

# Newport Hills Retail Analysis

Prepared For:



Presented by

Maria Royer & Jessica Brown

REAL **RETAIL**

# Table of Contents

- I. Puget Sound Market Overview
- II. Seattle vs. Eastside Market Overview
- III. Newport Hills Trade Area
- IV. Retail Competition
- V. Recommended Retail Uses
- VI. Summary & Recommendations

Puget Sound

# **MARKET OVERVIEW**

# Puget Sound Market

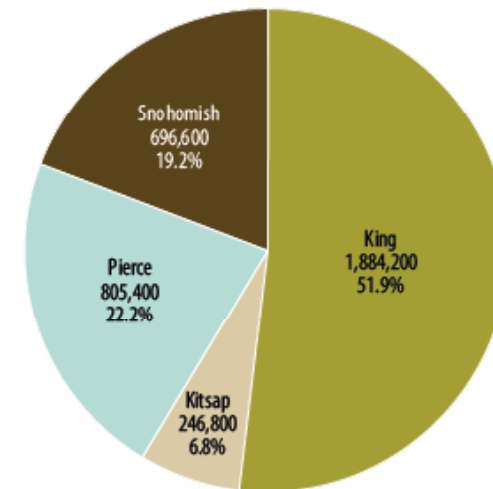


The Seattle-Tacoma-Bellevue MSA (Metropolitan Statistical Area) consists of King, Snohomish, and Pierce counties. This MSA is divided into two Metropolitan Divisions: Seattle-Bellevue-Everett and Tacoma.

- The overall MSA makes up 50% of Washington State's employment

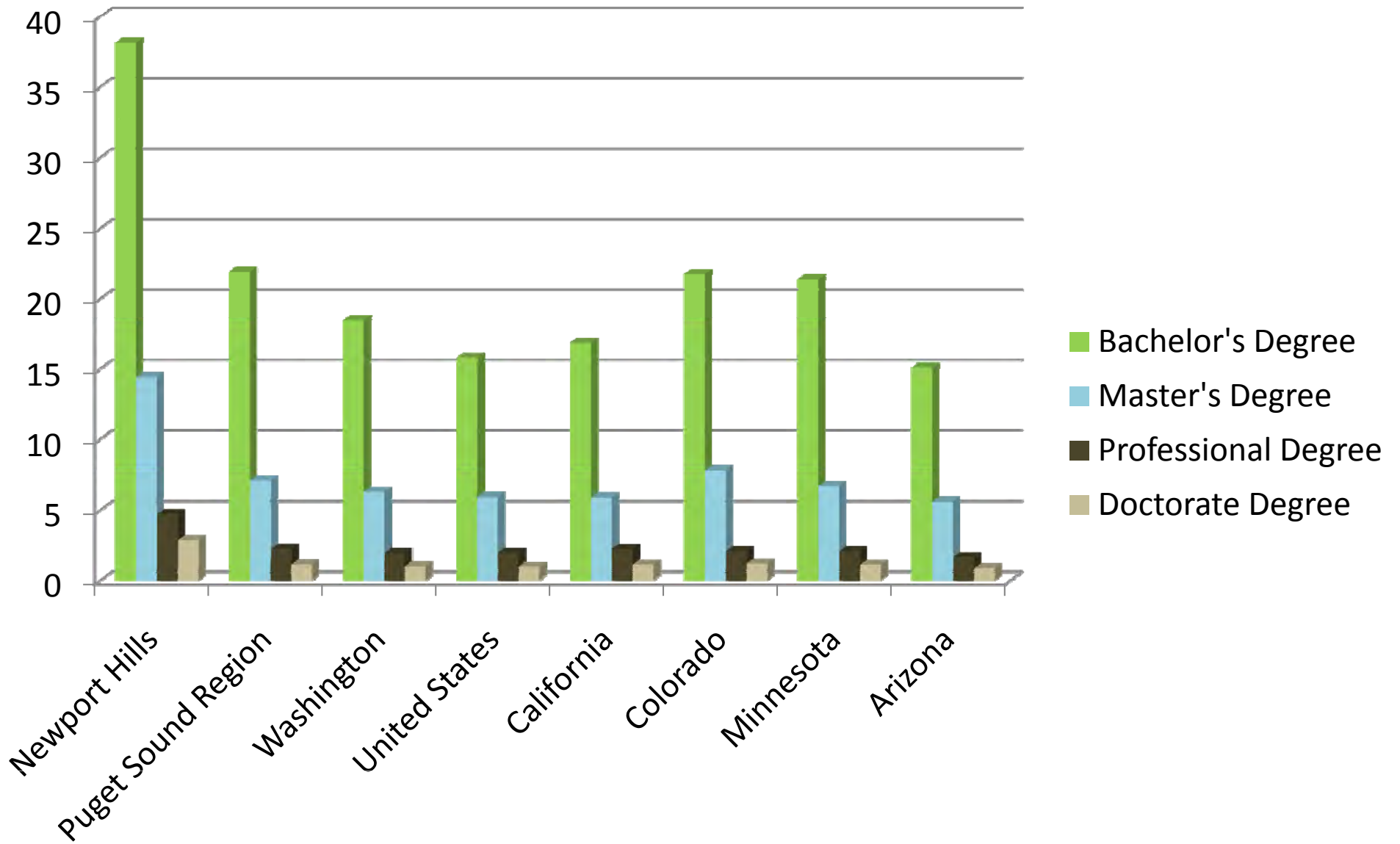
| MARKET STATISTICS       | Sea-Bvue-Evt. MSA Total | Sea-Bvue-Evt. MSA U.S. Rank |
|-------------------------|-------------------------|-----------------------------|
| Population              | 3,338,639               | 15                          |
| Households              | 1,321,989               | 14                          |
| Effective Buying Income | \$ 85,314,537,500       | 14                          |

Population Share by County, 2008



Source: Census, OFM

# Puget Sound MSA Statistics – Education Level Comparison



# Puget Sound MSA Statistics

## Puget Sound Regional Profile

|  |           |
|--|-----------|
| Population, 2008 .....                     | 3,633,000 |
| Labor Force, 2007 .....                    | 1,947,700 |
| Personal Income, per Capita, 2006 .....    | \$45,000  |
| Change in Personal Income, 2001-2006 ..... | 7.3%      |

