Federal Way continues to witness steady business and development growth. The following illustrates an exhaustive list of businesses, (both opening and unfortunately closing) along with developments and investments since the inception of the City's first Economic Development Strategy in late 2014.

Key to this growth has been the City's Economic Development Strategy. The Strategy lays out several initiatives to achieve the City's mission of producing solutions to attract and retain businesses, jobs and investments while improving the tax base along with diversifying and sustaining the economy. Included in the Strategy are the following four key initiatives:

- Downtown Redevelopment/Town Center Initiative
- Reuse of the former Weyerhaeuser Corporate Campus Initiative
- University Initiative
- Branding Initiative

The efforts to accomplish these four initiatives and other business and development growth are presented below.

**DOWNTOWN REDEVELOPMENT: Town Center District Initiative**

Town Center District is nearly a 15-acre redevelopment project. The vision for the District is to create a heart of downtown. This area is bounded by 21st Ave. S and 23rd Ave. S from S 314th Street to 317th. The actions of the Mayor and City Council involved the acquisition of blighted properties of former big box stores and the subsequent redevelopment of this land. The project involves 4 phases - Town Center Development I, II, III & IV. The following map illustrates the four phases of the development of the Town Center.
In October 2014, the City had an architect/planner complete a rendering illustrating opportunities for development on the site, (See below; the rendering; “Opportunities for Town Center Development”). The project involves 4 phases - Town Center Development I, II, III & IV.

**Concept for Opportunities for the Town Center, 2014**

TOWN CENTER I
The anchor and focal point of the district is the City's Performing Arts and Event Center (PAEC). This project is also known as Town Center I. The Center is a 41,000 sq. ft. multi-purpose facility on three acres that includes a 700-plus-seat theater and 8,000 sq. ft. of event space. Construction began in October 2015 and was completed in August of 2017. The cost of the project was nearly $33 million.

TOWN CENTER II
Another component of the Town Center District development is Town Square Park operationally known as Town Center II. In 2014, the City began the planning of this 4-acre park. It was completed in the summer of 2016. The intent of the park is to enhance the Town Center development by providing open space for visitors and residents alike and as a outdoor venue for performing arts and community events.
Performing Arts and Event Center

Town Square Park
TOWN CENTER III
Additionally, in November of 2014, the City acquired nearly 8 acres adjacent to the PAEC. The purpose of this acquisition is to further redevelop the downtown by seeking private investment and ownership interest in a mixed-use development.

TOWN CENTER IV
Another part of the District is the 1 acre parcel adjacent to the Federal Way Transit Center, specifically the 1200 space parking garage. This property is dedicated to transit oriented development. No current action has been proposed for this site.

Town Center Development
In August 2015, the City hired the international hotel consulting firm - Hospitality Valuation Services (HVS) to identify hotel demand. The analysis identified the demand for an Upper-Middle Scale hotel. City staff then began to research individuals and companies that build and operate hotels of this type in cities of similar size to Federal Way. Nearly 70 companies were identified including 12 to 15 from the Pacific Northwest.

In January 2016, the City began a Request for Interest, (RFI) for a hotel. The purpose was to ascertain development interest from owners, operators and developers of hotels. The City initiated a direct letter campaign to solicit interest. Twelve firms asked for a Request for Proposal. By the due date for the Request for Proposal, one firm, the Bozeman-based Cadius Partners, submitted a proposal for the hotel. The City sold the property to investors involved with the Cadius Partners in summer of 2017.

It is forecasted that construction of the hotel will provide 75-125 full-time jobs through the design and construction process. It is also estimated the hotel and its amenities may employ from 25 to 45 full time jobs. Estimated cost is from $18 to $21 million. (See conceptual plan and rendering on following page.)

In addition to the PAEC and hotel, Cadius illustrated in 2016, their concept of the development of Town Center III. The concept included building space for restaurants, specialty retailers, galleries, and studios along with space for office, education and classrooms and a parking garage. See renderings below.

