

Uwajimaya and Uwajimaya Village

Seattle, Washington

Project Type:
Mixed-Use/Multi-Use

Case No:
C033022

Year:
2003



Courtesy of Ara-Jackson Ellison Murakami, LLP

SUMMARY

The Uwajimaya retail store and Uwajimaya Village apartments are a successful experiment in medium-scale, mixed-use retail and housing development. Covering an entire city block in Seattle, Washington's International District, the ground floor houses Uwajimaya, a 60,000-square-foot (5,574-square-meter), 50-year-old Japanese grocery store and import business with the upper five floors devoted to Uwajimaya Village's 176 apartments. Replacing a truck maintenance facility on the site, the development builds upon the historic identity of the neighborhood while reaching out to a larger regional market.

FEATURES

- Urban infill development
- Apartments over a grocery store
- Shared parking arrangement
- Apartments successfully leased in a down market

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SPECIAL FEATURES

- Urban infill development
- Apartments over a grocery store
- Shared parking arrangement
- Apartments successfully leased in a down market

DEVELOPERS

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PROJECT ADDRESS

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GENERAL DESCRIPTION

Seattle's Uwajimaya retail store and Uwajimaya Village apartments are a successful experiment in medium-scale, mixed-use retail and housing development. Based on a homegrown business, it has become a strategic building block in a historic, low-income urban neighborhood that is rapidly changing at the edges.

Covering an entire city block, the ground floor of the building is devoted to Uwajimaya, a Seattle retail institution and family-owned business, and its retail partners. On the upper five levels, Uwajimaya Village brings 176 units of new housing to the area. Seventy-five percent of the new units are market-rate rental apartments, and the rest are priced in the affordable category. With underground parking and surface parking on an adjoining lot, the project also creates 360 new parking spaces for tenants, store customers, and the pay-to-park public.

The 50-year-old Japanese grocery store and import business behind the entire project has become a chain of three stores in the Seattle area, and expanded its import business to include other Asian product sources and markets. With the new mixed-use building, Uwajimaya has expanded its flagship store and relocated from a cramped 36,000-square-foot (3,344-square-meter) building with parking on one block to a new 60,000-square-foot (5,574-square-meter) superstore just across the street.

Replacing a truck maintenance facility on the site, the mixed-use development successfully builds upon the historic identity of the neighborhood while reaching out to a larger regional market. Compared with the original location, the new site has good visibility from major arterials around the district and adequate parking. Economies of scale are realized through shared parking for the retail and residential portions of the project, which have different daily peak demand periods. Should economic conditions allow, the owner can redevelop the surface parking area in the future.

The project leverages the vision of an experienced developer with high-quality urban design, and builds upon Uwajimaya's commitment to long-term investment in the area. It has added to the community capital by bringing in mixed-income housing, expanding a historic grid, and creating new links among ethnic groups and businesses inside and outside the project. The vacated street has been redeveloped into a pedestrian-friendly open space faced by storefronts and furnished with traditional artifacts, newly commissioned artworks, kiosks, lighting, trees, and plantings. The housing complements the earlier arrival of two high-rise office buildings just across the street, and the Uwajimaya retail complex has been able to realize the economic synergies of convenient parking and hundreds of customers living in the floors above. In turn, the success of Uwajimaya and Uwajimaya Village has spurred further development in and around the block.

DEVELOPMENT PROCESS

The Moriguchi family, owner of Uwajimaya, began tying up land for a prospective expansion in the mid-1980s. As his business grew, CEO Tomio Moriguchi became certain that more than a block would be needed for a new flagship store. After the final parcel of the two-block site was secured in the mid-1990s, planning for development began in earnest. Daunted by the need for parking, the cost of development, and the regulatory requirements, Moriguchi began consulting with Seattle developer Bruce Lorig. The decision to build a mixed-use structure with housing above was based on Lorig's sense of the ultimate potential of the site and the market timing. Lorig's ideas complemented Moriguchi's vision for expanding his Japanese grocery store business into a pan-Asian import store with related services.