## Pierce County Profile

|  |          |
|--|----------|
| Population, 2008 .....                     | 805,400  |
| Labor Force, 2007 .....                    | 386,700  |
| Personal Income, per Capita, 2006 .....    | \$35,100 |
| Change in Personal Income, 2001-2006 ..... | 8.1%     |

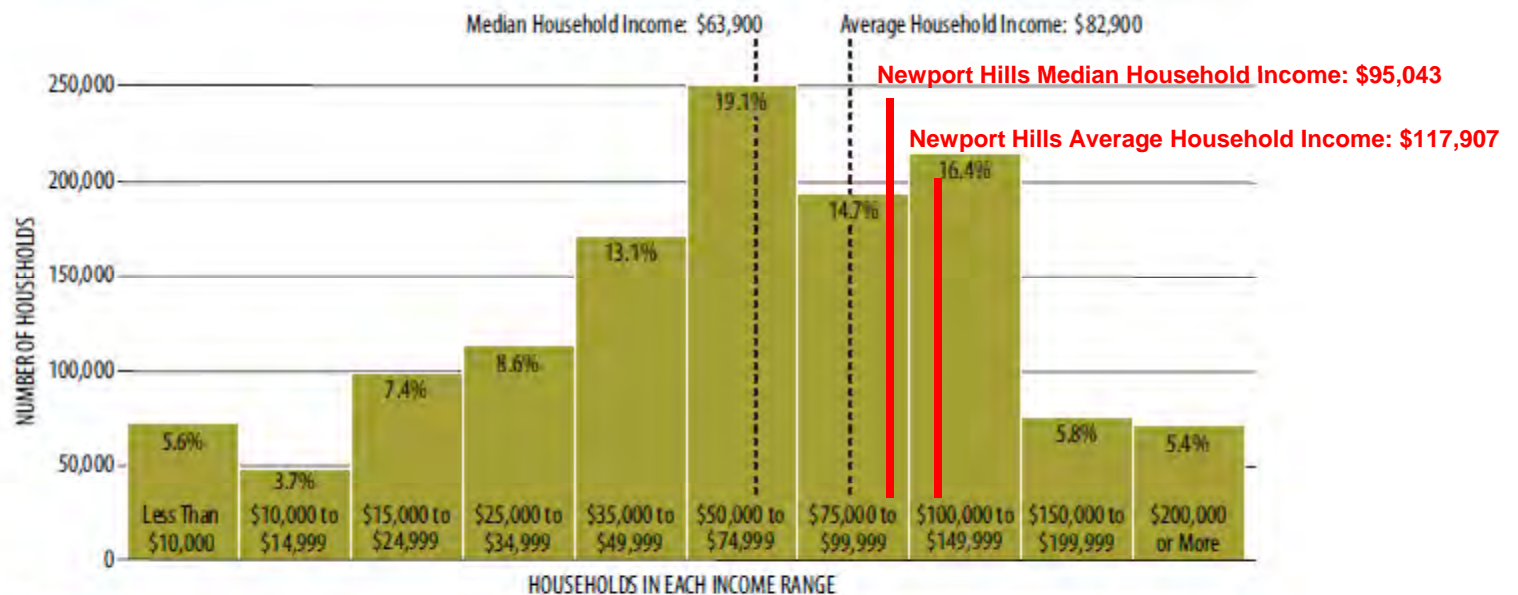
## King County Profile

|  |           |
|--|-----------|
| Population, 2008 .....                     | 1,884,200 |
| Labor Force, 2007 .....                    | 1,070,900 |
| Personal Income, per Capita, 2006 .....    | \$52,700  |
| Change in Personal Income, 2001-2006 ..... | 7.2%      |

## Snohomish County Profile

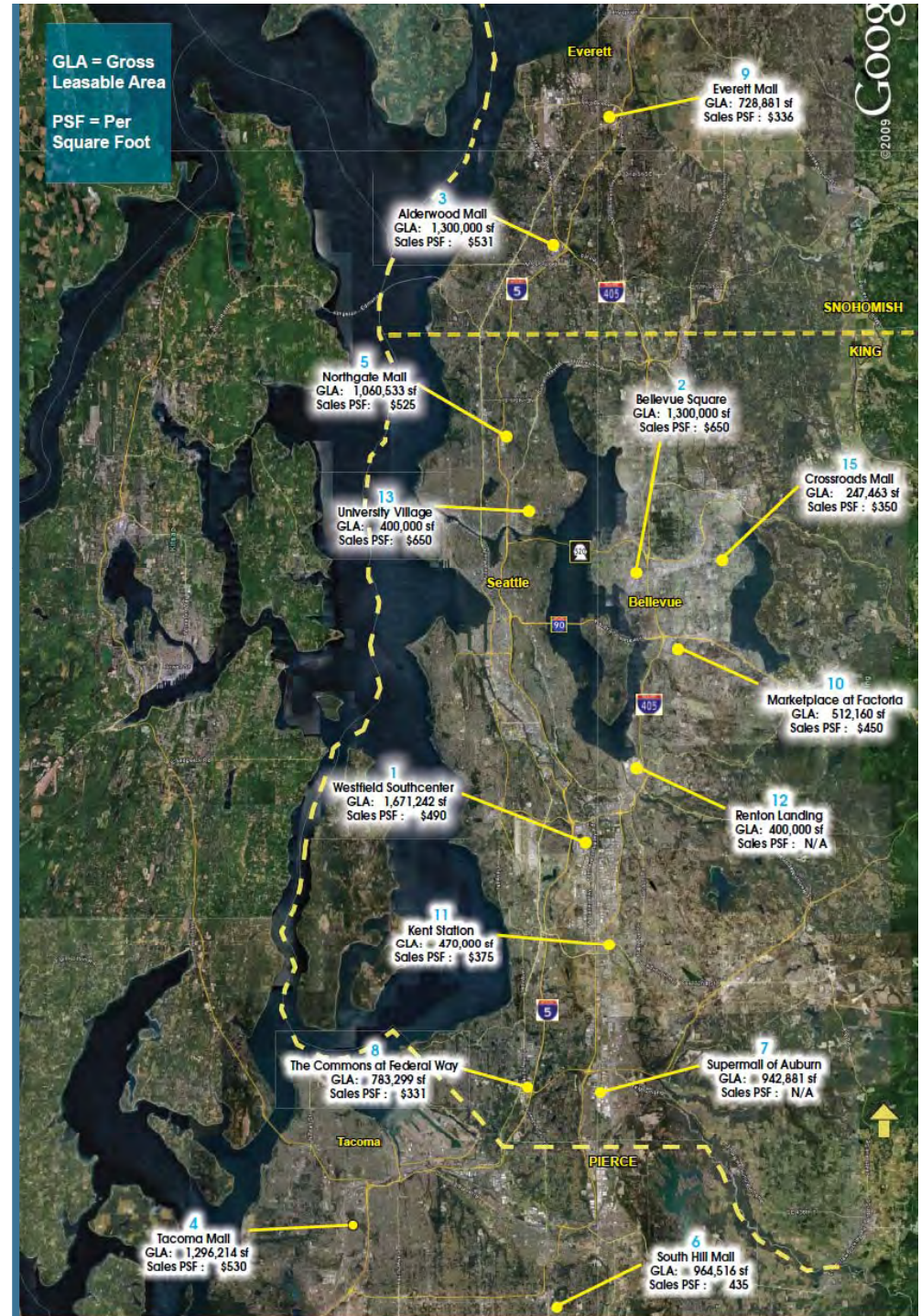
|  |          |
|--|----------|
| Population, 2008 .....                     | 696,600  |
| Labor Force, 2007 .....                    | 367,300  |
| Personal Income, per Capita, 2006 .....    | \$37,100 |
| Change in Personal Income, 2001-2006 ..... | 5.8%     |