The forecasted building size of the Town Center concept plan is 200,000 to 300,000 sq. ft. with a corresponding $125 to $150 million in construction value. The City is actively marketing the property for future development.
Overhead view of proposed hotel development and Town Center, 2016

Rendering of proposed hotel development and Town Center, 2016
Grand Staircase

As a key component of the Town Center project, the public amenity of a “Grand Staircase,” is being formulated. At 85 percent design, the project will go out to bid in early 2018 for construction.

The estimated expenditures for the project cost nearly $3.7 million. The costs include design, right-of-way, engineer's estimate of cost, a ten percent construction contingency and construction management.

Meanwhile, the City has acquired a variety of grants to cover the costs. These include funding from Local Infrastructure Financing Tool from 2016, 2017 & 2018. It also includes an allocation from Real Estate Excise Tax and a $500,000 grant from King County.

See renderings below of the staircase.
Grand Staircase looking northwest along 316th South

Grand Staircase looking east from Performing Arts and Event Center
LIGHT RAIL COMING TO FEDERAL WAY

In the November 2016 election, Puget Sound voters passed a ballot measure financing the third phase of light rail construction in the Greater Seattle Area, specifically into Federal Way. Sound Transit, the region’s mass transit agency, has identified a development scheme for the light rail station to enter and exit downtown Federal Way from the north along 317th and off of interstate 5. The development involves a six square block transit-oriented district located along 320th and 23rd near the existing Federal Way Transit Center. Timeline for operation is 2024/25.

The development of the light rail will dislocate a variety of businesses. Sound Transit is working with those businesses including Washington Federal Way and Puget Sound Credit Union in Federal Way to find new locations.
DOWNTOWN ACCESS

In 1990, the City formulated a policy to improve access to Interstate 5 to provide improved mobility with the City and surrounding area. By 1995, the City's comprehensive Plan called for High Occupancy Vehicle Access and interchange improvements.

In 2003 the Transportation Improvement Plan added a City Center Access Study and in 2004 and 05 the study was completed. In this process the city Council selected no action as they felt there were negative impacts on Interstate 5 and 312th interchange and also impacts to Steel Lake Park.

The Great Recession temporarily affected the need for the project as such was removed from the Transportation Implementation Plan in 2010. However, given the increase in economic activity the environmental phase was added back to the plan in 2016. The City has since funded and restarted the environmental phase of the project in 2017.

In 2014 the City formulated its first Economic Development Strategy. It has subsequently called for a redevelopment initiative focused on increased densities in the effort to diversify and sustain the Federal Way economy. Given the work the City has begun, it is time to consider improving access to/from I-5, reduce queues from S 320th onto I-5, improve access for all trips (city center core, outlying residential, emergency, transit etc.).

In the effort to understand the purpose and need for the project, the City has initiated a study to review existing information and share input with stakeholders through August of 2019 to illustrate alternatives to the City Council.
REUSE OF WEAVERHAUSER CORPORATE CAMPUS INITIATIVE
In the summer of 2014, the former business stalwart of Federal Way, the Fortune 500 Company – Weyerhaeuser, announced that they would be downsizing from their 425 acre campus to a 250,000 sq. ft. office building in downtown Seattle by the end of 2016.

During 2014, the Mayor’s staff researched and analyzed the elements of the corporate campus. The outcome was a publication entitled “Conditions and Considerations: Existing Public Sector Services to and through the Weyerhaeuser Site Which Affect Next Use Effort.” This report provided insightful information to those interested in purchasing the property.

In the meantime Weyerhaeuser spent a year marketing their property. In February 2016, it was announced that the Los Angeles-based Industrial Realty Group (IRG) purchased the property for $70 million. They are actively seeking end-users either as buyers or tenants. Meanwhile, International Paper purchased the Research Division of Weyerhaeuser and is leasing space at the former Tech Center facility for the next ten years.

City staff is working with IRG to help identify quality tenants, specifically technology-based companies and provide information in the recruitment of these types of companies. One such company is DaVita. The healthcare giant- a Fortune 250 firm is planning expansion with plans for 400,000 sq. ft. of office space and employment of 2000.

Former Weyerhaeuser Headquarters Building
UNIVERISTY INITIATIVE
The City of Federal Way has been actively recruiting a branch campus of a university. The purpose is to help improve workforce development of Federal Way residents but also act as a catalyst for investment in Federal Way.

