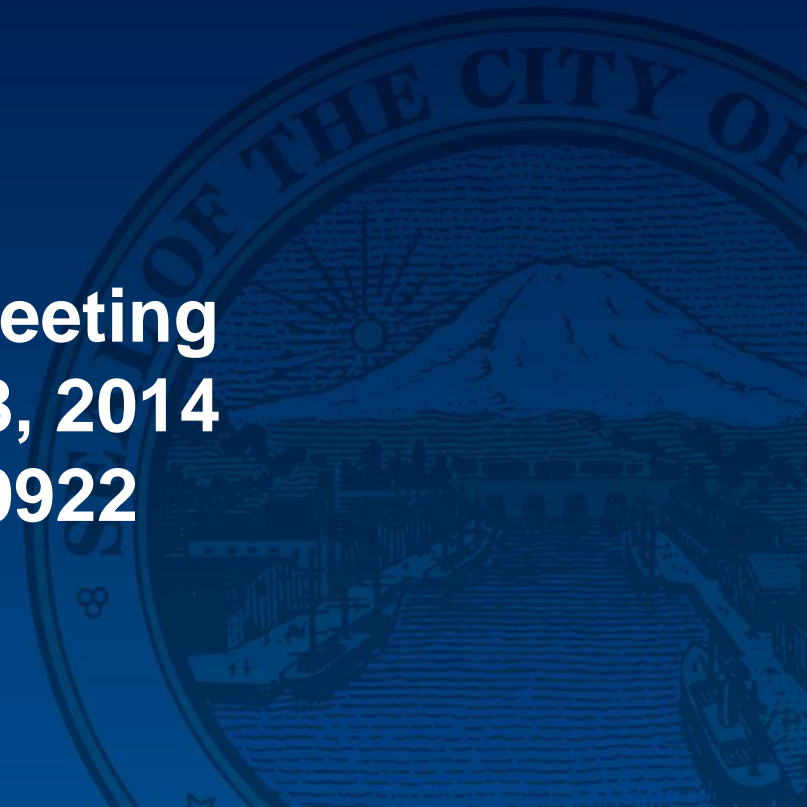


Convention Center Hotel and Mixed Use Development Agreement

City of Tacoma

Community and Economic Development Department

City Council Meeting
NOVEMBER 18, 2014
ITEM #14-0922



Overview

- Request to execute Development Agreement with Yareton Investment & Management (Washington) L.L.C.
- \$150 million hotel & mixed use project
- Will be development catalyst between UWT campus and Convention Center
- Create 1,000 construction and 200 full-time jobs
- Enable Convention Center to attract larger conventions

Project Conceptual Design

17th & Broadway in Downtown Tacoma



Project Description

- **Phase 1 (\$85M): 240-foot high tower:**
 - 4-star, minimum 300-room hotel
 - 10,000 sf street-level retail
 - 10,000 net sf Grand Ballroom
 - 9,000 net sf other function rooms
 - At least 200 private parking stalls
 - Plaza

Project Description

Based on pro forma and market demand and after stabilization of Phase 1 —

- **Phase 2 (\$65M): 240-foot high tower:**
 - Minimum 200 condominiums and/or market rate apartments
 - 20,000 sf street-level retail
 - At least 200 private parking stalls
 - May include commercial office space

Financial Considerations

- **NO PUBLIC SUBSIDY**
- **Developer will pay appraised Fair Market Value for Property**
- **Developer will remit earnest money in two installments:**
 - **\$575,000 when entering into Agreement**
 - **\$575,000 at beginning of second due diligence period**

Project Schedule

- Complete Initial Due Diligence - 4/30/15
- Complete Design & Obtain Permits – 10/31/16
- Secure Equity and Debt Financing – 10/31/16
- Convey Property – 11/30/16
- Construct Phase 1 – 12/1/16 – 11/30/18
- Obtain Certificate of Occupancy – 12/31/18
- Potentially Construct Phase 2 – Est. 2021

Recommendation

Authorize City Manager to execute Development Agreement with Yareton Investment & Management (Washington) L.L.C. to develop a hotel and mixed use project adjoining the Convention Center at 17th & Broadway.

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