## Distribution of Households by Household Income, 2007

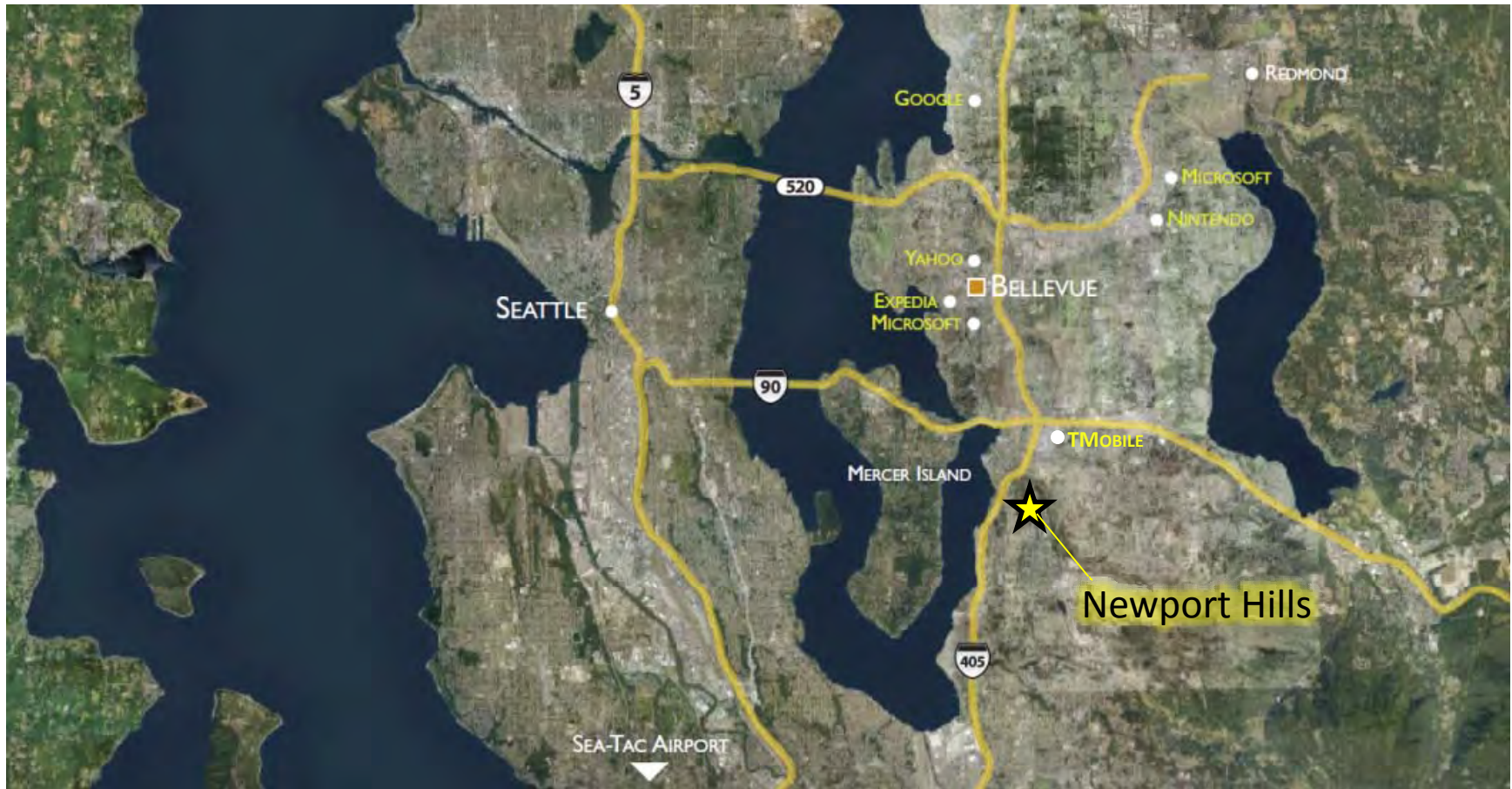


# Shopping Centers

1. Westfield Southcenter
2. Alderwood Mall
3. Bellevue Square
4. Tacoma Mall
5. Northgate Mall
6. Supermall of Auburn
7. South Hill Mall
8. The Commons at Federal Way
9. Everett Mall
10. Marketplace @ Factoria