According to the Census Bureau, only 26% of Federal Way residents possess a four-year-degree or higher. This percentage is lower than the state and King County which average at 31 percent. Additionally, Seattle has over 50 percent of its population that possesses a four-year-degree. While no research has been done on the value of increased education and its implications on the Federal Way economy, prior development by universities to “un-anchor” themselves from their “hallowed halls,” to engage and create relationships with local industries and communities have proven fruitful. This is true even for those institutions already in cities but which have not always valued their location and, in times past, could be as gated as a secluded high-end housing development.

In 2016, the City hired a consultant to perform a needs assessment to see if demand for such educational services was warranted. The report concluded there was a demand for such a facility.

In January 2017, the City entered into a Memorandum of Understanding, (MOU) with the University of Washington, Highline College and the Federal Way School District one step closer to bringing a facility to Federal Way for higher education. The MOU identifies that each of the parties will actively pursue off-campus higher education offerings to include certificates, associates, baccalaureates and graduate degrees.

It is estimated that courses will begin in Fall 2018.

BRANDING INITIATIVE
The City of Federal Way began a branding strategy in 2015. The City entered into an agreement with a consulting firm. The purpose was to help identify a brand and assist with positioning, targeting and identifying ways to enhance Federal Way’s business climate and community.

The consultant interviewed and surveyed Federal Way residents’ young and old, new and deep-rooted. The consultant spoke with businesses in and out of state. The City Council after review kept the existing logo reflective of the community and a tagline that reflects a quality environment for business. The timeline for deployment of the tagline occurred in the spring 2017.

Since then the City has created several sub brands from its work in international trade and relations and hospitality and tourism.
RETAIL
The following provides the latest information on retail activity as it pertains to openings, closings, site locations, expansions and construction for retail development in Federal Way.

The Commons Mall
The Commons Mall in 2017 (located along 320th) has been sold to the San Francisco-based firm, Merlone Geier Partners for $46.5 million. The Commons is a 618,000 sq. ft. shopping mall which was previously owned by the Los Angeles based Steadfast Properties and Canyon Capital Advisors. Merlone Geier Partners is a private real estate investment company focused on the acquisition, development and redevelopment of retail and retail-driven mixed-use properties on the West Coast. The firm has been actively investing in West Coast retail property since 1993, acquiring to date 144 properties representing over 24.5 million square feet, according to a statement from the company. The firm recently raised its twelfth fund, with committed equity capital of $1.14 billion. Meanwhile, the following activities have or are taking place at the Commons:

Macy’s although the retailer announced in late 2015 and in 2016/2017 that it would close stores to improve efficiencies, the store at the Commons mall remains open. The retailer specifically named the closing of 36 stores on January 6, 2016 and the elimination of 2600 jobs. Only one store, downtown Spokane, was announced for closure in Washington. In January 2017, Macy’s again announced the closure of stores and the elimination of 10,000 jobs. Two stores in Washington were announced for closure: Everett and Kelso.

Daiso, the Japanese merchandiser has expanded across from Dick’s Sporting Goods.

Honor Coffee opened at the former Starbucks’ site at the Main Entrance on the north side of the Mall.

Sears, the retailer announced the closing of its store in Federal Way by April 2018. In 2017, Merlone-Geier also purchased the property from Sears’ holding company. No plans for the property’s reuse have been identified.

Walmart
Walmart /Sam’s Club announced the closure of three stores in the Great Seattle area. It also announced the lay-offs of thousands in retail and management in 2017 and early 2018. Previously the retailer announced on January 15, 2016 that it would close 159 stores in the nation and Puerto Rico. A total of 269 stores are to be closed globally out of some 11,000. States that will see major closures include Alabama, Arkansas, California, North Carolina, and Texas.

As it pertains to the two stores in Federal Way, they will remain in operation. Also, company officials have discussed remodeling the store on 20th south of 312th.

City Center Plaza
In 2017, fire damaged one of the three 27,500 sq. ft. retail buildings on the property loosing 12 businesses. The owner of the City Center Plaza, Mark MacDonald, is making quick changes to the Center. He is submitting permits for rebuilding along with overall improved signage, lighting and landscaping. Additionally, he sought and acquired several new establishments.

