plan 2024 periodic review, PSRC stated that "VISION 2050 includes a goal for the majority of population and job growth to occur in centers and transit station areas. . . The city is encouraged to consider increasing the [housing] target for Downtown in its update of the subarea plan to better align with the Regional Growth Strategy."

Residential-First Strategy

While mixed-use communities remain important, the immediate focus should be residential growth to support existing commercial vacancies. Lakewood's current LMC requirement mandates a 35% commercial footprint on the ground floor within the Downtown and Colonial Center overlays, relative to residential gross floor area, which, although generally beneficial, is not ideal in the current CBD context given existing commercial vacancies.

Flexibility in zoning and construction design, allowing future commercial use without immediate mandatory implementation, could effectively increase residential density. This residential-first approach could stimulate economic growth and encourage businesses to follow the population increase, supporting the concept that retail follows rooftops.

JBLM's Economic Impact

Recent studies by the SSMCP and conversations with JBLM leadership indicate that 70% of the 40,000 base personnel live off-base, totaling around 28,000 individuals seeking nearby housing. Local developers targeting this demographic often look toward places like Thurston County, highlighting an opportunity for Lakewood.

Given their long workdays, younger military personnel prefer convenient, experience-driven living environments. Currently, less than 6% live in Lakewood, largely due to limited housing options. Creating desirable residential opportunities in Lakewood could attract these service members, boosting local spending significantly.

Notable statistics from the SSMCP 2018 survey:

- 80.9% of service members are under 55, with 58% under 44.
- Top residential locations include Lacey, JBLM, Tacoma, Olympia, and DuPont.
- 52% chose their home based on ease of commute.
- Top shopping location factors: convenience (69.5%) and proximity (58.4%).

Lakewood has significant lunchtime commercial activity, but experiences substantial drop-off after working hours, reflecting housing-related commuting patterns. With a rental vacancy rate of only 4.9%, housing demand is clearly strong, contrasting with over 65,000 square feet of available commercial space at Town Center. Considering residential development within these existing vacant commercial spaces would neither diminish the community atmosphere nor adversely affect existing commercial activity.

Parking Availability

Recent state legislation limits Lakewood's authority to mandate off-street parking without an empirical study. However, existing Central Business District codes (LMC 18B.600.610) already require just one stall per residential unit, allowing reductions based on public parking availability and shared-use scenarios. Shared parking is actively encouraged, promoting walkability and efficient land use.

Current underutilized private parking spaces associated with commercial vacancies offer opportunities to support residential infill without negatively impacting pedestrian safety or multimodal circulation. The existing zoning framework thus provides sufficient flexibility to manage parking efficiently and safely.

Summary

Lakewood's future economic and mixed-use development could greatly benefit from transitioning away from traditional retail toward vibrant, experience-driven communities emphasizing residential density. Given the significant existing commercial vacancies in Town Center, exploring options to increase residential development - especially targeted toward younger

military personnel and professionals - could support local businesses through increased foot traffic and local spending. Considering flexible zoning, adaptive reuse of existing spaces, and strategic parking solutions may effectively create the dynamic neighborhoods residents desire. The data support a residential-first approach, suggesting proactive consideration of this strategy would be beneficial.

Economic Development

Jobs – Retail – Trends – Industry Stats

Job Growth and Trends

Lakewood is planning for 9,863 net new jobs citywide by 2044 with 7,317 anticipated in the Downtown by 2035. This equates to a total job count of 39,735. Healthcare makes up nearly 30% of all jobs followed by retail trade and accommodations and food services each representing 10% of the total job count. As of Q3 2024 there is an estimated 32,628 jobs in Lakewood. It is important to note that some jobs are not always adequately recorded. For example, we know that Aero Precision has over 400 manufacturing jobs in Lakewood. However, we have not seen this reflected in the Lakewood numbers.

Lakewood has significant employment centers including Lakewood Industrial park with 65-70 companies and 2,000 jobs, and Woodbrook Business Park with 10 companies in operation and about 1,000 jobs. Amazon is the largest employer in Woodbrook with 350-400 jobs. There are significant jobs in the Downtown and this is where we anticipate a majority of job growth. Aerospace/advanced manufacturing, Healthcare, Technology, and Logistics are industries anticipated to grow in Lakewood and the Pierce County region. Downtown, South Tacoma Way/International District, and Bridgeport/Pacific Highway are considered significant retail trade areas.

History of Lakewood Towne Center

Lakewood Towne Center in Lakewood, Washington, has undergone significant transformations since its inception, reflecting the community's evolving needs and economic shifts.

Villa Plaza (1957): The origins of the current shopping center trace back to 1957 with the opening of Villa Plaza. This open-air strip mall featured anchor stores like J.C. Penney and Woolworth's, becoming a central shopping destination for Pierce County residents.

Lakewood Mall (1989): In 1989, Villa Plaza was redeveloped into an enclosed mall and rebranded as Lakewood Mall. This transition aimed to modernize the shopping experience and compete with other regional malls.

Lakewood Towne Center (2001–2002): By the late 1990s, Lakewood Mall faced declining patronage. In response, MBK Northwest acquired the property in 2001, demolished the enclosed sections, and developed the open-air Lakewood Towne Center. This redevelopment introduced distinct components, including a civic center with City Hall, a power center, an entertainment center, and a neighborhood center. The revitalized complex opened in 2002, aiming to better serve the community's needs.

Throughout its history, Lakewood Towne Center has mirrored the broader trends in retail development, transitioning from an open-air plaza to an enclosed mall, and back to an open-air format, adapting to changing consumer preferences and economic conditions.

Since the redevelopment of Lakewood Towne Center in 2002, the area has seen several significant developments such as the demolition of the former Gottschalks building in 2013, to make way for new retail spaces and dining options, as part of an effort to revitalize the shopping center.

In February 2024, Alliance Residential submitted an application to redevelop 10.37 acres of Lakewood Towne Center into a master-planned residential apartment complex.

These changes reflect the ongoing evolution of Lakewood Towne Center in response to shifting retail trends and community needs.

Lakewood Towne Center in Lakewood, Washington, hosts a variety of commercial tenants beyond traditional retail stores, including dining establishments and entertainment venues, healthcare, and gyms.

Lakewood Playhouse: Established in 1938, this community theater offers a range of performances and has been a cultural fixture within the Towne Center.

Towne Center's role as a multifaceted community hub, offering a blend of shopping, dining, and entertainment options.

Over the past 15 years, Lakewood Towne Center has welcomed several new tenants, enhancing its retail and service offerings:

- **Crunch Fitness:** A fitness center offering a variety of exercise equipment and classes.
- **Daiso Japan:** A Japanese variety store that opened its ninth Washington State location in May 2023, providing a wide range of affordable household items and goods.
- **Comcast Xfinity Store:** Opened in early 2022, this store offers customers the opportunity to explore and subscribe to Comcast's latest products and services.
- **Safeway:** A supermarket providing a variety of groceries and household essentials.
- **Panda Express:** A fast-food restaurant specializing in American Chinese cuisine.
- **Carl's Jr.:** A fast-food chain known for its burgers and sandwiches.
- **Jamba Juice, MOD Pizza, and Chipotle Grill**
- **Dental and other healthcare related offices (chiropractor, physical therapy)**

- Starbucks, Five Guys, etc...

These additions have contributed to the center's role as a multifaceted community hub, offering a blend of shopping, dining, fitness, and service options.

Retail Sales and Retail Leakage

Retail sales jumped 20% from 2020 to 2021 and was essentially flat in 2022 and 2023 and then jumped another 5% in 2024. This includes online sales.

Lakewood has seen an increase in the retail pull factor over the last several years, slightly up for retail and more significantly for restaurants. While retailers come and go, Lakewood has a strong mix of successful retailers that have stood the test of time. The community enjoys a diverse and balanced economy where residents are well served in finding much of what they need here locally.

Retail Surpluses:

- Health and Personal Care: Lakewood exhibits a significant retail surplus in this category, suggesting that local stores attract non-resident shoppers, resulting in sales exceeding the local demand.
- Furniture and Furnishings: This sector also shows a notable surplus, indicating that Lakewood's offerings in furniture and home furnishings draw consumers from outside the community. [City of Lakewood](#)

Retail Leakages:

- Electronics and Appliances: The city experiences some retail leakage in this category, implying that residents may be purchasing these items from retailers outside Lakewood or through online platforms.
- Non-Store Retail (e.g., online shopping): There is a degree of leakage here, which might suggest that local consumers are not engaging in online retail purchases at the expected levels, potentially favoring physical stores in neighboring areas.

Retail Vacancy:

National Retail Vacancy: In Q4 2024, the national retail vacancy rate remained steady at 4.1%, influenced by limited new development and increased post-pandemic demand. This is higher than Seattle metro hovering around 3.2% and Lakewood at 1.5%-1.9% (Source: CoStar).

Yum! Brands, Inc. is an example of a successful brand in Lakewood. Owns and operates several global fast-food restaurant chains. Their primary restaurant brands include:

1. KFC (Kentucky Fried Chicken) – Specializing in fried chicken with a global presence.
2. Pizza Hut – A well-known pizza chain offering various styles of pizza, pasta, and sides.
3. Taco Bell – A Mexican-inspired fast-food chain serving tacos, burritos, and nachos.
4. The Habit Burger Grill – A fast-casual restaurant known for chargrilled burgers, sandwiches, and salads.

The Seattle-Tacoma retail market demonstrates resilience and strength compared to other U.S. markets.

Population Growth:

- In 2024, Seattle was projected to experience the second-highest population gain on the West Coast, contrasting with other parts of the region where populations are declining.

Investment Activity:

- Retail investment activity in 2024 saw nearly \$1 billion in transactions across 215 sales by Q3, marking a 40% increase compared to the same period in 2023. This uptick indicates growing investor confidence in the Seattle-Tacoma retail market (Source: Kidder Mathews)

Urban vs. Suburban Performance:

- While the overall market is strong, downtown Seattle faces higher vacancy rates ranging from 12-14%, attributed to increased remote work trends. In contrast, suburban markets are flourishing, benefiting from shifting consumer preferences and population movements (Source: Lee & Associates).

In summary, the Seattle-Tacoma retail market is performing favorably compared to other U.S. markets, bolstered by low vacancy rates, significant population growth, and increased investment activity, particularly in suburban areas.

The retail landscape is evolving, and malls are adapting to new consumer behaviors. Here are some of the biggest trends shaping malls today:

1. Experience-Driven Retail

Malls are transforming into entertainment and lifestyle destinations, offering experiences beyond shopping.

- **Examples:** Indoor theme parks, interactive pop-ups, esports arenas, and immersive VR experiences.
- **Case Study:** American Dream Mall (NJ) has an indoor ski slope and water park to attract visitors.

2. Mixed-Use Development

Retail spaces are being integrated with offices, hotels, residential units, and entertainment to increase foot traffic.

- **Examples:** Live-work-play developments with apartments, coworking spaces, and fitness centers.
- **Case Study:** Hudson Yards (NYC) combines luxury retail with office towers and residences.

3. Rise of Food Halls & Unique Dining

Food courts are evolving into upscale food halls featuring local chefs, artisanal foods, and diverse dining options.

- **Examples:** High-end food halls replacing traditional chain-heavy food courts.
- **Case Study:** Time Out Market in Miami and New York focuses on curated, chef-driven dining.

4. Anchors Are Changing

Department stores are closing, making way for non-traditional anchors like fitness centers, grocery stores, or even medical offices.

- **Examples:** Former Sears and Macy's locations are being repurposed as gyms, entertainment venues, or fulfillment centers.

5. E-Commerce & Omnichannel Integration

Malls are incorporating online shopping with physical retail through features like curbside pickup, same-day delivery, and showrooming.

- **Examples:** Buy online, pick up in-store (BOPIS), and digital kiosks for seamless shopping.

6. Retailtainment & Experiential Stores

Retailers are focusing on immersive and engaging experiences to keep customers coming back.

- **Examples:** Apple Stores offering free workshops, Nike's House of Innovation with customization stations.

7. Sustainability & Green Spaces

Consumers are demanding eco-friendly initiatives, and malls are integrating green designs, solar panels, and outdoor community spaces.

- **Examples:** Rooftop gardens, sustainable architecture, and eco-conscious retail brands.

8. Digital Enhancements & Smart Malls

Malls are integrating tech-driven solutions such as:

- Augmented reality (AR) wayfinding.
- AI-powered personalized shopping assistants.
- Contactless payments and interactive screens.

9. The Growth of Luxury & High-End Retail

Many malls are shifting towards high-end and luxury brands as middle-tier retailers struggle.

- **Examples:** The revival of luxury-focused malls like The Shops at Hudson Yards and The Grove in Los Angeles.

10. Community & Social Hubs

Malls are becoming central gathering places with open spaces for community events, farmers' markets, and social activities.

These trends show that malls are no longer just shopping destinations—they're becoming lifestyle hubs that blend retail, entertainment, and community experiences.

Mid-tier retailers—those positioned between discount chains and luxury brands—face challenges but continue to thrive by adapting to consumer preferences. Here are some of the most successful mid-tier retailers:

1. Target

- Strong omnichannel strategy with BOPIS (buy online, pick up in-store) and same-day delivery.
- Exclusive designer collaborations (e.g., Magnolia by Chip & Joanna Gaines, Levi's).
- Expanding grocery and private label brands (Good & Gather, Up & Up).

2. Kohl's

- Partnerships with Sephora to drive foot traffic.
- Strong loyalty and rewards program (Kohl's Cash).
- Focus on activewear and casual apparel with brands like Nike and Under Armour.

3. Macy's

- Successful e-commerce growth and digital transformation.
- Private label expansion (INC International Concepts, Alfani).
- Adding smaller-format stores in suburban locations.

4. Dick's Sporting Goods

- Exclusive brands like CALIA by Carrie Underwood and DSG.
- Experiential stores (House of Sport) with golf simulators and climbing walls.
- Strong focus on omnichannel and curbside pickup.

5. Bath & Body Works

- Strong direct-to-consumer (DTC) model with seasonal and limited-edition products.
- High customer loyalty and engagement.
- Expanding product lines into skincare and wellness.

6. Ulta Beauty

- Strong loyalty program (Ultamate Rewards) and exclusive brand partnerships.
- In-store salon services enhance foot traffic.
- Expanding online presence and in-store technology.

7. Old Navy

- Affordable, family-friendly fashion with strong seasonal promotions.
- Emphasis on inclusivity, including extended sizing.
- Strong value proposition for casual and activewear.

8. TJ Maxx (TJX Companies, includes Marshalls & HomeGoods)

- Off-price model with constantly changing inventory.
- Strong appeal to bargain-conscious shoppers.
- Focus on home decor expansion (HomeSense, HomeGoods).

9. Best Buy

- Pivoted to focus on services (Geek Squad, TotalTech Membership).
- Strong omnichannel capabilities (curbside pickup, same-day delivery).
- High-margin categories like home appliances and gaming.

10. American Eagle & Aerie

- Aerie's body-positive branding has driven massive success.
- Strong denim category, keeping them competitive in casualwear.
- Growing online sales and influencer marketing strategy.

These retailers remain successful by adapting to changing shopping habits, integrating digital strategies, and offering unique brand experiences.

Both **Michaels** and **Ross** are strong players in the mid-tier retail segment, though they operate in different categories. Here's how they are performing and why they remain successful:

Michaels (Arts & Crafts Retailer)

- **Strengths:**
 - Leading specialty arts & crafts retailer in North America.
 - Strong private-label offerings, including **Artist's Loft, Recollections, and Ashland**.
 - Expanding digital and e-commerce, including same-day delivery and BOPIS (buy online, pick up in-store).
 - In-store workshops and community-driven experiences attract loyal customers.
 - Recently acquired by **Apollo Global Management (2021)**, allowing for investment in digital growth and store improvements.
- **Challenges:**
 - Competition from **Joann, Hobby Lobby, and online craft retailers like Amazon and Etsy**.
 - Inflation and supply chain disruptions have impacted costs.

Ross Stores (Off-Price Retailer)

- **Strengths:**
 - Largest **off-price apparel and home fashion retailer** in the U.S. (Ross Dress for Less + dd's DISCOUNTS).
 - Business model thrives on buying excess inventory from brands at deep discounts.
 - Appeals to value-conscious shoppers looking for **affordable fashion and home goods**.
 - **Consistently profitable**, with expansion plans despite retail challenges.

- Minimal online presence helps keep costs low and drives in-store traffic.
- **Challenges:**
 - **No e-commerce presence**, which limits online growth.
 - Heavy reliance on **inventory availability** from brand overstocks, which can fluctuate.
 - Increased competition from **TJ Maxx, Marshalls, and Burlington**.

Overall

Both Michaels and Ross continue to be **successful mid-tier retailers** by focusing on their niche markets:

- **Michaels thrives by offering specialized crafting products and workshops.**
- **Ross dominates the off-price fashion and home goods space, benefiting from the demand for budget-friendly shopping.**

Both brands are **expanding and profitable**, making them stand out in the mid-tier retail space.

Old Navy, a subsidiary of Gap Inc., has shown positive performance in recent quarters, contributing to the overall recovery of its parent company.

Recent Performance:

- In the third quarter of fiscal 2024, Old Navy's net sales increased by 6% to \$2.29 billion, with comparable sales rising by 2%.
- During the fourth quarter of fiscal 2024, comparable sales at Old Navy climbed by 2%.

Contributing Factors:

- **Product Assortment:** Old Navy's focus on popular categories such as fleece, denim, and sweaters has resonated with customers, driving sales growth.
- **Market Positioning:** As a value-oriented retailer, Old Navy has benefited from consumers seeking affordable fashion options, especially during economic uncertainties.

Overall, Old Navy's recent sales growth and strategic initiatives indicate a positive trajectory, reinforcing its position as a key contributor to Gap Inc.'s recovery.

Dollar Tree, Inc. has recently undertaken significant strategic changes and reported notable financial results.

Sale of Family Dollar Business:

- On March 26, 2025, Dollar Tree announced the sale of its Family Dollar segment to private-equity firms Brigade Capital Management and Macellum Capital Management for approximately \$1 billion.
- This divestiture follows challenges in integrating Family Dollar since its \$9 billion acquisition in 2015, including store closures and performance issues.

Financial Performance:

- In the fiscal fourth quarter ending February 1, 2025, Dollar Tree reported adjusted earnings per share (EPS) of \$2.29, surpassing analysts' expectations.
- Total revenue for the quarter reached \$8.3 billion, with Dollar Tree's revenue showing a slight increase, while Family Dollar's revenue declined to \$3.266 billion.

Future Outlook:

- For fiscal 2025, Dollar Tree projects adjusted EPS between \$5.00 and \$5.50, with anticipated sales ranging from \$18.5 billion to \$19.1 billion.
- The company expects same-store sales to rise by 3% to 5% during this period.

These developments indicate Dollar Tree's focus on streamlining operations and enhancing profitability by concentrating on its core business.

Cell phone retail stores have experienced a dynamic landscape influenced by technological advancements, shifting consumer behaviors, and economic factors. Here's an overview of their current performance:

Consumer Behavior:

- As of September 2023, 62% of cell phone purchases in the U.S. were made in physical retail stores, indicating a continued consumer preference for in-store experiences.

Market Trends:

- **Wireless Home Internet Sales:** Carriers are increasingly focusing on wireless home internet services. For instance, T-Mobile Home Internet is now sold at nearly 13,000 stores, including Target locations.

- **Retail Partnerships:** Big-box retailers like Costco, Sam's Club, and Target are becoming significant players in wireless retail. Costco kiosks now represent individual carriers such as T-Mobile or Verizon, while Sam's Club primarily features T-Mobile. Target has embraced MarketSource representatives, with Consumer Cellular leading sales at its stores.

Military Towns

Retailers in military towns tend to cater to active-duty service members, veterans, and their families, focusing on affordability, convenience, and everyday essentials. The top retailers in these areas include:

1. Commissaries & Exchanges

- Defense Commissary Agency (DeCA) – Grocery stores on military bases offering tax-free and discounted food.
- Army & Air Force Exchange Service (AAFES) – Large retailer with a mix of department stores, electronics, and apparel.
- Navy Exchange (NEX) and Marine Corps Exchange (MCX) – Similar to AAFES but tailored for Navy and Marine Corps personnel.

2. Big-Box & Discount Stores

- Walmart & Sam's Club – Popular for bulk shopping and low prices. Many military towns have multiple Walmart locations.
- Target – Offers a mix of home goods, groceries, and apparel with a military discount on select days.
- Dollar General & Family Dollar – Found near bases for convenient, low-cost shopping.

3. Off-Price & Apparel Retailers

- Ross, TJ Maxx, & Burlington – Discount fashion and home goods appeal to military families on a budget.
- Old Navy – Affordable casualwear with military discounts.
- Nike & Under Armour Outlets – Frequented by active-duty service members for performance gear.

4. Electronics & Tech

- Best Buy – Military discounts and high demand for personal electronics, gaming, and home entertainment.
- GameStop – Popular among younger service members.

5. Grocery & Convenience Stores

- Kroger, Publix, & H-E-B (depending on the region) – Offer fresh groceries with loyalty programs.
- 7-Eleven – Often located near bases for quick snacks and essentials.

6. Home Improvement & Auto

- The Home Depot & Lowe's – Both offer military discounts and are popular among military homeowners and renters.
- AutoZone & O'Reilly Auto Parts – Military towns have a high demand for auto maintenance.

7. Restaurants & Fast Food Chains

- McDonald's, Taco Bell, & Chick-fil-A – High presence in military communities.
- Texas Roadhouse & Buffalo Wild Wings – Known for military discounts and appreciation events.

8. Specialty Retailers

- Harley-Davidson – Popular with military members due to culture and financing options.
- Cabela's & Bass Pro Shops – Many military personnel enjoy outdoor activities like hunting and fishing.

These retailers succeed in military towns because they offer affordability, accessibility, and discounts that cater to service members and their families.

Young Families

Retailers that cater to young families focus on affordability, convenience, and family-friendly products. These retailers typically offer baby essentials, children's clothing, household goods, groceries, and budget-friendly shopping options.

1. Big-Box & Discount Retailers

- Target – One-stop shop for groceries, baby supplies, kids' clothing, and home essentials.
- Walmart – Affordable groceries, baby gear, toys, and everyday household needs.
- Costco & Sam's Club – Bulk shopping for diapers, formula, snacks, and family meals.

2. Baby & Kids' Essentials

- Buy Buy Baby (owned by Babylist) – Focuses on strollers, car seats, and baby gear.
- Carter's & OshKosh B'gosh – Affordable, high-quality baby and toddler clothing.
- The Children's Place – Stylish and budget-friendly clothing for kids.
- Hanna Andersson – Premium organic cotton clothing for babies and children.

3. Grocery Stores with Family-Friendly Options

- Kroger, Publix, & H-E-B – Fresh produce, organic options, and meal kits for busy families.
- Trader Joe's – Offers easy, healthy meals and fun snacks for kids.

- Aldi – Budget-friendly groceries with organic and baby food options.

4. Toy & Learning Retailers

- LEGO Store – Interactive, engaging toys for all ages.
- Disney Store – Popular among families with young children.
- Melissa & Doug (via Amazon & Target) – Educational wooden toys and crafts.

5. Apparel & Shoe Retailers

- Old Navy – Affordable, stylish clothing for the whole family.
- Gap Kids & Baby Gap – Mid-tier option for trendy, durable kids' clothes.
- Nike & Adidas (Outlets) – Sneakers and activewear for kids and parents.
- Stride Rite – High-quality children's shoes with a focus on foot development.

6. Home & Baby Gear

- IKEA – Affordable, stylish furniture, storage, and playroom essentials.
- Pottery Barn Kids – High-end nursery and children's furniture.
- Wayfair & Amazon – Wide selection of home goods and baby furniture.

7. Online & Subscription Services

- Amazon – Prime benefits for fast delivery of diapers, wipes, and essentials.
- Hello Bello & Honest Company – Subscription-based diaper and baby product brands.
- KiwiCo – Subscription boxes with hands-on learning activities for kids.

8. Health & Pharmacy

- CVS & Walgreens – Essential baby medications, vitamins, and quick snacks.
- Buy Buy Baby & Target Pharmacy – Focused on baby wellness and postpartum needs.

These retailers succeed because they prioritize affordability, quality, and convenience, making life easier for young families juggling work, parenting, and household management.

Seniors

Retailers catering to seniors focus on affordability, convenience, health, comfort, and lifestyle needs. Many offer senior discounts, accessible store layouts, and products that support aging well.

1. Big-Box & Discount Retailers

- Walmart – Affordable groceries, pharmacy, and home essentials. Offers pickup and delivery services.
- Target – One-stop shop for groceries, home goods, and health items. Some locations offer senior discounts on select days.

- Costco & Sam's Club – Bulk savings on household essentials, prescriptions, and hearing aids.
2. Grocery Stores with Senior Discounts
 - Kroger – Offers senior discounts on certain days and a wide range of healthy food options.
 - Publix – Senior discount on Wednesdays at some locations.
 - Safeway & Albertsons – Home delivery options and pharmacy services.
 3. Pharmacy & Health Stores
 - CVS & Walgreens – Medications, health supplies, and mobility aids. Many offer senior savings programs.
 - Rite Aid – Wellness+65 program with exclusive discounts.
 - GNC & The Vitamin Shoppe – Supplements and vitamins for active aging.
 4. Clothing & Footwear
 - JCPenney – Comfortable, stylish clothing with frequent senior discounts.
 - Kohl's – Offers 15% off for seniors (60+) on Wednesdays.
 - Skechers & New Balance – Supportive shoes for walking and joint comfort.
 5. Home & Furniture Retailers
 - IKEA – Affordable, ergonomic furniture with simple designs.
 - Wayfair – Online convenience with home delivery of furniture and safety aids.
 - Home Depot & Lowe's – Senior-friendly home improvement products, plus discounts for military veterans.
 6. Online & Subscription Services
 - Amazon (Amazon Senior Discount Program) – Discounts on groceries, prescription services, and Prime memberships for those with government assistance.
 - QVC & HSN – Shopping from home with easy payments and senior-friendly products.
 - HelloFresh & Silver Cuisine by bistroMD – Meal delivery services catering to seniors' dietary needs.
 7. Specialty Stores for Mobility & Comfort
 - AARP Store – Discounts on health, travel, and lifestyle products.
 - The Good Feet Store – Custom orthopedic inserts for foot and joint comfort.
 - Adaptive Clothing Retailers (Silverts, Buck & Buck) – Clothing designed for seniors with limited mobility.

8. Travel & Entertainment

- AAA – Discounts on travel, insurance, and roadside assistance.
- Sam's Club & Costco Travel – Senior-friendly vacation packages and car rentals.
- Regal Cinemas & AMC Theatres – Senior discounts on movie tickets.

Many of these retailers offer senior discount days, loyalty programs, and accessibility features to make shopping easier for older adults.

Pickleball

Pickleball's surge in popularity has led to the emergence of entertainment venues that seamlessly blend the sport with dining and social experiences. Here are some notable establishments: pickleballinthesun.com ElectricPickle.com PickleandSocial.com

[Chicken N Pickle](#)

North Kansas City, MO

An entertainment complex featuring indoor and outdoor pickleball courts, a fast-casual restaurant, bar, and various lawn games like ping pong and Jenga.

pickleballmax.com

[Crush Yard](#)

Charleston, SC

An indoor pickleball and social entertainment venue offering climate-controlled courts, a chef-driven menu, and a full bar.

[Crush Yard](#)

[Electric Pickle](#)

Tempe, AZ

A pickleball and entertainment venue combining the sport with globally inspired cuisine, craft cocktails, and vibrant social experiences.

[Electric Pickle](#)

[Pickle & Social](#)

Various Locations

A premier destination offering top-tier pickleball courts, chef-inspired food, and live entertainment, creating the ultimate social sports experience.

pickleandsocial.com

[The Pickleball Club](#)

Sarasota, FL

Features covered pickleball and bocce courts, cornhole, and a firepit, making it adaptable for various events.

[The Pickleball Club](#)

These venues exemplify the trend of integrating pickleball with comprehensive entertainment and dining options, catering to enthusiasts seeking both sport and social engagement.

Top entertainment venues for families

Entertainment venues for families focus on fun, interactive, and memorable experiences for all ages. Here are some of the top family-friendly entertainment venues across different categories.

1. Amusement & Theme Parks

- Disney Parks (Disneyland & Walt Disney World) – The ultimate family experience with rides, characters, and immersive attractions.
- Universal Studios – Movie-themed rides and attractions, perfect for older kids and parents.
- LEGOLAND – Ideal for younger children with interactive LEGO-themed rides and play areas.
- Six Flags – Thrill rides and kid-friendly zones at multiple locations across the U.S.

2. Indoor Adventure & Play Centers

- Dave & Buster's – Arcade games, food, and entertainment for all ages.
- Chuck E. Cheese – Classic arcade and play place for young kids.
- Urban Air Adventure Park – Trampoline park with climbing walls, obstacle courses, and zip lines.
- Sky Zone – Indoor trampoline park with foam pits and dodgeball courts.

3. Family-Friendly Sports & Activity Centers

- Topgolf – Golf driving range with games and dining, great for all ages.
- Bowlero & Main Event – Bowling, arcade games, and laser tag under one roof.
- Great Wolf Lodge – Indoor water park and family resort with themed rooms.
- K1 Speed – Indoor go-kart racing for kids and adults.

4. Zoos, Aquariums & Museums

- San Diego Zoo & Bronx Zoo – World-class zoos with animal encounters.
- Georgia Aquarium & Monterey Bay Aquarium – Huge aquatic exhibits and hands-on experiences.
- The Smithsonian Museums – Free, educational museums perfect for families visiting Washington, D.C.
- Children's Museums (Boston, Houston, Chicago, etc.) – Interactive exhibits designed for young minds.

5. Movie & Theater Experiences

- AMC & Regal Theaters (Family Movie Nights) – Many locations offer sensory-friendly screenings for young children.
- Disney on Ice & Cirque du Soleil – Live performances that captivate kids and adults alike.

- IMAX Theaters – Large-format films that bring nature, space, and adventure to life.

6. Outdoor Adventures & Attractions

- National Parks (Yellowstone, Grand Canyon, Great Smoky Mountains, etc.) – Perfect for hiking, sightseeing, and wildlife encounters.
- Great Wolf Lodge & Kalahari Resorts – Indoor waterparks designed for family fun.
- Beaches & Boardwalks (Santa Monica Pier, Myrtle Beach, Coney Island, etc.) – Amusement rides, games, and oceanfront fun.