Lorig's company, Lorig Associates, has built a portfolio of projects inside emerging neighborhoods based on strategic timing and staged risk. The company emphasizes design quality and engagement with urban context. Its current portfolio includes seven buildings listed on the National Register of Historic Places. The company has over \$125 million in projects underway and an equal volume in predevelopment. Many are mixed-use projects built under complex community, market, and regulatory circumstances. Lorig Associates develops property for its own account and also acts as a consulting developer for private, nonprofit, and public clients. Projects have been structured as joint ventures, public/private partnerships, and leaseholds as well as more conventional fee simple ownership. Many include some element of public participation.

For Uwajimaya, Lorig and Moriguchi agreed that a two-block, mixed-use project with housing offered many opportunities. It would enhance the immediate environment in a way that was sensitive to the historic context, while adding to the housing stock of the community and making the construction of a new flagship store feasible. Although the requirements for special district review, the need for storefronts on all sides, and the construction of pedestrian amenities would be costly, the prospect of benefiting the entire community was adopted as a goal and not perceived as a barrier. By reassessing the costs and benefits of the project at each critical stage, the Lorig team could manage the risk through the entire project.

FINANCING

The financing and ownership of the mixed-use development reflects a complex marriage of interests. The Moriguchi family, founder of Uwajimaya and initiator of the entire project, also owns and financed it through construction under Uwajimaya Village LLC. Weller Street Housing, the owner of the housing on the second level of the project, is a pool of investors that includes Lorig Associates, the American Communities Fund of Fannie Mae, and the Moriguchi family as major shareholders.

Following completion, the ownership of the project was legally separated into a two-party condominium. Uwajimaya Village LLC retains ownership of the store and parking areas, and Weller Street Housing owns the apartments above and common areas on the platform. Shared spaces include stairs, elevators, and mechanical spaces.

Bank of America provided the construction loan for the entire project, in the amount of \$28.45 million. It was understood at the outset that Bank of America would also provide permanent financing for the store in the amount of \$12 million, leaving \$16.45 million to be financed by the apartments. The portion of the loan for the store was underwritten based on the long-term financing projections for store operations, following its reopening in the new space. In banking terms, this kind of underwriting comes under the heading of "owner occupied," and must satisfy the following question: "Will the store be able to generate enough revenue to pay its expenses as well as a fixed rent/debt payment over a long period of time?"

Meanwhile, the apartment portion of the construction loan was underwritten based on more traditional multifamily underwriting standards, using a 1.25 debt service coverage ratio standard (which included an assumed interest rate level of 9 percent), and a maximum 80 percent loan-to-value ratio. Construction loan advances were priced at the prevailing rate, and no preleasing was required.

The amount of cash equity needed was determined by subtracting the value of the contributed land and the amount of bank loan available from the total project cost. The resulting total of \$3.55 million came from the two primary owners. The store and parking portion was provided by the Moriguchi family (in the form of land and cash), while the equity for the apartments was put up by members of Weller Street Housing.

The project financial pro forma used for raising equity projected that investors would be paid a 9 percent cumulative preferred return (once cashflow became available), with a targeted 15 percent total return at the end of ten years, assuming a sale of the project at that time. The only exception to this was the portion of equity contributed by the American Communities Fund (ACF). While the contribution was explicitly in the category of "equity," it was structured like debt. A fixed rate was paid for the money, but that rate would increase every year that it stayed in the project. The ACF funds were repaid as soon as the permanent debt was funded.

Upon completion of the project, Bank of America funded the term loan, which financed the expansion of the store and parking areas, while Lorig managed the process of obtaining a permanent loan for the apartments. Following a nationwide bid on the financing, a permanent loan was obtained from MetLife for \$17.5 million. The key underwriting criteria were a debt service coverage ratio of 1.2, assuming current permanent loan interest rates and a 30-year maturity. The key difference in MetLife's underwriting versus that of other lenders was the ability to underwrite according to the project's expected performance instead of its previous performance that year, while the project was still under construction and the grocery store was ramping up business.