Mod Pizza, the Bellevue-based chain, opened a store at the City Center Plaza in late 2017. The chain has opened 61 locations in eight states creating over 1300 jobs in 2015 and plans to expand into six states and nearly double the number of establishments in the chain in 2016. The company was created by a husband and wife team- Scott and Ally Svenson.

Jazzercise, a studio for physical fitness opened at Suite C in the Center in April 2016.
Celebration Center
The Center is located on the southwestern corner of 320th and Pacific Highway. It is owned by the Portland-based Harsch Investments and continues to attract businesses to their different centers. As it pertains to retail activity at the center, the following will be locating there.

**Legendary Donuts**, the Puget Sound-based retailer opened in 2016. The company is founded, owned and operated by the husband and wife team of Shannon and Kenny Patton. This is their third store. No information on employment.

**Chick-fil-A opened in in 2017** on the eastern side of the center, just off of Pacific Highway.

**Fitness Center**, an independent fitness center has opened its doors in the western building at the center. No information on employment.

**Iora Primary Care Clinic in cooperation with Humana Healthcare** opened a facility in the fourth quarter of 2016 for elderly customers.

**I Love Kick Boxing** opened in 2017 in the western building at the center. No information on employment.

**The Federal Way State Licensing** facility relocated off of Pacific Highway a few blocks away to a new site at the Center in 2016.

Pavilions Centre
This Centre is located along Pacific Highway from 320th to 312th. The Center is owned by the Portland-based Harsch Investments. They continue to attract businesses. One such business is **CityMD**, *(See Medical)*

Pavilions II
This Center is located north of Pavilions Center. It is owned and managed by KIMCO.

**85 Degree Celsius Bakery** opened in January 2018. No information on employment numbers.

SeaTac Village
The Center is located along 320th and 21st. It is owned by the Portland-based Harsch Investments and continues to attract businesses. Several new businesses are in the process of opening facilities. These include:

**Café Rio** is a self-serve eatery dishing up Mexican classics including hand-rolled tortillas, burritos & tacos. They opened in June 2016. No information on employment.

**Maurice’s**, the Duluth, Minnesota – based women’s clothing retail chain opened in 2016. The chain comprises more than 900 stores in the U.S. and Canada, primarily located in shopping malls and smaller towns.

**Ulta Cosmetics** opened a new store in 2015. It is located on a pad site, a stand-alone facility. Estimated value of construction was $2 million.
Other

Hong Kong Market
Brian Hoang, of West Principles Investment opened the doors of his Hong Kong Market (grocery store chain) at 356th and 21st in January 2016. The market employs 55. Brian and his partners also purchased the entire retail center which includes: Ace Hardware, a pet store, Pizza Hut, a hair salon, a dry cleaners and Jersey’s Pub.

Reuse of Former Albertson’s - Status
A former Albertson’s store located at SW Campus Drive and 21st has been purchased and is being converted to a storage unit facility.

Reuse of Former Metropolitan Market - Status
Located along Dash Point Rd and 312th, the former Metropolitan Market is being marketed for reuse and repurposing. Meanwhile, in 2016, Anytime Fitness has opened at the Dash Point Center along with the expansion of H&R Block.

Reuse of Former Haggen’s Grocery Store - Status
The former grocery store located on 312th and Pacific Highway closed March 2016. The property was owned by a Florida-based company that subsequently sold to the Irvine, California-based real estate firm Valuerock. They in turn, leased the property to the grocery store chain, Campeon, a Hispanic grocery store which opened in the Fall of 2017. The store employs nearly 50

Reuse of Former Top Foods - Status
As a part of the reuse of the former Top Foods grocery store, new investment brings a new retailer – Home to Home. In addition, several Asian-owned retail outlets opened in 2017.

Advantage Auto Parts occupied a new facility during the summer of 2017 on the northeast corner of 336th and Pacific Highway.

Wild Willy’s Uniforms a retailer located at 31430 Pacific Highway opened its doors in 2016. No employment numbers available.