7. Specialty & Unique Family Attractions

- Crayola Experience – Hands-on creative fun centered around Crayola products.
- Build-A-Bear Workshop – A favorite activity for younger kids to create their own stuffed animals.
- Escape Rooms for Families – Many escape room venues now offer kid-friendly puzzle adventures.
- Indoor Pickleball & Mini-Golf Venues (like Chicken N Pickle, Puttshack) – Fun, interactive sports experiences.

These venues provide a mix of adventure, fun, and learning, making them ideal for families looking to create lasting memories together.

New Entertainment for Adults

The entertainment landscape has recently welcomed several innovative venues tailored for adult audiences. Here are some notable additions:

Lumos

Location: Valley Ranch Town Center, New Caney, Texas

Lumos is a 45,000-square-foot, high-tech venue offering a variety of activities suitable for adults, families, and corporate events. Construction began in the fall of 2024, aiming to revolutionize the entertainment scene with state-of-the-art, technology-driven attractions and exceptional guest experiences.

Game Show Battle Rooms

Location: Shenandoah, Texas

Opened in 2024, Game Show Battle Rooms provides interactive game show experiences for participants of all ages, including adults. Guests can engage in various game show formats, making it a unique entertainment option in the area.

Brkthru

Location: Shenandoah, Texas

Brkthru is an innovative entertainment venue that opened in 2024, offering immersive experiences designed to challenge and entertain adults. The

venue features a variety of interactive games and activities, providing a fresh take on adult entertainment.

Dudley Sports Plaza

Location: Near FM 1488, Texas

Scheduled to open in 2025, Dudley Sports Plaza is a comprehensive sports and entertainment complex. While it caters to all ages, the venue includes amenities and events specifically designed for adult patrons, such as sports leagues and live entertainment.

These venues exemplify the trend of creating multifaceted entertainment spaces that cater to adult audiences, offering a blend of interactive experiences, social engagement, and live events.

Pacific Northwest Trends

The Pacific Northwest's entertainment landscape is evolving, reflecting broader cultural shifts and regional preferences. Key trends include:

Revival of Independent Theaters

Portland's independent cinemas are experiencing a resurgence, contrasting with the decline of national chains. This success is attributed to the city's dedication to preserving cultural landmarks and offering diverse film selections that resonate with local audiences.

Emphasis on Experiential Entertainment

There's a growing focus on creating immersive, in-person experiences. For instance, Portland is considering the development of a riverside amphitheater as part of a downtown waterfront redevelopment, aiming to establish a cultural and entertainment hub that attracts both residents and visitors.

Expansion of the Film and TV Industry

Washington's film and television sector is gaining momentum, bolstered by increased funding and infrastructure development. This growth is fostering local productions and attracting external projects, contributing to the region's economic and cultural vitality.

Integration of Technology in Entertainment

The adoption of advanced technologies, such as virtual reality and interactive media, is enhancing entertainment offerings. These innovations are providing audiences with novel and engaging experiences, aligning with global entertainment trends.

Revival of Live Events and Festivals

Following pandemic-related disruptions, there's a notable resurgence of live events and festivals. Communities are actively participating in cultural

gatherings, reflecting a renewed enthusiasm for shared experiences and social engagement.

These trends underscore the Pacific Northwest's dynamic entertainment scene, characterized by a blend of traditional cultural appreciation and forward-thinking innovation.

Experiential Entertainment Venues

Experiential entertainment venues offer immersive and interactive experiences that engage audiences in unique and memorable ways. Here are some notable examples:

Omega Mart

Located in Las Vegas, Omega Mart is an immersive art installation by Meow Wolf that combines a surreal supermarket experience with hidden narratives and interactive elements.



Otherworld

Situated in Columbus, Ohio, Otherworld is an immersive art experience featuring large-scale interactive installations that blend technology and art, creating a dreamlike environment for visitors.



Tech Port Arena

Based in San Antonio, Texas, Tech Port Arena is a high-tech entertainment venue known for hosting esports events. It features holographic displays and

immersive viewing experiences, positioning itself as a hub for tech-forward entertainment.



Geodis Park

Located in Nashville, Tennessee, Geodis Park is a soccer stadium that integrates live music performances before and after matches, embracing the city's rich musical heritage and offering a multifaceted entertainment experience.



Yayoi Kusama's Narcissus Garden

This traveling art installation has been displayed in various locations, including the Rubell Museum in Miami. It invites guests to engage with mirrored spheres, creating a reflective and interactive art experience.



These venues exemplify the trend of creating spaces where art, technology, and interactivity converge to offer audiences engaging and immersive experiences.

Economic Impact – highest

The industry that produces the highest economic impact varies by region and economic measurement criteria, but globally, some of the top industries with the highest economic contributions include:

1. **Technology & IT** – With giants like Apple, Microsoft, and Google, the tech industry generates trillions in revenue and drives innovation across sectors.
2. **Finance & Banking** – The global financial industry, including investment banking and asset management, is a key driver of economic activity.
3. **Healthcare & Pharmaceuticals** – This industry is essential for public health and generates vast economic impact through research, manufacturing, and services.
4. **Energy (Oil, Gas, & Renewables)** – Fossil fuels and emerging renewable energy markets significantly influence global and regional economies.
5. **Manufacturing** – Includes automotive, aerospace, and electronics, providing jobs and exports.
6. **Retail & E-commerce** – Driven by companies like Amazon and Walmart, retail plays a crucial role in consumer spending and employment.
7. **Real Estate & Construction** – A major contributor to GDP, influencing housing markets and infrastructure development.
8. **Tourism & Hospitality** – A significant sector for many economies, especially in destinations with high visitor traffic.
9. **Agriculture & Food Production** – Essential for food security and trade, with large-scale agribusinesses contributing significantly.

Economic Overview

The Seattle-Tacoma region experienced significant economic growth in 2023, with a 6.2% increase in gross domestic product (GDP), positioning it as the fastest-growing among large U.S. metropolitan areas. This expansion was largely driven by the tech and information sectors, which contributed \$133.7 billion to the economy, up from \$115.8 billion in 2022.

In Pierce County, which encompasses Tacoma, the economic outlook for 2024 was a focal point at the Horizons Economic Forecast event held on January 31, 2024. Over 400 business community members convened to discuss regional economic trends and projections.

Retail Market Trends

The Seattle-Tacoma retail market demonstrated resilience amid economic fluctuations. As of mid-2024, the metropolitan vacancy rate reached its highest point since 2017. However, limited new construction and robust demographics have contributed to market stability. Notably, Tacoma was slated to receive 70,000 square feet of new retail space in 2024, reflecting a cautious approach to expansion.

Military and Defense

Anchored by Joint Base Lewis-McChord (JBLM), the military and defense sector is a significant contributor to the Lakewood economy. JBLM stands as the largest employer in the area, providing approximately 54,000 jobs and supporting a wide range of local businesses and economic activities.

Healthcare

Healthcare is a major industry in Tacoma/Lakewood, with institutions like MultiCare Health System and CHI Franciscan Health serving as substantial employers. These organizations offer a broad spectrum of medical services and play a pivotal role in the local economy.

Aerospace

The aerospace sector has a strong presence in Tacoma-Pierce County, with companies such as Toray Composite Materials America contributing to the supply chain. The region's strategic location and skilled workforce make it attractive for aerospace manufacturing and related industries.

Logistics and Transportation

Lakewood's proximity to major transportation routes and the Port of Tacoma positions it as a hub for logistics and transportation. This sector facilitates significant trade and distribution activities, bolstering the local economy. This is the primary driver for significant industrial development and increases in industrial land prices from 2018 through 2023.

Technology

The technology sector is expanding, with a focus on innovation and collaboration. The South Sound is supportive of expansion and there is access to a skilled talent pool helping to attract tech companies and startups, contributing to economic diversification.

Arts and Culture

Lakewood places a strong emphasis on arts and culture, recognizing their importance to the economy and community vitality. The diverse population and connections to cultural organizations will help the community to grow.

Green Technology

Green technology (Greentech) companies focus on sustainable solutions that address environmental challenges. Here are some notable examples across different sectors:

Renewable Energy & Clean Power

Tesla Energy – Solar panels, battery storage, and electric vehicles.

NextEra Energy – One of the largest producers of wind and solar energy.

Orsted – A global leader in offshore wind energy.

First Solar – Develops advanced solar panels and photovoltaic solutions.

Electric Vehicles & Transportation

Rivian – Electric trucks and SUVs.

BYD (Build Your Dreams) – A Chinese EV and battery manufacturer.

ChargePoint – Develops EV charging infrastructure.

Lucid Motors – High-performance luxury electric vehicles.

Sustainable Agriculture & Food Tech

Impossible Foods – Plant-based meat alternatives.

Beyond Meat – Creates plant-based protein products.

Plenty – Indoor vertical farming for sustainable food production.

Apeel Sciences – Develops plant-based coatings to extend produce shelf life.

Water & Waste Management

Xylem – Provides water treatment and conservation technologies.

Veolia – A global leader in water, waste, and energy management.

Terracycle – Specializes in recycling hard-to-recycle materials.

Loop Industries – Focuses on recycling PET plastic into high-quality materials.

Energy Storage & Battery Technology

QuantumScape – Developing solid-state batteries for EVs.

Northvolt – European battery manufacturer focused on sustainability.

Redwood Materials – Battery recycling and e-waste recovery.

Enphase Energy – Microinverter technology for solar energy storage.

Manufacturing in the Pacific Northwest

The manufacturing sector in the Pacific Northwest has faced several challenges and shifts in recent years:

Washington State:

- **Employment Decline:** Between 2019 and 2023, Washington experienced a 6.7% reduction in manufacturing jobs, amounting to approximately 19,000 positions lost. This decline was notably pronounced in the aerospace sector, a pivotal component of the state's manufacturing industry.
- **Aerospace Industry Struggles:** The aerospace manufacturing sector has been particularly impacted, with ongoing labor disputes, such as the machinists' strike at Boeing, further exacerbating the situation.
- **Business Growth vs. Employment:** Over the past decade, there was a 15.6% increase in manufacturing businesses in Washington. However, this growth contrasts with a 4.4% decline in manufacturing

employment during the same period, highlighting challenges in workforce development and retention.

Regional Industrial Market:

- **Vacancy Rates and Net Absorption:** In Q4 2024, the Pacific Northwest industrial market experienced a negative net absorption of approximately 2.29 million square feet, with vacancy rates rising to 8% from 7.8% in the previous quarter (Source: Lee & Associates).
- **Export Composition:** Transportation equipment manufacturing remained the region's largest export industry in 2024, accounting for 8.4% of total U.S. exports in this category. The top six export industries represented 75.5% of the Pacific Northwest's total export trade dollar value.

These trends underscore the need for strategic initiatives to revitalize the manufacturing sector, including workforce development, diversification of industries, and addressing labor relations to enhance the region's economic resilience.

Tourism

The tourism industry in the Puget Sound region has shown a robust recovery and growth trajectory in recent years. In 2023, visitors spent \$8.2 billion in Seattle and King County, marking a 12.8% increase from 2022 and a slight 0.7% rise compared to 2019. This spending contributed \$787 million in state and local taxes, providing an \$859 tax offset per household, approaching the \$965 peak of 2019. Tourism also supported 65,486 jobs in the area, reflecting a 7.7% increase from 2022, reaching 81.5% of 2019 employment levels.

The lodging sector has been a significant beneficiary of this upturn. Downtown Seattle's hotel occupancy reached 68.6% in 2023, a 5.8% increase from the previous year, achieving 85.9% of pre-pandemic levels. CBRE forecasts suggest that by 2024, occupancy rates will near pre-pandemic figures at 71%, with average daily rates and revenue per available room expected to surpass 2019 levels.

On a broader scale, tourism remains a vital component of Washington State's economy, ranking as the fourth-largest industry. It generates approximately \$22.1 billion in annual revenue and employs over 180,000 workers. Notably, two-thirds of travelers are state residents, underscoring the appeal of local attractions.

While these figures highlight a positive trajectory, the recovery has been uneven across the state, with some areas still striving to reach pre-pandemic performance levels. Continued efforts in destination promotion and management are essential to sustain and enhance this growth.

Empirical Parking Study

Legislative Changes impacting Development in Lakewood

Empirical Parking Study

The Role of Empirical Parking Studies in State Law

Recent Washington State legislation as well as proposed legislation has introduced significant restrictions on the ability of local governments to impose off-street parking requirements for middle housing, accessory dwelling units (ADUs), and other residential or mixed-use developments.

However, jurisdictions may seek exemptions if they can demonstrate, via a certified empirical parking study, that reduced parking requirements will lead to significantly less safe conditions for drivers, pedestrians, or bicyclists. The text below outlines the structure, requirements, and strategic use of empirical parking studies that Lakewood will need to use to meet state exemption criteria.

Legislative Framework: 2024 Requirements for Empirical Parking Studies

Middle Housing – ESSB 1110 (2024)

Off-street parking limitations for middle housing may be overridden if:

- A city submits an empirical study by a qualified transportation or land use planning expert.
- The study demonstrates, and Commerce certifies, that parking limits create “significantly less safe conditions than existing requirements for the same number of detached houses.”

Accessory Dwelling Units – HB 1337 (2024)

The requirement to remove off-street parking standards for ADUs may be bypassed if:

- A certified study confirms the change would “degrade safety for drivers, pedestrians, or bicyclists relative to existing detached housing standards.”

Residential Parking Standards – SSB 6015 (2024)

Minimum parking standard exemptions are allowed if:

- An empirical study certified by Commerce demonstrates a “direct safety risk from reduced requirements.”

2025 Legislative Updates: Expanded Empirical Parking Exemptions

ESSB 5184 (2025)

Limits parking requirements across all jurisdictions:

- Max 0.5 space per residential unit.
- Max 1 space per 1,000 sq. ft. of commercial space.
- Prohibits any parking minimums for small buildings, affordable/senior/disabled housing, and mixed-use commercial sites.

Exemption Clause:

- Jurisdictions may retain current parking standards if supported by a Commerce-certified empirical study demonstrating safety risks.

3SHB 1491 (2025)

Prohibits off-street parking for residential/mixed-use developments in station areas.

Exemption Clause:

- Cities may impose parking requirements if a certified empirical study confirms reduced parking poses significant safety risks.
- Permits cost distribution of parking among affordable and market-rate units if parking is provided.

State Guidance: 2024 Empirical Parking Study Toolkit

The Department of Commerce released tools and criteria to guide to be used by local governments in developing certified parking studies.

Technical Components of the Empirical Parking Study

Comparative Parking Demand Analysis

- Assess on-street spillover from middle housing/ADUs versus detached housing under existing requirements.

On-Street Parking Utilization

- Conduct two late evening/overnight counts.
- Study radius: minimum 800 feet from Certification Area.

- Identify areas exceeding 80–90% effective capacity.

Street Character and Network Analysis

- Classify roads and analyze:
 - Speed limits and traffic volumes
 - Sidewalk and bike facility presence/gaps
 - Crossing safety, curb/gutter presence
 - Street widths and crossing distances

Pedestrian & Bicycle Safety

- Evaluate sight distance and corner visibility
- Collision data analysis for Certification Area
- Parking violation records near corners/crosswalks

Multimodal Facility Impact

- Document impacts from:
 - Transit lanes replacing parking
 - Planned bicycle infrastructure
 - Adopted transportation plans eliminating on-street parking

Driveway Policy Review

- Evaluate shared driveway policies
- Assess impact of driveway width limitations

Required Narrative Findings for Commerce Certification

The empirical parking study must clearly demonstrate the following information:

Safety Degradation:

- Reduced parking causes significantly less safe conditions than for equivalent detached housing.

Causal Relationship:

- Unsafe conditions are linked directly to middle housing/ADU parking demand, not to unrelated development types.

Targeted Certification Area:

- The smallest area necessary is identified to address the safety risks.

Reasonable Growth Assumptions:

- Forecasts for housing development are credible and well-supported.

Lack of Viable Alternatives:

- Safety concerns cannot be mitigated through:
 - On-street parking management
 - Signage or traffic calming
 - Parking enforcement
 - Travel demand management

Practical Concerns for Local Governments

Commercial Development Impacts

Stakeholders have expressed concern about:

- Lack of flexibility for mixed-use commercial parking.
- Risk to project viability without minimums for small business tenants.
- Input from developers and local economic partners must be integrated early.

Recommendations for Implementation in Lakewood

- Identify priority corridors or neighborhoods where parking conflicts are most acute.
- Engage a credentialed expert to begin data collection aligned with the Commerce criteria.
- Coordinate with local economic stakeholders to document the impact of parking reductions.
- Consider joint jurisdictional applications for parking exemption if facing regional spillover effects.

- Ensure empirical study results are tied to Lakewood's transportation and housing elements under the Comprehensive Plan.

Summary

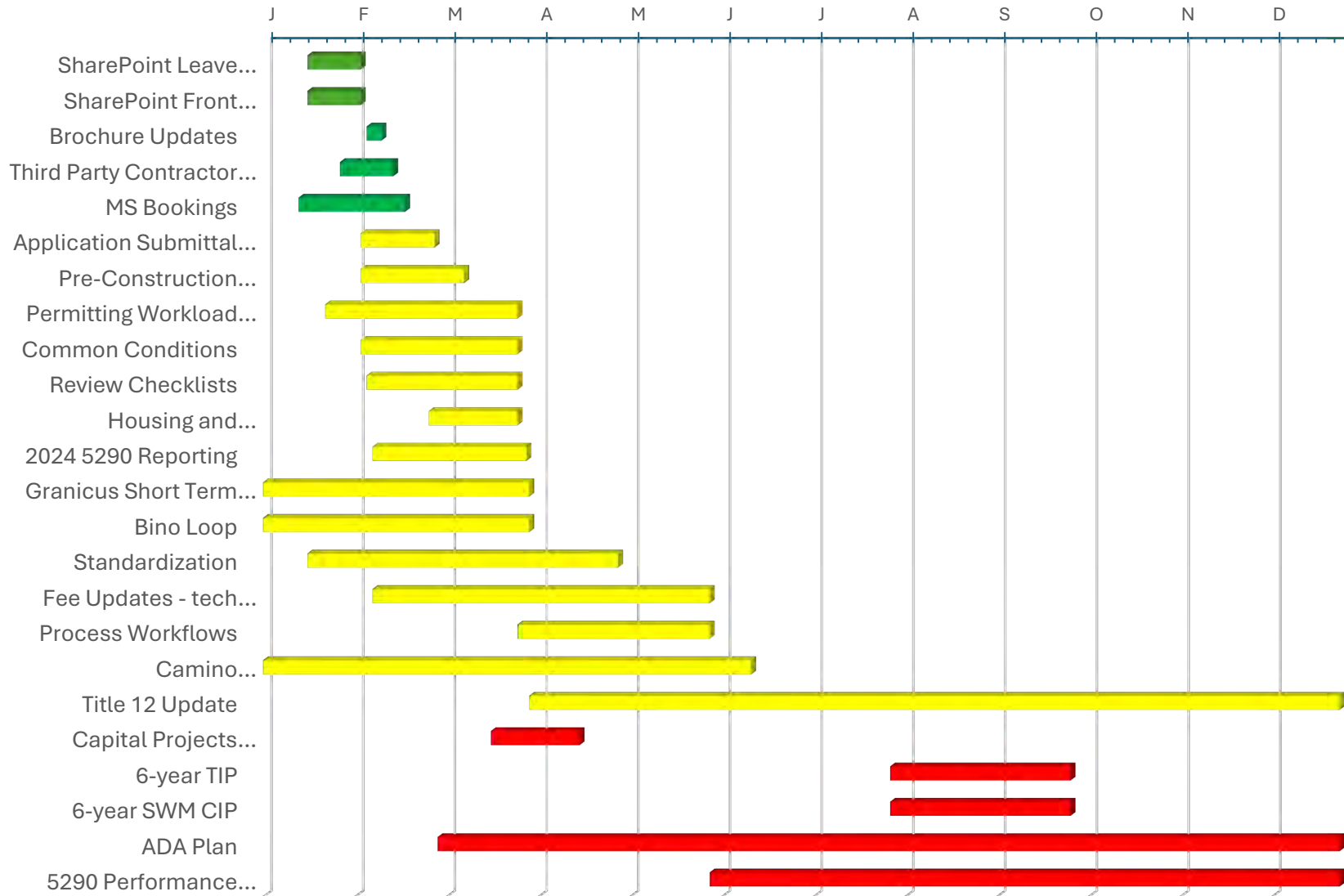
Empirical parking studies offer a legally-supported path for local jurisdictions to tailor parking standards to protect public safety. With clear documentation, strategic analysis, and cross-departmental coordination, the City of Lakewood can retain parking flexibility despite the evolving state laws.

Planning & Public Works 2025 Workplan

Planning and Public Works 2025 Workplan

Project	Workplan Category	Status	Start Date	Target Completion Date	Days to Complete
SharePoint Leave Calendar	Department	Complete	16-Jan	3-Feb	18
SharePoint Front Counter Tracking	Department	Complete	16-Jan	3-Feb	18
Brochure Updates	Permitting	Complete	5-Feb	10-Feb	5
Third Party Contractor Tracking	Permitting	Complete	27-Jan	14-Feb	18
MS Bookings	Department	Complete	13-Jan	18-Feb	36
Application Submittal Matrices	Permitting	Started	3-Feb	28-Feb	25
Pre-Construction Checklists	Permitting	Started	3-Feb	10-Mar	35
Permitting Workload Analysis	Permitting	Started	22-Jan	28-Mar	65
Common Conditions	Permitting	Started	3-Feb	28-Mar	53
Review Checklists	Permitting	Started	5-Feb	28-Mar	51
Housing and Community Services Workload Analysis	Housing & Planning	Started	26-Feb	28-Mar	30
2024 5290 Reporting	Permitting	Started	7-Feb	31-Mar	52
Granicus Short Term Rentals	Housing & Planning	Started	1-Jan	1-Apr	90
Bino Loop	Permitting	Started	1-Jan	1-Apr	90
Standardization	Department	Started	16-Jan	1-May	105
Fee Updates - tech fee, engineering, corrections	Engineering & Capital Projects	Started	7-Feb	1-Jun	114
Process Workflows	Permitting	Started	28-Mar	1-Jun	65
Camino Implementation	Permitting	Started	1-Jan	15-Jun	165
Title 12 Update	Engineering & Capital Projects	Started	1-Apr	31-Dec	274
Capital Projects Workload Analysis	Engineering & Capital Projects	Not Started	19-Mar	18-Apr	30
6-year TIP	Engineering & Capital Projects	Not Started	1-Aug	1-Oct	61
6-year SWM CIP	Engineering & Capital Projects	Not Started	1-Aug	1-Oct	61
ADA Plan	Engineering & Capital Projects	Not Started	1-Mar	31-Dec	305
5290 Performance Metrics	Permitting	Not Started	1-Jun	31-Dec	213

PPW Project Implementation



Lakewood Community Center Action Plan



**LAKEWOOD
COMMUNITY CENTER
ACTION PLAN
MARCH 19, 2025**



Table of Contents

SUMMARY	2
POTENTIAL COMMUNITY CENTER SITES	3
COLONIAL CENTER THEATER.....	4
PROPERTY SIZE:	4
VALUE OF PROPERTY:	4
BENEFITS:.....	4
CHALLENGES:	5
LITTLE CHURCH ON THE PRAIRIE.....	6
PROPERTY SIZE:	6
VALUE OF PROPERTY:	6
BENEFITS:.....	6
CHALLENGES:	6
PROPERTY ACQUISITION PROCESS & DUE DILIGENCE	8
PROPERTY ACQUISITION.....	8
DUE DILIGENCE	8
ENVIRONMENTAL ASSESSMENTS.....	8
TITLE REPORT.....	9
PROPERTY SURVEY.	9
PRELIMINARY GEOTECHNICAL INVESTIGATION.....	10
COMMUNITY ENGAGEMENT & MASTER PLANNING.....	11
POTENTIAL FUNDING & PARTNERSHIPS.....	11
KEY CITY COUNCIL DECISIONS & POTENTIAL TIMELINE/MILESTONES.....	12
APPENDIX A: PROPERTY CONDITION ASSESSMENT.....	13
APPENDIX B: INSPIRATIONAL IMAGES.....	14
APPENDIX C: LAKEWOOD ENGAGEMENT & MASTER PLAN PROCESS FOR THEATER- TO-COMMUNITY CENTER CONVERSION.....	17
APPENDIX D: BOTHELL CASE STUDY	20

Summary

In February 2025, the City of Lakewood engaged Stowe Development & Strategies (SDS) to assist with developing a path forward for evaluating specific sites in the Town Center that could serve as a future multi-generation community center and then to establish the actions necessary to achieve this vision.

Specifically, two sites previously identified by the City include the Colonial Center and the Little Church on the Prairie. Each of these properties has an opportunity to serve as a potential future site for the City's Community Center in conjunction with the property the City recently purchased for a future park that will connect with Colonial Plaza Festival Street or can be considered together with the City's park property to allow for additional civic space and public amenities.

The potential acquisition of the Little Church on the Prairie would likely depend upon the Church's ability to sell only a portion of its 2.38-acre site to the City and then relocate on the site and construct a new church building with shared parking arrangements between the City and the Church. The Colonial Center site is 2.9 acres and the owners are interested in a potential sale of the entire site.

This report will identify and describe the general path or action steps to:

- Evaluate potential sites for a community center;
- Acquire or control the property or properties & due diligence actions;
- Engage the community to determine the public amenities and how the site and future building would be used; and,
- Identify potential funding and partnerships to construct a community center



City of Lakewood Council Retreat



Potential Community Center Sites

Colonial Center Theater

Property Size: 2.98 Acres. The Colonial Center Theater and associated buildings represent approximately, 90,822 square feet of gross building area based on Pierce County records. There are five buildings containing a theater, a museum, and retail space. Initially constructed in 1937 and expanded in 1951 with major renovations in 1957, 1985, and 1987.



Value of Property: No appraisal of the property has been completed. The current assessed value of the property is currently \$4.6 million. State law requires all property to be assessed at 100% of the true and fair market value. However, in practice they are assessed at a lower percentage of market value due to various factors such as assessment practices, market trends, or changes in property conditions. According to the Washington State Department of Revenue “Measuring Real Property Appraisal Performance 2024 ” properties in Pierce County are assessed at 93% of their market value. Based on this assumption, the market value for the property would be approximately \$5 million. It’s important to note that the property was last purchased in 1999 for a cost of \$14 million according to County records. An appraisal that evaluates the current and future income generated by the property will be important to have in determining the fair market value for the property along with the improvement costs identified below.

Benefits:

- Achieves the City’s interest to site a community center in the Town Center and approximately the geographic center of the City.
- Saves and repurposes a landmark structure for the community – the first part of the Center was built in 1937 by Norton Clapp and is identified as one of the first suburban shopping centers in the country.

Challenges:

- Significant rehabilitation and remodeling are necessary to allow the site to be used as a community center. New construction would be necessary to accommodate amenities such as a basketball court or other recreational activities requiring high ceilings. The City recently engaged the services of Samdal & Associates to conduct a property condition assessment of the Lakewood Colonial Center. This report (included as *Appendix A*), includes key necessary capital improvements and the cost that are needed for the building over the next 20 years, along with the material differences from a 2010 report prepared by Ankrom Moisan Associated Architects. Below are key financial points from the Samdal & Associates Report:
 - The initial capital needs cost in the year 2025 is projected at \$13.1M for all buildings. *This estimate also includes tenant improvements (TIs) that may be desired or needed for the retail spaces. The TI's estimate for the retail spaces was calculated based on an allowance of \$75 per SF for a total cost of approximately \$5.4M and is shown to be an expense in 2025 for illustration purposes. If retail or non-City uses were to continue in these spaces, TI improvements would be built into future leases and programmed over time.*
 - The capital needs cost over 20 years (presented in 2025 dollars) is approximately \$18.7M (includes all buildings and tenant improvements).
 - The capital needs cost for just the theater would be approximately \$4.8M. *This is based on an assumption that the other buildings may be removed or the mechanical and plumbing systems would be disconnected from the theater, requiring new independent mechanical and plumbing components for the theater.*
 - The 2010 report projected a capital needs cost of approximately \$2.4M for the theater only; for comparison purposes, inflating this amount by the general inflation rate for construction by 45% increases the cost to \$3.4M
- The City will need to identify a source of funds to pay for the restoration of the Lakewood Colonial Center to use as a community center. Some areas of the building may be cost-prohibited to restore; making demolition and new construction a better alternative.

Little Church on the Prairie

Property Size: 2.39 Acres – The City has identified it would need approximately .50 acres to accommodate a minimum size of community center of 10,000 square feet. Many multi-generation community centers are larger and range from 15,000 to 30,000 plus square feet depending on the amenities. *Appendix B* includes several inspirational images of various community/recreational centers and their approximate size.

Value of Property: The entire church property was recently appraised by the City. Because appraised values are typically not made public until a final sale price has been negotiated and released by the City, we have not included the appraised value in this report. The assessed value for the property is listed at \$3.8 million. Assuming the same assessed value to market value ratio described above, the market value may be closer to \$4.1 million. This would equate to \$39.46 on a square foot basis.



The City has projected it needs approximately one-half acre to support a community center facility of 10,000 square feet. If the City were to purchase 21,780 square feet (one-half acre) at \$39.46, the price would be \$859,439, excluding any lease payments the City may make to the Church for shared parking on its site. As with the Colonial Center, the actual appraised value of the property will be important in any negotiation between the City and the property owner.

Benefits:

- Achieves the City's interest to include a community center in the Town Center and approximately the geographic center of the City.
- Maximizes use of property through potential shared parking arrangement between the City and the Church; likely saving funds for the City by purchasing less land needed for parking.

Challenges:

- Requires the Church to relocate and build a new church on site or build or purchase another building elsewhere.
- A code amendment would be necessary to allow a community center on the site (MR2 zone)

- The City will need to identify a source of funds to pay for the construction of a community center. Additional analysis of the site and the types of uses inside the community center would be needed before gaining a preliminary cost estimate for a 10,000-square foot facility. Based on a variety of other community buildings throughout the State, SDS estimates that a very rough order of magnitude (soft and hard costs) for a community center project would be between \$1,000 to \$1,500 per square foot. This would result in a very rough order of magnitude community center project cost (excluding land purchase, site development, FFE, and contingencies) of approximately \$15 million for a 10,000-square foot building.

Property Acquisition Process & Due Diligence

Property Acquisition

Generally, the acquisition process will follow the below steps. The key objective for the City may be to control the property via an option agreement (OA) or purchase and sale agreement (PSA) with a long feasibility period to evaluate if the property meets the City's needs and its ability to fund acquisition and development.