One unusual financing mechanism was essential to the successful completion of the project. Because it was creating new multifamily housing in a neighborhood designated for development assistance by the city of Seattle, it was eligible for a ten-year real estate tax abatement for the housing portion of the project. Uwajimaya was the first project to be completed under the program, which exchanges a tax exemption for affordability, with 25 percent of apartments priced for renters at 80 percent of the area median income.

THE SITE

The 3.25-acre (1.3-hectare) Uwajimaya site covers two blocks at the edge of Seattle's International District, southeast of Pioneer Square and just southeast of Union Station and King Street Station. It lies beside the city's bus tunnel and a future transit hub, which is currently served by Sounder commuter rail and Metro buses and awaiting the construction of Sound Transit light rail.

The International District is a center of Chinese and Japanese settlement, currently inhabited by a mixed population including non-Asians as well as Asian immigrants of many national and ethnic backgrounds. The district is also a historic area and its urban context, explicitly protected under Seattle's zoning code, consists of early-century low-rise buildings with housing over street-level retail. The block just to the north of the site is occupied by the building where the Moriguchi family opened its first flagship store 30 years ago.

All three blocks, including the old Uwajimaya store site, lie between Fifth and Sixth avenues, and Fifth Avenue runs between Uwajimaya and two new high-rise office buildings to the west near the entrances to the transit tunnel. On the north is Weller Street, between the old store site and the new development, and the south side of the new parking lot is bounded by Dearborn Street, a major arterial leading from the Central Area into Pioneer Square. Still further to the south, a new multistory parking facility and Seattle's new football and baseball stadiums dominate the

view. The two-block development is bisected by Lane Street, which has been vacated by the city and reserved by Uwajimaya for pedestrian use.

The land was previously occupied by a GMC Truck Service Center and an old canning plant, and it was covered primarily by asphalt. Soft soils underneath, which were contaminated from the truck center use, consist of fill from the massive Denny Regrade, which transformed the topography of the area in the early years of the 20th century.

PLANNING AND DESIGN

When planning began in earnest for a new flagship store for Uwajimaya in the early 1990s, architect and urban planner Steve Arai and project designer Jerry Arai of Arai Jackson Ellison Murakami, LLP, were very conscious of the potential importance of the project within the larger International District. The concept began with their conviction that the store would best thrive as part of an urban context, and not as a unique, oversized building.

Uwajimaya was conceived as a town center, a place that is a part of a larger neighborhood. As parts of a single building that occupies an entire city block, the store and the residential community can each realize the opportunity to define the surrounding streetscape and set standards for future development.

Surveying urban supermarkets in the United States and in Japan, the architects were influenced by examples of large stores with edges that blended with the surrounding streets and by displays in open markets. These models were simply not compatible with the notion of satisfying parking needs on grade.

The decision to build an underground parking garage was the key to success as a mixed-use development that supported the existing street grid. In turn, the second level, Uwajimaya Village, provided another cash stream to amortize the cost of the entire project.

The need for parking was driven by business development for Uwajimaya, a flagship store for a regional chain with two outlying stores and a steady stream of customers from outside the immediate neighborhood. The number of stalls required for this use would put parking for the project way ahead of city requirements of 79 stalls for the 250-person housing community, low because of nearby transit and historic district location. Peak parking demand for Uwajimaya was calculated at 218 spaces and surface parking on the second block would provide only 140.

One level of parking underneath the store provides sufficient capacity—1.27 stalls per unit—and the addition of the housing component to the project means 24-hour use of some of the parking otherwise used for retail. Because it is not assigned to specific units or even dedicated to parking for housing, the underground parking garage can accept overflow capacity from the adjacent 136 spaces of surface parking during peak store hours. The underground garage is reached via a ramp from the surface lot, and signage directs customers to extra parking.

With surface parking on the block adjacent to the store, owner Uwajimaya has effectively preserved the option of developing a second block, just across the pedestrian way from the flagship store, in time.