CVS Pharmacy opened its second store in Federal Way located at 33520 21st Ave SW

Gravity Coffee opened its first store in Federal Way at 35007 Enchanted Parkway S. in the Crossings shopping complex across from LA Fitness. They also opened another outlet on the northeast corner of 336th and Pacific Highway.

AT&T opened a store in the Crossing’s Shopping Center, back filling in the space of the former Fatburger.

Fusion, a non-profit family housing entity, moved its upscale second hand store from the Gateway Plaza and purchased a building on 11th Street just north of 324th.

Ace Hardware, a franchisee is opening a store on the northeast corner of 308th and Pacific Highway South. The facility is schedule for opening later in 2018. Ace had two franchises close in 2016 &17 in the Federal Way area.
HOTEL/MOTEL
The following provides the latest information on the activity as it pertains to hotel/motel openings, site locations, expansions, renovations and construction in Federal Way.

In 2015, ownership of the Clarion began $2 million in interior renovations. However, in June of 2016, it was sold. The new ownership is changing hotels chains from Clarion/choice Hotels to LaQuinta in 2018.

Also in 2015, the motel chain, Super 8 changed hands and was converted to the Red Lion brand by Sandhu NW Hospitality. $2 million in interior and exterior renovations plus construction of an indoor pool occurred. However, Sandhu NW Hospitality LLC recently sold the Red Lion Inn & Suites to Unshik Che and Miran Che associated with Jabez Enterprises LLC for $8.8 million or $97,778 per room. Public records show $175,000 was deducted in personal property resulting in a taxable selling price of $8.625 million. Public records also show a breakdown of the cost for the hotel, allocating $1.2 million for the land and $7.425 million for the building itself. The hotel, located at 1688 S. 348th St., has 90 guestrooms and a conference room.

Additionally in 2015, Richard Song, owner of the Comfort Inn began and completed $1 million in interior renovations.

In 2016, the City of Federal Way released a Request for Interest and a Request for Proposals for a hotel to be built adjacent to the Performing Arts and Event Center. As previously identified, the selection of a hotelier/developer occurred in 2017. Construction could occur in 2018. See rendering below.

Additionally, in 2017 an application for building permits have been submitted for a Holiday Inn Express located on the southwestern corner of 344th and Pacific Highway. Construction could start in spring of 2018.

Below are renderings of the proposed hotel adjacent to the Performing Arts Center at the Town Center, previously identified above.
MEDICAL
The following provides the latest information on activity as it pertains to openings, site locations, expansions and construction for medical office or health clinic development in Federal Way.

The Seattle Children’s Hospital opened a clinic in 2015 by converting the former Circuit City store. Total cost of the facility was $15 million. It employs 45.

The New York-based CityMD, an urgent care facility working in concert with CHI Franciscan, opened one of its proposed centers for the Puget Sound in Federal Way in November 2016. The facility is located along Pacific Highway at the former Arby’s site at the Pavilion’s Shopping Center.

Below, Mayor Jim Ferrell along with former Deputy Mayor Jeanne Burbidge, Councilmembers Mark Koppang and Martin Moore at the ribbon cutting of CityMD.
Iora Primary Care Clinic in cooperation with Humana Healthcare opened a facility at the Celebration Center in the fourth quarter of 2016 for elderly customers.

Pacific Medical Center opened a new facility in the Gateway Center.

Prominence Health has opened a facility on the East Campus in the Heron building off of South Weyerhaeuser Way. A division of Catholic Healthcare, the facility employs nearly 100. The operations involve processing Medicare and Medicaid claims.

Sea Mar – Community Health Centers opened a clinic in 2017. It provides comprehensive health and human services in Washington State. Medical Services, Dental Services, Behavioral Health Services, Preventive Health Services, Long Term Care Services and affordable Housing and Community, Education and Service learning.

MultiCare Health closed their urgent care facility at the Crossings Shopping Center in 2017. However after a rebrand of their urgent care facilities to “Indigo” they are opening at the Gateway Plaza scheduled for 2018.

Telecare Corporation, a behavioral health services organization completed construction on a 12,000 square foot, 16 bed facility at 33480 13th Place South.