1. Letter of Intent: Negotiate key option agreement or purchase agreement terms with the seller. This document is non-binding except for an exclusive negotiation clause whereby the seller agrees to neither solicit nor entertain other offers concerning the property for a specific time allowing the parties to conclude negotiations. It is anticipated that the City Manager will present any LOI to the City Council during an Executive Session and will determine if the LOI proceeds to the option agreement/purchase and sale agreement phase based on Council input. The following are some likely key terms:
 - Option Agreement – Low amount for purchase option for 6-12 months; or
 - Purchase and Sale Agreement with longer due diligence period
 - Price – Based on appraisal & negotiation between parties
 - Escrow Amount – Usually between 2% to 5% of purchase price
 - Due Diligence Period - 90 days to 1 year
 - Property Management
 - Closing
2. Option Agreement or Purchase and Sale Agreement: Negotiate OA or PSA with the seller based on the LOI terms. The City Manager will present OA or PSA to the City Council for consideration.
3. Due Diligence. There are several Due Diligence actions described below that the City should pursue once you get under a binding agreement with a seller. Many of these tasks will take several months to complete.
4. Closing. Following the due diligence activities, the City would proceed to the final step of the process by providing payment and receiving the deed for the property.

Due Diligence

Environmental Assessments. A Phase 1 Assessment typically involves research into the historical uses of the property to determine if there could be likely impacts posing a threat to the environment or human health. The Phase 1 Assessment is typically a “desktop assessment,” meaning that most of the work is conducted via a review of existing documentation and environmental databases, with minimal if any on-site testing. This assessment will make recommendations if further information is needed such as a Phase 2 Assessment, which includes

the collection of soil, groundwater, and vapors to analyze for the presence of contamination on the site.

If environmental contamination is identified, its clean-up can occur in advance of any development or can occur as part of the development. An evaluation will need to be made of the advantages and disadvantages related to any clean-up action and timing if determined necessary on the site.

The purpose of environmental assessments are often simply to identify any risks and unknowns about the property purchase to the City and to account for such risks as part of any purchase price.

Costs: Phase 1: Approximately \$5,000 to \$7,500. Phase 2 (only necessary if indicated by Phase 1): \$25,000 to \$50,000 (more to arrive at reliable clean-up cost if needed; possibly low six figures).

Timeframe: Phase 1: Between 4 to 6 weeks. Phase 2: Another 8 -12 weeks (after Phase 1).

Title Report. One of the most important due diligence actions and documents in a future real estate transaction is the preliminary title report. After the title search is completed, the title insurance company will issue a preliminary title report that explains its findings. This report will show any liens or other encumbrances currently made against the title to the property. It will also make a statement as to the title the seller has to the property. If any property rights have been previously sold, the title report will indicate when the transfers were made and to whom. Once the preliminary report is issued, the seller has a chance to review the report and challenge any of the findings. If there are any errors, the seller can demand that the errors be corrected and a new preliminary report issued. Once the objections of both sides have been dealt with, the parties will accept the report and it will be made final. The final report will become part of the title insurance policy that is issued to the lenders and the buyer.

Costs: Typically no charge; expense is a component of title insurance.

Timeframe: Approximately 1 to 2 weeks.

Property Survey. If not already completed as part of the agreement, a property ALTA (American Land Title Association) survey of the property area will need to be completed. It is critical that the boundaries of the site be defined through an ALTA survey process so that specific boundaries can be referred to in binding legal documents such as purchase and sale agreements. ALTA surveys provide information about property boundaries and easements, as well as improvements on the property that may affect ownership of the property and may require further investigation into the possibility of adverse rights. Additionally, although more expensive, including topographic elements, (contours, trees, curbs, structures, etc.) in the survey would provide valuable information for those who will develop the property.

Costs: Between \$7,500 to \$15,000 (depending on the topographic information included).

Timeframe: Approximately 4 to 6 weeks.

Preliminary Geotechnical Investigation. This evaluation of site geology and geotechnical conditions should help the City and future developers understand the general types of soils on the site. The types of soils and foundations necessary to support development is an important factor as certain foundations (e.g., geopiers, pilings) are more expensive and can significantly increase the cost of construction.

Real estate transactions can be stalled and stopped due to geotechnical surprises. The scope of the geotechnical evaluation will be similar to a pre-design study - sufficient to quantify some risks, anticipate earthwork and foundation choices, etc., but not appropriate for the final design, which will require that the developer complete additional studies, once a design is developed. The preliminary geotechnical investigation would include a data review, a few soil borings, testing, and identification of earthwork and foundation issues. Combining the Phase 2 Assessment (if needed) and geotechnical investigative work may lead to a more complete assessment and reduced costs.

Costs: Between \$5,000 to \$25,000 depending on how much information is collected.

Time frame: Approximately 4 - 6 weeks to complete.

DUE DILIGENCE TASK SUMMARY	COST	TIMEFRAME
Environmental Assessments		
Phase 1	\$5,000 - \$7,500	4 - 6 weeks
Phase 2 (if needed)	\$25,000 - \$50,000 +	8 -12 weeks
Title Report - Preliminary	No charge	1 - 2 weeks
Property Survey	\$7,500 - \$15,000	4 - 6 weeks
Geotechnical Investigation (if needed)	\$5,000 - \$25,000	4 - 6 weeks

Community Engagement & Master Planning

Following closing, the City will likely want to conduct a community engagement and master site planning process for the community center and adjacent park and public plaza space. The goal of the community engagement and master planning process is to identify and plan for the type of community building and space into a vibrant, functional, and engaging indoor and outdoor environment that promotes economic growth and improves the quality of life for residents and visitors. It is envisioned that such a process may involve multiple community meetings, design charrettes, and surveys to identify the primary use and amenities for a community center; the property improvements that are needed, and the preliminary costs. *Appendix C* is a sample of a Community Center Engagement and Master Planning Process for a Community Center based on the Colonial theater as the main focus. The City's newly purchased park property could be included in this process or conducted separately ahead of the community engagement and master planning process. The Community Engagement and Master Planning process is likely to cost between \$50,000 to \$150,000 depending on the use of engagement/master planning consultants and the degree of public involvement desired.

Potential Funding & Partnerships

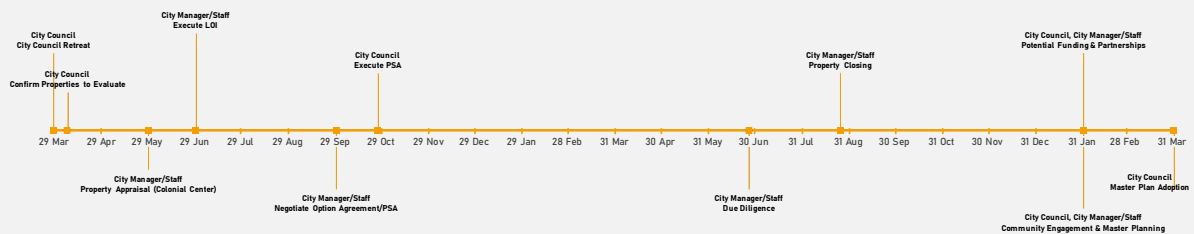
This task will focus on presenting the available funding strategies, sources, mechanisms, and partnerships available to fund the City's envisioned Community Center. Rather than a single source of funds, multiple sources will likely be required including direct funding from the City of Lakewood (both unrestricted and restricted), state and federal grants/loans, non-voted bonds, voted bonds, voted excess levies, and private fundraising. Park improvements can access increment property taxes from the City's recently formed tax increment. Public-private partnership opportunities should also be explored to help achieve the vision for a Community Center. Potential partnerships with the Lakewood Playhouse, Lakewood YMCA, and other private, quasi-private, and public entities could be beneficial in terms of gathering public support and funding. Woven into this work should also include an examination of the various construction delivery approaches available to achieve the best new or renovated facility at the lowest possible cost (e.g., Design-Bid-Build, Design-Build, GC/CM, Progressive Design-Build/63-20).

Included as *Exhibit D* is a Case Study of the City of Bothell showcasing how one community developed a funding and public-private development approach and strategy to revitalize its downtown and fund a City Hall.

Key City Council Decisions & Potential Timeline/Milestones

There are several decisions the City Council will need to make as identified in the Project Timeline/Milestones below. The most immediate decision of the City Council is if both the Colonial Center and the Little Church on the Prairie remain of interest for a possible Community Center site (s) and if so, the City should start the appraisal process for the Colonial Center site (appraisal already completed on the Church site). The timeline/milestones are for illustrative purposes only. Dates indicate completion of tasks and in most cases represent the minimum time necessary to complete the activity or task. Construction activities will likely occur over 12-18 months after the Master Plan adoption and project funding is secured.

PROJECT TIMELINE



Project Milestones

DATE	MILESTONE	ASSIGNED TO
3/29/25	City Council Retreat	City Council
4/7/25	Confirm Properties to Evaluate	City Council
5/30/25	Property Appraisal (Colonial Center)	City Manager/Staff
6/30/25	Execute L0I	City Manager/Staff
9/30/25	Negotiate Option Agreement/PSA	City Manager/Staff
10/27/25	Execute PSA	City Council
6/27/26	Due Diligence	City Manager/Staff
8/26/26	Property Closing	City Manager/Staff
2/1/27	Community Engagement & Master Planning	City Council, City Manager/Staff
2/1/27	Potential Funding & Partnerships	City Council, City Manager/Staff
4/1/27	Master Plan Adoption	City Council

Appendix A: Property Condition Assessment



March 11, 2025

City of Lakewood
c/o Becky Newton
6000 Main Street SW
Lakewood, WA 98499

Re: Lakewood Colonial Center & Theater

Dear Becky;

As part of the Property Condition Assessment that we prepared for Lakewood Colonial Center & Theater, we were asked to review the 2010 report that was prepared by Ankrom Moisan Associated Architects and provide the significant differences between our report and their report. The following is of note:

- Their report primarily focused on the theater building. Our report looked at the entire property.
- General inflation in construction between 2010 and 2025 is 45%.
- The structural recommendations stayed the same, as we differed to their structural engineers recommendations (Froelich Consulting Engineers, Inc.) as the structural conditions are essentially the same, with no immediate damage visible.
- The tenant space that had a well-known restaurant that was operational in 2010 is now occupied by the museum.
- Their report and subsequent cost estimate got much more detailed into specifics of the forthcoming renovation, as I suspect that they may have had some type of rough plan of specifically the type of renovation that would occur. We left our estimate much more general in terms of a cost per square foot, as we can't really get more detailed than that without having a better idea of what the future interior plans are.
- Their report had an assumption that an elevator would be required to meet ADA standards; however, we do not necessarily believe this to be the case. The ADA requirements of an old building being renovated do not require that all areas of all buildings be ADA accessible (such as the balcony), and the main area of the theater could certainly be made accessible without an elevator. However, if an elevator is required, the 2010 estimate of \$53,000 is low by an order of magnitude. We would budget \$300,000 to \$400,000 for an elevator.

Sincerely,

A handwritten signature in blue ink that reads "Jeff Samdal". The signature is fluid and cursive, with the first name "Jeff" being larger and more prominent than the last name "Samdal".

Jeff Samdal, PE
Jeff Samdal & Associates



PROPERTY CONDITION ASSESSMENT



Lakewood Colonial Center & Theater

6122 Motor Avenue SW, Tacoma, WA 98499

For:

City of Lakewood
c/o Becky Newton
Economic Development Manager
6000 Main Street SW
Lakewood, WA 98499-5027
(253) 983-7738

Prepared By:

Jeff Samdal, PE
jeff@samdalassoc.com
(206) 412-4305

Date Prepared:

March 14 2025

TABLE OF CONTENTS

TABLE OF CONTENTS.....2

1.0 EXECUTIVE SUMMARY3

 1.1 General Description of Property3

2.0 INTRODUCTION AND STANDARD DISCLAIMERS4

 2.1 Purpose of Inspection and Report.....4

 2.2 Scope of Inspection and Report.....4

 2.3 Scope and Methodology4

 2.4 Sources of Information5

3.0 PHYSICAL ANALYSIS6

 3.1 Component Assessment and Valuation6

 Table 3.1A: Component Assessment and Valuation 7

 Table 3.1B: Table of Categorized Expenses over the Duration of the Study 12

 Figure 3.1B: Pie Chart of Categorized Expenses over the Duration of the Study 12

 3.2 Site13

 3.3 Structure.....18

 3.4 Roofing21

 3.5 Exterior25

 3.6 Electrical Systems.....30

 3.7 Plumbing Systems.....32

 3.8 HVAC Systems.....35

 3.9 Elevators42

 3.10 Fire Detection and Suppression42

 3.11 Interior Finishes44

 3.12 Miscellaneous52

 3.13 Amenities54

 3.20 Summary of Annual Anticipated Expenses54

4.0 LIMITATIONS61

APPENDIX62

1.0 EXECUTIVE SUMMARY

1.1 GENERAL DESCRIPTION OF PROPERTY

The subject property is approximately 2.981 acres and is located just west of Bridgeport Way SW, and just north of Motor Avenue SW in downtown Lakewood. There are 5 buildings containing a theater, a museum, and retail space. According to Pierce County Records, the buildings were originally constructed in 1937, and subsequently in 1951. We understand that there were major renovations in 1957, 1985, and 1987. The property is relatively flat and consists of an asphalt service parking lot, concrete, and mature landscaping outside of the buildings themselves. Adjacent to the property there are other retail buildings.

The roofs of these buildings are a combination of flat roofs that are clad with modified-bitumen torch-applied roof surfacing, single-ply TPO roof surfaces, and pitched roofs that are surfaced with asphalt composition roof surfacing. The exteriors of these buildings are primarily clad with brick masonry; however, there are also areas of wood siding, and a significant amount of wood trim. The windows of these buildings are primarily aluminum-frame windows.

Like all properties, this property will require capital maintenance. We have itemized areas of capital maintenance that we anticipate over the next twenty (20) years along with estimated costs and estimated schedule of repair/replacement.

2.0 INTRODUCTION AND STANDARD DISCLAIMERS

2.1 PURPOSE OF INSPECTION AND REPORT

The primary purpose of this Property Condition Assessment is to provide our client with a planning and budgeting tool to adequately maintain the property 20 years into the future and to minimize unexpected major costs. This study is intended to provide our clients with an understanding of their property and to bring to light necessary immediate expenditures and reasonably anticipated future capital expenses that should be addressed.

Owners will benefit from adequately maintaining their properties and our Property Condition Assessments provide our clients with the tools to implement capital maintenance. When small issues and maintenance items are addressed prior to becoming larger problems, there is typically a significant overall savings for a property owner. Properly maintained properties maintain higher property values than those with an abundance of deferred maintenance.

2.2 SCOPE OF INSPECTION AND REPORT

This inspection is a standard visual inspection of the property. This visual inspection focuses on the typical features of a building and surrounding property such as structure, drainage, roof, exterior, electrical, plumbing, heating, air conditioning, and interior finishes. This inspection is limited to accessible and visible areas.

All inspections are performed in accordance to the National Academy of Building Inspection Engineers (NABIE) Standards of Practice, which can be viewed at www.nabie.org.

2.3 SCOPE AND METHODOLOGY

This Property Condition Assessment has been prepared based on our proposal to the Client dated February 4, 2025, which was based on our correspondence with Bob Stowe and Pierce County Records.

Information Gathering

Our initial task was to gather information regarding the property such as drawings, maintenance records, and historical background. This Property Condition Assessment is a reflection of the information provided to us.

Physical Analysis

Following the initial correspondence regarding the property, we performed an inspection of the property on February 24, 2025 so that we may provide an opinion of the current condition of the common building components. This is also the basis for our opinion of the anticipated capital needs that the Owner will be responsible for over the next 20 years. This was a visual inspection, and no invasive or destructive testing was performed. This visual inspection focused on the typical features of a building and surrounding property such as structure, drainage, roof, exterior, electrical, plumbing, HVAC systems, and interior finishes. This inspection was limited to accessible and visible areas.

The physical analysis included the following tasks:

1. Identification of Anticipated Capital Expenses: We consider anticipated capital expenses to be major expenses that can be reasonably predicted. Anticipated capital expenses are not considered routine maintenance such as routine landscaping or touch-up paint; routine maintenance should be taken care of through an operating budget. Nor do we consider anticipated capital needs to be expenditures that result from an accident or an unpredictable event, such as flood damage or earthquake damage; these items should be paid for by insurance.

The general criteria that we used to define an anticipated capital expense that warranted inclusion on our Itemized capital expenses is the following:

- Repair or replacement of the component is significant and not budgeted for in the operating budget.
- The component repair or replacement occurs within the period of this study.

2. Estimated Replacement Schedule: Our opinions of the various life expectancy estimates that we prepared are based on a combination of the following:

- National Association of Home Builders (NAHB) averages

- Building Owners and Managers (BOMA) averages
- Product vendors and suppliers
- Our company database

3. Estimated Replacement Cost: Our opinions of the various costs for repair or replacement are based on a combination of the following:

- Marshall & Swift
- R.S. Means
- Product vendors and suppliers
- Our company database

2.4 SOURCES OF INFORMATION

The following people provided us information for this study:

- Bob Stowe, Stowe Development & Strategies
- Kepa Niles, Maintenance Supervisor, Bonavista Property Management
- Rob Davidson, MCS, HVAC Consultant
- Travis Hull, MCS, HVAC Consultant
- Danielle Leigh, MCS, HVAC Consultant

The following documents were viewed as part of this study:

- Rehabilitation and Potentials Report, by Ankrom Moisan Associated Architects, dated September 2010
- MCS HVAC Equipment List with Budgetary Cost Estimates, dated March 10, 2025

The physical inspection of the property occurred on the following date:

- February 24, 2025

3.0 PHYSICAL ANALYSIS

3.1 COMPONENT ASSESSMENT AND VALUATION

The component assessment and valuation of the itemized capital expenses on this property was done by providing our opinion of Useful Life, Remaining Useful Life, and Repair or Replacement Costs for each of the components. Table 3.1A lists this component inventory and is based on the information that we were provided with and on onsite visual observations.

The remainder of “Section 3.0 Physical Analysis” details each of the items in Table 3.1A using narratives and photos. They are meant to be read together.

Table 3.1B is a summary of expenses, grouped according to their expense category. Chart 3.1B is a pie chart illustrating the same.

Table 3.1A Key:

Quantity - The total quantity of each component.

Units - SF = Square Feet SY = Square Yards LF = Lineal Feet
EA = Each LS = Lump Sum SQ = Roofing Square (10 ft X 10 ft)

Cost/Unit - The cost of a component. The unit cost is multiplied by the component’s quantity to obtain the total estimated replacement cost for the component.

Remaining Life – An opinion of the probable remaining life, in years that a component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have “zero” Remaining Life.

Useful Life - Total Useful Life or Depreciable Life. An opinion of the total probable life, in years, that a component can be expected to serve its intended function in its present condition.

Table 3.1A: Component Assessment and Valuation

Note: All numbers provided are the engineer's opinion of probable life and cost in 2025 dollars. Exact numbers may vary.

Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.2 SITE						
Asphalt overlay	48,276	SF	\$3.90	10	40	\$188,276
Asphalt repairs prior to resealing and overlay	1,207	SF	\$9.85	0	5	\$11,888
Asphalt seal coating and restriping	48,276	SF	\$0.38	0	5	\$18,345
Storm system clean out allotment	2.98	ACRE	\$2,000	0	5	\$5,960
Concrete flatwork and curbing repair allotment	1	LS	\$12,000	0	5	\$12,000
Landscaping and irrigation system allotment	1	LS	\$10,000	5	5	\$10,000
3.3 STRUCTURE						
Seismic upgrades to many walls of the buildings including the installation of hold downs and plywood on numerous walls	1	LS	\$217,500	0	N/A	\$217,500
Install plywood on all areas of the roofs prior to roof resurfacing	2,150	SHEETS	\$90	0	5	\$193,500
<i>Vehicle damage at the southwest corner is reportedly being paid for via an insurance claim</i>						
3.4 ROOFING						
Resurface pitched roofs	406	SQ	\$650	0	30	\$263,900
Replace gutters and downspouts	1,878	LF	\$22.50	0	30	\$42,255
Resurface low-slope roofs with modified-bitumen roofing	218	SQ	\$1,600	0	18	\$348,800
Resurface low-slope roofs with TPO	26	SQ	\$1,850	0	25	\$48,100

Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.5 EXTERIOR						
Clean the entire exteriors of these buildings with a fungicide and a low-pressure soapy wash and rinse	26,000	SF	\$1.95	0	8	\$50,700
Masonry repairs (assume 5%) and sealing of masonry with a siloxane masonry sealant	23,670	SF	\$8.75	0	8	\$207,113
Significant siding and trim repairs	1	LS	\$140,000	0	N/A	\$140,000
Paint exterior wood siding and trim	1	LS	\$86,000	0	8	\$86,000
Replace all caulking at all transitions	1	LS	\$58,000	0	8	\$58,000
<i>Consider the replacement of all windows on these buildings to enhance energy efficiency, modernize the aesthetic, and improve moisture exclusion</i>						
3.6 ELECTRICAL SYSTEMS						
Complete electrical system replacement*	1	LS	\$400,000	0	N/A	\$400,000
Lighting upgrade throughout property to LED*	1	LS	\$120,000	0	25	\$120,000
<i>*Approximately 40% of electrical supply replacement project cost is estimated to be in the Theater Building</i>						
3.7 PLUMBING SYSTEMS						
Replace supply piping and waste piping throughout property**	1	LS	\$250,000	0	N/A	\$250,000
Replace domestic water heaters throughout the property (estimated to be 20 water heaters)	20	EA	\$1,600	0	12	\$32,000
<i>**Approximately 25% of plumbing supply replacement project cost is estimated to be in the Theater Building</i>						

	Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.8	HVAC SYSTEMS						
	Replace old sw amp coolers w with 5-ton HVAC units	2	EA	\$27,500	0	18	\$55,000
	Replace theater air handlers	2	EA	\$6,500	23	25	\$13,000
	Replace gas furnaces	3	EA	\$9,000	10	25	\$27,000
	Replace make-up air unit above Indian restaurant	1	EA	\$26,000	5	20	\$26,000
	Replace mini-split heat pumps	2	EA	\$8,500	5	15	\$17,000
	Replace Carrier 2-ton single-package HVAC unit manufactured in 2016	1	EA	\$11,000	9	18	\$11,000
	Replace Trane 2.5-ton single-package HVAC unit manufactured in 2022	1	EA	\$13,750	15	18	\$13,750
	Replace old Carrier 3-ton HVAC unit	1	EA	\$16,500	0	15	\$16,500
	Replace Trane 3-ton heat pumps manufactured in 2014	2	EA	\$16,500	4	15	\$33,000
	Replace Trane 3-ton single-package HVAC units manufactured in 2000	3	EA	\$16,500	0	18	\$49,500
	Replace Trane 3-ton single-package HVAC units manufactured in 1998	1	EA	\$16,500	0	18	\$16,500
	Replace Carrier 3.5-ton split system heat pump manufactured in	1	EA	\$19,250	0	15	\$19,250
	Replace Thermal Zone 3.5-ton HVAC unit manufactured in 2015	1	EA	\$19,250	8	18	\$19,250
	Replace Trane 3.5-ton single-package HVAC unit manufactured in 2000	1	EA	\$19,250	0	18	\$19,250
	Replace Carrier 5-ton single-package HVAC unit manufactured in 2015	1	EA	\$27,500	8	18	\$27,500
	Replace old Carrier 5-ton HVAC units	3	EA	\$27,500	0	15	\$82,500
	Replace Trane 5-ton single-package HVAC units manufactured in 2000	2	EA	\$27,500	0	18	\$55,000
	Replace Trane 5-ton heat pumps manufactured in 1992	3	EA	\$27,500	0	15	\$82,500
	Replace old Trane 5-ton single-package HVAC unit	1	EA	\$27,500	0	18	\$27,500
	Replace Trane 7.5-ton single-package HVAC unit manufactured in 2000	1	EA	\$41,250	0	18	\$41,250
	Replace Lennox 7.5-ton HVAC unit	1	EA	\$41,250	0	18	\$41,250
	<i>If the Theater is redeveloped, we assume that a completely new HVAC design will be implemented. We assume that the Theater building would need approximately 40 tons of HVAC at an approximate cost of \$5,000 per ton, plus WSST for a total cost of \$220,000.</i>						

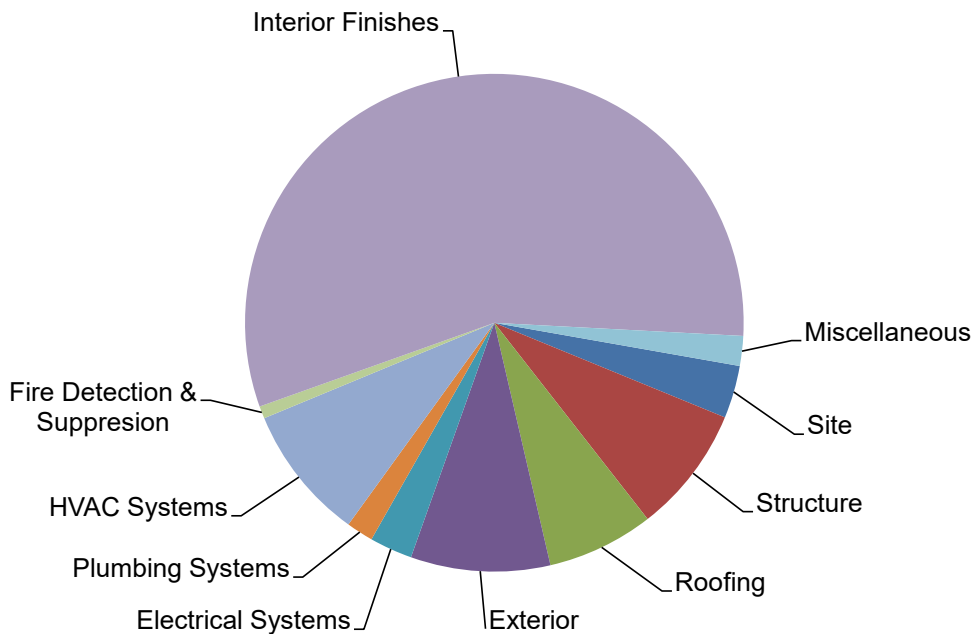
Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.9 ELEVATORS						
	<i>There are no elevators on this property</i>					
3.10 FIRE DETECTION & SUPPRESSION						
Install a modern fire detection system throughout the property per current NFPA standards	1	LS	\$150,000	0	25	\$150,000
	<i>No additional fire suppression expenditures anticipated following the 2024 fire suppression mitigation project</i>					
3.11 INTERIOR FINISHES						
<i>Theater Building</i>						
Replace the hardwood floor in the theater, stage, and balcony	4,870	SF	\$32.50	0	50	\$158,275
Refinish the hardwood floor in theater, stage, and balcony	4,870	SF	\$8	10	10	\$38,960
Replace the theater seats	516	SEATS	\$800	0	20	\$412,800
General renovation of the interiors of the theater, balcony, and stage	4,870	SF	\$250	0	50	\$1,217,500
General renovation of the interiors of the terrace, the theater foyer, the terrace bar, the terrace foyer, the theater kitchens, the York room, and the basement lounge	9,960	SF	\$250	0	50	\$2,490,000
<i>All Other Buildings</i>						
Initial renovation of the apartment to bring this unit to market condition	1	LS	\$24,000	0	N/A	\$24,000
Future apartment renovations	1	LS	\$6,000	5	5	\$6,000
Tenant improvements of all retail spaces at once in 2025***	71,262	SF	\$75	0	N/A	\$5,344,650
<p>***While the costs of future tenant improvements in the retail spaces are typically either paid for via the tenants or negotiated as part of a lease agreement; however, this would be the cost of all tenant improvements at once in 2025 if the City of Lakewood was able to break all current leases. The cost of typical tenant improvements is between \$50-100 per square foot, so we have used \$75 per square foot as a mid-point.</p>						

Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.12 MISCELLANEOUS						
Surveillance system upgrade, replacement, and enhancement	1	LS	\$40,000	7	7	\$40,000
Hire an exterminator to address rodent infestation	1	LS	\$80,000	0	N/A	\$80,000
Obtain a Phase 1 Environmental Study to identify areas of lead paint and asbestos prior to renovations and abandoned equipment removal	1	LS	\$12,000	0	N/A	\$12,000
Remove all abandoned equipment	1	LS	\$160,000	0	N/A	\$160,000
3.13 AMENITIES						
<i>No amenities not mentioned in other areas of this table</i>						

Table 3.1B: Table of Categorized Expenses over the Duration of the Study

Category	Total Expenditure Over the Next 20 Years	Percentage
Site	\$642,654	3.4%
Structure	\$1,546,317	8.3%
Roofing	\$1,296,864	6.9%
Exterior	\$1,695,608	9.0%
Electrical Systems	\$520,000	2.8%
Plumbing Systems	\$327,624	1.7%
HVAC Systems	\$1,645,272	8.8%
Elevators	\$0	0.0%
Fire Detection & Suppresion	\$150,000	0.8%
Interior Finishes	\$10,550,716	56.3%
Miscellaneous	\$361,699	1.9%
Amenities	\$0	0.0%
TOTAL	\$18,736,752	

Figure 3.1B: Pie Chart of Categorized Expenses over the Duration of the Study



3.2 SITE

The address of this property is 6122 Motor Avenue SW, Tacoma, WA 98499.



Aerial image of property (courtesy of Google Earth)

General Description of Site

The subject property is approximately 2.981 acres and is located just west of Gravelly Lake Drive SW in downtown Lakewood. There are 5 buildings containing a theater, a museum, and retail space. According to Pierce County Records, the buildings were originally constructed in 1937, and subsequently in 1951. We understand that there were major renovations in 1957, 1985, and 1987. The property is relatively flat and consists of an asphalt service parking lot, concrete, and mature landscaping outside of the buildings themselves. Adjacent to the property there are other retail buildings.

Asphalt

There is a large asphalt parking lot at the west side of the property. Additionally, there are smaller asphalt parking areas on the south and east side of the property. Generally, the asphalt appears to be in relatively good condition. However, there are still some areas of rubber crack sealing that are necessary at this time. We estimate that there is approximately \$11,888 including tax in rubber crack sealing and patching necessary in 2025 including tax.

Following rubber crack sealing and a small amount of patching in 2025, we also recommend that the asphalt be sealed and restriped in 2025. The cost to seal and stripe a lot of this size will be approximately 38 cents per square foot including tax. This level of maintenance will likely be necessary every 5 years.

Future uses of this property may require specific restriping of the parking areas and additional ADA parking areas. This will only be determined once a redevelopment plan is prepared.

Storm System

There are storm drains located throughout the parking lots. We do not know the specific configuration of this storm system as no drawings were available. However, the storm system appears to be effective as there was no evidence of significant standing water in the parking lot around this property. We recommend that the storm drains be cleaned out with a vactor truck at this time, and every 5 years thereafter.