From an urban design perspective, adequate entry points are required to anchor the large, new flagship Uwajimaya to the neighborhood context and link it to the adjacent streets. As a destination store, it also was necessary to create a welcoming entrance adjacent to parking. On the other hand, conventional plans for large supermarkets call for one checkout area, controlled access, and long walls unbroken by doors or windows. These competing priorities posed a difficult challenge for the design team.

The solution was the placement of four entry points to Uwajimaya. The main entrance to the store and elevator lobby for parking and Uwajimaya Village above are in the middle of the north side, which is turned toward the center of the International District. There also are doors at the northeast and northwest corners that lead into the main store.

On the south side, which faces the pedestrian street and surface parking, the inside of the store is visible through garage-style glass doors and a concave arc of glass panels that can be opened in warm weather to extend the produce section of the store into an Asian-style street market. A long, tiled awning and a sheltering, parasol-shaped glass and steel canopy over the glass walls complete the composition.

The loading dock for Uwajimaya faces busy Fifth Avenue on the west side of the development. Choosing a back door for a loading dock in an urban setting is difficult due to the activity on all four sides of a block. The loading dock was placed mid-block on the street most dominated by automobile traffic.

Spaces for retail and restaurant tenants were designed to activate the street on the north, east, and south sides of the building. Small restaurant spaces on the north side also open into a larger restaurant arcade inside the larger store, with a common seating area. Awnings, signage, and separate restaurant entrances along the north side invite the weekday lunch crowd and enliven the streetscape between the new office high rises and transit hub to the west and the traditional urban neighborhood to the west. The Kinokuniya bookstore, which maintains its own identity yet opens into Uwajimaya, anchors the northeast corner.

The vacated section of Lane Street that divides the Uwajimaya Village from the surface parking lot provides an important urban design opportunity and a chance to reach out to visitors and to the existing community. It is designed as a public space where community members can gather for festivals and for formal and informal occasions. In addition to the aforementioned awnings, glass walls, and parasol canopy, the wide walkway is marked by large-scale works of art that reinforce the increasingly pan-Asian identity of Uwajimaya. A local artist designed a laser-cut dragon in the traditional paper-cut style onto a sheet of steel, which is wrapped lantern-style around the spiral stairway to the underground parking area and is lit from within. There is seating around the base of the stair sculpture, and benches are placed at other strategic points for public use. A large Japanese stone lantern, gifted to owner Tomio Moriguchi by a friend, stands at the other end of the way. A major restaurant tenant, Chinoise, occupies a corner of the building, opening out onto the same pedestrian way with outdoor seating.

With the ground-floor retail building serving as a platform, the residential part of the mixed-use project is designed to capture views and to create a community streetscape, central open spaces, and focal landscape features. The five-section apartment complex is designed in a symmetrical plan around a linear core plaza, which functions as a city square within a simple grid of "streets" between the apartment blocks. The height and bulk of the sections step down toward the south from the five-story north side, which faces the skyline of downtown Seattle. On the south side, two two-story sections in turn step down to the center opening and esplanade. In between the high and low sides lie two three-story townhouse sections with one-story apartments on the first level. Studios and one- and two-bedroom units are double-loaded on six-foot-wide (1.8-meter-wide) corridors in each section.

Two "streets" cross the linear plaza, one of which opens into city views at both sides of the platform. The plaza itself begins with a Japanese tea house pergola outside the north section and leads to a large, Japanese natural stone water feature in the center of the complex. The open space extends all the way to the front of the building, where a projecting esplanade opens up the view to the south. A large trellis shaped like a Chinese moon gate can be seen from the street spanning two sections of housing over the plaza and the esplanade.

The exterior walls of Uwajimaya Village were finished with a combination of stucco and vinyl siding. Details were selected for their traditional Asian character and to extend some of the traditions of the original Uwajimaya store on the adjacent block. They include blue glazed tiles from Japan on the sloping roofs, heavy wood timbers at the awnings, and granite from China in the apartment lobbies.