# Seattle-Eastside Market



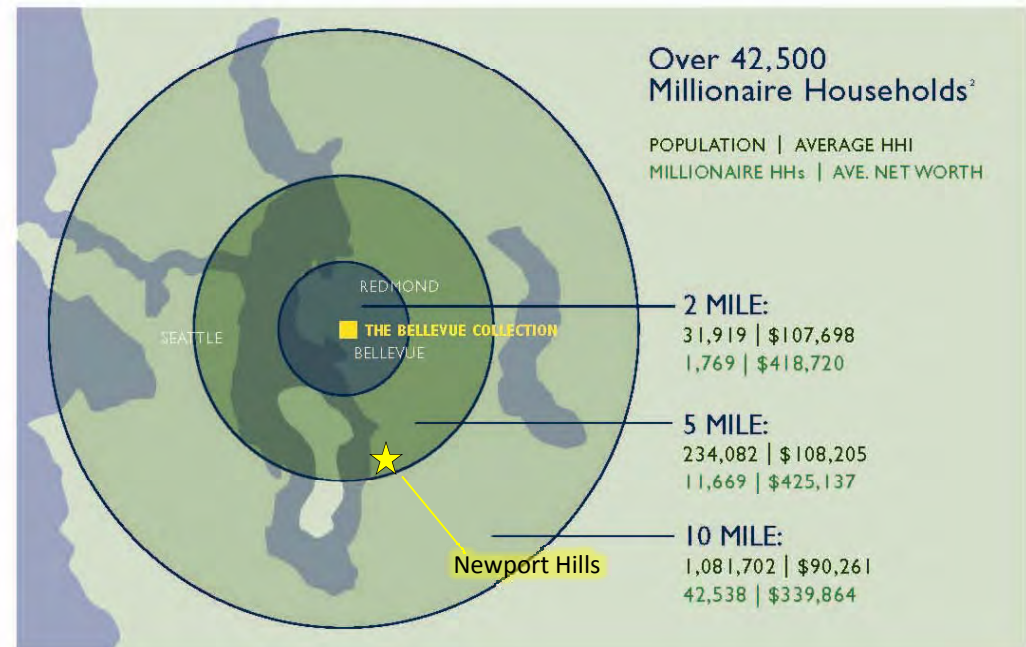




# The Eastside: A Center of Prosperity

The Eastside includes 18 of the 20 wealthiest zip codes in the Seattle Metro area.

- 42,500 millionaire households within a 10-mile radius.
- 57% more Bellevue/Eastside households with an income of \$150,000+ than Seattle.
- Average HH net worth in Bellevue/Eastside is almost 52% higher than Seattle.<sup>2</sup>



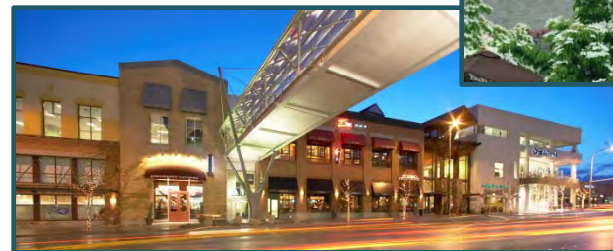
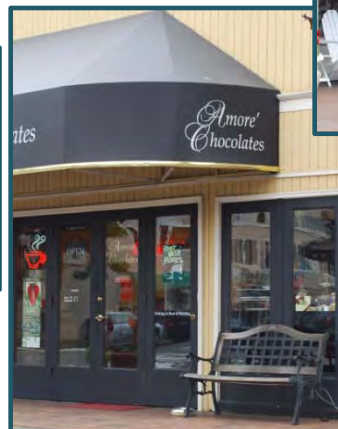
Sources:

1 – Hebert Research, Inc. 2010.

2 – Claritas, Inc., NW MLS, Census.gov, King County Office of Management and Budget.