Concrete Flatwork and Curbing

There are concrete sidewalks at the front of each storefront as well as concrete pathways and stairways on this property. The concrete flatwork on this property is generally in good condition with no work necessary at this time.

There is also extruded concrete curbing around the parking lot of this property. Generally, the majority of the curbing is in good condition; however, there are areas of curbing that should be replaced at this time. This will likely be a constant maintenance item.

Brick Paver Patio

There is a large brick paver patio at the north side of the property. This paver patio is in good condition with no work necessary at this time. It is unclear where the property line is in the patio, as the brick paver patio extends to the neighboring property to the north. It is unlikely that significant repairs will be necessary regarding this brick paver patio over the next 20 years.

Landscaping and Irrigation

There is some landscaping around this property, particularly around the parking lots. Generally, landscaping and irrigation systems are maintained via the operating budget. However, we have included a small landscaping and irrigation allotment to cover expenses such as the replacement of dead trees and large-scale repairs to the irrigation system.

The irrigation system was winterized; therefore, this system was not tested during our inspection.



North Asphalt Parking Lot



Typical Storm Drain in North Parking Lot



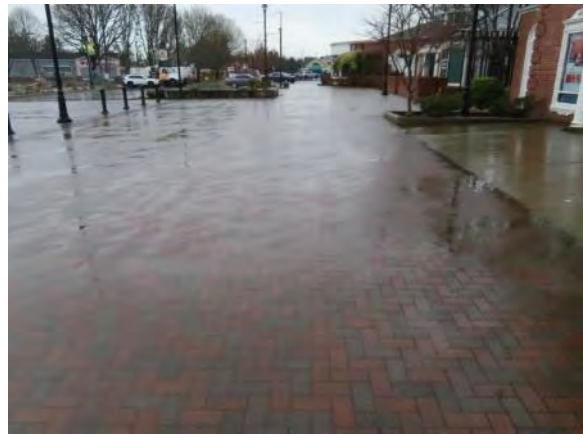
Typical Irrigated Planter Area Surrounded by Extruded Concrete Curbing



West Asphalt Parking Lot



North Brick Paver Patio



North Brick Paver Patio



North Planter Bed and Concrete Sidewalk



North Planter Bed



North Concrete Sidewalk



East Concrete Sidewalk



East Asphalt Parking Lot



East Asphalt Parking Lot



Typical Extruded Concrete Curbing in Need of Repairs



Rubber Crack Sealing Needed in Many Areas



Typical Storm Drain in West Parking Lot



South Asphalt Parking Area

East Pole Mounted Street Lights

There are pole mounted street lights on the east side of the property that appear to be owned by this property. We do not anticipate that these street lights will need to be replaced within the next 20 years.



Typical Pole Mounted Street Light

3.3 STRUCTURE

Foundations

The foundations of these buildings were only partially visible. Therefore, we look for indirect evidence of distress to ascertain the condition of the foundations. It is possible that even with little or no evidence; there is a problem that is undetectable during a visual inspection.

The foundations of these buildings consist of concrete foundation walls around the perimeters of the buildings, and below many load bearing walls of these buildings. Presumably, there are interior concrete piers and/or concrete ribbon footings on areas of the interiors of these buildings beneath the basement floor of the theater and areas of the slabs; however, this was not visible.

No evidence of settlement was detected, and no defects were visible in the foundations of these buildings.

Framing

The majority of the framing in these buildings was not visible for inspection. Therefore, we based much of our opinion on the superstructures of these buildings on indirect observations such as uneven areas, bulges and other evidence of distress. Much like the foundations, it is possible that there are structural deficiencies that were not visible.

The wood framing members that were visible were heavy clear-span timbers. All exterior walls that were visible are 2X4 or 2X6 studs, 16 inches on center. The roofs of these buildings are supported by wood rafters.

Based on the age and type of these buildings as well as the available evidence, we believe the ability of these structures to resist a seismic event is poor. This is not a seismic analysis of these structures, as that is well beyond the scope of this investigation and would require extensive analysis with precise measurements, drawings, calculations and modeling.

Structural Engineering Analysis in 2010

As part of Ankrom Moisan Associated Architects larger investigation in September 2010, Froelich Consulting Engineers, Inc. performed a Structural Review of this property. This report stated that the structures of these buildings were generally in good condition compared to other buildings built in the 1930's. However, the seismic resistance of these buildings is weak compared to modern buildings, but very typical of buildings of this age. We did not observe any structural damage at these buildings that we believe would change the opinions of a structural engineer; therefore, we consider this report to still be generally valid.

If a "triggering event" occurred at this property, the 2010 report recommended seismic upgrades to these buildings. A triggering event would include significant renovations of these buildings, which would undoubtedly be the case if the City of Lakewood purchased this property and rehabilitated the theater and surrounding areas.

The seismic upgrades that they recommended would include the installation of hold downs and plywood to all areas of the roof and at some of the interior/exterior walls. This would also require that all areas of the roof that have plywood installed be resurfaced.

Vehicle Damage at Southwest Corner

There is vehicle damage at the southwest corner of the property. We understand that this damage is under the process of being repaired as part of an automobile insurance claim.



Concrete Foundation Walls



Concrete Foundation Walls



Concrete Foundation Walls



Concrete Foundation Walls



Typical Wood Wall Framing



Typical Roof Framing



Typical Roof Framing



Typical Roof Framing



Vehicle Damage to the Southwest Corner of the Building



Vehicle Damage to the Southwest Corner of the Building

3.4 ROOFING

The roofs of these buildings are a combination of flat roofs that are clad with modified-bitumen torch-applied roof surfacing, single-ply TPO roof surfaces, and pitched roofs that are surfaced with asphalt composition roof surfacing.

Structural Enhancement Recommending Plywood

Both the pitched and low-slope roof surfaces on these buildings have 3 to 5 years of remaining life (with repairs to leaks); however, the structural enhancements recommended by the structural engineer that will likely be required if these buildings are renovated require the installation of plywood roof sheathing (with appropriate nailing patterns). Therefore, replacement of all roofs will likely be necessary a bit premature to the end of the serviceable life of the 3 separate roof surfaces.

Pitched Roof Surfaces

The pitched roofs of these buildings are clad with “three-tab” asphalt composition roof surfaces. This roof surface has a typical total lifespan of 18 years, and this roof surface appears to have 3 to 5 years of remaining life. However, as mentioned above, the structural enhancement of plywood installation would require replacement of this roof surface in 2025. We recommend and have budgeted for the installation of a 30-year architectural composition fiberglass shingle product. There is an increase in cost to install the better product, but the same cost of installation. The increase in overall value is so apparent that we have just assumed that this is what will be done and have budgeted accordingly.

Low-Slope Roof Surfaces with Modified-Bitumen Roof Surfaces

As mentioned above, the areas of roofing with modified-bitumen built-up roof surfacing have 3 to 5 years of remaining life; however, the structural enhancement of plywood installation would require replacement of this roof surface in 2025. Even if this roof was kept in place for 3 to 5 years, it would likely require additional leak mitigation in the areas where sealant has already been put in place, as this is the nature of extending the life of this type of roof surface in the last few years of a roofs lifespan.

We have assumed that this roof will be resurfaced with a similar modified-bitumen built-up roof surfacing and we have budgeted accordingly below. However, it is possible to obtain a longer lifespan by installing a single-ply product such as 60-mil PVC, which would increase the immediate cost, but would likely lower the cost per year of life and provide better overall value.

Low-Slope Roof Surfaces with Single-Ply TPO Roof Surfaces

Based on historical aerial photographs, the TPO roof surface above portions of the museum were installed in 2009. This type of roof surface has a typical lifespan of 20-25 years, projecting to typical replacement between 2029 and 2034. However, as mentioned above, the structural enhancement of plywood installation would require replacement of this roof surface in 2025. It is possible that plywood was installed in this area prior to this roof surface being installed in 2009; however, this would have to be confirmed with destructive testing.

We have assumed that this roof will be resurfaced with a similar single-ply TPO roof surfacing and we have budgeted accordingly below. However, it is possible to obtain a longer lifespan by installing a single-ply product such as 60-mil PVC, which would increase the immediate cost, but would likely lower the cost per year of life and provide better overall value.

Gutters and Downspouts

We were at this property while it was raining, and it was apparent all around this property that the gutters were failing in numerous areas. Therefore, we recommend that all gutters and downspouts be replaced in 2025. Going forward, we assume gutters and downspouts will have a similar 30-year lifespan to the new pitched roofs.



Modified Bitumen Torch-Applied Roof Surfacing on Low-Slope Areas of the Roof



Modified Bitumen Torch-Applied Roof Surfacing on Low-Slope Areas of the Roof



Modified Bitumen Torch-Applied Roof Surfacing on Low-Slope Areas of the Roof



Improperly Capped Roof Opening



Modified Bitumen Torch-Applied Roof Surfacing on Low-Slope Areas of the Roof



Modified Bitumen Torch-Applied Roof Surfacing on Low-Slope Areas of the Roof



Flat Roof of the Theater Surfaced with PVC Roof Surfacing



Flat Roof of the Theater Surfaced with PVC Roof Surfacing



Pitched Roof of Building



Pitched Roof of Building



Pitched Roof of Building



Pitched Roof of Building



Former Patches on Areas of Leakage



Leaking Gutter at the NE Corner, Typical of Many Areas

3.5 EXTERIOR

The exteriors of these buildings are primarily clad with brick masonry; however, there are also areas of wood siding, and a significant amount of wood trim. The windows of these buildings are primarily aluminum-frame windows.

Brick Masonry

The brick masonry on the exteriors of these buildings is in need of maintenance. The majority of the mortar in the masonry does not need tuck-pointing and should not need tuck-pointing over the next 20 years. However, there are numerous areas of cracking in the mortar, missing mortar, and areas of eroded mortar where there are adjacent water leaks. Additional areas of masonry repairs will be revealed once the buildings are thoroughly cleaned. We have budgeted for approximately 5% tuck-pointing along with overall masonry maintenance. We recommend the following steps in 2025 and every 10 years thereafter:

- Clean the entire exteriors of all buildings with a fungicide and a low-pressure soapy wash and rinse
- Spot tuck-point all areas of masonry with soft, deteriorated, or missing mortar (assume 5%)
- Clean and seal all areas of masonry with a siloxane water based eco-friendly masonry sealant

Siding and Trim Replacement

The trim on the exterior of this building is wood. Additionally, there are areas of wood lap siding on these buildings. Due to the historical nature and designation of these buildings, we assume that all replacement of siding and trim will also be with wood siding and trim.

There is a significant amount of rot repairs in the trim around these buildings, particularly at the window sills. Therefore, following cleaning of all exteriors (which will reveal more damage), replacement of all rotten wood trim and siding will be necessary in 2025.

Exterior Re-Painting and Re-Caulking

Following replacement of all damaged trim and siding in 2025, all exterior wood should be painted with two coats of wood. All bare wood (new and original where paint is removed) should be primed prior to painting.

Typically, we recommend that owners should clean, caulk, and repaint this type of exterior siding and trim every 7 to 10 years, depending on how the caulk and paint is holding up. We recommend repainting to be performed every 8 years. Often, the painting schedule is dictated by the south and west sides of the buildings, as that is typically hit by weather hardest in our area. Prior to repainting, the exteriors should be properly prepared for painting by scraping all loose paint off and spot replacing areas of siding and trim where necessary.

Windows

The majority of the windows on these buildings are old aluminum-frame windows, many of which are single-pane windows. The primary function of a window is to exclude moisture entry, which does appear to be occurring. Therefore, the windows on this property do not have to be replaced at this time (or within the next 20 years); however, it would make sense as part of an overall redevelopment project. Therefore, we recommend that the City of Lakewood at least consider the replacement of all windows with new aluminum-frame tempered store front windows on these buildings to enhance energy efficiency, modernize the aesthetic, and improve moisture exclusion. If this is desired, an actual bid (or bids) for window replacement should be obtained to allow for a proper market decision.



North Side of the Buildings



North Side of the Theater



North Side of the Buildings



Apartment Entrance at the North Side



Typical Trim in Need of Paint



Typical Trim in Need of Paint



East Side of the Buildings



Typical Masonry



South Side of the Buildings



South Side of the Buildings



West Side of the Buildings



West Side of the Buildings



North Drive Through



South Drive Through



Interior Courtyard Facing Walls



Interior Courtyard Facing Walls



Interior Courtyard Facing Walls



Interior Courtyard Facing Walls



Interior Courtyard Facing Walls



T1-11 Plywood Siding is Poor on Theater



Lap Siding



Brick Signage

3.6 ELECTRICAL SYSTEMS

Our investigation of the electrical system is limited to the visible components, entrance cable, meter, service panel, outlets and the visible portions of the wiring. A large portion of the electrical system is hidden.

The main electrical service comes to this property underground. No excavation between the building and the street should be done unless the electric utility has marked the incoming power line.

The power coming into the main electrical switchgear in the Theater basement is listed at 600 amperes, 120/208 V. The power coming into south switchgear is also listed at 600 amperes, 120/208 V, 3-phase, 4-wire. There are multiple electrical service panels located in this building.

The main switchgear and all major electrical equipment located in the basement of the building appear to be original from 1937 and include the original main switches and fuse box panels. The south switchgear appears to be of 1980's vintage, likely installed in either the 1985 or 1987 renovation of this property, making this "newer" equipment 40 years old. We recommend that the entire electrical system, including all distribution wiring, be upgraded to modern electrical standards per NEC (NFPA 70). Approximately 40% of electrical supply replacement project cost is estimated to be in the Theater Building.

Almost all of the lighting in and around these buildings was either incandescent lighting or hanging fluorescent lighting. We recommend that all lighting in these buildings be upgraded to modern LED lighting as part of any renovation.



Older Switchgear in Theater Basement



Main Breakers in Theater Basement



Fuse Boxes in Theater Basement



Main Disconnects on Theater Switchgear



South Switchgear



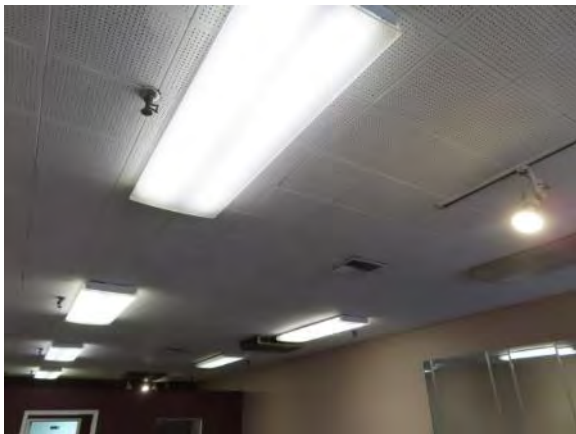
Older Panels and Meters



Older Style Electrical Service Panel



Newer Electrical Service Panels



Typical Hanging Fluorescent Lights



Typical Hanging Fluorescent Light

3.7 PLUMBING SYSTEMS

The buildings are served by municipal water, with the main water shut-off valve located in a sidewalk hatch at the east side of the property. The supply piping on this property is a combination of galvanized iron or copper supply piping. The waste piping in these buildings is primarily cast iron; however, there were localized areas of ABS waste piping.

We tested a sampling of the plumbing fixtures on this property. All accessible areas that had the water turned on were tested. The basement areas and some of the vacant areas had the water shut off and were not tested.

In addition to the galvanized iron supply piping that appears to be original from 1937 (88 years old), the “new” supply piping in these buildings was likely installed in either 1985 or 1987, when these buildings were substantially renovated 40 years ago. This copper supply piping may or may not have had lead solder, which was not banned until 1986. Therefore, we recommend that all supply piping and all waste piping be replaced as part of any significant renovation of this property. The entire plumbing system should be modernized to modern plumbing standards (NSPC). Approximately 25% of plumbing supply replacement project cost is estimated to be in the Theater Building.

Domestic hot water in these buildings is provided by a series of smaller 50- and 75-gallon water heaters. Replacement of these localized water heaters should be performed every 12 years. We do not know how many water heaters are on this property, nor are we sure how many of these water heaters are the responsibility of the landlord to replace, as often water heaters are the responsibility of the tenant to be replaced (such as when tenants are on a triple net lease). Almost all water heaters that we observed were over 12 years old. Therefore, we have estimated that there are 20 water heaters on this property (to be verified and corrected) and all should be replaced in 2025 and every 12 years thereafter. We assume that the 75-gallon water heater can be replaced with two 50-gallon water heaters, which is more economical.



Main Water Shut off at the East Side of the Building



Abandoned Sump Pump in Basement of Theater



Mix of Galvanized Iron Supply Piping and Copper Supply Piping



Typical Cast Iron Waste Piping



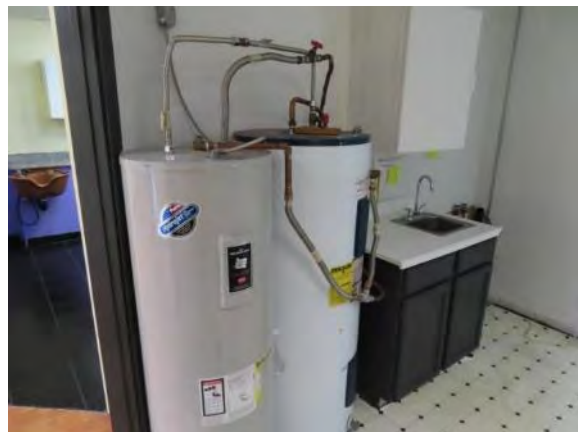
Typical Copper Supply Piping

Typical Galvanized Iron Supply Piping



Old 50-Gallon Water Heater in Maintenance Office

A.O. Smith 75-Gallon Boiler for Common Restrooms
Manufactured in 2002



50-Gallon Water Heater in Utility Room Manufactured in 2011

Water Heater and Storage Tank in Vacant Beauty Salon



Water Tested in All Restrooms Currently in Use



All Basement Bathrooms and Vacant Bathrooms Had Water Shut Off

3.8 HVAC SYSTEMS

There is a significant number of HVAC units at this property (listed in Table 3.1A and Table 3.20). The majority of this equipment has exceeded its typical useful life of 15 to 18 years.

For budgetary purposes only, we recommend budgeting approximately \$5,000 per ton (plus WSST) of HVAC and replacing all equipment listed in Table 3.1A and Table 3.20 at the same time in order to maximize the crane rental and permitting costs.

We estimate that there is \$506,000 of HVAC replacement that is necessary in 2025 or within the next 2 years at a minimum. Over the next 20 years, we estimate that there is a total of \$1,645,272 in HVAC replacement expenses that will be necessary. This 20-year total includes repeated costs of equipment to be replaced immediately in 2025 with less than a 20-year total life.

The HVAC equipment is maintained by MCS. We were provided with an equipment list and a budgetary estimate for replacement prepared by MCS. We spoke with Rob Davidson and Travis Hull of MCS about obtaining a cost estimate to replace almost all of the HVAC equipment at this property, with some notable exceptions listed in Table 3.1A and Table 3.20. This cost estimate was forwarded on to the client in addition to this report from MCS. The cost estimates from MCS were consistent with our gross estimates of \$5,000 per ton of HVAC (plus WSST).

If the Theater is redeveloped, we assume that a completely new HVAC design will be implemented. We assume that the Theater building would need approximately 40 tons of HVAC at an approximate cost of \$5,000 per ton, plus WSST for a total cost of \$220,000.



One of Two Air Handlers in Theater



One of Two Air Handlers in Theater



Typical Electric Wall Heater



Typical Electric Wall Heater



Abandoned Hydronic Heater



Trane Furnace in Theater Attic



Trane Furnace in Theater Attic



Bizarre Ventilation Apparatus in Dentist Office Shower



Trane Split-System Heat Pump Air Handler for Unit 9514D



Trane 3.5-Ton Split-System Heat Pump Manufactured in 2008



Daikin Mini-Split Heat Pump



Two Trane 5-Ton Heat Pumps Manufactured in 1992



Old Carrier HVAC Unit (Assumed 3-Tons)



Trane 5-Ton Roof Top Single-Package HVAC Unit, No Age Listed but Old



Carrier 3-Ton Single-Packaged Heat Pump Manufactured in 2015



Old Mini-Split Heat Pump



Lennox 7.5-Ton Roof Top HVAC Unit (No Age Listed, but Old)



Carrier 5-Ton Heat Pump (No Age Listed, but Old)



Restaurant Owned Exhaust Fans



Make-up Air Unit



Trane 5-Ton Heat Pump (No Age Listed, but Old)



Carrier 2-Ton Single-Packaged Heat Pump Manufactured in 2016



Thermal Zone 3.5-Ton HVAC Unit Manufactured in 2015



Carrier 5-Ton HVAC Unit (No Age Listed, but Old)



Old Swamp Cooler



Abandoned Refrigeration Equipment



Trane 2.5-Ton Single-Packaged HVAC Unit Manufactured in 2022



Trane 3-Ton Heat Pump Manufactured in 2014



Trane 3.5-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 7.5-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 3-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 3-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 5-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 5-Ton Single-Package HVAC Unit Manufactured in 2000



Trane 3-Ton Single-Package HVAC Unit Manufactured in 2000



Carrier 5-Ton Heat Pump (No Age Listed, but Old)



Trane 3-Ton Heat Pump Manufactured in 2014



Trane 3-Ton Single-Package HVAC Unit Manufactured in 1998



Old Swamp Cooler

3.9 ELEVATORS

There are no elevators on this property. Future uses of this property may require the installation of an elevator to meet ADA requirements. This will only be determined once a redevelopment plan is prepared. At this point, we have not budgeted for the installation of an elevator, as it is not clear that this will be required.

3.10 FIRE DETECTION AND SUPPRESSION

Sections of this property have a central fire alarm system. The fire alarm system includes smoke and heat detectors, audio-video annunciators (combination strobe and speaker), and links to the fire sprinkler flow meters. As part of any redevelopment plan, the fire detection system will need to be installed throughout the entire property and brought up to modern standards (NFPA). We have therefore budgeted for this installation in 2025.

This building is served by a wet fire suppression system, meaning that it utilizes only water for fire suppression. This system is currently monitored and tested via Red Hawk Fire Protection, which is typically paid for via the general operating budget.

We understand that there was a flood event in the theater from the fire sprinklers in 2023. Per Keba Niles, the current maintenance supervisor with Bonavista Property Management, this issue was fully mitigated. Also, following the 2023 yellow tag from the former fire suppression vendor (AAA Fire Protection), there were white tags stating that there are no deficiencies from the current fire suppression vendor (Red Hawk Fire Protection).

Additional adjustments may be necessary with system based on the future use of this property; however, at this time, we do not anticipate any capital needs expenditures associated with the fire suppression system within the 12-year duration of this study.



Fire Alarm Control Panel



Fire Alarm Control Panel Maintained by Washington Alarm



Old Yellow Tag Following Theater Sprinkler Failure



Subsequent Tag on Theater Suppression System with "No Deficiencies" Listed



Theater Fire Suppression Manifold



Typical Fire Sprinkler in Theater Attic



North Fire Suppression Manifold



Dry System Compressor Adjacent the Dry System Manifold

3.11 INTERIOR FINISHES

In any property, there are interior defects that are technically insignificant. We believe that the owners are the best judge of their threshold for technically insignificant interior defects. Therefore, we do not comment regarding minor, technically insignificant interior defects.

Theater and Adjacent Areas

The theater and adjacent areas will need to be completely renovated in order to bring these areas into working condition and meet modern building codes including modern ADA standards. In addition to the theater, terrace and stage, these areas include the theater foyer, the terrace bar, the terrace foyer, the theater kitchens (X2).

The theater itself will need a completely new hardwood floor and all new theater seats. The theater is 2,700 square feet, the stage is 950 square feet, and the balcony is 1,220 square feet. We have specifically budgeted for the replacement of the hardwood floors in these areas. Additionally, we have budgeted for the replacement of all 516 theater seats, though we certainly recognize that the configuration of the seats will likely change.

Additionally, we have budgeted for general renovation of the theater and the adjacent areas listed above. We do not have a specific renovation plan for the future of these areas; therefore, we have merely budgeted for a relatively high-quality renovation of these areas at \$250 per square foot.

Basement

The basement of the theater area includes the York Room, banquet lounge, basement kitchen, and storage and utility rooms. Many areas of this basement are unfinished and will likely remain unfinished. We have included the square footage of the York room, the banquet lounge, and the basement kitchen in the general renovation square footage calculation, at \$250 per square foot.

Apartment

The apartment above the main entrance to the theater is in poor condition and will need to be fully renovated in order to bring this unit up to market condition. We estimate that a complete renovation of the apartment will cost approximately \$24,000 initially. Future renovations should be much lower.

Retail Spaces

We were able to inspect only a sampling of the vacant spaces on this property. We observed staining from old leaks, but no significant damage in any of these spaces that would require additional costs beyond typical tenant improvements. The various tenant spaces vary based on the needs of each individual tenant. The interiors of most of these spaces are furnished typical for this type of usage with a variety of flooring materials, with painted drywall and a combination of wood and vinyl baseboard on the walls. The ceilings of almost all retail spaces are acoustic ceiling tiles.

The costs of future tenant improvements in the retail spaces are typically either paid for via the tenants or negotiated as part of a lease agreement; however, we have provided a budgetary cost to renovate all retail spaces at once in 2025 if the City of Lakewood was able to break all current leases. This is merely for information only. The cost of typical tenant improvements is between \$50-100 per square foot, so we have used \$75 per square foot as a midpoint.



Main Theater



Main Theater



Balcony in Theater



Balcony in Theater



Close-up of Seats



Lights in Theater



Theater Stage



Theater Stage



Basement Kitchen



Basement Storage Area



Theater Kitchen



Banquet Lounge



York Room



Theater Foyer



Apartment



Apartment



Damage to Apartment Floor



Apartment Kitchen



Unit 6211



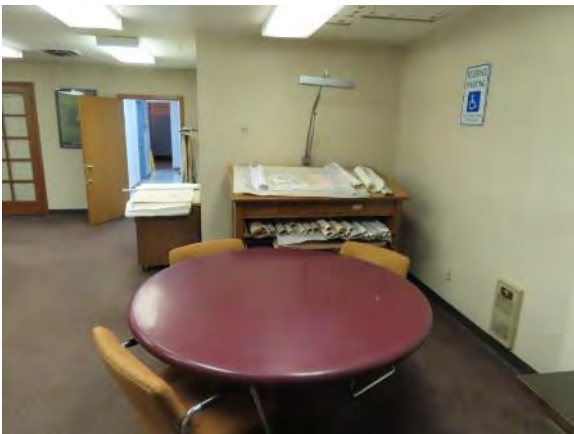
Unit 6211 Restroom



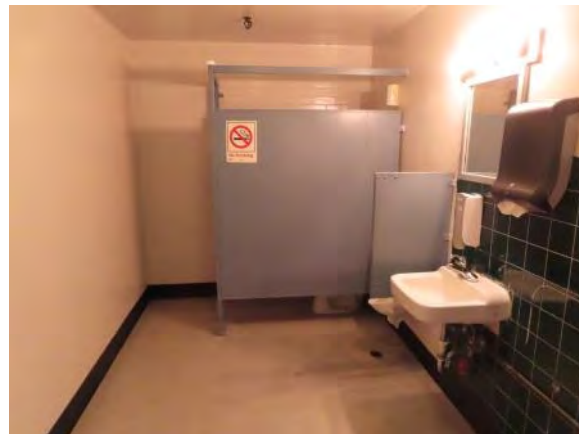
Unit 6209



Unit 6209 Typical Restroom



Contractor Office



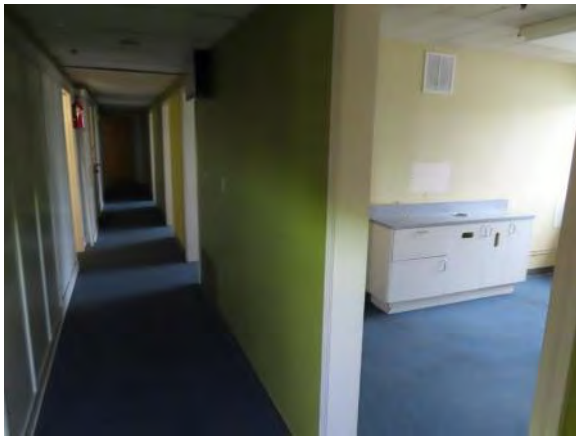
Contractor Office Typical Restroom



Unit 6126



Unit 6122



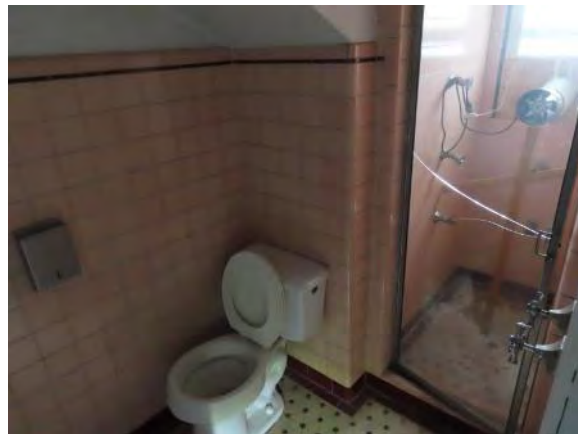
Second Floor Dentist Office



Second Floor Dentist Office



Second Floor Dentist Office Kitchenette



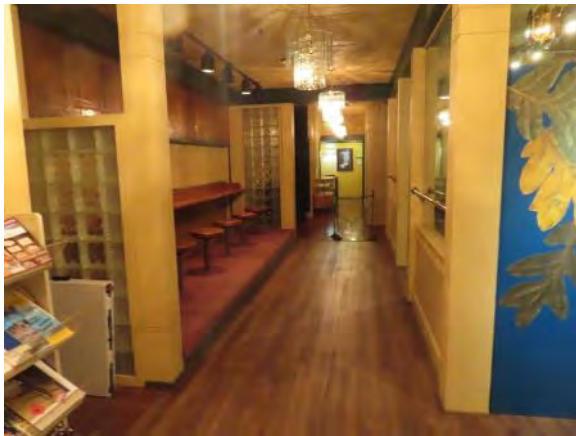
Second Floor Dentist Office Restroom



Museum



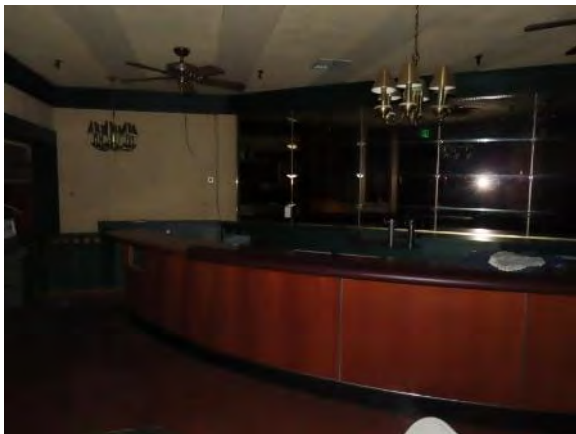
Museum



Museum



Museum Projector Room



Museum Bar



Abandoned Restaurant



Abandoned Restaurant Bar



Unit 9514D

3.12 MISCELLANEOUS

Surveillance System

There is a surveillance system in many areas of the exteriors of this property. This system is extensive; therefore, new ownership should budget for periodic upgrades to the system and replacement/addition of cameras.