The building is designed according to typical five-over-one (five wood frame stories over a one-story concrete structure) construction, with two-hour fire separation in between, allowed by Seattle's building code. The 85-foot (26-meter) height meets the city's limit for the area, and allows for generous ceiling levels (8.5-foot/2.5-meter) in the residential units as well as a lofty 20-foot (six-meter) ceiling height in the store. This permits the inclusion of a second mezzanine or podium level along one wall, where company offices and employee areas are located.

The project had to absorb costs associated with poor soils. The foundation is based on 100-foot (30.4-meter), auger-cast pilings that penetrate the ancient shoreline to reach firm ground. The first-level structure is built with prestressed concrete slabs. The first-floor concrete platform, sloped for drainage on top, is covered with a waterproof membrane and pavers.

Framing for the upper levels is built in prefabricated modules off site by the contractor, then trucked in and lifted to the platform. This method of construction simplified quality control for the wood framing, and allowed for a faster schedule.

Mechanical elements intermingle between levels, a condition made possible through the joint enterprise and close association between the two condominium owners. The high ceiling in the store level accommodates piping that serves Uwajimaya Village, and major heating, ventilation, and air-conditioning equipment for all levels is located in a sound-isolated space above the loading dock and is accessed from a special entrance among the apartment units.

APPROVALS

The Uwajimaya store and Uwajimaya Village development was subject to design scrutiny and neighborhood review due to its location within the boundaries of the International District, one of two historic districts within the city of Seattle. The project met all special district criteria, which, in addition to height limits, included the desirability of housing over street-level retail, the use of contextual forms and materials, and the provision of storefronts, awnings, and other pedestrian-oriented features on most sides.

Because of the request to vacate a block-long section of Lane Street, the development became subject to an appeal process even after basic approval had been given. Neighborhood concerns about traffic and freedom of vehicular circulation were the basis of the appeal.

Lane street, which has become a block-long pedestrian walkway and plaza within the development, has always terminated with a "T" intersection at the west side of the block and was used primarily as parking access for the trucks previously stored on the site. Approval for vacating the street was given based on the argument that it was not a part of the larger street grid and that creating an active pedestrian walkway in that location would contribute to the

walkability and integrity of the historic neighborhood.

Strategic urban design elements, including storefronts and pedestrian amenities, were crafted to satisfy the desires of neighborhood groups and to meet requirements for approval within the context of a controversial street vacation. The developer provided an economic analysis of the effect of the street vacation and redevelopment on smaller businesses in the area, and it was found to be beneficial. A public involvement process, required by the historic district review board and conducted by the design team, identified specific amenities desired by the community, which were then incorporated in the design of the pedestrian way.

Despite these successful measures, a neighborhood group's appeal of the historic review board's decision—based upon traffic impacts of queuing for store parking—went on to the city's hearing examiner. In a last-minute decision, the issues that the community groups raised were resolved by compelling the developer to include space for five cars to line up on the site before passing the control gate. This would mitigate the perceived possibility of obstructive queuing on the street.

MARKETING, TENANTS, AND MANAGEMENT

Retail tenants for the Uwajimaya block were hand picked from a list of merchants who had expressed interest in the project. Each of them fit the development team's vision of an authentic yet affordable Asian foods and products market. Retail tenants include the aforementioned Kinokuniya Bookstore, the largest bookstore in Japan, and Chinoise Restaurant, one of four in the Seattle area. Washington Mutual Bank runs a service branch inside Uwajimaya, and Shiseido cosmetics has a boutique there. A number of small restaurants were selected for their contributions to the pan-Asian atmosphere of the flagship store.

Through their merchants association, Uwajimaya and affiliated businesses inside the store block have widely targeted an upscale demographic through new products and events such as cooking classes taught by famous chefs and book signings. The store and its auxiliary spaces have been positioned as a community resource offering singles nights, Tuesday morning store discounts for seniors, and "Go Nights," organized around a popular Asian checker-style game. These kinds of programs have kept interest alive even in a down market and through the SARS scare, without depending on tourists as a main lifeline.