# Sophisticated Buying Power

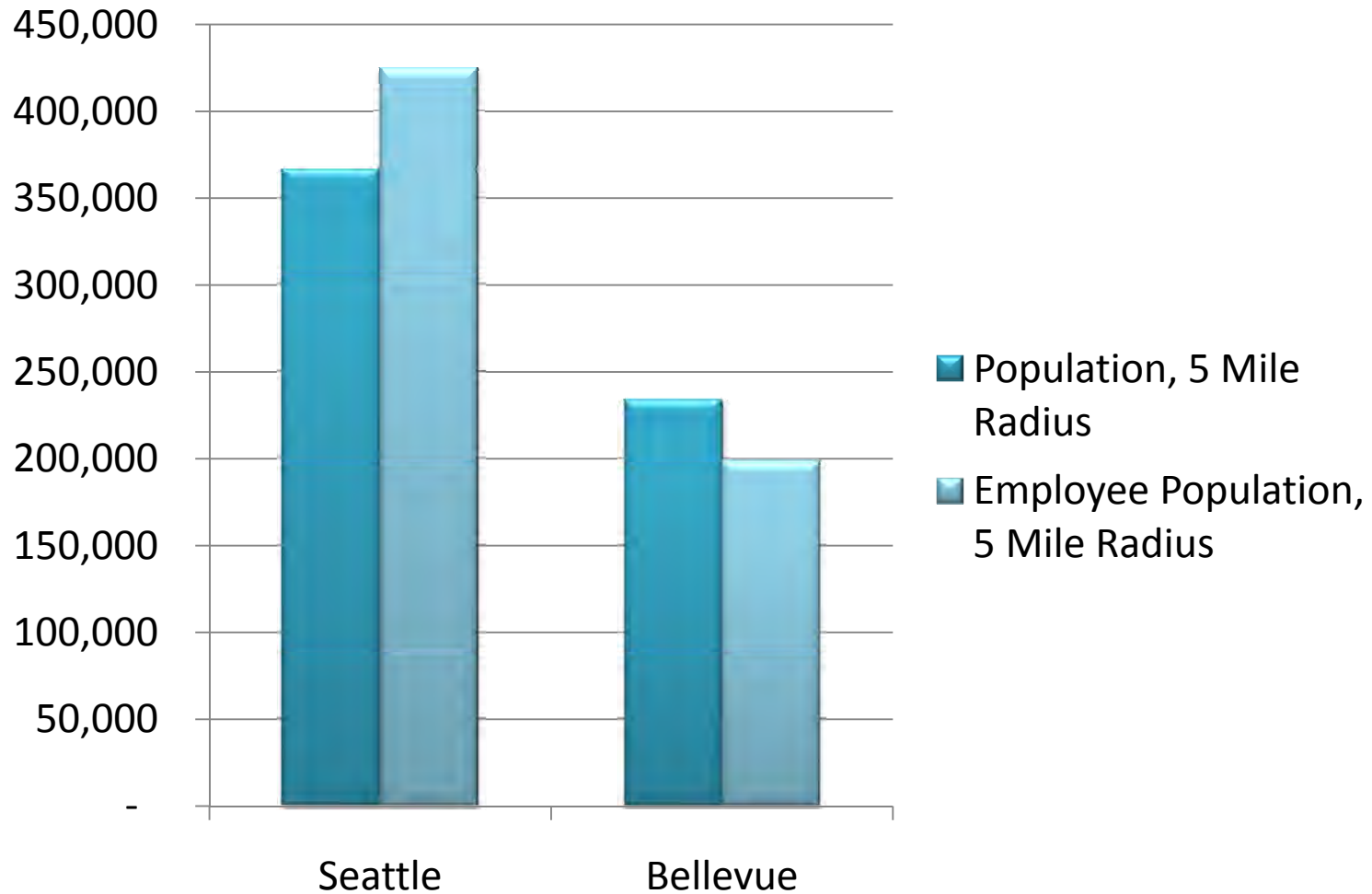
- Eastside residents are college-educated professionals with an average household buying power of over \$91,000.
- 22% of Eastside households have disposable incomes of more than \$100,000.
- Over 520,000 residents within a 10-mile radius are in their prime consumer years 25-55.
- Of the top 20 Puget Sound zip codes in household income, 18 of the wealthiest are on the Eastside.