Typical Surveillance Camera



Typical Surveillance Cameras

Rodent Infestation

The theater, the museum, the basement below the theater, the apartment, the attic areas, and several of the vacant spaces had significant evidence of rodents. The theater and basement were particularly infested with rodents, as numerous dead rodents were present in these areas. We recommend that an exterminator be hired to eliminate all points of entry and remove all rodents on the interior of the property. Additionally, rodent control traps should be placed around the exterior of the building in the interior courtyard areas.



Rodent Traps, Rodents, and Droppings Present Throughout Unoccupied Spaces and in Some Occupied Spaces

Abandoned Equipment Removal

There is a significant amount of abandoned equipment on this property, particularly in the basement and attic of the theater. Removal of this equipment will certainly involve some mitigation of lead paint and likely will involve some asbestos mitigation. We recommend obtaining a Phase 1 Environmental Study to identify all areas of lead paint, asbestos, and other environmental hazards. Then, we recommend obtaining a quote to remove all abandoned equipment, which will certainly need to be cut in to pieces prior to removal.



Abandoned Boiler



Abandoned Water Tanks for Fire Suppression System



Abandoned Compressor



Abandoned HVAC Unit in Theater Attic



Abandoned HVAC Unit in Theater Attic



Abandoned Kitchen Equipment

3.13 AMENITIES

There are no amenities on this property that are not accounted for in other sections of this report.

3.20 SUMMARY OF ANNUAL ANTICIPATED EXPENSES

Using the conclusions described throughout “Section 3.0 Physical Analysis”, the following Table 3.20 lists the annual anticipated capital expenses for each capital needs item in the year that we believe is most probable. All of these anticipated expenses already have inflation factored into them at the assumed level that is listed in “Section 4.3 Assumptions for Future Interest Rate and Inflation.”

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
3.2	SITE													
	Asphalt overlay											\$253,028		
	Asphalt repairs prior to resealing and overlay	\$11,888					\$13,781					\$15,976		
	Asphalt seal coating and restriping	\$18,345					\$21,267					\$24,654		
	Storm system clean out allotment	\$5,960					\$6,909					\$8,010		
	Concrete flatwork and curbing repair allotment	\$12,000					\$13,911					\$16,127		
	Landscaping and irrigation system allotment						\$11,593					\$13,439		
3.3	STRUCTURE													
	Seismic upgrades to many walls of the buildings including the installation of hold downs and plywood on numerous walls	\$217,500												
	Install plywood on all areas of the roofs prior to roof resurfacing	\$193,500					\$224,320					\$260,048		
3.4	ROOFING													
	Resurface pitched roofs	\$263,900												
	Replace gutters and downspouts	\$42,255												
	Resurface low-slope roofs with modified-bitumen roofing	\$348,800												
	Resurface low-slope roofs with TPO	\$48,100												
3.5	EXTERIOR													
	Clean the entire exteriors of these buildings with a fungicide and a low-pressure soapy wash and rinse	\$50,700								\$64,225				
	Masonry repairs (assume 5%) and sealing of masonry with a siloxane masonry sealant	\$207,113								\$262,364				
	Significant siding and trim repairs	\$140,000												
	Paint exterior wood siding and trim	\$86,000								\$108,942				
	Replace all caulking at all transitions	\$58,000								\$73,473				
3.6	ELECTRICAL SYSTEMS													
	Complete electrical system replacement*	\$400,000												
	Lighting upgrade throughout property to LED*	\$120,000												
3.7	PLUMBING SYSTEMS													
	Replace supply piping and waste piping throughout property**	\$250,000												
	Replace domestic water heaters throughout the property (estimated to be 20 water heaters)	\$32,000												\$45,624

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
3.8	HVAC SYSTEMS													
	Replace old swamp coolers with 5-ton HVAC units	\$55,000												
	Replace theater air handlers													
	Replace gas furnaces											\$36,286		
	Replace make-up air unit above Indian restaurant						\$30,141							
	Replace mini-split heat pumps						\$19,708							
	Replace Carrier 2-ton single-package HVAC unit manufactured in 2016										\$14,353			
	Replace old Carrier 3-ton HVAC unit													
	Replace Carrier 3.5-ton split system heat pump manufactured in 2008	\$16,500												
	Replace Carrier 5-ton single-package HVAC unit manufactured in 2015					\$37,142								
	Replace old Carrier 5-ton HVAC units	\$49,500												
	Replace Thermal Zone 3.5-ton HVAC unit manufactured in 2015	\$16,500												
	Replace Trane 2.5-ton single-package HVAC unit manufactured in 2022	\$19,250												
	Replace Trane 3-ton heat pumps manufactured in 2014									\$24,385				
	Replace Trane 3-ton single-package HVAC units manufactured in 2000	\$19,250												
	Replace Trane 3.5-ton single-package HVAC unit manufactured in 2000									\$34,836				
	Replace Trane 3-ton single-package HVAC units manufactured in 1998	\$82,500												
	Replace Trane 5-ton single-package HVAC units manufactured in 2000	\$55,000												
	Replace Trane 5-ton heat pumps manufactured in 1992	\$82,500												
	Replace old Trane 5-ton single-package HVAC unit	\$27,500												
	Replace Trane 7.5-ton single-package HVAC unit manufactured in 2000	\$41,250												
	Replace Lennox 7.5-ton HVAC unit	\$41,250												

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
3.9	ELEVATORS													
	<i>There are no elevators on this property</i>													
3.10	FIRE DETECTION & SUPPRESSION													
	Install a modern fire detection system throughout the property per current NFPA standards	\$150,000												
3.11	INTERIOR FINISHES													
	<i>Theater Building</i>													
	Replace the hardwood floor in the theater, stage, and balcony	\$158,275												
	Refinish the hardwood floor in theater, stage, and balcony											\$52,359		
	Replace the theater seats	\$412,800												
	General renovation of the interiors of the theater, balcony, and stage	\$1,217,500												
	General renovation of the interiors of the terrace, the theater foyer, the terrace bar, the terrace foyer, the theater kitchens, the York room, and the basement lounge	\$2,490,000												
	<i>All Other Buildings</i>													
	Initial renovation of the apartment to bring this unit to market condition	\$24,000												
	Future apartment renovations						\$6,956					\$8,063		
	Tenant improvements of all retail spaces at once in 2025***	\$5,344,650												
3.12	MISCELLANEOUS													
	Surveillance system upgrade, replacement, and enhancement								\$49,195					
	Hire an exterminator to address rodent infestation	\$80,000												
	Obtain a Phase 1 Environmental Study to identify areas of lead paint and asbestos prior to renovations and abandoned equipment removal	\$12,000												
	Remove all abandoned equipment	\$160,000												
3.13	AMENITIES													
	<i>No amenities not mentioned in other areas of this table</i>													
ANNUAL EXPENSES BY YEAR		\$13,061,285	\$0	\$0	\$0	\$37,142	\$348,585	\$0	\$49,195	\$568,226	\$14,353	\$687,990	\$0	\$45,624

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2038	2039	2040	2041	2042	2043	2044	2045	Totals	Category Totals
3.2	SITE										\$642,654
	Asphalt overlay									\$253,028	
	Asphalt repairs prior to resealing and overlay			\$18,521					\$21,471	\$81,638	
	Asphalt seal coating and restriping			\$28,581					\$33,133	\$125,979	
	Storm system clean out allotment			\$9,285					\$10,764	\$40,929	
	Concrete flatwork and curbing repair allotment			\$18,696					\$21,673	\$82,407	
	Landscaping and irrigation system allotment			\$15,580					\$18,061	\$58,673	
3.3	STRUCTURE										\$1,546,317
	Seismic upgrades to many walls of the buildings including the installation of hold downs and plywood on numerous walls									\$217,500	
	Install plywood on all areas of the roofs prior to roof resurfacing			\$301,467					\$349,483	\$1,328,817	
3.4	ROOFING										\$1,296,864
	Resurface pitched roofs									\$263,900	
	Replace gutters and downspouts									\$42,255	
	Resurface low-slope roofs with modified-bitumen roofing						\$593,809			\$942,609	
	Resurface low-slope roofs with TPO									\$48,100	
3.5	EXTERIOR										\$1,695,608
	Clean the entire exteriors of these buildings with a fungicide and a low-pressure soapy wash and rinse				\$81,359					\$196,284	
	Masonry repairs (assume 5%) and sealing of masonry with a siloxane masonry sealant				\$332,355					\$801,831	
	Significant siding and trim repairs									\$140,000	
	Paint exterior wood siding and trim				\$138,005					\$332,947	
	Replace all caulking at all transitions				\$93,073					\$224,546	
3.6	ELECTRICAL SYSTEMS										\$520,000
	Complete electrical system replacement*									\$400,000	
	Lighting upgrade throughout property to LED*									\$120,000	
3.7	PLUMBING SYSTEMS										\$327,624
	Replace supply piping and waste piping throughout property**									\$250,000	
	Replace domestic water heaters throughout the property (estimated to be 20 water heaters)									\$77,624	

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2038	2039	2040	2041	2042	2043	2044	2045	Totals	Category Totals
3.8	HVAC SYSTEMS										\$1,645,272
	Replace old swamp coolers with 5-ton HVAC units						\$93,634			\$148,634	
	Replace theater air handlers									\$0	
	Replace gas furnaces									\$36,286	
	Replace make-up air unit above Indian restaurant									\$30,141	
	Replace mini-split heat pumps								\$30,704	\$50,412	
	Replace Carrier 2-ton single-package HVAC unit manufactured in 2016									\$14,353	
	Replace old Carrier 3-ton HVAC unit			\$21,422						\$21,422	
	Replace Carrier 3.5-ton split system heat pump manufactured in 2008			\$25,706						\$42,206	
	Replace Carrier 5-ton single-package HVAC unit manufactured in 2015							\$57,866		\$95,007	
	Replace old Carrier 5-ton HVAC units						\$84,270			\$133,770	
	Replace Thermal Zone 3.5-ton HVAC unit manufactured in 2015						\$28,090			\$44,590	
	Replace Trane 2.5-ton single-package HVAC unit manufactured in 2022			\$29,991						\$49,241	
	Replace Trane 3-ton heat pumps manufactured in 2014									\$24,385	
	Replace Trane 3-ton single-package HVAC units manufactured in 2000						\$32,772			\$52,022	
	Replace Trane 3.5-ton single-package HVAC unit manufactured in 2000									\$34,836	
	Replace Trane 3-ton single-package HVAC units manufactured in 1998			\$128,532						\$211,032	
	Replace Trane 5-ton single-package HVAC units manufactured in 2000						\$93,634			\$148,634	
	Replace Trane 5-ton heat pumps manufactured in 1992			\$128,532						\$211,032	
	Replace old Trane 5-ton single-package HVAC unit						\$46,817			\$74,317	
	Replace Trane 7.5-ton single-package HVAC unit manufactured in 2000						\$70,225			\$111,475	
	Replace Lennox 7.5-ton HVAC unit						\$70,225			\$111,475	

PROPERTY CONDITION ASSESSMENT FOR LAKEWOOD COLONIAL CENTER THEATER

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2038	2039	2040	2041	2042	2043	2044	2045	Totals	Category Totals
3.9	ELEVATORS										\$0
	<i>There are no elevators on this property</i>									\$0	
3.10	FIRE DETECTION & SUPPRESSION										\$150,000
	Install a modern fire detection system throughout the property per current NFPA standards									\$150,000	
3.11	INTERIOR FINISHES										\$10,550,716
	<i>Theater Building</i>										
	Replace the hardwood floor in the theater, stage, and balcony									\$158,275	
	Refinish the hardwood floor in theater, stage, and balcony								\$70,366	\$122,725	
	Replace the theater seats								\$745,563	\$1,158,363	
	General renovation of the interiors of the theater, balcony, and stage									\$1,217,500	
	General renovation of the interiors of the terrace, the theater foyer, the terrace bar, the terrace foyer, the theater kitchens, the York room, and the basement lounge									\$2,490,000	
	<i>All Other Buildings</i>										
	Initial renovation of the apartment to bring this unit to market condition									\$24,000	
	Future apartment renovations			\$9,348					\$10,837	\$35,204	
	Tenant improvements of all retail spaces at once in 2025***									\$5,344,650	
3.12	MISCELLANEOUS										\$361,699
	Surveillance system upgrade, replacement, and enhancement		\$60,504							\$109,699	
	Hire an exterminator to address rodent infestation									\$80,000	
	Obtain a Phase 1 Environmental Study to identify areas of lead paint and asbestos prior to renovations and abandoned equipment removal									\$12,000	
	Remove all abandoned equipment									\$160,000	
3.13	AMENITIES										\$0
	<i>No amenities not mentioned in other areas of this table</i>									\$0	
ANNUAL EXPENSES BY YEAR		\$0	\$60,504	\$735,661	\$644,791	\$0	\$1,113,476	\$57,866	\$1,312,055	\$18,736,752	\$18,736,752

4.0 LIMITATIONS

This report has been prepared for the exclusive use of the City of Lakewood. We do not intend for any other party to rely on this report without our expressed written consent. If another individual or party relies on this study, they shall indemnify and hold Jeff Samdal & Associates harmless for any damages, losses, or expenses they incur as a result of its use.

This Property Condition Assessment is a reflection of the information provided to us. This report has been prepared for the City of Lakewood's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records. Our inspection report is not an exhaustive technical inspection of the property. During a typical inspection, no invasive inspection is performed, no furnishings are moved, and no finishes are removed.

This report is a snap shot in time of the condition of the property at the time of inspection. The remaining life values that we list are based on our opinion of the remaining useful life and are by no means a guarantee. Our opinions are based on what we believe one could reasonably expect and are not based on worst case scenarios. These opinions are based upon our experience with other buildings of similar age and construction type. Opinions will vary and you may encounter contractors and/or consultants with differing opinions from ours. Ratings of various building components are most often determined by comparison to other buildings of similar age and construction type. The quality of materials originally impacts our judgment of their current state.

The life expectancy estimates that we prepare are based on National Association of Home Builders (NAHB) averages, Building Owners and Managers (BOMA) averages, product defined expected life averages, and our own assessment of typical life expectancy based on our experience with similar components in our area.

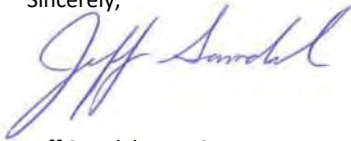
This report will tell you a great deal about the overall condition of this property. However, this report does not constitute a warranty, an insurance policy, or a guarantee of any kind. Owning any property involves some risk and while we can give an excellent overview of the property, we cannot inspect what we cannot see. Our inspection and report do not include building code compliance or municipal regulatory compliance. Nor do they include mold investigations, hazardous materials investigations, or indoor air quality analysis. The purpose of this report is not intended to be a statement of insurability of this property as insurance companies have particular standards for insurability of certain building types and certain building materials.

While we may comment that certain components have been recalled that we are aware of, we are not aware of all recalls. It is beyond the scope of this inspection to determine all systems or components that are currently or will be part of any recall in the future. You may wish to subscribe or contact the CPSC (Consumer Product Safety Commission) web site for recall information regarding any system or component. If a problem is encountered on your property, we cannot be responsible for any corrective action that you take, unless we have the opportunity to review the conditions before repairs are made.

Please ensure that you have read and understand our proposal to perform this Property Condition Assessment that was signed prior to our inspection. If you have any questions regarding this document, please contact us. We appreciate the opportunity to be of assistance and we hope that we have provided you with a clear understanding of your financial situation and given you a better overall understanding of the property. This report supersedes any opinion or discussion that occurred during the inspection and should be considered our complete opinion of the condition of this property.

Please contact us if you have any questions regarding this report. We will be happy to be of assistance.

Sincerely,



Jeff Samdal, PE, RS, PRA

APPENDIX

Resume of Engineer Performing Study

Jeff Samdal, P.E., Principal

Professional Qualifications and Experience

Areas of Expertise

Mr. Samdal is the owner of Samdal & Associates, Inc., a corporation that specializes in building inspections, engineering, project management, and related services. He is a double-licensed Professional Engineer (Mechanical and Civil) in Washington State. He is also an accredited Building Inspection Engineer (BIE) and Reserve Specialist (RS), and Professional Reserve Analyst (PRA). He has performed thousands of building inspections as well as numerous additional services such as building envelope investigations, construction management, and general consulting for property owners pertaining to building maintenance and long-term budgeting. Mr. Samdal consistently earns repeat and referral business because of his attention to detail, practical approach, knowledge of the industry, and genuine appreciation for clients' concerns for their real estate investments.

Capabilities

Mr. Samdal is experienced at performing residential (single- and multi-family), commercial, and industrial inspections in Washington State and beyond. Mr. Samdal's experience includes the following:

- Property Condition Assessments (PCAs)
- Capital Needs Assessments (CNAs)
- Reserve Studies for Condominiums and Homeowner's Association
- Building Envelope Studies

Relevant Work History

Mr. Samdal has been owner and operator of Samdal & Associates since 2005, performing or managing all aspects of this business. Additionally, Mr. Samdal has been the co-owner and president of True North Construction Management since 2017, which is informative in obtaining current construction costs and keeping up to date with modern construction methods and construction products.

Prior to concentrating on building inspections, Mr. Samdal worked for Washington Group International's (WGI) Hydropower and Water Resources Group. While working for WGI, Mr. Samdal was involved in rebuilding and rehabilitating hydro facilities. He served as the on-site powerhouse and switchyard inspector during construction. His duties included design, drawing and specification preparation, cost estimating, scheduling, and construction management. Prior to working for WGI, Mr. Samdal worked for Duke Energy in a similar role.

Education

BS in Mechanical Engineering, University of Washington

Licenses and Certifications

- *Licensed Professional Engineer (PE)*, Mechanical Engineering, State of Washington, #40985
- *Licensed Professional Engineer (PE)*, Civil Engineering, State of Washington, #40985
- *Reserve Specialist (RS)*, Community Associations Institute (CAI), #173
- *Professional Reserve Analyst (PRA)*, Association of Professional Reserve Analysts
- *Building Inspection Engineer (BIE)*, National Association of Building Inspection Engineers
- *Structural Pest Inspector*, State of Washington, #70763

Professional Affiliation

American Society of Mechanical Engineers, 2002 – present

Community Involvement

Mr. Samdal lives in Woodinville with his wife and 2 children and has been involved with many of their activities as a Little League coach, a scout leader, a personal fitness coach, among other activities.

Appendix B: Inspirational Images

Kenmore Hanger – 4,600 SF



Richland Community Center 22,000 SF



Richland Community Center 22,000 SF



Richland Community Center 22,000 SF



Auburn Community & Youth Center 22,000 SF



Auburn Community & Youth Center 22,000 SF



Auburn Community & Youth Center 22,000 SF



Rosehill Community Center (Mukilteo) 30,000 SF



Rosehill Community Center (Mukilteo) 30,000 SF



Rosehill Community Center (Mukilteo) 30,000 SF



Eastside Community & Aquatic Center (Tacoma) 55,000 SF



Eastside Community & Aquatic Center (Tacoma) 55,000 SF



Rainier Beach Community Center (Seattle) 48,000 SF



Eastside Community & Aquatic Center (Tacoma) 55,000 SF



Rainier Beach Community Center (Seattle) 48,000 SF



Rainier Beach Community Center (Seattle) 48,000 SF



Eastside Community & Aquatic Center (Tacoma) 55,000 SF



Rainier Beach Community Center (Seattle) 48,000 SF



South Bellevue Community Center (Bellevue) 32,000 SF



Appendix C: Lakewood Engagement & Master Plan Process for Theater-to-Community Center Conversion

1. Define Engagement Goals

- **Understand Community Needs:** Ensure the community’s voice is heard in shaping the facility’s design and functions.
- **Build Support and Trust:** Encourage community members to become advocates and supporters of the project.
- **Identify Key Stakeholders:** Involve groups such as local residents, businesses, schools, cultural organizations, and special interest groups.

2. Develop Communication Strategy

- **Create a Clear Message:** Develop a compelling narrative that explains the benefits of the project, both for individuals and the community as a whole.
- **Multiple Channels of Communication:** Use diverse communication platforms such as:
 - Social Media: Facebook, Instagram, Twitter, and community-based apps or websites.
 - Local Media: Flyers, posters, local newspapers, and radio.
 - Direct Outreach: Door-to-door visits or emails to local stakeholders.
 - Community Events: Information tables or booths at local events or gatherings.
- **Accessible Materials:** Ensure all outreach materials are clear, inclusive, and accessible to diverse groups, including translations for non-English speakers.

4. Conduct Initial Listening Sessions

- **Town Hall Meetings:** Hold open, public meetings where community members can express their views and ask questions.
- **Surveys and Polls:** Distribute surveys online and through local channels (e.g., at local libraries, public meetings, or on social media). Questions could focus on preferred uses for the space, community center features, and potential concerns.
- **Focus Groups:** Conduct smaller, targeted group discussions with specific demographics (e.g., youth, seniors, artists) to get more in-depth feedback on the proposed project.
- **One-on-One Interviews:** Meet with local leaders or influential community members for more personalized conversations.

5. Developing the Community Center Master Plan

- **The Big Idea:** The highly interactive half-day session will be conducted with City leadership and other identified stakeholders to identify and discuss creative, innovative, and “big ideas” that can help define and shape the desired future for the Community Center. Building off the initial listening sessions, this session will encourage participants to create various layouts and options for different spaces, such

as performance areas, classrooms, meeting rooms, and recreational zones of the community center. This interactive community charette process will create a values-driven approach to developing the Community Center Plan – allowing the Community Center vision and guiding principles to emerge from a common set of values shared by the stakeholders. Great development visions and plans all create a “sense of place”; the hallmark of virtually every successful urban development in America. If that sense emerges from the community’s values, the chances of it succeeding are significantly improved.

6. Feedback Loops: After the initial design concepts are drafted from the Big Idea session, host follow-up meetings to review and refine ideas based on community input. These could include:

- **Pop-Up Events** - Pop-up events that bring activities and information from the initial listening sessions and design charrettes to engage the community where they are. Such events would be staged in busy locations.
- **Web-based Outreach/Social Media** - Develop specific Community Center web pages along with social media which provide project updates, meeting notifications, and collect any desired survey data to help guide and refine the planning process
- **Advisory Group:** Establish a community advisory group consisting of residents, business owners, and other stakeholders who can meet regularly to provide ongoing feedback throughout the renovation process.

7. Gather and Analyze Feedback

- **Data Collection:** Consolidate responses from surveys, town halls, focus groups, interviews, and the Big Idea session. Pay attention to recurring themes, needs, and concerns.
- **Analyze the Results:** Identify common priorities (e.g., demand for meeting spaces, arts programs, recreation facilities) and any potential barriers (e.g., funding, parking, noise, or accessibility).
- **Publicize Key Insights:** Share the results of the engagement process with the community to show that their feedback has been considered and is influencing the decision-making process.

8. Adoption of Community Center Plan:

- **Preliminary Community Center Plan:** Present the draft proposed preliminary Community Center Plan based on community engagement activities to the City Council for discussion and potential modification.
- **Final Plan:** City Council deliberations on the proposed Community Center Plan and formal adoption.

9. Community Center Implementation

- **Financial/Implementation Strategies:** The development and execution of financial and implementation strategies are the heart of successful redevelopment plans. Specific actionable strategies should be developed over a multi-year time frame with immediate actions over a 12 to 24 month period, based on the adopted Community Center Plan.
- **Community Partnerships:** This plan should identify potential partners and their role in fulfilling the vision of the Community Center plan.

10. Launch the Project with a Groundbreaking Event

- **Celebrate the Community's Role:** Host a public event to kick off the renovation and officially begin the project. Invite all stakeholders, showcase the finalized plans, and highlight the community's contributions to shaping the vision.
- **Media Coverage:** Ensure the event receives local media coverage to further build excitement and awareness.

11. Post-Renovation Engagement

- **Grand Opening:** Organize a ribbon-cutting ceremony or grand opening event where the community can tour the completed facility, meet program providers, and enjoy some of the first activities.
- **Ongoing Evaluation:** After opening, continue to collect feedback on the center's usage, programming, and overall effectiveness. Regular surveys or focus groups can ensure the community's evolving needs are met.
- **Sustained Communication:** Maintain regular communication through newsletters, social media, and community meetings to keep residents engaged in ongoing improvements and developments.

Appendix D: Bothell Case Study

Bothell – A Redevelopment Case Study

The following case study is provided to help provide insight how another governmental entity approached a large redevelopment of a specific area within its downtown, which included two major corridors (SR 527 and SR 522). The following, written by David G. Wallace in 2011 for the Internal Council of Shopping Centers (ICSC) described how the City of Bothell’s vision, leadership, commitment, and public-private partnerships transformed the City’s downtown.

Lessons Learned (Abbreviated from ICSC Case Study).

City of Bothell Leadership:

1. Began by focusing on the needs of “shareholders,” involving the community early, thorough, and proactive public input process.
2. Defined its ROI. The city’s efforts were logical, iterative, and constrained by financial feasibility and the desires of the customers.
3. Was bold, committed, and unwavering in supporting the project that was defined through a public process. Once the vision was defined, the goals set and the framework in place, the leadership took steps to acquire 25 acres in the redevelopment area. This, along with efforts to invest in infrastructure and public facilities, sent strong signals to the citizens and private sector of the city’s commitment, thereby enhancing the opportunities for success.
4. Clearly defined the outcomes they sought and then constrained them with sound business principles.
5. Put talented teams in place to administer the project and let them do their work.
6. Identified the benefits of the project, and with the support of qualified consultants, undertook an independent evaluation of the project opportunities to ensure the premise was sound in attracting additional support from the state.
7. Evaluated costs and other barriers to entry into the market, including existing city processes and other development-related regulations and ordinances.
8. Remained focused, but flexible. In response to changes in the economy, the city assumed the role of master developer, taking all steps necessary to create value and a framework for success.
9. Modified procedures to ensure that public processes provided predictability for the development requirements, steps, and timeframes.
10. Identified opportunities for city-supported catalyst projects such as the new city hall project.

The author states “that the approach and efforts taken by Bothell are not unique in and of themselves. However, what is unique, or at the very least uncommon, is a holistic approach where the city’s “investment” is as a public- and private-sector partner, as well as a master developer, in accomplishing a redevelopment project.”

The below segment was written by Bob Stowe of Stowe Development & Strategies. Bob was the City Manager for the City of Bothell from January 2005 to June 2016.



The City of Bothell formally started its revitalization process in the spring of 2005 when residents, businesses, schools, and government came together to develop a fresh new vision for Bothell's future. As the City Manager leading this effort from 2005 to 2016, I believe the Bothell community got it right and developed a plan that successfully guided the revitalization of downtown through the Great Recession and continues today. The City's early economic projections indicated that, over a 25-year period, the City's public improvements and strategic actions would leverage \$650 million in private investment. As of early 2016, over \$350 million in private investment was in the development pipeline or under construction. Below is a summary of the 10 most important actions by the City actions from my point of view in pursuit of its community's dream for a vibrant and walkable mixed-use downtown.

City Actions

1. During better economic times, the City separated ongoing revenues/ expenses from one-time revenues/ expenses, creating a funding account for downtown investments.
2. Engaged the Bothell community in a multi-year planning process.
3. Identified key infrastructure investments that would achieve the City's targeted ROI (\$150 million).
4. Purchased 25 acres of land within the downtown; then strategically sold individual parcels under its role as a Master Developer. Every purchase and sale/development agreement was viewed as an opportunity for a public-private partnership.
5. In the process of assembling land and constructing the needed infrastructure to support a redeveloped downtown, the City relocated 32 businesses and tore down 30 buildings, turning back decades of auto-oriented/strip mall development to make way for a re-imagined City.
6. Performed a multi-million dollar environmental clean-up of the downtown to ready it for development.
7. Launched an initiative to improve how the City processed development permits to improve predictability for those who choose to invest in Bothell.



8. Assumed the role of Master Developer when the recession occurred and shouldered private sector risk by holding property the City assembled, thereby mitigating the cost for our development partners.
9. Started the largest capital investment in the City's history – a \$60M infrastructure project (called the Crossroads) in the downtown that was supported through a pilot TIF program (LIFT) offered by the State. This project (the relocation of a state highway) was completed in the summer of 2014.
10. In October 2015, the City completed construction on its new City Hall in downtown under a public-private development approach utilizing a build-to-suit, lease-to-own delivery method financed with 63-20 tax exempt debt.



One of the catalyst developments within Bothell's Downtown transformation was the siting of a 90,000 square foot multi-use complex anchored by a McMenamins hotel, with restaurants, pubs, theater, and a pool and spa on former City-owned property.

Vision, Leadership, Commitment, Flexibility and Experience — A Model Public-Private-Partnership

Bothell, Washington is applying private-sector approaches and principles to shape its destiny and achieve its goals

DAVID G. WALLACE*

Abstract: Public-Private-Partnerships (PPP) do not make bad projects good, but they do make good projects develop faster, easier and to a greater scope than would otherwise be possible. PPP success is not simply about sound economics, but also about the quality, character, commitment, flexibility and creativity of its partners. This article focuses on Bothell, Washington, a community that demonstrates how a clear vision, creative economic development tools and compelling project economics, combined with sophisticated and experienced public-sector involvement, are essential in executing a private-sector approach to public-sector goals.

Whether you live in Cincinnati, Amarillo, Texas, or almost any community in the United States, downtown business districts have changed and evolved over the years. Bothell, Washington, a Seattle suburb, was no different. Its history dates back to the 1880s, and its downtown was founded on a small block grid in the early 1900s. The city's growth was relatively steady and slow until after World War II, whereupon expansion accelerated, followed by a decline in the downtown area which began in the late 1970s.

In 2005, city leaders asked, "What do we want the future of Bothell to be?" To answer the question, the city took a private-sector approach to address a public-sector initiative: i.e., it defined the needs of their shareholders, the residents, assessed the marketplace, crafted a strategic plan and then implemented it to achieve a determined return on investment (ROI).