Retail rents, originally estimated at \$16 to \$22 per square foot (\$172 to \$236 per square meter) for operations, now range from \$24 to \$36 per square foot (\$258 to \$387 per square meter) and are outperforming base rents and pay percentage rents.

Marketing of the housing portion of the project was deliberately fashioned to build on connections with the local Asian network and community, through promotions inside the new flagship Uwajimaya store and in neighborhood newspapers, and through direct marketing to neighborhood businesses. At the same time, the housing and the entire project were promoted citywide as a gateway to the International District and as an opportunity for downtown living. Over time, outreach efforts have included hotel flyers, paid tour bus guides, and free tours for students studying Asian culture.

The first year after opening, which coincided with massive layoffs in the high-tech industry and a decrease in the number of potential renters in one of the major demographic markets for the close-in development, was disappointing. But marketing efforts have succeeded in bringing Uwajimaya Village to full occupancy with low turnover, and market-rate rents have held up even as vacancy in other market-rate housing in the area has increased. Rents start at \$885 a month for a studio and top out at \$2,500 for a large two-bedroom unit.

Because developer Lorig Associates has a vested interest in the project's success and knows the project and the real estate context of the neighborhood, the retail tenant portion of the development is managed by Lorig Management Services, the management arm of the developer. A property manager from the local community oversees the housing and tenants in it.

EXPERIENCE GAINED

Placing a major retail operation, several smaller retail and restaurant tenants, and a residential community in one block-sized building presented some very special challenges to the development team. Most of them were met successfully through a creative and flexible partnership between the developer and the owner that allowed the developer to pursue the best possible mix of uses and urban design features while letting the owner make use of independent experts as needed.

Ongoing problems center on the evolution of the circulation within the Uwajimaya store, especially in relation to its four entrances. One of them, at the corner of Fifth Avenue and Weller Street, is proving awkward because it is remote from the central checkout stations.

Another design problem concerns the successful use of the smaller retail tenant spaces along Weller Street. Because of the overwhelming amount of kitchen equipment within the small storefront spaces, the concept of having two

restaurant entries, one on the street and one from inside the store complex, is not practical in some cases.

A common challenge in downtown mixed-use projects involves how best to use precious ground-floor space. The Uwajimaya Village apartment rental office is located on the podium level, not on the ground level where prospective tenants would have easier access to it. A valuable lesson learned is the importance of reaching out to customers and the public with a conveniently located office at the street level.

Uwajimaya residential tenants, originally expected to come from the young professional demographic bracket because of the office towers across the street, have instead been a diverse group, more representative of retired and Asian populations. The recession, in full swing at opening, affected the circumstances of potential renters in the high-tech industry and from the neighboring office developments.

Despite these continuing issues, Uwajimaya and Uwajimaya Village have shown that through thoughtful urban design and generous contributions to the public realm and the cultural life of the larger community, a large mixed-use project can leverage existing brand recognition and strengthen the market for its anchor enterprise.