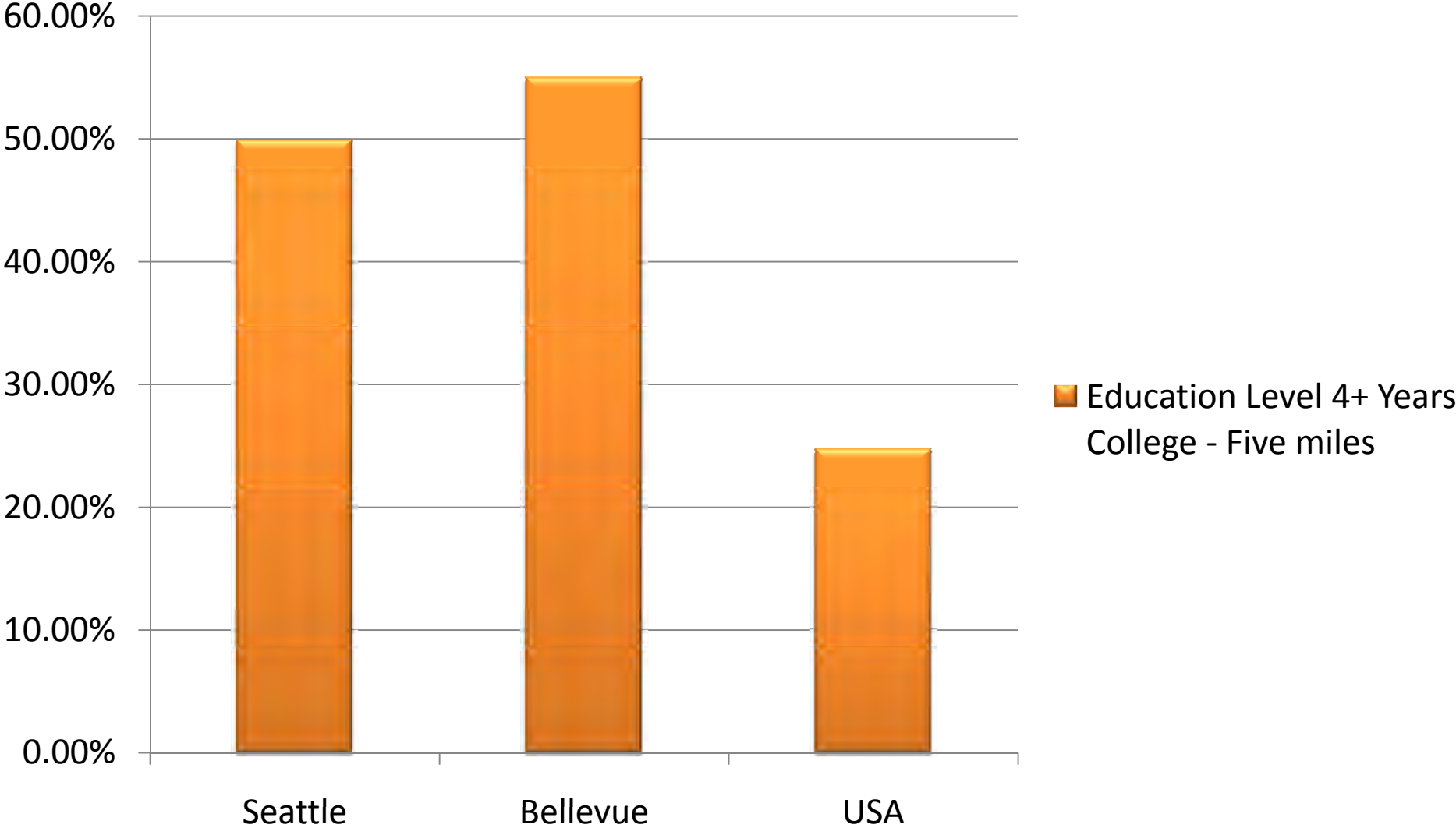
Seattle v. Eastside

# **MARKET COMPARISONS**

# Seattle – Eastside Comparison: Population

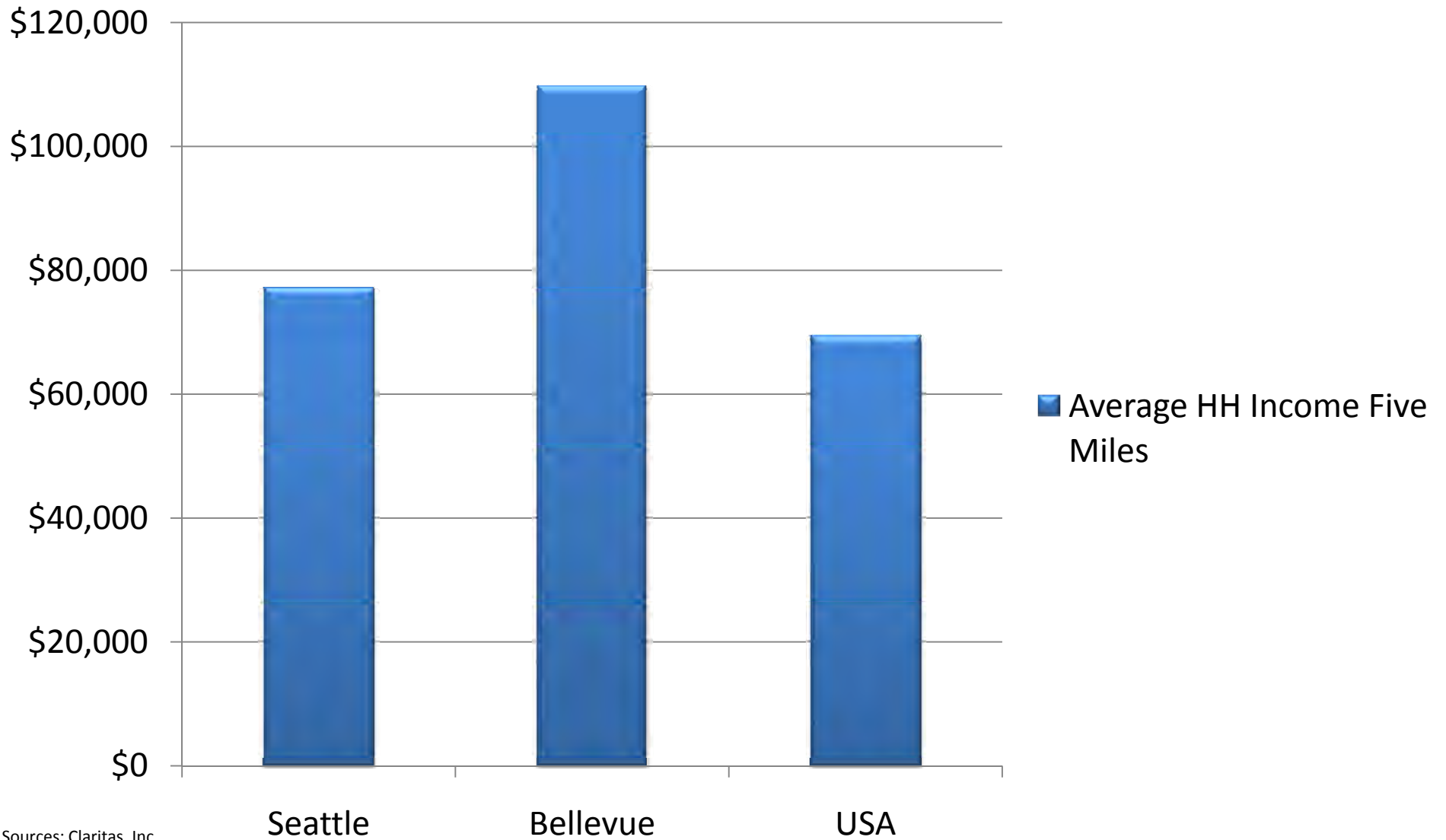


# Seattle – Eastside Comparison: Education



Sources: Claritas, Inc. 2010

# Eastside - Seattle Comparison: HH Income

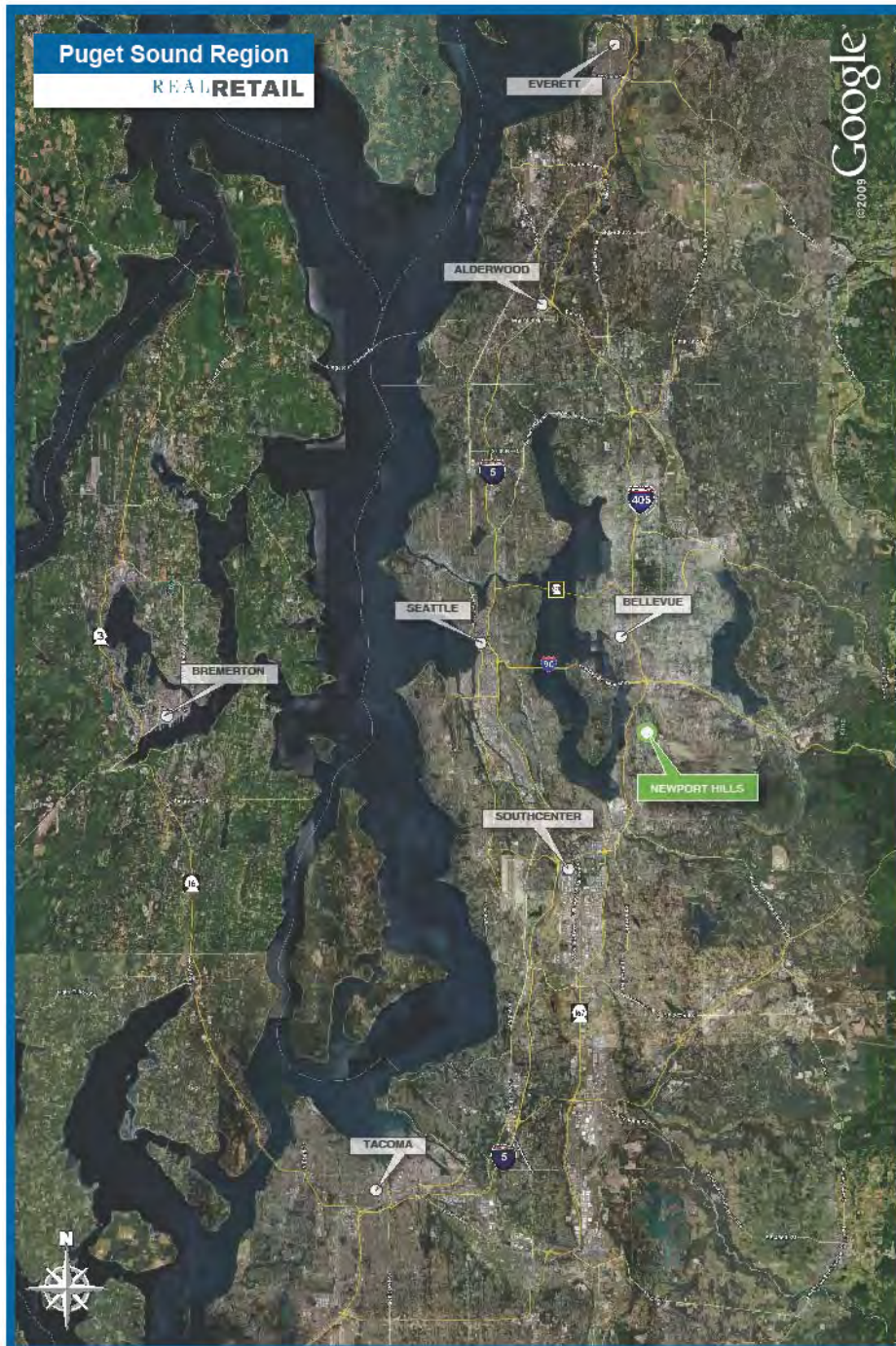


Sources: Claritas, Inc.

Newport Hills Trade Area

# **MARKET OVERVIEW**





# Newport Hills

| Distances         | Miles |
|-------------------|-------|
| Coal Creek        | 1.05  |
| Factoria          | 1.75  |
| Downtown Bellevue | 4.50  |
| Downtown Seattle  | 8.50  |

Sources: Claritas, Inc. 2009

# Newport Hills



| Demographics           | 2 Mile    | Trade Area |
|------------------------|-----------|------------|
| Population             | 31,832    | 13,511     |
| Avg HH Income          | \$117,907 | \$95,122   |
| Households             | 12,486    | 5,329      |
| Education (4+ College) | 57.89%    | 53.1%      |

## Community Amenities

- Newport Hills Swim & Tennis Club
- YMCA Lake Heights Child Care
- Bellevue School District Property
- Newport Hills Park & Playfields

# Newport Hills



## Newport Hills Shopping Center

|                  |         |
|------------------|---------|
| Acres            | 5.24    |
| Lot SF           | 228,400 |
| Total GLA SF     | 55,310  |
| Anchors          | Vacant  |
| Anchor SF        | 20,900  |
| Small Shop Space | 34,410  |
| Parking Stalls   | 275     |

## BGN Property (Stod's)

|                  |        |
|------------------|--------|
| Acres            | 1.72   |
| Lot SF           | 75,100 |
| Total GLA SF     | 24,447 |
| Anchors          | Stod's |
| Anchor SF        | 21,500 |
| Small Shop Space | 2,977  |