That methodical approach makes sense to a private-sector, for-profit business, but it is not always common in government.

Businesses are organized to meet the needs of shareholders. Leadership defines a strategic vision, then crafts an implementation plan that addresses customer needs and provides an appropriate ROI. The plan aligns different departments to achieve corporate goals.

However, as odd as it may seem, governmental entities sometimes do not operate with the same clarity of

purpose or alignment of operations. Cities have departments that provide sewer, water, trash services, infrastructure construction and maintenance, public safety, parks and recreation departments, etc. Even though these departments interact daily with residents and the business community, they frequently focus only on delivery of service, not on a bottom-line ROI. Often they do not see how their efforts relate to the total success of the community. Additionally, local politics may play a part in capital decisions, thereby misaligning decisions and processes.

Therein lies the opportunity for applying simple private-sector approaches to public-sector problems. Communities employ business principles when they:

- Recognize that its residents are both its shareholders and its customers;
- Understand the elected leadership can function much like a board of directors, creating policy and setting the strategic direction of the community;
- Define ROI in terms of direct and indirect benefits with both tangible and intangible elements;
- Have elected and administrative leadership that remains focused on goals;
- Understand that returns can be enhanced with the application of sound business principles and then employ tactics which focus departments on organizational goals and the impact of their efforts

* CEO, Wallace-Bajjali Development Partners L.P.; ICSC Research Scholar Emeritus for Economic Development

FEATURES

on the targeted ROI; and

- Observe that politics can be mitigated through sound planning and commitment.

Bothell's leaders recognized these principles from the start. Their first task focused on the requirements of their shareholders when they set about a well-structured process that reflected the wants, needs and aspirations of the community as determined through extensive public input. Recognizing the significance of its central business district, the City Council appointed a Downtown Stakeholders Resource Group and a Downtown Visionary Committee which was comprised of a cross-section of the community, including:

- Nearby residents and businesses;
- Downtown property owners;
- Institutional representatives; and
- Developers.

The city further expanded input by involving a number of city boards and commissions in development, including the:

- Planning Commission;
- Landmark Preservation Board;
- Parks and Recreational Board;
- Shoreline Hearings Board; and
- Library Board.

Over four years, with the assistance of key staff, departments and consultants, the city held numerous public meetings, workshops and roundtable discussions to create a clear vision and road map.

Creating a "Place to Go" in the Heart of the City

In 2009, the city adopted a vision statement¹ that said:

"It is the intention of the City of Bothell and the purpose of this Plan to provide a policy framework to positively affect the evolution of the downtown and its environments, to reverse the forces of disinvestment in its historic center, to fully restore and heighten the vitality, character and civic beauty of the district, thereby reviving and enhancing its iconic image and function as the real heart of the city. More specifically, it is the community's intention to:

- 1) Give the community 'A Place to Go' in the heart of the city—one that is meaningful to community members, provides for daily needs as well as special events and appeals to families and Bothell citizens of all ages.
- 2) Enhance the essential 'publicness' of downtown—its wide range of public places, civic buildings and community services. Make downtown the welcoming

place to go to meet, be at the center, and feel a sense of shared common ground in Bothell.

- 3) Revitalize the economic fortunes and visual character of downtown, and particularly of the city's historic Main Street.
- 4) Maintain downtown's distinctive regional character as a town center set amidst forested hills.
- 5) Link the downtown core to the Sammamish River and the Park at Bothell Landing.
- 6) Link the downtown core to the University of Washington Bothell/Cascadia Community College campus (UWB/CCC).
- 7) Enhance mobility and connectivity to and through the district via automobile, transit, bicycle and pedestrian travel.
- 8) Protect the character and quality of life of residential neighborhoods at the edges of downtown.
- 9) Support sustainable, environmentally responsible development."

In pursuit of the achievement of that stated vision, the city established a revitalization strategy with five major priorities:

- 1) Reposition downtown to tap into pent-up demand for downtown lifestyle and "convenience living";
- 2) Foster development of a strong retail, services and entertainment core;
- 3) Build a captive audience;
- 4) Make downtown look and feel like the heart of the city; and
- 5) Enhance downtown's visibility and access.

Part of the vision for downtown involves The Junction. As seen in Figure 5-1, this new alignment of Main Street and two state routes created three new blocks for redevelopment.

The leadership then took proactive and direct steps to create policies, apply city resources and undertake specific municipal efforts to promote and guide new investment to accomplish these goals.

A public-private-partnership will not make a bad project a good project, but it can make a good project possible. The reality of this is that even if the economics of a project are positive, a partnership alone will not make it a success. Success is only achieved when a community is engaged, understands the project, knows its limitations, agrees with the need for the project and is committed to move forward despite ups and downs. Said another way, in the vernacular of the unofficial mantra of the U.S. Marine Corps, focus on the objective, then "improvise, adapt and overcome!"

¹ Freedman, Tung & Bottomley, "City of Bothell, Washington: Downtown Subarea Plan and Regulations,"

http://www.ci.bothell.wa.us/Site/Content/Planning%20and%20Development/Downtown%20Revitalization/Web_revised_Part1.pdf, retrieved Feb. 23, 2011.

Figure 5-1
The Junction, A New Alignment of Main Street



Source: City of Bothell, Washington

Bothell city leaders began correctly from the start with a private-sector approach to solving public-sector problems, fostering growth and shaping redevelopment of their downtown. They involved community customers in crafting a vision that resulted in “buy-in” from all stakeholders. This approach allowed the Bothell leadership to proceed with a framework for measuring success and a solid backbone as they took limited political risk.

Market and Economic Considerations

In proceeding with the project, Bothell’s leaders undertook market assessments that determined that there was an opportunity to attract the type of development to the downtown area that was anticipated in the visioning efforts. Among the elements identified in the market assessment were the needs for:

- More than 2,700 new residential units;
- Approximately 250,000 square feet (sf) of new office space; and
- Nearly 400,000 sf of retail space.

A 2007 economic-impact assessment, conducted by a third-party consultant, presented favorable results. It estimated new capital investment as more than \$668 million, which would create over 8,000 temporary and 1,600 new permanent positions during the next 25 years. As seen in Table 5-1, the estimated direct economic impact of this employment is over \$220 million to the state and local entities.

After the most recent recession began, the city updated its economic assessment to ensure that it was

not proceeding under a false premise. It recognized that, more than likely, they were proceeding at the most opportune time, because given development time horizons, it would be starting at a low point in the economic cycle before catching the upswing.

That said, the change in the economy also presented problems for the development community and thus problems for the city’s efforts. Always flexible and always focused, the city moved from soliciting a developer to becoming the master developer for the project.

As the city examined the economics further, it realized that changes in lifestyle would drive the development, but certain issues in the project needed to be addressed. This “gap” was in two areas. The first shortfall was found in Bothell Crossroads, a project that will provide a four-lane road with dedicated turn lanes and sidewalks separated from traffic by tree-lined medians. This involved purchasing land and realigning State Route 522. The second issue dealt with the development of structured parking that was essential to achieving the urban vision of increased density.

The problem with the parking, in turn, was twofold. First, like so many communities, Bothell does not have a “pay-for-parking” marketplace; second, the parking patterns and the current economic crunch posed issues for the budget. To make the development work required increased density, and this density drove the need for a different approach to parking. However, the development costs and revenues would not provide for the structured parking to be funded by the projects.

Undeterred and armed with information provided by

FEATURES

**Table 5-1
Anticipated Tax Revenues**

	City of Bothell	Washington State
Annual Average		
Sales and Use Tax	\$774,211	\$5,920,435
Property Tax	\$671,069	\$1,392,219
Total	\$1,445,280	\$7,312,654
Total Over Local Infrastructure Financing Tool Authority		
Sales and Use Tax	\$20,129,479	\$153,931,312
Property Tax	\$17,447,807	\$36,197,688
Total	\$37,577,286	\$190,129,000

Source: Calculated by ECONorthwest

independent third parties, the city turned to a parking consultant to look at a combination of solutions including:

- The potential creation of a “Parking District”;
- Changes to parking regulations to provide alternative means of meeting the requirement there by increasing the amount of a lot that may be developed (examples of alternatives include shared parking as well as fees in lieu of providing parking on site);
- Creative funding solutions and partnership with the regional transportation effort for “park and rides” which are used at a different time of day than the entertainment facilities; and
- Potential incentives to developers providing additional dedicated space for shared parking opportunities.

Continuing to work on Bothell Crossroads, a portion of the development staff of the city teamed with the State of Washington to solve the funding gap in the project. Once again, their approach was successful because the state recognized the tax benefits of the project, and was willing to partner with the city by awarding one of a very few Washington State authorizations which allowed for \$25 million from the state Local Infrastructure Financing Tool program. The city then leveraged this with \$7 million from state capital programs, along with other local dollars, to proceed with the project.

The next critical element of success was that the city put competent staff in charge of the project, which helped define “success” for the city and determined what it meant to the internal departments. After all, it is impossible to measure success without benchmarks and goals. The city looked at all elements of the project and what it would take to make it a success. As a part of that effort, the city also looked at what it needed to do to compete in the marketplace.

The impact of this approach was substantial, as the

city:

- Clearly articulated project expectations in documents that can be provided to private-sector partners;
- Engaged proactively to:
 - 1) Achieve unanimity of political and administrative leadership;
 - 2) Utilize staffers experienced in community and economic development;
 - 3) Review city processes for improvement and institute organizational expectations for customer service;
 - 4) Institute a business approach to management which focuses on “profit” for the city in the project and delivery of services (city profit equals direct, indirect, tangible and intangible benefits from a project); and
 - 5) Institute a “commitment to continuous improvement” with department meeting representation by all functional areas of the city with ties to the project and a focus on “points of fright,” i.e., issues impacting multiple areas that keep city staff awake. These meetings provide the opportunity to create a more open organizational culture where information and tough problems are shared, thus encouraging the collaboration, team building and focus which leads to increased success.
- Decided that the city would serve as “master developer” with functions that include:
 - 1) Purchasing significant quantities of land in the targeted area of approximately 25 acres;
 - 2) Focusing on core catalyst projects: over \$150 million of transportation improvements;
 - 3) Defining the city’s role in gathering information, creating development plans and framework;
 - 4) Investing in regional infrastructure;
 - 5) Engaging qualified consultants to assist in planning and development efforts;
 - 6) Listing qualified target industries;
 - 7) Identifying retailer market gaps and a target retailer list;
 - 8) Creating development standards, signage standards, established way finding, landscape guidelines, etc.;
 - 9) Creating predictable development costs and processes;
 - 10) Reducing development costs through regional utility;
 - 11) Investing in such key projects supporting the master development as the new city hall, plaza, parks projects, etc. (See, for instance, Figure 5-2, the design for the new development area that incorporates a local stadium into the downtown core);
 - 12) Conducting an environmental assessment of property and performing mitigation; and
 - 13) Conducting an historic review and mitigating any

Figure 5-2
Downtown, Looking Toward Stadium



Source: City of Bothell, Washington

related issues.

- Bothell committed to all projects in the redevelopment area, including projects on land not owned by the city, thereby supporting private developers in selling and developing land in the area; and
- The city proceeded with a community “green” focus to create sustainable projects over time that are “triple bottom line.” To Bothell, “sustainability” is a three-legged stool where the project is environmentally and financially sound, as well as socially acceptable. Accordingly, if any of these characteristics is not present in a “Bothell-related” project, then it is not sustainable and is nothing more than “green washing.”

Recent Successes Validate the City’s Approach

Bothell’s efforts have generated a number of early successes, including the following:

Anderson School Site Redevelopment

As a result of the marketing effort, Bothell was able to attract the McMenamins, a local development company which operates brewpubs and hotels throughout Washington and Oregon. A subsequent agreement called for the development team to purchase approximately 5.5 acres from the city containing the Anderson school site including the building’s redevelopment into a 70-room hotel. The anticipated development will also provide a restaurant, pub, movie theater, live music, spa, community garden, community pool and community meeting space by 2013. The project will both preserve

and reuse an existing historic structure, as well as incorporate green building practices.

One of the many noteworthy elements of this complex effort was the public-public-partnership between Bothell and the Northshore School District (NSD). Following three years of negotiations, the city and the district combined their public works and mechanical and bus yard into a joint facility sharing economies of scale for development and operations. This approach is structured to meet the needs of both the city and the NSD for the next 75 years.

City Hall Campus Project

Bothell is also seeking to support the development with a publicly developed catalyst project of a city hall campus which, when developed, will feature:

- A 60,000-sf Bothell City Hall with at least a gold rating from the Leadership in Energy and Environmental Design (LEED) certification program;
- A grand plaza for community gatherings, concerts and events;
- Development of adequate parking on the property sufficient to support the project;
- Mixed-use retail and commercial office space; and
- A residential housing component.

The vision for the existing city hall site is to accommodate more than just civic facilities. When completed, the \$40-million project is expected to achieve the city’s goal of a dynamic mixed-use civic campus that will energize the economic development of downtown, by creating a strong community core.

Safeway Site Redevelopment

The city’s efforts have also gone beyond the land it controls directly by setting the stage for private investment in the targeted redevelopment area on privately controlled property. City leaders have worked with industry professionals to create change. An example is the sale and \$50-million redevelopment of a Safeway site to a 250-unit multi-family complex containing 11,000 sf of retail. Bothell leaders met with Safeway officials and then supported the company’s sale and closing to a third-party developer. The project, which is currently called Boulevard Place, is expected to begin almost immediately, and the partnership (Pacific Northern Construction and Senior Housing Assistance Group) credits the city’s involvement with successfully closing the transaction.

The site, which the city calls Bothell Landing, is planned for a major redevelopment. The effort involves two ongoing transportation projects, including one that will turn Bothell Way into a boulevard. (See Figure 5-3, which depicts side-access lanes of the new multi-way

FEATURES

Figure 5-3
Design for the New Multi-Lane Boulevard

Source: City of Bothell, Washington



boulevard.)

Lessons Learned

As I consider the efforts by Bothell, I am struck by the following:

- 1) The city leadership began by focusing on the needs of “shareholders,” involving the community with a thorough and proactive public input process. Involving the public and stakeholders early on in the process was critical, as it ensured that the project was not just a city project or a developer project, but also the community’s project;
- 2) They defined what they needed in an ROI. The city’s efforts in proceeding were logical, iterative and constrained by financial feasibility and the desires of the customers. This thoughtful approach provided the opportunity to ensure the project under consideration was consistent with the goals, had the opportunity to be successful and described specific and defined expectations. This approach also increased public confidence and minimized political pitfalls.
- 3) The city’s leadership was bold, committed and unwavering in supporting the project that was defined through a public process. Once the vision was defined, the goals set and the framework in place, the leadership took steps to acquire 25 acres in the redevelopment area. This, along with efforts to invest in infrastructure and public facilities, sent strong signals to the citizens and private sector of the city’s commitment, thereby enhancing the opportunities for success.
- 4) The city
- a) clearly defined the outcomes they sought and then constrained them with sound business principles. This effort is key for all communities as it assists in weeding out projects that are desired, but not feasible. If done correctly, it helps select the good projects from the bad ones.
- b) put talented teams in place to administer the project and let them do their work.
- c) identified the benefits of the project, and with the support of qualified consultants, undertook an independent evaluation of the project opportunities to ensure the premise was sound in attracting additional support from the state.
- d) evaluated costs and other barriers to entry in the market, including existing city processes and other development-related regulations and ordinances.
- e) remained focused, but flexible. In response to changes in the economy, the city assumed the role of master developer, taking all steps necessary to create value and a framework for success.
- f) modified procedures to ensure that public processes provided predictability for the development requirements, steps and timeframes (e.g., short

FEATURES

forms created after environmental analysis suggested their usefulness).

- g) identified opportunities for city-supported catalyst projects such as the new city hall project.

The approach and efforts taken by Bothell are not unique in and of themselves. However, what is unique, or at the very least uncommon, is a holistic approach where the city's "investment" is as a public- and private-sector partner, as well as a master developer, in accomplishing a redevelopment project.

Successful businesses implement strategies and apply

resources appropriate for markets and core competencies. Clarity of purpose, the strong economic foundation of the project, backing of public-sector staff and leadership, commitment and flexibility, as well as the self-awareness of internal capabilities, led Bothell's project participants to assume roles not common for most cities that undertake public-private partnerships.

This private-sector approach for both staff and elected leadership, though seemingly simple and obvious, is truly a "lesson learned" in creating a successful public-private-partnership.



David G. Wallace is an ICSC Research Scholar Emeritus for Economic Development and a former three-term mayor of Sugar Land, Texas. He is currently Chief Executive Officer for Wallace Bajjali Development Partners L.P., a real-estate development firm active in the Texas market. He served on the U.S. Department of Homeland Security Advisory Council's State and Local Officials Senior Advisory Committee and on the Board of Directors for the Texas Economic Development Corporation. Most recently, he is the author of *Retail Development Through Public-Private Partnerships* (2011, ICSC). He can be contacted at dwallace@wallacebajjali.com.



To: Mayor and City Councilmembers
From: Tho Kraus, Deputy City Manager
Through: John J. Caulfield, City Manager *John J. Caulfield*
Date: March 29, 2025
Subject: Financing Options for Multi-generational Center/Colonial Center

Purpose

The purpose of this memo is to provide the City Council with financing options and recommendations for funding parks improvement projects.

The financing options for City Council consideration are listed below and summarized in the tables that follow.

For operational purposes:

- Property Tax Levy Lid Lift
- Property Tax Excess Levy

For capital purposes:

- Property Tax Levy Lid Lift
- Property Tax Excess Levy
- Lodging Tax
- Federal Funds
- State Funds
- Sale of City Owned Property

For special purposes:

- Sales Tax – Cultural Access Program
- Sales Tax – Housing & Related Services
- Property Tax – Tax Increment Financing
- Recreation Districts
 - Parks & Recreation District
 - Parks & Recreation Service Area
 - Metropolitan Park District (MPD)

Attachments:

- Attachment A – Park District By County

The following tables provide a summary of financing options and the resulting revenues generated.

No Voter Approval Required (Councilmanic):

Option 3: Sales & Use Tax - Cultural Access Program (CAP)

Based on annual sales tax revenue \$15.0M, 0.1% of sales tax generates \$1.5M annually.

Option 4: Sales & Use Tax - Housing and Related Services

Based on annual sales tax revenue \$15.0M, 0.1% of sales tax generates \$1.5M annually.

Requires Voter Approval - Simple Majority (50% +1):

Option 1: Property Tax - Levy Lid Lift (Max \$1.60)

For Operations & Maintenance:

Annual Revenue	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$10.9M	\$0.92	\$1.60	\$372	\$500	\$872
\$9.0M	\$0.76	\$1.44	\$372	\$414	\$786
\$8.0M	\$0.68	\$1.36	\$372	\$368	\$740
\$7.0M	\$0.59	\$1.27	\$372	\$322	\$694
\$6.0M	\$0.51	\$1.19	\$372	\$276	\$648
\$5.0M	\$0.42	\$1.10	\$372	\$230	\$602
\$4.0M	\$0.34	\$1.02	\$372	\$184	\$556
\$3.0M	\$0.25	\$0.94	\$372	\$138	\$510
\$2.0M	\$0.17	\$0.85	\$372	\$92	\$464

*Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.

For Capital Bond Issue (Max 9-Year Life / 4.5% Interest Rate)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$30.0M	\$0.35	\$1.03	\$372	\$190	\$562
\$20.0M	\$0.23	\$0.91	\$372	\$127	\$499
\$15.0M	\$0.17	\$0.86	\$372	\$95	\$467

*Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.

Option 6C: Metropolitan Park District (Special Purpose)

Annual Revenue	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$5.92M	\$0.50	\$1.18	\$372	\$273	\$645
\$2.96M	\$0.25	\$0.93	\$372	\$136	\$508
\$8.89M	\$0.75	\$1.43	\$372	\$409	\$781

*Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.

Option 6C: Metropolitan Park District (Capital Bond 9-Year Life / 4.5% Interest Rate)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$50.0M	\$0.58	\$1.26	\$372	\$317	\$689
\$45.0M	\$0.42	\$1.10	\$372	\$230	\$602
\$40.0M	\$0.38	\$1.06	\$372	\$205	\$577

*Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.

Requires Voter Approval - Super Majority (60% + Validation):

Option 2: Property Tax Excess Levy for Capital Bond (No Levy Limit)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
10-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.32	\$1.00	\$372	\$176	\$548
\$20.0M	\$0.22	\$0.90	\$372	\$117	\$489
\$15.0M	\$0.16	\$0.84	\$372	\$88	\$460
15-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.24	\$0.92	\$372	\$130	\$502
\$20.0M	\$0.16	\$0.84	\$372	\$87	\$459
\$15.0M	\$0.12	\$0.80	\$372	\$65	\$437
20-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.20	\$0.88	\$372	\$107	\$479
\$20.0M	\$0.13	\$0.81	\$372	\$71	\$443
\$15.0M	\$0.10	\$0.78	\$372	\$54	\$426

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Option 6C: Metropolitan Park District Property Tax Excess Levy for Capital Bond (20-Year Life / 4.5% Interest Rate)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$50.0M	\$0.33	\$1.01	\$372	\$179	\$551
\$45.0M	\$0.29	\$0.98	\$372	\$161	\$533
\$40.0M	\$0.26	\$0.94	\$372	\$143	\$515

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Other Financing Options:**Option 5: Tax Increment Financing**

Property taxes from various taxing districts starting in 2025.

Estimated revenue over a 25-year period totals \$17.1M net present value/\$34.4M nominal value for debt service .

City may use TIF revenues in a pay-as-you go strategy or issue debt based on expected private development that increases assessed valuation of properties inside a TIA.

Option 7: Lodging Tax Funds

Bond Amount	Life	Interest Rate	Annual Debt
\$2.0M	20	4.50%	\$ 154,000
\$4.0M	20	4.50%	\$ 308,000

Option 8: Sale of City Owned Property

Property at 14702 Union Avenue SW, Tillicum.

1.224 acres purchased in 2019 for \$335,000, currently assessed at \$1.54M.

Option 9: Federal Funds

Federal Grant Name	Applicable to Project	Project Phase	Average Award from Last Grant Cycle
Congressional Appropriations	Downtown Park	Land Acquisition	\$2M-\$2.5M
Congressional Appropriations	Downtown Park	Individual Elements*	\$2M-\$2.5M
Congressional Appropriations	Community Center	All	\$2.5M-\$3M

* *Individual Elements within the park (e.g. stormwater, environmental, restoration, etc.)*

Option 10: State Funds

State Grant Name	Applicable to Project	Project Phase	Average Award from Last Grant Cycle
Local Community Project Award/Earmark	Downtown Park & Community Center	All but most competitive for construction.	\$800,000
Washington Wildlife & Recreation	Downtown Park	Acquisition & Development	\$325,000
Outdoor Recreation Legacy Partnership	Downtown Park	Renovation & Construction	\$3M (2023/1 Project)
Planning for Recreation Access	Downtown Park	Planning	\$70,000 (funding last available in 2022)

Note: These grant programs have been awarded or are in the process of being awarded for this biennium and the City would have to wait to apply in 2026/2027 for a potential grant award in 2028.

Option 1: Property Tax - Levy Lid Lift (Max \$1.60) Requires Voter Approval – Simple Majority

Quick Summary

- o Allows cities to exceed the 1% annual levy lid for any of their levies.
- o Two basic options:
 - “Single-year” lid lifts allows the City to exceed the 1% annual lid for one year only.
 - “Multi-year” lid lifts allow the City to exceed the 1% annual lid for up to six years.
- o Cannot use a levy lid lift if City is levying its statutory maximum rate.
- o Revenues are either unrestricted or restricted depending upon the levy lid being increased.
- o Requires simple majority voter approval.
- o RCW: 84.55.050

Applicable to the City of Lakewood

The levy lid lift allows the City to exceed the 1% limit but restricts the total levy rate to \$1.60 and requires simple majority vote (50% +1). If the multi-year lid lift is used for debt service, the increase levy may not last for more than 9 years. The multi-year lid lift would exceed the 1% limit for up to 6 years, and then the lid would increase up to 1% annually for the remaining years. After no more than 9 years, the levy would expire and the levy lid lift would revert to what it would have been without the lid lift.

Requires Voter Approval - Simple Majority (50% +1):					
Option 1: Property Tax - Levy Lid Lift (Max \$1.60)					
For Operations & Maintenance:					
Annual Revenue	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$10.9M	\$0.92	\$1.60	\$372	\$500	\$872
\$9.0M	\$0.76	\$1.44	\$372	\$414	\$786
\$8.0M	\$0.68	\$1.36	\$372	\$368	\$740
\$7.0M	\$0.59	\$1.27	\$372	\$322	\$694
\$6.0M	\$0.51	\$1.19	\$372	\$276	\$648
\$5.0M	\$0.42	\$1.10	\$372	\$230	\$602
\$4.0M	\$0.34	\$1.02	\$372	\$184	\$556
\$3.0M	\$0.25	\$0.94	\$372	\$138	\$510
\$2.0M	\$0.17	\$0.85	\$372	\$92	\$464
For Capital Bond Issue (Max 9-Year Life / 4.5% Interest Rate)					
Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer		
			Current Tax	Annual Increase	Total Property Tax
\$30.0M	\$0.35	\$1.03	\$372	\$190	\$562
\$20.0M	\$0.23	\$0.91	\$372	\$127	\$499
\$15.0M	\$0.17	\$0.86	\$372	\$95	\$467

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

**Option 2: Property Tax Excess Levy for Capital Bond (No Levy Limit)
Requires Voter Approval – Super Majority**

Quick Summary:

FOR OPERATIONS & MAINTENANCE:

- o Property tax – additional levy with no specific levy rate cap.
- o Revenues may be used for any lawful governmental purpose, but must be spent in accordance with the purpose(s) specified in the ballot measure.
- o Requires super majority voter approval.
- o RCW: 84.52.052, 84.52.054

FOR CAPITAL PURPOSES:

- o Property tax – excess levy to repay unlimited tax general obligation (G.O.) bonds. (Voter-Approved)
- o Revenues are restricted to capital purposes.
- o Requires super majority voter approval.
- o RCW: 84.52.056

Applicable to the City of Lakewood

Based on the number of active registered voters and voter turnout in the November 2024 general election, the City must have 14,766 voters participate and 8,860 yes votes to pass, calculated as follows:

36,915 voters participated in the last general election

x 40%

14,766 voters must participate (minimum turnout) to pass

x 60%

8,860 yes votes required to pass

Requires Voter Approval - Super Majority (60% + Validation):

Option 2: Property Tax Excess Levy for Capital Bond (No Levy Limit)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
10-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.32	\$1.00	\$372	\$176	\$548
\$20.0M	\$0.22	\$0.90	\$372	\$117	\$489
\$15.0M	\$0.16	\$0.84	\$372	\$88	\$460
15-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.24	\$0.92	\$372	\$130	\$502
\$20.0M	\$0.16	\$0.84	\$372	\$87	\$459
\$15.0M	\$0.12	\$0.80	\$372	\$65	\$437
20-Year Bond / 4.5% Interest Rate					
\$30.0M	\$0.20	\$0.88	\$372	\$107	\$479
\$20.0M	\$0.13	\$0.81	\$372	\$71	\$443
\$15.0M	\$0.10	\$0.78	\$372	\$54	\$426

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Option 3: Sales & Use Tax – Cultural Access Program (CAP)

Quick Summary

- Sales tax up to 0.1% – revenues are restricted and must be used to benefit or expand access to nonprofit cultural organizations.
- Maximum duration of 7 years; may be renewed for additional 7-year periods.
- May be imposed by any city or town.
- May be approved by voters or legislative body.
- RCW: 82.14.525; chapter 36.160

Note: Sales tax originally required voter approval, but effective July 23, 2023 it may (optionally) be imposed by the legislative body without voter approval. Counties have similar authority, but a county and a city within that county may not impose this sales tax at the same time. After December 31, 2024, cities and towns may impose a CAP sales tax, but only if the county has not done so first. This legislation does not apply to any CAP sales tax adopted before July 23, 2023.

Use of Revenues

Funds may be used for a number of purposes related to cultural access programs, including start-up funding, administrative and program costs, capital expenditures or acquisitions, technology, and public school programs to increase cultural program access for students who live in the City.

A “cultural organization” must be a 501(c)(3) nonprofit corporation with its principal location(s) in Washington State and conducting a majority of its activities within the state. The primary purpose of this organization must be the advancement and preservation of science or technology, the visual or performing arts, zoology (national accreditation required), botany, anthropology, heritage, or natural history.

May funds be used for bonding? Per Ask MRSC:

RCW 36.160.110 states that CAP funds can be used for "capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property." Statutes for other restricted revenues specifically use words that indicate such revenues can be used for debt service. For instance, RCW 82.46.010(2)(b) for REET states REET can be used for "financing capital projects," and MRSC has consistently advised debt service is a financing activity so REET could be used for debt service. Another example would be lodging tax which has specific statutes that state lodging tax revenues can be used to pay revenue bonds for certain activities.

It is hard to say with certainty, absent specific language, if CAP revenues could be used for debt service. No AGOs have been issued on Chapter 36.160 RCW.

MRSC’s legal consultant stated: “On one hand, the legislative intent in .010 suggests a pretty broad use of funding to support CAP (which could support using the funds for debt service. But on the other, both the language you quote from .110 and the language in RCW 36.160.080(4) suggest direct program investments only--no related debt service. These RCWs also lack the specific "financing" language included in other statutes as you point out. On balance, given the lack of interpretive guidance I'd take a conservative approach on this question and read the RCW as disallowing revenue allocations to debt service.” suggests a conservative approach on whether CAP funds could be used to support debt service. **RCW 36.16.080(4) suggests direct program investments only—no related debt service.”**

Ballot Measure Requirements

If seeing voter approval, the sales tax must be approved by a simple majority of voters and may be submitted at any special primary, or general election. It may be re-imposed for one or more additional 7-year periods. Per MRSC, as of 2022, Olympia and Tacoma are the only cities to attempt a voted CAP sales tax, and both ballot measures passed. King County also attempted a countywide sales tax, which narrowly failed.

Revenue Sharing

There are no revenue sharing provisions. The City retains 100% of the revenues with no administrative fee withheld by the Department of revenue.

Property Tax Alternative.

From a revenue standpoint, the property tax and sales tax options are roughly equivalent: the amount of revenue generated by the property tax may not exceed 0.10% of the retail sales tax in the City for the most recent calendar year and both are capped at 7-year increments. However, the property tax option requires voter approval, while voter approval is optional for sales tax. In addition, the property tax levy could be potentially reduced or eliminated through prorationing if the \$5.90 or \$10 property tax caps are exceeded.