INVESTMENTS
The following provides information on the latest activity as it pertains to acquisition of office, retail, commercial and industrial properties in Federal Way.

The San Francisco-based firm, Merlone-Geier Partners purchased the Commons Mall for $46.5 million. The Commons a 618,000 sq. ft. shopping center was previously owned by the Los Angeles based Steadfast Properties and Canyon Capital Advisors. Additionally in 2017, Merlone-Geier also acquired adjacent property from Sear’s Holding Company for $11.25 million.

Wild Waves and Enchanted Village, one of the top tourist attractions in the state has been sold to a Missouri real estate investment firm. The Kansas City, Missouri-based EPR Properties purchased the 70-acre Federal Way attraction from the Orlando-based investment company CNL Lifestyle Properties. No acquisition price was released.

In 2016, the Los Angeles-based firm, the Industrial Realty Group acquired the 425 acre Weyerhaeuser Corporate Campus

In 2015, Mark MacDonald, a Puget Sound developer purchased the City Center Plaza facility for $14 million. As identified above under retailing, he is making changes.

Winson Investments of Bellevue purchased the Evergreen Shopping Center for $11 million in 2015.

The Kirkland-based MJR Development purchased the 55,000 sq. ft. Heron Building in 2014 and the adjacent Talon Building, also 55,000 sq. ft., in the city’s East Campus area. The firm also purchased the Federal Way Center on 320th in downtown in 2017.

OFFICE
The following provides the latest information on office activity as it pertains to openings, site locations, expansions and construction for office development in Federal Way.
London Aviation Underwriters moved from Seattle to Federal Way in 2017. The company acquired a building at 33405 6th Ave South. The company handles general aviation risks, airport premises liability and non-owned aircraft liability to individuals and companies across the nation.

In 2016, the 7-Eleven Corporation has relocated their regional real estate offices for the Pacific Northwest to Federal Way. The main reason for their move was the low cost of doing business, this according to Jeff Brown, Senior Real Estate Representative. They have located to 33915 1st Way, South, Suite 205 - not far from City Hall. They will also be doing renovations on their four existing stores and are looking for one or two more sites in Federal Way.

Soundpath Health has opened a facility on the East Campus in MJR’s Heron Building off of South Weyerhaeuser Way. A division of Catholic Healthcare, the facility employs nearly 100. The operations involve processing Medicare and Medicaid claims.

Progressive Insurance in 2015, relocated to a facility built specifically for them along Pacific Highway. The value of the project was $10 million.

Trinity Glass International in late 2014 opened their doors of their administrative offices at 33615 1st Way South. They employ an estimated 60 people at this facility.

TECHNOLOGY
The following provides the latest information as it pertains to openings, site locations, expansions and construction for technology development in Federal Way.

Cogent, one of the world’s largest Tier 1 Internet Service Providers has opened a facility in Federal Way in 2017. This is the first facility of this magnitude located in the City. Current carrier availability in the data center includes CenturyLink, Zayo, and Comcast. The facility is located on the north end of the former Weyerhaeuser campus.

Diagnos-Techs the first laboratory in the United States to offer saliva-based hormone testing - a powerful tool in evaluating stress and hormone-related diseases and illness applied for permit to convert a former building owned by Weyerhaeuser in the West Campus for laboratory expansion.

MANUFACTURING
The following provides information on the latest activity as it pertains to openings, site locations, expansions and construction for medical office or health clinic development in Federal Way.

Ellenos
In 2016, the Seattle–based yogurt firm, Ellenos is opening a manufacturing/processing facility in Federal Way at the former Baden Sports facility. It plans to employ 100.

INTERNATIONAL
The Korean Broadcasting System opened its doors in Federal Way, and began serving the 7 million viewers in the state in 2017. Founded in 1961, the Korean Broadcasting system is the first public television network in South Korea.
HOUSING
The following provides information on the latest housing activity as it pertains to acquisition, sale and construction for housing development in Federal Way.

A multi-family market rate housing development is proposed at 348th and 1st. This proposed 170-unit multi-family and neighborhood retail center. No time schedule for development. Estimated construction cost is $30 million.