PROJECT DATA			
LAND USE INFORMATION			
Site area (acres/hectares): 3.25/1.31 Residential units: 176			
GROSS BUILDING AREA			
Use	Gross Square Feet/Square Meters		
Office	1,015/94.2		
Retail	6,772/629		
Residential	131,971/12,260		
Parking	71,500/6,642		
Total GBA	297,826/27,668		
LEASABLE AREA			
Use	Square Feet/Square Meters		
Office net rentable area	1,000/92.9		
Retail gross leasable area	14,500/1,347		
Floor/area ratio: 2.17			
LAND USE PLAN			
Use	Acres/Hectares	Percentage of Site	
Buildings	1.495/0.60	46	
Streets/surface parking	1.5275/0.61	47	
Landscaping/open space	0.22775/0.09	7	
Total	3.25/1.31	100	
RESIDENTIAL UNIT INFORMATION			
Unit Type	Floor Area (Square Feet/Square Meters)	Number Leased	Range of Initial Rental Prices
Studio	500–600/46.4–55.7	56	\$885–\$925
One-bedroom flat	660–820/61.3–76.1	84	\$975–\$1,300
Two-bedroom flat	1,100/102.1	14	\$1,600–\$1,700
Two-bedroom townhouse	820–1,175/76.1–109.1	22	\$1,600–\$2,500
OFFICE INFORMATION			
Percentage of NRA occupied: 100 Number of tenants: 1 Average tenant size (square feet/square meters): 1,000/92.9			
RETAIL INFORMATION			
Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)	
Food service	8	5,635/523.4	
Financial (bank)	1	1,188/110	
Hair salon	1	847/78.6	
Bookstore	1	7,964/740	
Grocery store	1	44,709/4,153	
Total	13	60,343/5,605	
Percentage of GLA occupied: 90 Annual rents (per square foot/square meter): Approximately \$28 to \$36/\$301 to \$387 Average annual sales (per square foot/square meter): Approximately \$17,888/\$192,344 Average length of lease: 5 years			
DEVELOPMENT COST INFORMATION			
CONSTRUCTION COSTS Construction costs: \$20,367,414 Tenant improvements: \$1,686,296 Sales tax at 8.6 percent: \$1,896,619 Subtotal Construction Costs: \$23,950,329			
LAND Block 2 land costs: \$3,380,000			

Block 3 land costs: \$2,650,000
Lane Street vacation/land costs: \$400,000
Alley vacation/land costs: \$90,000
Subtotal Land Costs: \$6,520,000

NONCONSTRUCTION-RELATED USES OF FUNDS

Site furnishings, FF&E (furnishings, fixtures, and equipment), office, etc.: \$30,364
Residential compactor: \$16,000
Digital meters for housing: \$47,236
Security for housing: \$15,000
Parking equipment: \$162,900
Architectural, engineering, and other consultants: \$1,622,436
Predevelopment expenses: \$393,802
Contaminated soil removal block 2: \$100,000
Hazardous materials/asbestos removal: \$116,248
Construction testing and hazardous materials inspections: \$175,000
Utility hookups: \$80,526
Seattle City Light relocation and hookup: \$119,279
Project management: \$800,000
Permits and fees: \$236,100
Builder's risk insurance: \$52,351
Real estate legal fees: \$340,000
Lease-up, promotion, and opening—housing: \$50,000
Lease-up, promotion, and opening—commercial: \$10,000
City Light rebate: (\$84,000)
Appraisal: \$12,000
Real estate taxes (two years): \$120,000
Construction contingency—housing: \$649,599
Construction contingency—commercial: \$450,401
Soft cost contingency: \$126,930
Loan costs: \$213,375
Title insurance and endorsements: \$25,000
Construction review and inspection: \$14,000
Housing lease-up interest: \$550,000
Construction interest at 8 percent: \$1,282,872

Subtotal Soft Costs: \$7,829,671

Total Uses of Funds/Development Costs: \$38,300,000

DEVELOPMENT SCHEDULE

Site purchased: owner owned property
Planning started: October 1996
Retail leasing started: January 1999
Construction started: August 1999
Housing leasing started: November 2000
Retail and parking completed: November 2000
Housing completed: March 2001

DIRECTIONS

From Sea-Tac International Airport: Take I-5 north to exit 164 (I-90, James & Dearborn Street). Stay in the right lane to Dearborn Street (second exit). At the light, take a left onto Dearborn Street. Go west five blocks and turn right onto Sixth Avenue South. Uwajimaya will be on your left.

Driving time: 20 minutes in nonpeak traffic from the airport.

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Joanne Nanez, online production manager

This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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Covering an entire city block in Seattle, Washington's International District, the ground floor houses Uwajimaya, a 60,000-square-foot (5,574-square-meter), 50-year-old Japanese grocery store and import business, with the upper five floors devoted to Uwajimaya Village's 176 apartments.