The sales tax and property tax options are mutually exclusive. If a city imposes the sales tax option it may not impose the property tax option as long as the sales tax is in effect.

Applicable to the City of Lakewood

No Voter Approval Required (Councilmanic):

Option 3: Sales & Use Tax - Cultural Access Program (CAP)

Based on annual sales tax revenue \$15.0M, 0.1% of sales tax generates \$1.5M annually.

Option 4: Sales & Use Tax – Housing and Related Services

Quick Summary

- Sales tax up to 0.1% – revenues are restricted and must be used for affordable housing, behavioral health, and related services.
- May be imposed by any city or town as long as county has not imposed it first.
- May be approved by voters (not required) or legislative body.
- RCW: 82.14.530

Applicable to the City of Lakewood

No Voter Approval Required (Councilmanic):

Option 4: Sales & Use Tax - Housing and Related Services

Based on annual sales tax revenue \$15.0M, 0.1% of sales tax generates \$1.5M annually.

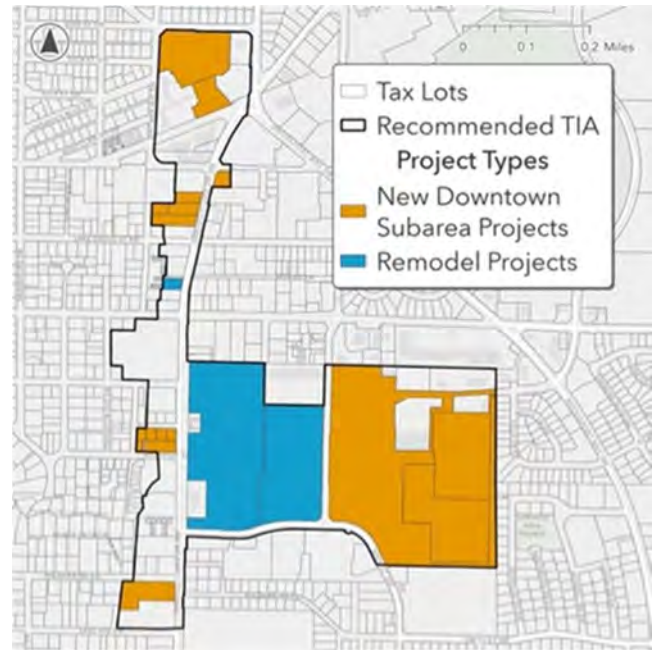
Option 5: Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a powerful economic development tool adopted into law in Washington State in 2021. The Washington state legislature created the TIF authority through House Bill 1189 (now codified as chapter 39.114, Revised Code of Washington (RCW)) for a city, county, or port district to designate a geographical area within the jurisdiction as a tax increment area (TIA). The increment property tax revenue funds the public infrastructure needed by private development in the TIA. Jurisdictions throughout the United States use TIFs to promote economic development.

The City of Lakewood formed a Tax Increment Area effective June 1, 2024 in accordance with RCW 39.114.

Property taxes from the various taxing districts generated by increased assessed valuation within the TIA will now be allocated to the City of Lakewood starting in 2025. The City's TIF Project Analysis modeled and projected that the City would receive property taxes (see chart on right) over a 25-year period (maximum period for a TIA) to pay for the identified parking improvements below:

The present value revenues were discounted at a rate of 5% to approximate the City's cost of capital (debt and issuance costs). Nominal values are also shown since this is ultimately the amount that the City can draw upon to service principal and interest (5%) for any debt payments. The City may use TIF revenues in a pay-as-you-go strategy or issue debt based on expected private development activity that increases assessed valuation of properties inside a TIA.



Taxing District	TIA Revenue Allocations	
	Present Value	Nominal Value
Lakewood	\$ 3,160,000	\$ 6,344,000
Pierce County	3,410,000	6,848,000
Port of Tacoma	590,000	1,190,000
Sound Transit	690,000	1,391,000
EMS	1,830,000	3,683,000
Fire District	5,490,000	11,042,000
Library	1,480,000	2,983,000
Flood Control	440,000	882,000
Total	\$ 17,090,000	\$ 34,363,000

The City identified potential park areas that will incentivize private development within the TIA. Park areas were identified as part of the City's recently adopted Downtown Plan. Actual locations were not determined at the time the TIA was formed but were anticipated to be in the northern and southern parts of the TIA. Cost estimates for park space include:

Acquisition: \$2 million (an additional \$2M has been dedicated through the City Opportunity Fund)
Park Amenities* \$13 million
Total (TIF) \$15 million

*grass, restroom, water feature/splash facility, benches, play features, etc.

Other Financing Options:

Option 5: Tax Increment Financing

Property taxes from various taxing districts starting in 2025.

Estimated revenue over a 25-year period totals \$17.1M net present value/\$34.4M nominal value for debt service .

City may use TIF revenues in a pay-as-you go strategy or issue debt based on expected private development that increases assessed valuation of properties inside a TIA.

Option 6: Recreation Districts - Overview

Overview

The following are three types of parks districts in Washington State:

- Parks & Recreation District, RCW 36.69
- Parks & Recreation Services Area, RCW 36.68.400 - .620
- Metropolitan Park District (MPD), RCW 35.61

Option 6A: Parks & Recreation District - Overview

- May be created to provide leisure time activities and facilities and recreational facilities, of a nonprofit nature as a public service to the residents of the geographical area.
- May only impose property taxes for six years at a time, subject to 60% voter approval.

Option 6B: Parks & Recreation Service Area – Overview

- May be created to finance, acquire construct, improve, maintain, or operate any park, senior citizen activities center, zoo, aquarium, and, or recreational facilities which shall be owned or leased, and administered by a city or town, or park and recreation service area and to provide a higher level of park service.
- May only impose property taxes for six years at a time, subject to 60% voter approval.

Option 6C: Metropolitan Park District (MPD) - Overview

- May be created for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities.
- May include territory located in portions or in all of one or more cities or counties.
- Offer greater capacity and flexibility than park and recreation districts or park and recreation service areas.
- Only require approval by a simple majority of voters, after which the MPD's legislative body may impose permanent property taxes.
- May be formed for a limited purpose that identifies specific public parks and/or recreational facilities (such as swimming pools, playfields, or public parks).
- A limited purpose MPD must establish its levy rate within the initial ballot measure. The rate becomes the maximum levy rate until a future ballot measure is placed before the voters for a levy rate lift.
- **Most feasible option for a community center with the City Council as the legislative body.**
(For a district located entirely within one city, the legislative authority of the city may act as the metropolitan park board.)

Number of Park Districts as of February 2025 = Total 81

- Park & Recreation Districts = 53
- Park & Recreation Service Areas = 5
- Metropolitan Park Districts (MPD) = 23

See Attachment A for Park Districts by County.

Option 6C: Metropolitan Park District (MPD) – Additional Information for MPD within City Boundary

Formation of MPD:

Two ways to initiate the formation, both of which require approval by a majority of voters.

- 1) By citizen petition; or
Petition proposing its creation is submitted to the county auditor, signed by at least 15% of the registered voters.
- 2) By a resolution of the governing body.
City Council initiates district formation by adopting a resolution submitting a proposition for its formation to voters.

Legislative Body & Compensation of One City:

The governing body of the City may be designated to serve in an ex officio capacity as the board of the metropolitan park commissioners, provided that when creation of the district is proposed by citizen petition, the city approves by resolution such designation. City Council serving in an ex officio capacity may not receive additional compensation as MPD commissioners.

Formation Requirements:

- Feasibility and Cost Studies: Non required.
- State Environmental Policy Act (SEPA) Review: Categorically exempt.
- Public Hearing Requirements: None required for formation.
- Resubmittal of Petition: Not addressed.
- Election to Form District: At general election or at the next special election date specified under RCW 29A.040.330 occurring 60 or more days after:
 - the last resolution proposing the creation of the park district is adopted;
 - or the date the county auditor certifies the petition has sufficient valid signature.

Ballot Proposition:

- Must include district's name and board composition and include two choices (for/against) exactly as written in RCW 35.61.030(3).
- When a proposition for formation of the MPD is limiting its purpose, taxing powers and/or being formed for specifically identified facilities, the ballot proposition must specifically identify those public parks or recreational facilities to be funded and state the maximum regular levy rate.
- If a majority of voters approve the formation of the MPD, the district is created as a municipal corporation effective immediately upon certification of the election results and its name must be that designated in the ballot proposition (RCW 35.61.040).

MPD Finances:

- MPD is a junior taxing district that has two regular property tax levies available:
 - \$0.50 per \$1,000 assessed valuation (AV)
 - \$0.25 per \$1,000 assessed valuation (AV)
- Considered as a single levy (up to \$0.75) for the purpose of the 1% levy limits, subject to prorationing.
- If levying lower than maximum rate can ask voters to lift the levy lid by more than 1%, requires simple majority vote.
- May also impose one-year excess levies, subject to 60% voter approval and minimum voter turnout requirements from last general election.
- May issue general obligation debt equal to 2.5% of assessed valuations of which ¼ % may be non-voted (councilmanic) the rest must be voted.
- Source for repayment of non-voted debt is the General Fund.
- Source for repayment of voted debt is paid from excess property tax levy (60% voter approval and minimum voter turnout requirements).
- Debt must be used for capital purposes and can be issued for a maximum of 20 years.
- May also issue all kinds of short-term debt: tax anticipation notes, bond anticipation notes, revenue anticipation notes, grant anticipation notes as well as use lines of credit.
- City may act as MDP treasurer.

Annexation:

- Territory by virtue of its annexation to any city that lies entirely within a park district is deemed to be within the limits of the metropolitan park district (RCW 35.61.020).
- The territory adjoining a metropolitan park district may be annexed into the district upon petition and an election (RCW 35.61.250-.280), in accordance with specified processes.

Dissolution:

- May be dissolved by a majority vote of board members. Upon dissolution, the district's liabilities are turned over to the city, when:
 - The city, through its governing officials, agrees to, and petitions for, such dissolution and the assumption of such assets and liabilities;
 - 10% of the voters of the city who voted at the last general election petition the governing officials for such a vote (RCW 35.61.310); or
 - Disincorporation of district located in county with a population of 210,000 or more and inactive for five years, see Chapter 57.90 RCW.

Requires Voter Approval - Simple Majority (50% +1):

Option 6C: Metropolitan Park District (Special Purpose)

Annual Revenue	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$5.92M	\$0.50	\$1.18	\$372	\$273	\$645
\$2.96M	\$0.25	\$0.93	\$372	\$136	\$508
\$8.89M	\$0.75	\$1.43	\$372	\$409	\$781

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Option 6C: Metropolitan Park District (Capital Bond 9-Year Life / 4.5% Interest Rate)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$50.0M	\$0.58	\$1.26	\$372	\$317	\$689
\$45.0M	\$0.42	\$1.10	\$372	\$230	\$602
\$40.0M	\$0.38	\$1.06	\$372	\$205	\$577

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Requires Voter Approval - Super Majority (60% + Validation):

Option 6C: Metropolitan Park District Property Tax Excess Levy for Capital Bond (20-Year Life / 4.5% Interest Rate)

Bond Amount	Additional Levy	Total Levy	Impact to Average Single Family Home Taxpayer*		
			Current Tax	Annual Increase	Total Property Tax
\$50.0M	\$0.33	\$1.01	\$372	\$179	\$551
\$45.0M	\$0.29	\$0.98	\$372	\$161	\$533
\$40.0M	\$0.26	\$0.94	\$372	\$143	\$515

**Impact based on single family home value of \$545,037. Property tax amount reflects City of Lakewood portion.*

Option 7: Lodging Tax Funds

Use of Lodging Tax Revenues

The Lakewood City Council, through its Lodging Tax Funding Guidelines:

- 4% - Can be used for tourism promotion, or the acquisition of tourism-related facilities, or operation of tourism-related facilities.
- 3% - Can only be used for the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions that serve a minimum of one million visitors per year.

The 3% restricted source for capital projects is self-imposed and is not a state legislative requirement. Both the 4% and 3% could be used solely for capital purposes; however, the 3% can only be used for capital purposes.

The tables below show the 5-year history of grant award allocations and sources and uses schedule.

5-Year History of LTAC Grant Award Allocations										
	2025		2024		2023		2022		2021	
4% Non-Capital	\$ 1,146,000	92%	\$ 1,024,950	91%	\$ 802,500	89%	\$ 678,650	87%	\$ 570,400	85%
3% Capital	\$ 101,850	8%	\$ 101,850	9%	\$ 101,850	11%	\$ 101,850	13%	\$ 101,850	15%
Total Awards	\$ 1,247,850		\$ 1,126,800		\$ 904,350		\$ 780,500		\$ 672,250	

Sources & Uses *					
	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate
4% Revenue:					
Special Hotel/Motel Tax (2%)	\$ 353,906	\$ 400,024	\$ 368,797	\$ 385,539	\$ 385,539
Transient Rental Income Tax (2%)	355,057	400,029	371,775	389,426	389,426
3% Revenue:					
Special Hotel/Motel Tax (3%)	530,858	600,036	553,196	578,308	578,308
Interest Income	2,118	38,681	138,869	162,928	80,000
Total Revenues	\$ 1,241,939	\$ 1,438,770	\$ 1,432,637	\$ 1,516,201	\$ 1,433,273
Tourism/Promotion	425,639	632,177	747,951	958,694	1,146,000
Capital	169,899	101,850	101,850	101,850	101,850
Total Expenditures	\$ 595,538	\$ 734,027	\$ 849,801	\$ 1,060,544	\$ 1,247,850
Beginning Balance	\$ 1,659,034	\$ 2,305,432	\$ 3,010,174	\$ 3,593,009	\$ 4,048,666
Ending Balance	\$ 2,305,432	\$ 3,010,174	\$ 3,593,009	\$ 4,048,666	\$ 4,234,089
Ending Fund Balance from the 4% Unrestricted Revenue =>			\$ 1,660,626	\$ 1,552,199	\$ 1,211,835
Ending Fund Balance from the 3% Restricted (for Capital) Revenue =>			\$ 1,932,383	\$ 2,496,467	\$ 3,022,254

*Does not include GASB 87 Leases (Revenues & Expenditures Net \$0)

If the City Council would like to issue bonds for Multi-generational Center/Colonial Center, it will likely require a policy change in allocation of LTAC funds given \$2M has been dedicated to H-Barn project.

Other Financing Options:			
Option 7: Lodging Tax Funds			
Bond Amount	Life	Interest Rate	Annual Debt
\$2.0M	20	4.50%	\$ 154,000
\$4.0M	20	4.50%	\$ 308,000

Note: In 2007, the City entered into an agreement with Clover Park Technical College to contribute 11% of the construction costs for the McGavick Center. The contribution is in equal installments of \$101,850 over 20 years (last installment is June 2026). In return for the contribution, the City has use of the center for 18 days per year for a 30-year period to be used for tourism-related activities. The City's practice has been to use the available restricted funds for this commitment.

Option 8: Sale of City Owned Property

Overview

- Sale of City owned property at 14702 Union Avenue SW, Tillicum
1.224 acres purchased in 2019 for \$335,000, currently assessed at \$1.54M
- Funds could be used to acquire property from church for future senior activity center as well as master planning process(es).

Other Financing Options:

Option 8: Sale of City Owned Property

Property at 14702 Union Avenue SW, Tillicum.

1.224 acres purchased in 2019 for \$335,000, currently assessed at \$1.54M.

Option 9: Federal Funds

Federal Funding sources for downtown park/community center:

- Community Center structures, land and buildings are **explicitly eligible** for congressional appropriations funding in the HUD-EDI account.
- This is the most competitive account in the federal appropriations bills but community centers tend to rack and stack well from a priority standpoint.
- As a general rule, federal funding is not available for park development and construction. There are exceptions to this rule for elements of a park that could potentially be funded as distinct elements of a park project. These could include:
 - Bike/pedestrian trails that create connections to and from the park.
 - Stormwater mitigation such as a detention facility.
 - Environmental restoration – specifically with regard to habitat restoration efforts.
- No known federal discretionary grant programs that would fund this opportunity. Each of these projects above would be a specific federal earmark and the specific funding account vary.

Other Financing Options:

Option 9: Federal Funds

Federal Grant Name	Applicable to Project	Project Phase	Average Award from Last Grant Cycle
Congressional Appropriations	Downtown Park	Land Acquisition	\$2M-\$2.5M
Congressional Appropriations	Downtown Park	Individual Elements*	\$2M-\$2.5M
Congressional Appropriations	Community Center	All	\$2.5M-\$3M

** Individual Elements within the park (e.g. stormwater, environmental, restoration, etc.)*

Option 10: State Funds

State Funding sources for downtown park/community center:

- There are only a few options and all of them are missed for this cycle.
- Any community center focused grants are geared towards rural areas.
- Potential sources provided without knowing details about what the City wants to do with these projects, our state lobbyist took a guess at what could be applicable.
- Grants programs have been awarded or are in the process of being awarded for this biennium and the City would have to wait to apply in 2026/2027 for a potential grant award in 2028.

Other Financing Options:

Option 10: State Funds

State Grant Name	Applicable to Project	Project Phase	Average Award from Last Grant Cycle
Local Community Project Award/Earmark	Downtown Park & Community Center	All but most competitive for construction.	\$800,000
Washington Wildlife & Recreation	Downtown Park	Acquisition & Development	\$325,000
Outdoor Recreation Legacy Partnership	Downtown Park	Renovation & Construction	\$3M (2023/1 Project)
Planning for Recreation Access	Downtown Park	Planning	\$70,000 (funding last available in 2022)

Note: These grant programs have been awarded or are in the process of being awarded for this biennium and the City would have to wait to apply in 2026/2027 for a potential grant award in 2028.

Attachment A – PARK DISTRICTS BY COUNTY

List of Park Districts by County as of February 2025						
District	County	Cities Included	P&R			Notes
			District	Svc Area	MPD	
Total = 81			53	5	23	
Adams County Park and Recreation District No. 1	Adams	Othello	X			
Adams County Park and Recreation District No. 2	Adams	Washtucna	X			
Adams County Park and Recreation District No. 3	Adams	Lind	X			
Adams County Park and Recreation District No. 4	Adams	Ritzville	X			Ritzville Water Park
Manson Parks and Recreation District	Adams		X			
Upper Valley Park and Recreation Service Area	Chelan	Leavenworth		X		<u>Created 1997 and governed by interlocal agreement</u>
Clallam County Park and Recreation District No. 1 - Sequim Aquatic Recreation Center	Clallam	Sequim	X			
Quillayute Valley Park and Recreation District	Clallam	Forks	X			Created 1978
William H. Shore Memorial Pool District	Clallam	Port Angeles			X	<u>Metropolitan park district; created 2009 and governed by interlocal agreement</u>
Greater Clark Parks District	Clark				X	Metropolitan park district created in 2005; serves Vancouver unincorporated growth area
Woodland Swimming Pool and Recreation District (also in Cowlitz County)	Clark	Woodland	X			As of 2023, district is not functioning and Cowlitz County is looking to dissolve it
Prescott Joint Park and Recreation District (also in Walla Walla County)	Columbia		X			Prescott Pool and Fieldview Park
Columbia County Pool District	Columbia	Dayton	X			Park and recreation district; approved by voters Nov. 2023
Woodland Swimming Pool and Recreation District (also in Clark County)	Cowlitz	Woodland	X			As of 2023, district is not functioning and Cowlitz County is looking to dissolve it

Attachment A – PARK DISTRICTS BY COUNTY (continued)

List of Park Districts by County as of February 2025						
District	County	Cities Included	P&R		MPD	Notes
			District	Svc Area		
Eastmont Metro Parks and Recreation	Douglas	East Wenatchee, Rock Island			X	Metropolitan park district; created 2004
Coulee Area Parks and Recreation District (also in Grant, Lincoln, and Okanogan counties)	Douglas	Electric City, Grand Coulee, Coulee Dam, Elmer City, Nespelem	X			Created 2003
Ferry County Park and Recreation District No. 2	Ferry	Republic	X			
Coulee Area Parks and Recreation District (also in Douglas, Lincoln, and Okanogan counties)	Grant	Electric City, Grand Coulee, Coulee Dam, Elmer City, Nespelem	X			Created 2003
Quincy Valley Regional Parks District	Grant	George, Quincy			X	Metropolitan park district governed by interlocal agreement; created Nov. 2023
South Beach Parks and Recreation District	Grays Harbor		X			
North Whidbey Pool, Park, and Recreation District	Island	Oak Harbor	X			
South Whidbey Park and Recreation District	Island	Langley	X			
Jefferson County Park and Recreation District No. 1 - Coyle/Thorndyke	Jefferson		X			Created 1984
Jefferson County Park and Recreation District No. 2 - Brinnon	Jefferson		X			Created 2012
Des Moines Pool Metropolitan Park District	King	Des Moines			X	Created 2009
Fall City Metropolitan Park District	King				X	Created 2009
Normandy Park Metropolitan Park District	King	Normandy Park			X	Created 2009
Northshore Parks and Recreation Service Area (also in Snohomish County)	King	Bothell, Kenmore, Woodinville		X		Created 1988
Si View Metropolitan Park District	King	North Bend			X	Created 2003
Tukwila Pool Metropolitan Park District	King	Tukwila			X	Created 2012
Vashon Park District - King County Park and Recreation District No. 2	King		X			Created 1983
Seattle Park District	King	Seattle			X	Created 2014
Bainbridge Island Metropolitan Park and Recreation District	Kitsap	Bainbridge Island			X	Created 2004
Village Green Metropolitan Park District	Kitsap				X	Kingston area; created 2010

Attachment A – PARK DISTRICTS BY COUNTY (continued)

List of Park Districts by County as of February 2025						
District	County	Cities Included	P&R			Notes
			District	Svc Area	MPD	
Kittitas County Parks and Recreation District No. 1	Kittitas	Cle Elum, South Cle Elum, Roslyn	X			Created 2005
Central Klickitat County Park and Recreation District No. 1	Klickitat	Goldendale	X			
White Salmon Valley Pool Metropolitan Park District	Klickitat	Bingen-White Salmon			X	Created 2018
Coulee Area Parks and Recreation District (also in Douglas, Grant, and Okanogan counties)	Lincoln	Electric City, Grand Coulee, Coulee Dam, Elmer City, Nespelam	X			Created 2003
Lincoln County Park and Recreation District No. 1 - Edwall	Lincoln		X			
Lincoln County Park and Recreation District No. 2 - Almira	Lincoln	Almira	X			
Lincoln County Park and Recreation District No. 3 - Davenport	Lincoln	Davenport	X			
Odessa Metropolitan Park District	Lincoln	Odessa School District			X	Created Nov 2020
Shelton Metropolitan Park District	Mason	Shelton			X	Created 2010
Coulee Area Parks and Recreation District (also in Douglas, Grant, and Lincoln counties)	Okanogan	Electric City, Grand Coulee, Coulee Dam, Elmer City, Nespelam	X			Created 2003
Tonasket Park and Recreation District	Okanogan	Tonasket	X			Created 2015
Anderson Island Park and Recreation District	Pierce		X			
Key Peninsula Metropolitan Park District (Key Pen Parks)	Pierce				X	Created 2004
Peninsula Metropolitan Park District (PenMet Parks)	Pierce				X	Created 2004
Tacoma Metropolitan Park District (Metro Parks Tacoma)	Pierce	Tacoma			X	First metropolitan park district in the state; created 1907
Orcas Island Park and Recreation District	San Juan		X			Created 2010
San Juan Island Park and Recreation District (Island Rec)	San Juan	Friday Harbor	X			
Fidalgo Park and Recreation District	Skagit	Anacortes	X			Created 1972
Underwood Park and Recreation District - Skamania County Parks and Recreation District No. 1	Skamania		X			Created 2016
Stevenson Community Pool District	Skamania				X	Created 2021

Attachment A – PARK DISTRICTS BY COUNTY (continued)

List of Park Districts by County as of February 2025						
District	County	Cities Included	P&R District	P&R Svc Area	MPD	Notes
East County Park and Recreation District	Snohomish	Monroe	X			Formed 1970 as Monroe Park and Recreation District; name changed 1997
Lake Stevens Park and Recreation Service Area	Snohomish	Lake Stevens		X		
Northshore Parks and Recreation Service Area (also in King County)	Snohomish	Bothell, Kenmore, Woodinville		X		Created 1988
Rosalia Park and Recreation District No. 5 (also in Whitman County)	Spokane	Rosalia, Malden	X			
Lake Spokane Parks and Recreation District	Stevens		X			Created 2008
Upper Columbia Pool District	Stevens	Kettle Falls	X			Created 2015
Olympia Metropolitan Park District	Thurston	Olympia			X	Created 2015
Tanglewilde Park and Recreation District No. 1	Thurston		X			
Tumwater Metropolitan Park District	Thurston	Tumwater			X	Created 2018
Prescott Joint Park and Recreation District (also in Columbia County)	Walla Walla		X			Prescott Pool and Fieldview Park
Waitsburg Park and Recreation District	Walla Walla		X			
Blaine-Birch Bay Park and Recreation District No. 2	Whatcom	Blaine	X			Created 1979
Columbia Valley Park and Recreation District	Whatcom		X			Created 2016
Lynden Regional Parks and Recreation District	Whatcom	Lynden	X			Created 1996
Point Roberts Park and Recreation District No. 1	Whatcom		X			
Park Districts in Whitman County	Whatcom	Cities Included	X			Notes
LaCrosse Park and Recreation District No. 1	Whatcom	LaCrosse	X			
Garfield Park and Recreation District No. 2	Whatcom	Garfield	X			
St. John Park and Recreation District No. 3	Whatcom	St. John	X			
Oakesdale Park and Recreation District No. 4	Whatcom	Oakesdale	X			
Rosalia Park and Recreation District No. 5 (also in Spokane County)	Whatcom	Rosalia, Malden	X			
Tekoa Park and Recreation District No. 6	Whatcom	Tekoa	X			
Endicott Park and Recreation District No. 7	Whatcom	Endicott	X			
Pullman Metropolitan Park District	Whatcom	Pullman			X	Created 2002
Colfax Metropolitan Park District	Whitman				X	Created in 2016
Naches Park and Recreation District No. 1	Yakima	Naches	X			Created 1967
Selah Park and Recreation Service Area	Yakima	Selah		X		Created 2001

City Council Retreat

Planning & Public Works
March 29, 2025



Agenda Topics

- Multigenerational Community Center (Page 3)
- Downtown Park (Page 21)
- Mixed Use Development (Page 23)
- Parking legislation (Page 39)
- PPW Work Plan (Page 48)



Multigenerational Community Center

*A discussion on how to bring a Community Center
to Lakewood*



Community Center Presentation

- Regional Community Centers
- Potential Locations
- Location Overviews
- Acquisition and Due Diligence
- Plan of Actions and Milestones
- Partnerships
- Funding
- Council Goals
- Courses of Action



Regional Community Centers

Community Centers can provide a wide range of programs and activities tailored to various age groups. There are a variety of centers that exist like

- Recreation
- Cultural
- Educational
- Senior
- Youth
- Family Resource
- Health & Wellness
- Community Development
- Multi Purpose

The most common through out the region however are:

- **Youth Programs:** After-school activities, sports, and educational workshops.
- **Adult Services:** Fitness classes, career development, and social events.
- **Senior Activities:** Wellness programs, hobby groups, and social gatherings.

The common goal amongst all centers is to create an inclusive environment where individuals can connect, share experiences, and learn from one another.



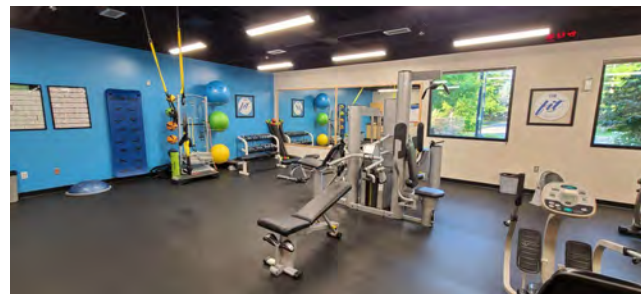
Regional Community Centers

Services provided for the region remain relatively consistent but are scaled based on the centers' physical size.

Kenmore 4,600sqft



Richland 22,000 sqft



Regional Centers

At 20,000 sqft centers begin to offer a larger availability of services. Some jurisdictions however split their services between sites vs. increasing the footprint of the facility

Auburn 22,000 sqft



Senior Center



Rosehill 30,000 sqft



Potential Locations



The Colonial Theatre



Little Church on the Prairie



Location Overviews

CRITERIA	COLONIAL THEATER	LITTLE CHURCH ON THE PRAIRIE
SIZE	2.98 acres or 129,809 sq ft	2.39 acres or 104,108 sq ft
ASSESSED VALUATION*	\$5M+	\$860K/\$39.46SQFT
ZONING	CBD	Mixed Use Residential 2 (MR2)
TRANSIT ACCESS	Near Route 2 along Gravelly Lake Dr	
ALLOWED BY ZONING	Yes (18B)	No; code amendment needed (18A)
DIMENSIONAL STANDARDS	<ul style="list-style-type: none"> • Maximum Height: 90 ft • Maximum Impervious Surface Coverage: 100% • Building Coverage: 100% • Setback from ROW: 0-10ft • Building Setback: 0 ft 	<ul style="list-style-type: none"> • Maximum Height: 50 ft • Maximum Impervious Surface Coverage: 75% • Building Coverage: 60% • Front yard/street setback: 5 ft • Garage/carport setback: 20 ft • Rear yard setback: 5 ft
PARKING REDUCTION	Yes, under certain circumstances (i.e shared parking, on-street parking, etc)	
MASTER PLAN ELIGIBLE	No	
TRAFFIC MITIGATION FEE REVIEW	Yes	No
GARRY OAKS	No	Yes; also along w/ perimeter trees
SEPA	Planned Action SEPA	Yes, if >12,000sqft or 40 parking stalls

* Based on assessed value from the Pierce County Assessor-Treasurer. An appraisal will be required to determine actual market value.



Location Overviews

Little Church on the Prairie

Land Use Zone Expansion Process

Expanding the allowable zones for Community Centers requires amending the Comprehensive Plan and Zoning Map. Under LMC Chapter 18A.30, the City Council can take such action during the annual Comprehensive Plan amendment cycle.

Legislative Timeline for Community Center Code Changes



This timeline ensures alignment with the statutory requirements of the Comprehensive Plan amendment process and allows for public participation and agency review.