Uptown Square is a project located at 320th and 11th. It is nearly 10 acres in size. It includes 300 housing units and nearly 30,000 sq. ft. of ground floor retail mixed use center. It opened in 2017. Estimated construction cost was $50 million.

Mirror Lake Village is a senior housing located at 840 SW 312th. It is a total of 98 units of which 80 are for assisted living and 18 are for independent living. No estimated construction cost.

SHAG Celebration Senior Housing located at 1524 328th on the northwest corner of Pacific Highway and 328th. The project completed in two phases 2016 and 2017 consists of 380 affordable independent rental units in two 65-foot towers joined by a sky bridge. The east tower is completed. The west tower is currently under construction. Cost of construction is estimated at $40 million.

Kitt’s Corner is a 208-unit multifamily apartment complex on 27 acres located at S. 336th Street just west of Pacific Highway South was completed in 2016.

Multiple apartment complexes have been sold in 2016 through March 2017. They include the following:

- TruAmerica’s Multifamily has sold its Arcadia Luxury Townhomes, located at 1300 SW Campus Drive to the Florida-based private multifamily investment firm Priderock for $68.5 million. The property is a 309 - multifamily unit property.

- The Institutional fund manager Avanath Capital Management acquired “The Lodge at Peasley Canyon,” for $73.3 million from an institutional owner. The Lodge is located at 32200 Military Road. It is a 339-unit property and was built in 2004.

- Trinity Property Consultants, an affiliate of Fowler Property Acquisitions (FPA) Multifamily of San Francisco, paid $46 million for the Landing at Dash Point, a 387-unit apartment complex That’s 57 percent more than what the seller, Bridge Investment Group of Salt Lake City, paid for the property three years ago. The Landing is located at 31004 19th Place S.W.

- The San Diego based Fairfield Residential sold the Glen Park at West Campus Apartments to the San Francisco-based privately-held Affiliates of Atwater James Multifamily Investments for $85 million or $183,190 per unit. This sale set a new record for the highest amount in the area. Located at 952 SW Campus Drive, the 464 units available are one to three-bedroom flats, lofts and townhomes.

- Kennedy Wilson sold “The Reserve Apartments” to San Diego-Based ConAm Group for $63.8 million, or just over $159,000 a unit. The Reserve is located at 125 SW Campus Dr. This sale had previously set the record as the most sizable in the area, until the sale of Glen Park.

- A new record-setting multifamily sale in Federal Way occurred as the San Francisco-based FPA Multifamily LLC sold off the Pavilion Apartments to three LLCs associated with Los Angeles-based Prime Residential for $93.1 million or $179,730 per unit. King County public records show each of the three LLCs, Prime Catalina Campus Drive II LLC, Prime Portfolio Campus Drive II LLC and Prime Tramway Campus Drive II LLC are associated Prime Residential and include Atwater James Multifamily Investments, AJMI GP LLC and JCA Investments. Previously marketed as the Cascade Ridge apartments (now Pavilion Apartments) in 2011, the apartments
were built in 1989 and 1991 and underwent a renovation in 2007 and 2008. Located at 1900 SW Campus Drive, the building offers lofts, one, two and three-bedroom units as well as a fitness center, pool, spa, playground, basketball court, and in-unit washers and dryers. The property is a 518-unit complex consisting of 48 two and three-story apartment buildings.

Market experts agree that property in Federal Way has been peaking investors interest, which is evident based on recent sales.

“Over the last several months, there have been seven or eight deals that have hit the market that are either being marketed, under contract or have closed,” said Ben Johnson, an associate director for Berkadia Real Estate Advisors in Seattle. “It has probably been the most active submarket in the tri-county area.” Johnson continued on to say that recent multifamily property sales have cumulatively totaled near half a billion dollars.

“It has probably been the most active submarket in the tri-county area”

Ben Johnson, Berkadia Real Estate Advisors

Market experts agree that property in Federal Way has been peaking investors interest, which is evident based on recent sales identified above.