Uwajimaya Village is a cluster of wood-frame structures atop the concrete base that houses Uwajimaya and its retail partners. This scale model also shows strategically placed blue tile roofs, which extend the traditions of Uwajimaya from the original flagship store to the new mixed-use building. The height of the housing structures steps down from five floors at the north (top) side of the building to two stories at the south edge.



The retail partners of Uwajimaya, including Kinokuniya Bookstore, meet the street on the north side of the store. The stores have separate entrances, but customers can then enter Uwajimaya from inside.



Generous awnings welcome visitors to the store and provide shelter for pedestrians and street vendors.

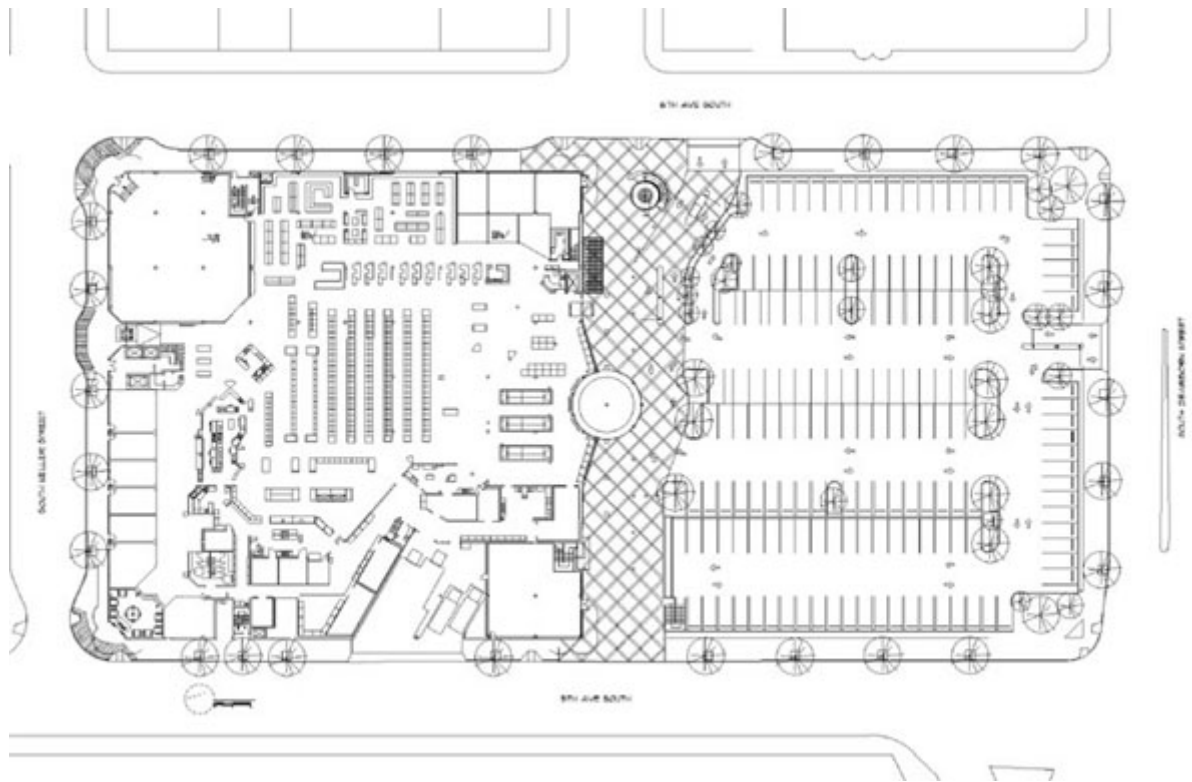


A traditional Japanese stone lantern, standing on its own structural support between the pedestrian walkway and the parking lot, greets visitors to Uwajimaya.



Courtesy of Arai Jackson Ellison Murakami, LLP

The view to the north from the top floors of Uwajimaya Village includes historic Union Station in the foreground and a close-up view of the Seattle skyline beyond. The street is Fifth Avenue, which divides the International District and Pioneer Square.



This plan shows surface parking to the right and the retail level of Uwajimaya to the left.