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Developer wants to create an urban village in Auburn

- *Alpert International is working with the city to create Auburn Junction.*

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Alpert International wants to turn four blocks of downtown Auburn into an urban village, with housing above retail and open spaces.

In Spencer Alpert's view, downtown Auburn could become a smaller version of Portland's Pearl District. Now it looks like he will get a chance to make that happen because the city is negotiating with his company, Alpert International, to help create a new downtown.

Alpert and city officials are working on an exclusive negotiating agreement to turn four downtown blocks into an urban village called Auburn Junction.



“At this point we anticipate entering into a master development agreement in the not too distant future,” Alpert said. “We're optimistic it will get done in the next 30 to 45 days.”

In an e-mail sent last Thursday, Auburn Mayor Pete Lewis said the letter of intent with Alpert should be complete within 15 days. After that, they should go directly into the master development agreement, which will address how Alpert acquires property now owned by the city in the four-block area.

Conceptual plans for Auburn Junction include commercial and residential space near transit. It would be built in four phases, with completion in 2015. Alpert said they want to attract high-profile restaurants, specialty retailers and a leading-edge theater concept. He said retail lease rates would be in the middle-upper range for the area.

The project would also include 265 multifamily units, ranging from studios to family-sized homes.

Construction costs could top \$260 million, according to Skanska USA Building, a member of Alpert's project team.

Each phase would focus on one of four superblocks, with each containing ground-floor retail topped with condos or apartments. Alpert said the buildings would be less than 10 stories, with most likely to be three to five stories. They would vary in design.

Alpert said they originally envisioned 275,000 square feet of office space along with 150,000 square feet of retail/cinema, 332,000 square feet of residential and 2,380 underground parking stalls.

“We've concluded that de-emphasizing office would be best at this point,” he said.

“I see Auburn Junction as a different kind of project from Kent Station,” Alpert said. Kent's redevelopment around its transit station is more spread out and has a suburban feel, he said, and it doesn't include housing yet.

Alpert said the Auburn project would have housing in the initial phases, as well as pedestrian corridors connecting it to other parts of downtown and Sound Transit's rail station. Public spaces would include a central plaza with a large fountain.

Alpert said he would target LEED silver or better at Auburn Junction and he wants it to be recognized locally as a sustainability leader. He is a member of the Cascadia Region Green Building Council.

Alpert said he wants to bring some of the city's existing businesses, such as the Sun Break Cafe and Gosanko Chocolate Art, into the new development.

Alpert said he has talked to Ron Roberts, Gosanko's owner, about relocating from a small shop near Safeway into his project. He said Roberts' chocolate-making operations could be showcased in the new project.

Roberts said he hasn't seen what the new development is going to look like so he's in a wait-and-see mode. “I'm always interested,” he said. “Any development downtown here is much needed.”

The Sun Break is located on one of the planned superblocks. Alpert said the building would be demolished under his plan.

Bruce Alverson, owner of the Sun Break, said demolition is fine with him as long as he gets fair market value for his property and building.

The city owns about 40 percent of the four-block area slated for redevelopment. Alpert said he wants the city to adopt design guidelines for the area in the event others develop projects within it, including complying with LEED standards.

“We think it will ensure the integrity of the project,” he said.



The Stratford Co. of Seattle is one of those other developers, with plans for Auburn Stations I and II, a mixed-use project with 200 apartments near the Sun Break.

Jim Grady, a Stratford vice president, said the goal is to start construction in the spring or summer of 2009. He said the project would have commercial on the ground level and apartments above. Apartments would probably rent for about \$2 a square foot while the retail space would go in the low \$20s, triple net.

Grady said he has talked with Alpert about the design guidelines.

Alpert said, "I have every reason to think they will be able to meet these guidelines, should they go forward with their development."

Grady said his firm owns the north half of the block across from the Sun Break on First Street Southwest, as well as two vacant buildings north of the restaurant that face West Main Street. Grady said they also have an option to buy the Marvel Food & Deli building, which is at the end of the block next to the two vacant buildings.

"It remains to be seen how it all works out," Grady said about the siting of his project.

Alverson said the city is planning to trade the big parking lot east of the Sun Break and a smaller one north of the restaurant to Stratford for the half-block the developer owns south of the Sun Break. He said the city is also paying Stratford about \$500,000 as part of the deal.

Mayor Lewis confirmed the purchase-and-sale agreement with Stratford, but said any difference in property value will be paid at market value. He said the valuations should be close to even.

If Stratford gets the parking lots, it would own the entire block where the Sun Break sits, exclusive of the restaurant.

Grady said he couldn't discuss property deals.

Alverson said he talked with Stratford and they offered him the value of his land, not including the building. "The building and the business are worthless to them," he said. Alverson said the land swap would take place soon.

Lewis said the purchase-and-sale agreement has been sent to Stratford.

Alpert said he hopes the city will sell its land to his firm at fair market value and contribute some infrastructure and open space.

"I would expect that any of that needs to be justified from revenues the city would get from project," he said. He estimates the project could generate \$90 million in taxes over 30 years.

Alpert said his development could attract shoppers from south King and north Pierce counties.

"This could be a catalyst for redevelopment of other areas of downtown Auburn," he said. "We think it's a tremendous and perhaps overlooked location."

Alpert said groundbreaking, originally scheduled for next year, has been pushed into 2010 partly because of the slowing economy. He said they and the city have agreed to take the time needed to make sure the project gets done correctly.

Alpert's project team includes Callison, McKinstry Co., Williams & Dame Development, Skanska USA Building, DLR Group, McCullough Hill, First Western Properties and the Cascadia Region Green Building Council.

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