

## 1. Executive Summary

### Opportunity

The City of Bellevue and Sound Transit have issued a request for proposals, seeking a partner to develop a mixed-use community that incorporates a park and ride facility at the 130th light rail station in the Bel-Red Corridor. Bidding for this opportunity is expected to be competitive.

### Project Description

The project is built on a 147,991 SF site, encompassing over 517,830 GSF of development distributed between three mixed-use residential buildings, each with its own distinct character. The project delivers 218 market-rate and 138 affordable apartments, 24,338 SF of retail, and 520 structured underground parking spaces. Built as a mix of Type I and Type V construction, Moment130 is anticipated to cost roughly \$93,000,000 to construct.

### Stakeholders/TOD Vision

While providing an attractive levered IRR and current yield to a developer, this proposal exceeds the affordability and walkability goals

set by the City of Bellevue and facilitates Sound Transit ridership.

### Strategy

To create a competitive project, Moment130 focused on prioritizing residential affordability, designing an effective shared parking system, and curating a unique retail destination that activates the neighborhood.

### Market Conditions

The region's vibrant economy, driven by steady job growth and strong net migration, is pushing vacancy rates to historic lows. Combined with exceptional regional light rail connectivity, this demand makes Bel-Red a natural match for residential and retail development. Moment130 is expecting an 8-10% light rail premium over current market rents, resulting in \$2.62/SF residential rents. Despite sustained growth, an unanticipated market downturn poses the largest risk to financial returns.

### Design

Positioned as a neighborhood catalyst, Moment130 is designed as a mixed-use, mixed-

income community, including a neighborhood park, prominent and attractive retail spaces, a centrally located courtyard and a below-grade park and ride facility. The average unit size is 785 SF, a mixture of open one, one, and two-bedroom units.

<b>Initial Equity Contribution</b>	<b>\$24,513,000</b>
<b>Current Yield</b>	<b>5.60%</b>
<b>Leveraged IRR</b>	<b>20.12%</b>
<b>Gross Equity Multiple</b>	<b>2.53X</b>

Figure 1.1 Financial Returns

### Entitlement & Timeline

A fully code-compliant design and an accelerated permitting process allows Moment130 to receive entitlements in just 12 months, while a 22-month construction schedule delivers the project to market in Q4 2018.

## Development Strategy

### Residential Strategy

The strategy to program Moment130 as a primarily residential project is driven by three factors:

- Unparalleled access to multiple employment hubs
- Substantial job growth and demographic demand drivers
- Bellevue's vision to transform the 130th station node into the residential core of Bel-Red

### Affordable Housing & Land Sale Strategy

Targeting Bellevue's stated affordability goals, Moment130 provides housing options to a diverse range of residents. The South and East buildings will participate in Bellevue's Multi-Family Tax Exemption program, reserving 20% of the units for residents earning 50%-70% of Area Median Income or less. **Following the entitlement phase, the North parcel will be sold** to Imagine Housing, whose non-profit status will allow them to deliver an even broader range of affordability options for the neighborhood. This strategy was driven by three criteria:

- Supporting market-rate parking ratios on the north lot, given site constraints, was unfeasible
- Reducing overall project risk
- Proposing a competitive project that meets Bellevue's RFP

In total, nearly 40% of Moment130's residential units are developed as affordable housing.

### Retail Strategy

Considering Bellevue's current rate of growth and the promise of light rail access, we are confident that Moment130 will soon become the center of a walkable retail neighborhood. In the short term, however, we recognize that this form of retail is untested in the Bel-Red submarket. In response to this uncertainty, retail rents are conservatively budgeted at \$23/RSF NNN, while tenant improvement allowances are budgeted at a generous \$100/RSF. Our strategy is focused on:

- Activating neighborhood retail for transit riders and residents with a café, an urban grocer, and a fitness studio
- Curating a unique retail destination that includes a one of a kind micro-brew experience called "The Hop Stop"

### Parking Strategy

Upon completion, ownership of the park and ride facility will be re-conveyed (at a price of \$10) to Sound Transit through the creation of a condominium structure, effectively reducing the project's property tax burden. In exchange for constructing and maintaining the garage, Moment130 is proposing a shared parking

agreement that allows retail visitors to use the park and ride during evenings and weekends. This strategy is based on the assumption that at least one quarter of park and ride spaces will be vacant during off-peak hours. This additional parking capacity will be an added selling point to potential retailers.

### Addressing Key Stakeholder Objectives

**The Development Committee:** Destined to become an iconic cornerstone of the emerging Bel-Red corridor, Moment130 harnesses the value of light rail and represents a rare opportunity to develop and own an irreplaceable long-term asset, while offering a competitive current return.

**Sound Transit:** The park and ride facility provides Sound Transit with the infrastructure necessary to support light rail ridership at the 130th station. Anticipating Sound Transit's major concerns, the park and ride design prioritizes access, visibility, and convenience.

**The City of Bellevue:** Designed to win the competitive RFP process, Moment130 prioritizes Bellevue's goals by designing a walkable streetscape, creating an intentionally inclusive and affordable community, and reintroducing nature as a neighborhood amenity.