

Federal Way delays decision on downtown

Hesitant to go ahead with a Bellevue-like development, the Federal Way City Council seeks more information on a proposal for three 22-story towers downtown.

The Federal Way City Council decided Tuesday night to take more time to decide whether to go ahead with a project that would dramatically change the city's skyline.

Under the proposal by a Canadian developer, three skyscrapers, each taller than anything built in Tacoma in 25 years, would help remake a section of Federal Way in what would be the largest mixed-use project in city history.

But after two council members expressed concerns about the scope and nature of the project, the council decided to seek additional information about it and wait another two weeks before taking a vote.

United Properties Ltd. of Vancouver, B.C., wants to put the Bellevue-sized project on 4.4 acres at the center of Federal Way. It could help establish a downtown identity and dwarf other buildings in the low-lying city center, now dominated by strip malls, big-box stores and gridlocked traffic.

Tuesday night, Councilman Jim Ferrell expressed doubts about the residential-retail mix included in the proposal. "Putting 2,000 people in four acres is not livable," Ferrell said.

Fellow Councilman Jack Dovey said he had questions about what the apartments included in the project would be like.

Councilman Eric Faison defended the project as a "transformational" development for downtown. He said the residential growth it would bring would naturally bring retail growth.

Construction of the first of three 22-story towers could start next June and be finished in November 2009. The entire \$227 million project – with 890 condos and apartments – is proposed for completion in July 2011.

The developer is offering to buy the property for \$6.1 million – \$2 million more than

the city paid for it less than a year ago.

The company also proposes to build a one-acre city park and lease office space to Highline Community College.

The total buildout, including the three towers and another one 15 stories tall, would have close to a million square feet of space.

When the city agreed to buy the vacant AMC Theatres building in November, it sought proposals for mixed-use projects at least several stories high. Two developers applied.

The other pitch came from Alpert Capital Ltd. of Seattle and Dallas, which offered less money (\$4.1 million) for a project featuring shorter buildings (four, six, nine and 20 stories) and fewer condos.

Alpert also wanted the city to chip in up to \$6 million for public parking. By contrast, Federal Way would not have to invest any city money in the United Properties venture.

Nearby cities have had mixed success buying up land so private developers could build mixed-use complexes.

Kent lost money on the sale of land it bought for Kent Station. Both Kent and Auburn were left with little more than parking garages after the collapse of separate development deals with a former Microsoft executive. And in University Place, the \$250 million Town Center development won approval in May after years of delays and developer switches.

Mayor Mike Park said he believes the Federal Way project will be a catalyst for similar developments downtown. With a population of 87,390, Federal Way is the state's eighth-largest city.

"We are ready," Park said. "It will be a domino effect."

A Seattle consulting firm hired by United Properties said it is "very bullish" about building more apartments in downtown Federal Way.

Demand has caught up with the glut of apartments in the early 1990s, and some properties have been converted to condos, says consultant Gardner Johnson.

United Properties says it will offer a variety of condos, attracting first-time buyers, couples with dual incomes and "empty nesters looking to simplify their lives without moving out of the Federal Way region."

But longtime Federal Way resident H. David Kaplan wonders who would fill up residential towers downtown.

"I wonder if we're ready to look like Bellevue with those very, very tall buildings," Kaplan said. "Where are the people going to come from?"

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TWO PROPOSALS

Project name: Symphony

What's planned: One 15-story and three 22-story towers and a park

What's in it: 490 condominiums, 400 apartments, retail and office space

Size: 919,000 square feet

Cost: \$227 million

Construction: Four staggered phases, with the first 22-story building starting next June and finishing in November 2009

Developer: United Properties Ltd. of Vancouver, B.C.

Project name: Steel Lake Village

What's planned: Four buildings of four, six, nine and 20 stories

What's in it: 500 condominiums, movie theater, office and retail space

Size: 762,200 square feet

Cost: \$315 million

Construction: Four staggered phases, with first six-story building starting in spring-summer next year and finishing in early-to-mid 2009

Developer: Alpert Capital Ltd. of Seattle and Dallas