“I think it’s just Federal Way’s time in the cycle,” he added. It is located in “one of the fastest-growing metros in the nation, making this a highly attractive market for multifamily investors,”
BUSINESS RECRUITMENT AND RETENTION
The City completed the first ever Economic Development Strategy, the Mayor’s strategy entitled it, “Some Assembly Required.” It identified key targeted industries for recruitment and retention. These included Professional Business Services, Construction, Information, Communication and Technology, Life Sciences & Healthcare, Entrepreneurialism, Arts & Tourism and International Trade and Investment.

During this period, business recruitment material was developed and used in partnership with property owners and the real estate brokerage community to help locate business.

The Mayor began a direct mail campaign to the 400 largest firms in the state to message the Federal Way business climate for their growth and expansion.

Additionally, in the spring of 2015, the Mayor began recruitment missions in California, specifically the San Francisco Bay/Silicon Valley region. The Mayor has been welcomed by high tech companies, including many Fortune 500 firms.

Today, the City is following up his visits by responding to questions from these companies in the effort to assist them in their expansion decisions. Key to this effort has been his dissemination of information on the opportunities of reuse of the Weyerhaeuser Campus and the potential at the Town Center.

In addition to business recruitment, the Mayor reaches out to existing businesses. He makes regular contact with the nearly 3,000 businesses located in Federal Way. The Mayor works with the Chamber of Commerce and other community partners to ensure a business environment conducive for growth of local businesses.
MAJOR TOURISM ATTRACTIONS
The City’s new Performing Arts and Event Center opened in August of 2017. Nationally renowned performing arts group including Rosanne Cash and the Ten Tenors previously relegated to other venues in the Puget Sound are now able to appear in Federal Way now bringing even more tourists.

In the meantime, the City of Federal Way will be working with its community and regional partners to help bring major amateur sporting events to the area.

The work is about to pay–off. One success story of attracting a tourism activity is that the City will serve as a satellite venue for the National Special Olympics Games in 2018. The Special Olympics are planning to use multiple venues for competitions. These venues include the King County Aquatic Center, Celebration Park and the Performing Arts and Event Center/Town Square Park.

Families and friends of nearly 1,000 athletes, coaches and officials will be spending time and money in Federal Way during the Fourth of July week in 2018.

Additionally, Federal Way will be the Host City to the 2018 International Underwater Robotics Competition in June 2018. The competition will bring teams from across the globe to compete for this prestigious annual award.

A third success is that Federal Way along with Kent will be one of two Host Cities for the National Young Women’s “Fast pitch” Tournament, bringing thousands of players, and spectators, a 125 teams to the area in late July.

All total, Federal Way should see over 35,000 out of town guests just due to these three events.

Meanwhile, because of the asset of the King County Aquatics Center, the Seattle Sports Commission, in concert with the City and King County, hosted the US Olympic Committee/USA Diving in hope to once again host the US Olympic Trials for Diving, specifically for 2020.
Additionally, the King County Aquatic Center continues to be the venue for the Pac 12 Men’s and Women’s Swimming and Diving Championships in February and March 2018.

The future looks bright as the City awaits the announcement to again apply to host of the NCAA’s Championships for Men’s and Women’s Swimming and Diving in 2021 and beyond.
CLOSINGS & RELOCATIONS

**Weyerhaeuser Corporation** announced in 2014 their relocation to Seattle and the subsequent sale of their 425 acre corporate headquarters.

**Christine Alexander**, a global women’s clothing manufacturer closed its outlet store summer/fall of 2016. The company owned by Christine Carlson and Alexander Dehaan employed about 75 at this location.

**Tesoro** closed their offices in 2016 in East Campus.

**DeVry University** closed their facility in 2016 in East Campus.

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**99 Bottles**, a beer connoisseur’s delight closed their doors in 2016 at the Crossings.

**Office Max** and the **Christian Bookstore** in 2016 and 2017 respectively at the Pavilion's Center.

**Fatburger** closed their restaurant at the Crossing Shopping Center in 2017.

**24 Hour Fitness** closed their only facility at the Hillside Shopping Center in 2017.

**See’s Candies** closed its only operations in Federal Way at the Gateway Center in 2017.

**Sear’s** announced the closing of their store at the Commons Mall scheduled for April 2018.

**AAA** has announced the will be closing their office at the Hillside Shopping Center in February 2018.