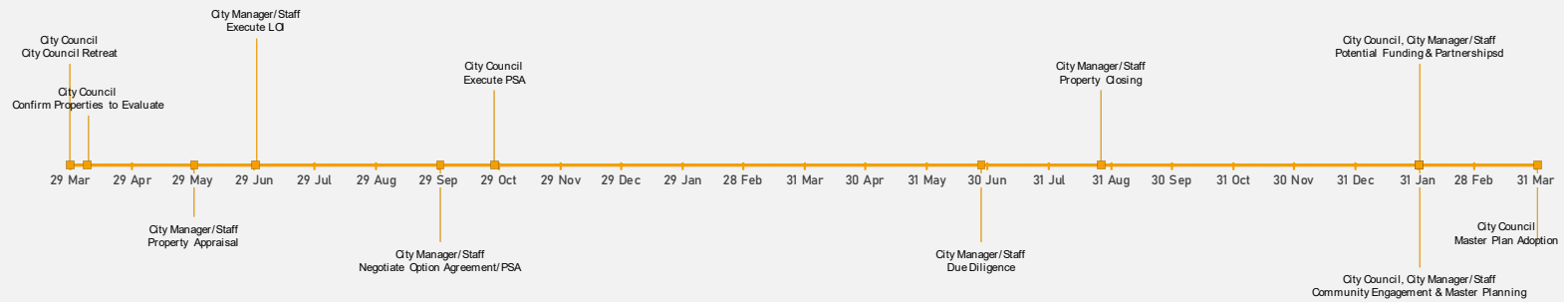
Acquisition & Due Diligence

1. Letter of Intent
 - Non-binding except for the exclusive negotiation clause. Typically include option agreement, price-appraisal, due diligence period, contingencies, closing
 - City Manager would present to City Council in Executive Session
2. Option Agreement of Purchase Agreement
 - Move into negotiations based on the terms of the LOI
 - City Manager will present to City Council for Consideration
3. Due Diligence
 - Environmental assessments, title report, property survey, preliminary geotechnical investigation
4. Closing



Plan of Actions and Milestones

PROJECT TIMELINE



Project Milestones

DATE	MILESTONE	ASSIGNED TO
3/29/25	City Council Retreat	City Council
4/7/25	Confirm Properties to Evaluate	City Council
5/30/25	Property Appraisal	City Manager/Staff
6/30/25	Execute LOI	City Manager/Staff
9/30/25	Negotiate Option Agreement/PSA	City Manager/Staff
10/27/25	Execute PSA	City Council
6/27/26	Due Diligence	City Manager/Staff
8/26/26	Property Closing	City Manager/Staff
2/1/27	Community Engagement & Master Planning	City Council, City Manager/Staff
2/1/27	Potential Funding & Partnerships	City Council, City Manager/Staff
4/1/27	Master Plan Adoption	City Council

*Dates shown are place holders and figurative to show potential timelines



Potential Partnerships

The potential for partnership to help create the community center exists, but the type of partnership will be dependent on an array of factors

- Center goal
- Center Size
- Property selected
- Ability to combine a commercial aspect
 - Multi-family housing
 - Office-retail
- Collaborative dependency
 - Lakewood Playhouse
 - Housing Developers

Any partnership must balance city goals and potential partners' needs to ensure buy-in. Partnering could impact the final size of the community center based on a partners development needs.



Potential Partnerships

Public Private Partnerships

What a developer is looking at with a site?

- Ideal: avg size 2-5 acre commercial/residential
- Can go smaller lot size if no environmental limitations as well as on-street parking/parking reduction/transit availability
- Sweet spot is at minimum 150 residential units while achieving parking requirements
- Mixed use is not marketable given available retail/commercial space at lower lease rates/NNN



Potential Partnerships

Public Private Partnerships

What would draw a developer in?

- Land availability
- Clear and predictable code, removing regulatory barriers
- Right permitting attitude
- Reasonable permit review /decision timelines
- No impact fees, removing financial barriers
- MFTE is an important financial incentive

Most large-scale developers understand the need to operate within code. The city should assist them with this by providing guidance on meeting code objectives while offering options that align with the Comprehensive Plan and subarea plans



Potential Partnerships

Public-Public Partnerships

What would draw in other entities?

As community needs continue to grow and expand, so do the programs and services offered by local agencies. The city needs to reach out to other entities in and around Lakewood to understand better their needs and ability to partner.

- **Kingston Village Greens** (partnership with county, metro parks district, library)
- **Seabeck Community Center** (partnership with local school district, County parks and Port of Bremerton)
- **Granite Falls Civic Center** (partnership with Boys/Girls club, emergency shelter, meeting space)
- **Pride Place Seattle** (housing, health services and meeting space partners included Sound Transit on transit improvements)
- Partnerships with Boys/Girls Club or YMCA



Funding Options

There is a variety of options to consider for funding of the community center:

- GO Bond Excess Levies for Capital purpose
- Levy Lid Lift
- TIF Funds
- Cultural Access Program Sales Tax
- Housing & Related Services Sales Tax
- Recreation Districts
 - Parks & Recreation District
 - Parks and Recreation Services Area
 - Metropolitan Park District (MPD)
- LTAC Funds
- Property Sale
- Federal Funds
- State Funds
- Partnerships
 - Church
 - Housing Partners

Each funding source and partnership option will have associated impacts and limitations. These factors must be carefully considered in relation to the City Council's goals and timeline for the community center



Council Goals

Considerations from Previous Studies

National Community Survey findings

- Vibrancy and Activity
- Public Places for Gathering
- Economic Development
- Walkability and Transportation
- Safety in Downtown

Non-Motorized and Comprehensive Plans

- Accessibility & Connectivity
- Community & Social Impact
- Traffic & Parking Considerations
- Economic Development & Funding
- Environmental & Climate Resiliency

Parks Legacy Plan and Downtown Subarea Plan

- Downtown Park
- Green Street Loop
- New Public Streets
- Motor Avenue Festival Street
- Library & Community Center
- Public Art & Cultural Features
- Trail Connectivity



Council Goals

What are the primary goals and desires for the Community center?

- Senior Center
- Youth Center
- Multigenerational
- Wellness Classes
- Summer Camps
- Event Rentals
 - Meetings
 - Weddings
 - Clubs
- Performances (plays & music)
- Boys and Girls club type services
- Warming/Cooling Center
- Recreational Fitness programs
 - Gym, Track, Etc
- Education/Skill building
- Art and Cultural
- Community gardens

The goals will directly impact the sizing of the facility and potential locations for placement.



Council Goals

What would the City Council like to see?

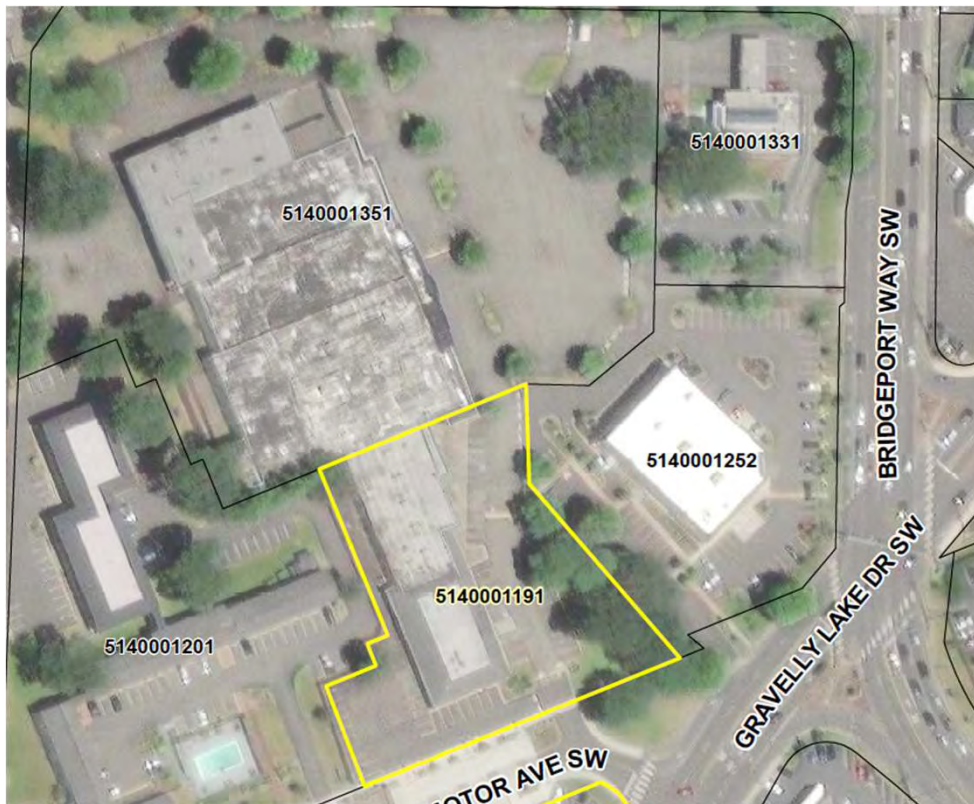


Downtown Park

Planning for the future



Park Next Steps



- Finish clearing/grading
- Patch QFC separation wall
- Seed for grass
- Recommendation to conduct master planning process with community participation



Mixed Use Development

Strategic Development Approach for Lakewood



Mixed Use Presentation

- Brick-and-Mortar Retail Trends
- Experience-Driven Lifestyle Districts
- Central Business District Strategy
- Residential First Development Model
- Economic Impact of JBLM
- Housing/Commercial Space Analysis
- Parking Availability & Regulations
- Case Study of Bothell
- Courses of Action



Brick-and-Mortar Retail Trends

- Physical retail sales lag e-commerce by 81%
- 70.6% drop (2022-2023); additional 0.87% drop (2023-2024)
- Increasing vacancies in Lakewood Towne Center



Experience-Driven Lifestyle Districts

- Blend residential, commercial, recreational uses
- Increase foot traffic and local spending
- Create vibrant, walkable communities
- Support cultural identity and social cohesion

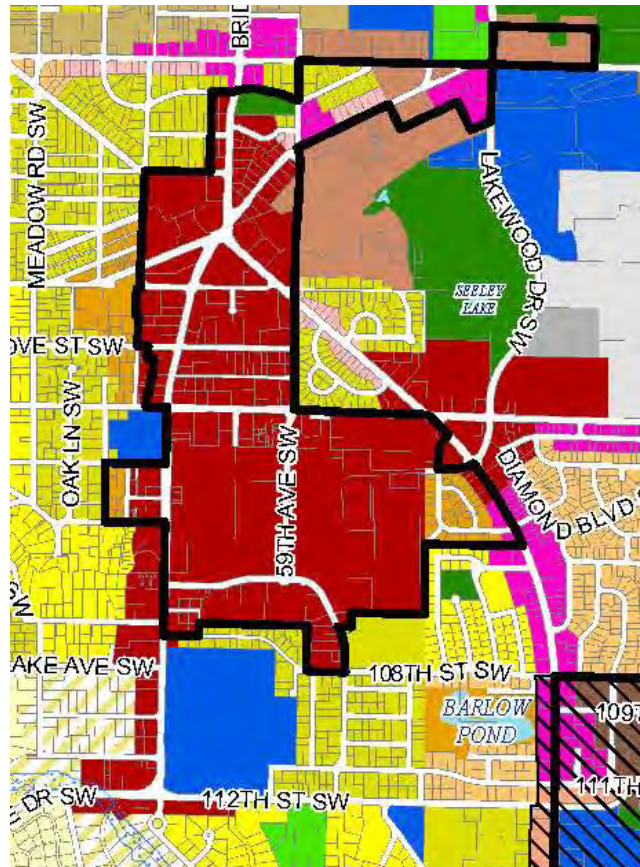


Central Business District Strategy

- Prioritize residential infill development
- Utilize existing 65,000 sq ft commercial vacancy
- Greater flexibility in design to allow residential that can be converted to commercial when needed
- Residential density increase before requiring expansion of commercial space



Central Business District Strategy



- Air Corridor 1 (AC1)
- Air Corridor 2 (AC2)
- Arterial Residential/Commercial (ARC)
- Commercial One (C1)
- Commercial Two (C2)
- Commercial Three (C3)
- Central Business District (CBD)
- Clear Zone (CZ)
- Industrial One (I1)
- Industrial Two (I2)
- Industrial Business Park (IBP)
- Multi Family One (MF1)
- Multi Family Two (MF2)
- Multi Family Three (MF3)
- Military Lands (ML)
- Mixed Residential One (MR1)
- Mixed Residential Two (MR2)
- Neighborhood Commercial (NC1)
- Neighborhood Commercial (NC2)
- Open Space & Recreation One (OSR1)
- Open Space & Recreation Two (OSR2)
- Public / Institutional (PI)
- Residential One (R1)
- Residential Two (R2)
- Residential Three (R3)
- Residential Four (R4)
- Transit Oriented Commercial (TOC)
- Water/OSR1
- Lakewood Station District Subarea
- Residential Target Area (RTA) Boundary
- Tillicum Woodbrook Subarea
- Riparian Buffer*
- Tax Parcel
- Lakewood City Limit



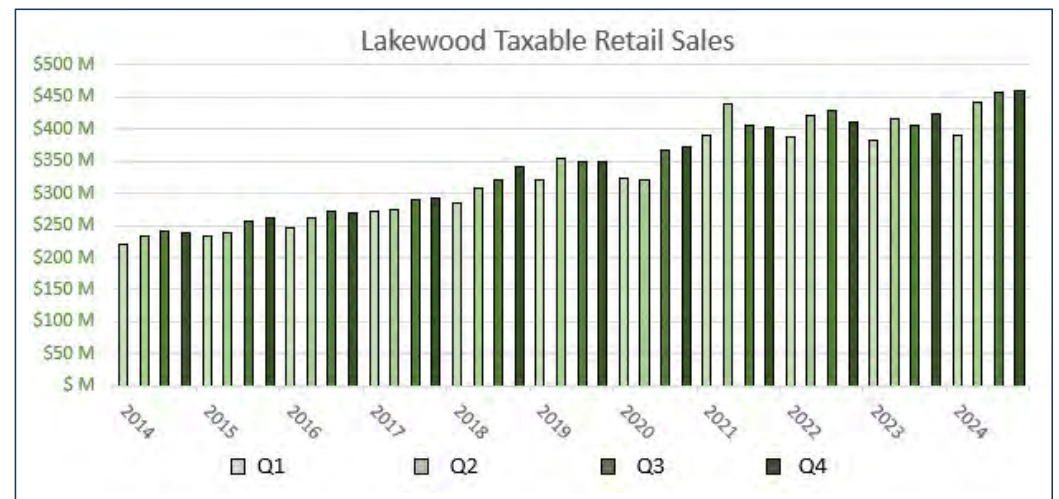
Central Business District Strategy

Economic Development

Retail Landscape & Trends

Sector/Category (2023)	Taxable Retail Sales	Pull Factor
Retail Trade	\$713,792,326	1.14
Motor Vehicle and Parts Dealers	\$129,902,439	0.90
Building, Garden, & Supplies	\$69,571,447	1.12
Food and Beverage Retailers	\$52,326,263	1.40
Furniture, Electronics, & Appliance	\$47,230,171	0.78
General Merchandise Retailers	\$144,634,994	1.63
Health & Personal Care Retailers	\$34,947,036	1.42
Gas Stations & Fuel Dealers	\$22,537,512	1.30
Clothing, Accessory, Shoe, Jewelry	\$33,091,496	0.91
Sporting, Hobby, Music, Books	\$179,550,968	1.15
Food Services & Drinking Places	\$205,238,442	1.69
Total Retail + Restaurant	\$919,030,768	1.23

Retail Sales



Lakewood is a diverse and balanced economy with high growth potential



Central Business District Strategy

Economic Development

Lakewood Towne Center

Villa Plaza (1957): This open-air strip mall featured anchor stores like J.C. Penney and Woolworth's, becoming a central shopping destination for Pierce County residents.

Lakewood Mall (1989): Redeveloped into an enclosed mall to modernize the shopping experience.

Lakewood Towne Center (2001–2002): Developed the open-air Lakewood Towne Center.

- Past & Present tenant mix – evolution of retail, technology, entertainment & other uses
- Strong retailers in Lakewood & Outlook



Central Business District Strategy

Economic Development

Lakewood Jobs – 39,735 Target (2044)

Industry	2019Q3	2024Q3
<i>Total - All Industries</i>	<i>31,718</i>	<i>32,628</i>
Ag, hunting, fishing	62	40
Utilities	77	99
Construction	1,728	1,816
Manufacturing	1,118	1,022
Wholesale Trade	1,056	1,065
Retail Trade	3,182	3,285
Transportation and Warehousing	2,191	1,822
Information	242	221
Finance and Insurance	572	527
Real Estate, Rental, Leasing	697	775
Professional, Scientific, & Technical	971	1,053
Management of Companies	20	9
Admin & Waste Management	833	753
Educational Services	2,533	2,544
Health Care & Social Assistance	10,707	11,813
Arts, Entertainment & Recreation	974	870
Accommodation & Food Services	3,061	3,248
Other (except Public Admin)	1,272	1,184
Public Administration	422	481

Employment Centers & Trade Areas

- Lakewood Industrial Park
- Woodbrook Business Park
- Downtown
- South Tacoma Way
- Bridgeport/Pacific Highway

Primary Jobs & Regional Focus

- Healthcare
- Logistics
- Aerospace – Advanced Manufacturing
- Technology

Retention, Expansion & Recruitment Efforts



Residential First Development Model

- Retail follows rooftops - focus residential to attract businesses
- Current 35% commercial ground floor requirement counterproductive
- Flexible residential design allows future commercial use
- Consider live-work, consumer habits, built-in shoppers



Economic Impact of JBLM

- 40,000 JBLM personnel; 70% live off-base
- 15,000 JBLM Civilian personnel; 100% live off-base
- Opportunity to capture JBLM workforce in Lakewood
- Young military demographic seeks vibrant, local experiences



Housing/Commercial Space Analysis

- High rental occupancy (95.1%) indicates housing demand
- 60,000 sq ft vacant commercial space in Towne Center
- Potential for converting commercial to residential spaces



Parking Availability & Regulations

- One off-street stall per residential unit per LMC 18B.600.610
- Encourage shared parking and public parking reductions
- Utilize existing underused parking areas efficiently



Case Study-Bothell

Why Was This the Most Important Action?

Direct Influence Over Development – By purchasing 25 acres in downtown, Bothell could strategically manage land sales and partnerships

Public-Private Partnerships – The city used its land holdings to attract catalyst projects, such as the Safeway site redevelopment (290 unit apartment complex).



Case Study-Bothell

Why Was This the Most Important Action?

Risk Management During the Recession –Bothell assumed private-sector risk, holding property and mitigating costs for developers, which kept the project moving forward despite economic downturns due to the recession.

Infrastructure Investment Alignment – Owning the land allowed Bothell to coordinate infrastructure improvements, ensuring they supported future growth and enhanced property values.



Case Study-Bothell

Why Was This the Most Important Action?

Enhanced Predictability for Investors – Private developers were more willing to invest because the city had pre-cleared environmental and regulatory hurdles, making projects faster, cheaper, and less risky.

Flexible, Business-Oriented Approach-Focused on shareholder needs and implemented private-sector business principles in public-sector development.



Parking Legislation

Recent Changes, Impacts, and Strategies for Local Jurisdictions



Parking Legislation

- Parking Legislation
- Recent Legislative Changes
- Key Legislative Measures (2024 & 2025)
- Current Parking Conditions
- Empirical Parking Study Requirements
- Criteria for Obtaining Exemptions
- Impacts on Local Government
- Recommendations



Recent Legislative Changes

Bottom Line Up Front (BLUF)

State Legislative changes have and will significantly restrict local jurisdiction's ability for off-street parking mandates without empirical parking safety studies.



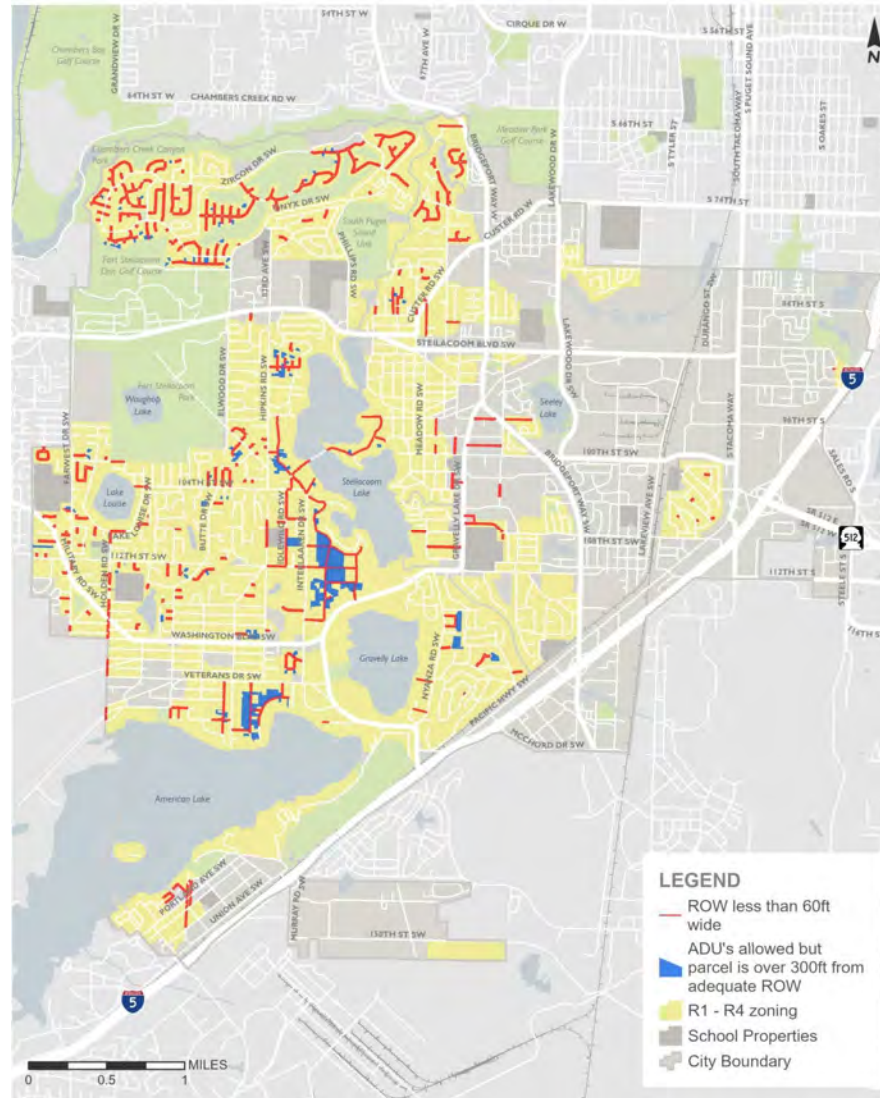
Key Legislative Measures (2024 & 2025)

- **2024 Legislation:** Limits or removes parking mandates unless safety risks are proven.
- **2025 Proposed Legislation:** Further restrictions (0.5 spaces/unit residential, 1 space/1,000 sq. ft. commercial), emphasizing transit-oriented areas



Current Parking Conditions

Parcels of Concern for Significant On-Street Parking Safety Issues



Empirical Parking Study Requirements

- Analyze on-street parking within an 800-ft radius (80-90% threshold).
- Evaluate road conditions, pedestrian/bike safety, and collision data.
- Consider multimodal infrastructure impacts (transit lanes, bike lanes).



Criteria for Obtaining Exemptions

- Clear evidence of significant safety risks due to reduced parking.
- Safety concerns explicitly tied to middle housing or ADU parking.
- Limited exemption scope (smallest area needed).
- No feasible alternative mitigations (e.g., signage, enforcement).



Impacts on Local Government

- Increased costs and workload due to detailed empirical data requirements.
- Exemptions apply only to specific, narrowly defined areas.
- Potential for spillover parking issues due to increased density



Recommendations

- Begin empirical parking studies proactively.
- Enhance parking management strategies (permits, timed parking).
- Invest in multimodal infrastructure (pedestrian, bicycle, transit).
- Early engagement with developers on tailored parking solutions.



2025 PPW Workplan



2024 Accomplishments

- Fees establishment based an hourly rate that can be tracked to accommodate full cost recovery and annual adjustments based on processing time analytics.
- Realignment of the PW and CED into PPW affording greater review ability for the engineering division.
- Focused on decentralized leadership with staff to make logic based rational decisions at the lowest level to meet departmental goals.



2024 Accomplishments

- Established Division meetings to ensure cohesion and communications are shared with all and employee input on divisional/departamental improvements
- Received DOC grant for permitting system to speed reviews and meet 5290
- AI to allow faster processing of NOA, Staff Reports, Pre-applications, and NOD.



2024 Accomplishments

- Process standardization underway
- Management analyst assisting with new innovative ways for PPW to do business PPW.
- Full MS Teams utilization for greater telework availability and increased retention rates.



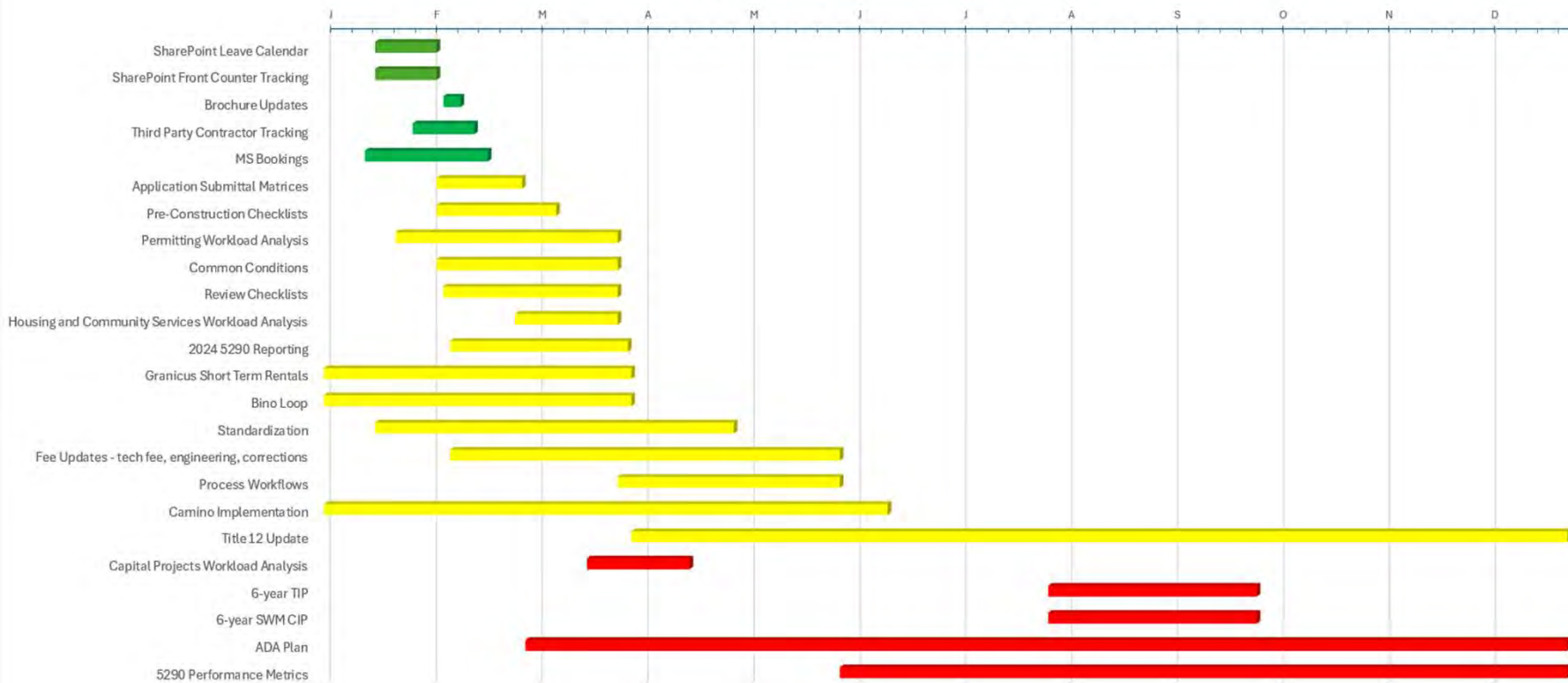
2025 Work Plan

Project	Workplan Category	Status	Start Date	Target Completion Date	Days to Complete
SharePoint Leave Calendar	Department	Complete	16-Jan	3-Feb	18
SharePoint Front Counter Tracking	Department	Complete	16-Jan	3-Feb	18
Brochure Updates	Permitting	Complete	5-Feb	10-Feb	5
Third Party Contractor Tracking	Permitting	Complete	27-Jan	14-Feb	18
MS Bookings	Department	Complete	13-Jan	18-Feb	36
Application Submittal Matrices	Permitting	Started	3-Feb	28-Feb	25
Pre-Construction Checklists	Permitting	Started	3-Feb	10-Mar	35
Permitting Workload Analysis	Permitting	Started	22-Jan	28-Mar	65
Common Conditions	Permitting	Started	3-Feb	28-Mar	53
Review Checklists	Permitting	Started	5-Feb	28-Mar	51
Housing and Community Services Workload Analysis	Housing & Planning	Started	26-Feb	28-Mar	30
2024 5290 Reporting	Permitting	Started	7-Feb	31-Mar	52
Granicus Short Term Rentals	Housing & Planning	Started	1-Jan	1-Apr	90
Bino Loop	Permitting	Started	1-Jan	1-Apr	90
Standardization	Department	Started	16-Jan	1-May	105
Fee Updates - tech fee, engineering, corrections	Engineering & Capital Projects	Started	7-Feb	1-Jun	114
Process Workflows	Permitting	Started	28-Mar	1-Jun	65
Camino Implementation	Permitting	Started	1-Jan	15-Jun	165
Title 12 Update	Engineering & Capital Projects	Started	1-Apr	31-Dec	274
Capital Projects Workload Analysis	Engineering & Capital Projects	Not Started	19-Mar	18-Apr	30
6-year TIP	Engineering & Capital Projects	Not Started	1-Aug	1-Oct	61
6-year SWM CIP	Engineering & Capital Projects	Not Started	1-Aug	1-Oct	61
ADA Plan	Engineering & Capital Projects	Not Started	1-Mar	31-Dec	305
5290 Performance Metrics	Permitting	Not Started	1-Jun	31-Dec	213



2025 Work Plan

PPW Project Implementation



Next Steps



Courses of Action

Below are recommended Courses of Action (COAs) for City Council consideration.

COA #1

Identify Multi-Generational Community Center properties that best aligns with all the City Council's goals. Assess potential partnership & financing opportunities necessary to advance the project and present findings to the Council regarding these locations for further consideration. This would involve a multi-phase plan with a long-term goal of full implementation.

COA#2

Based on current financing capacity investigate properties that best meet council goals within current financial capacity.

COA#3

Move forward with downtown park master plan process.