**TOTAL ACRES** 6.96

**TOTAL GLA SF** 79,757

Newport Hills Retail Competition

## **MARKET OVERVIEW**



# Newport Hills Competition

## Coal Creek

Coal Creek Village

Coal Creek Marketplace

## Factoria

Factoria Village

Marketplace @ Factoria

### 2 Mile Radius

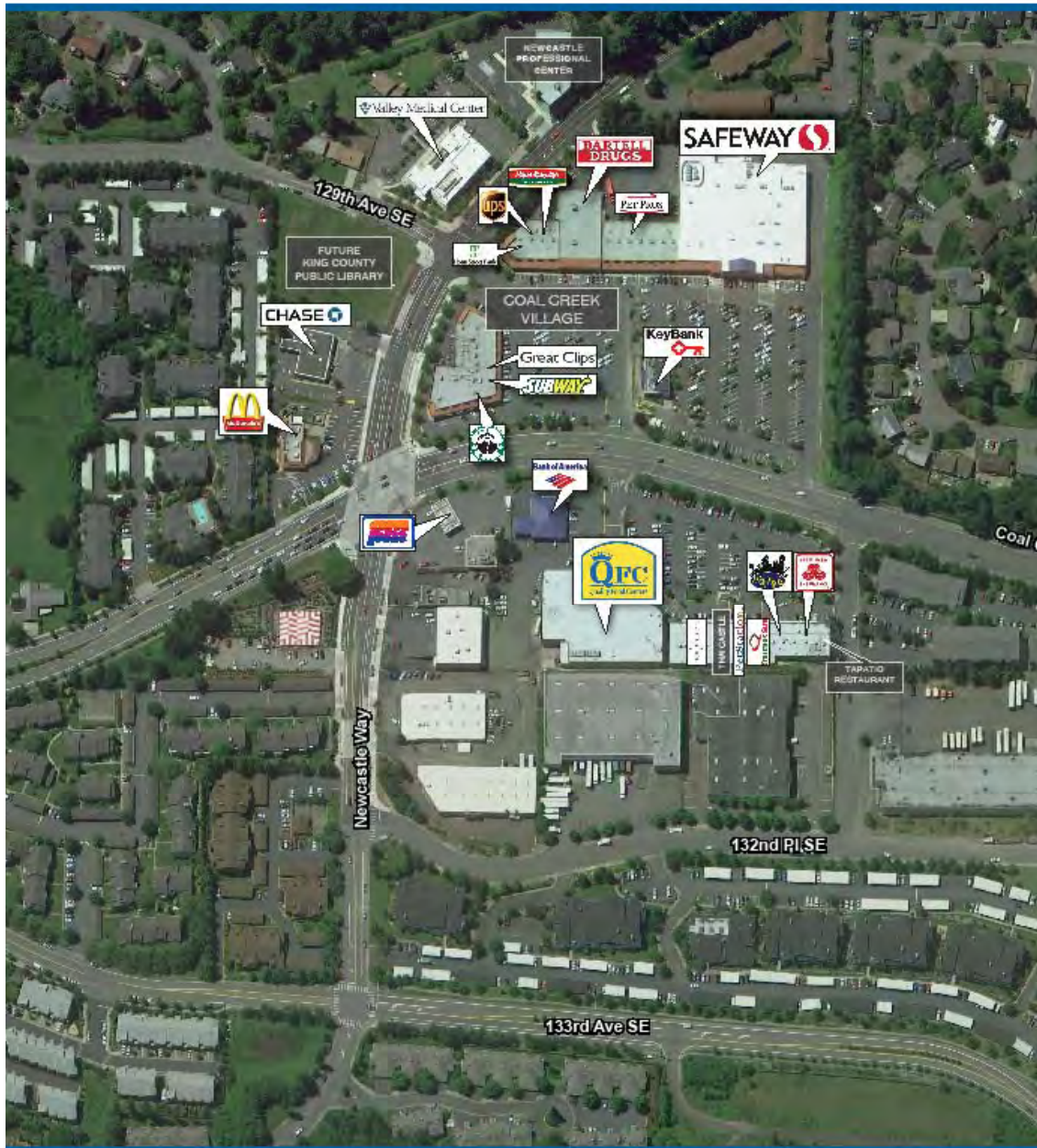
○ Newport Hills

○ Factoria

○ Coal Creek Parkway



# Newport Hills - Coal Creek Competition



## Coal Creek Village

Total GLA 84,137 SF

Anchors Safeway  
Bartell Drugs

Small Shop 50,000 SF

## Coal Creek Marketplace

Total GLA 52,145 SF

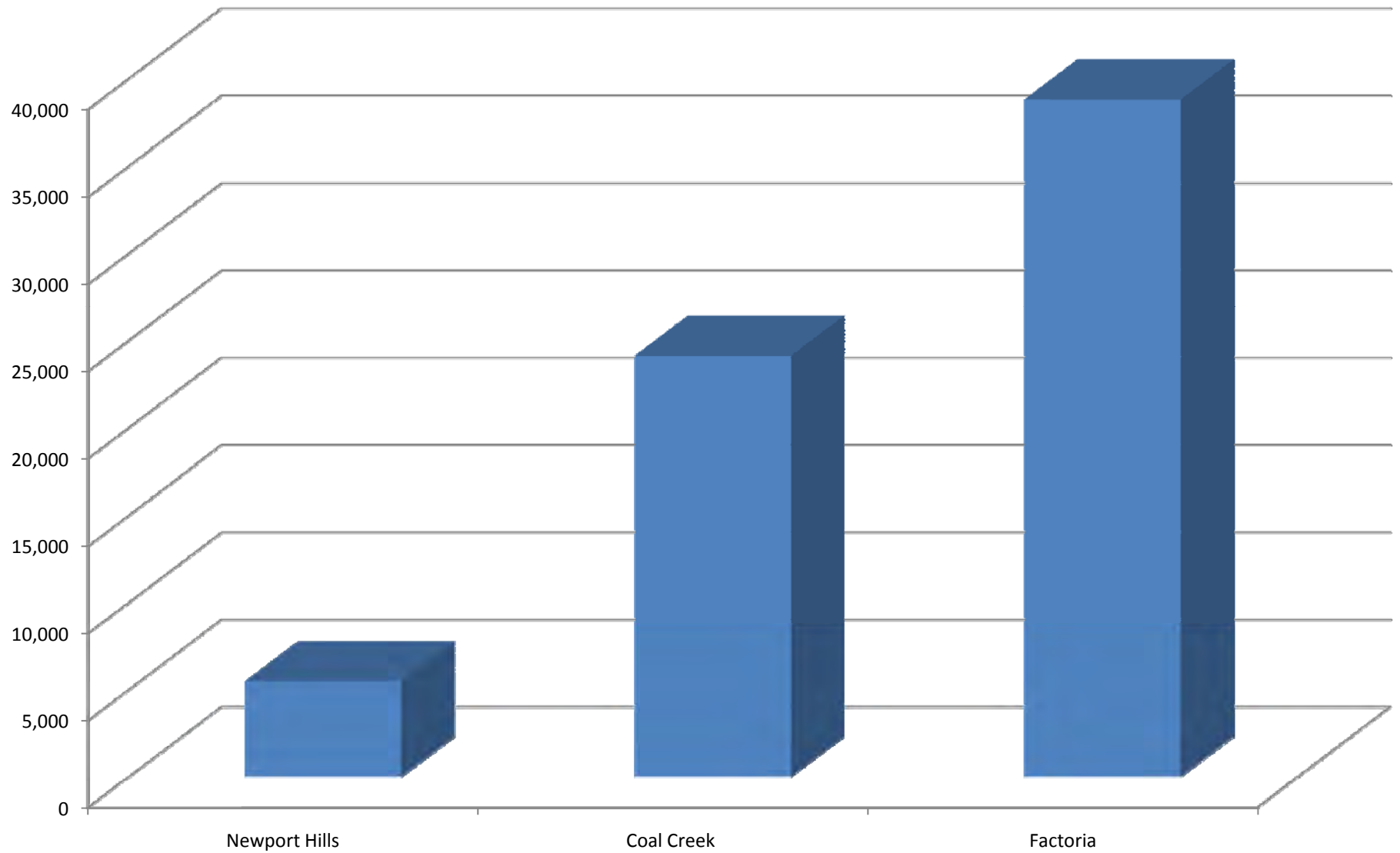
Anchors QFC

Small Shop 20,274 SF

Traffic Counts 24,126 ADT

# Newport Hills – Retail Competition

## Traffic Counts (ADT)



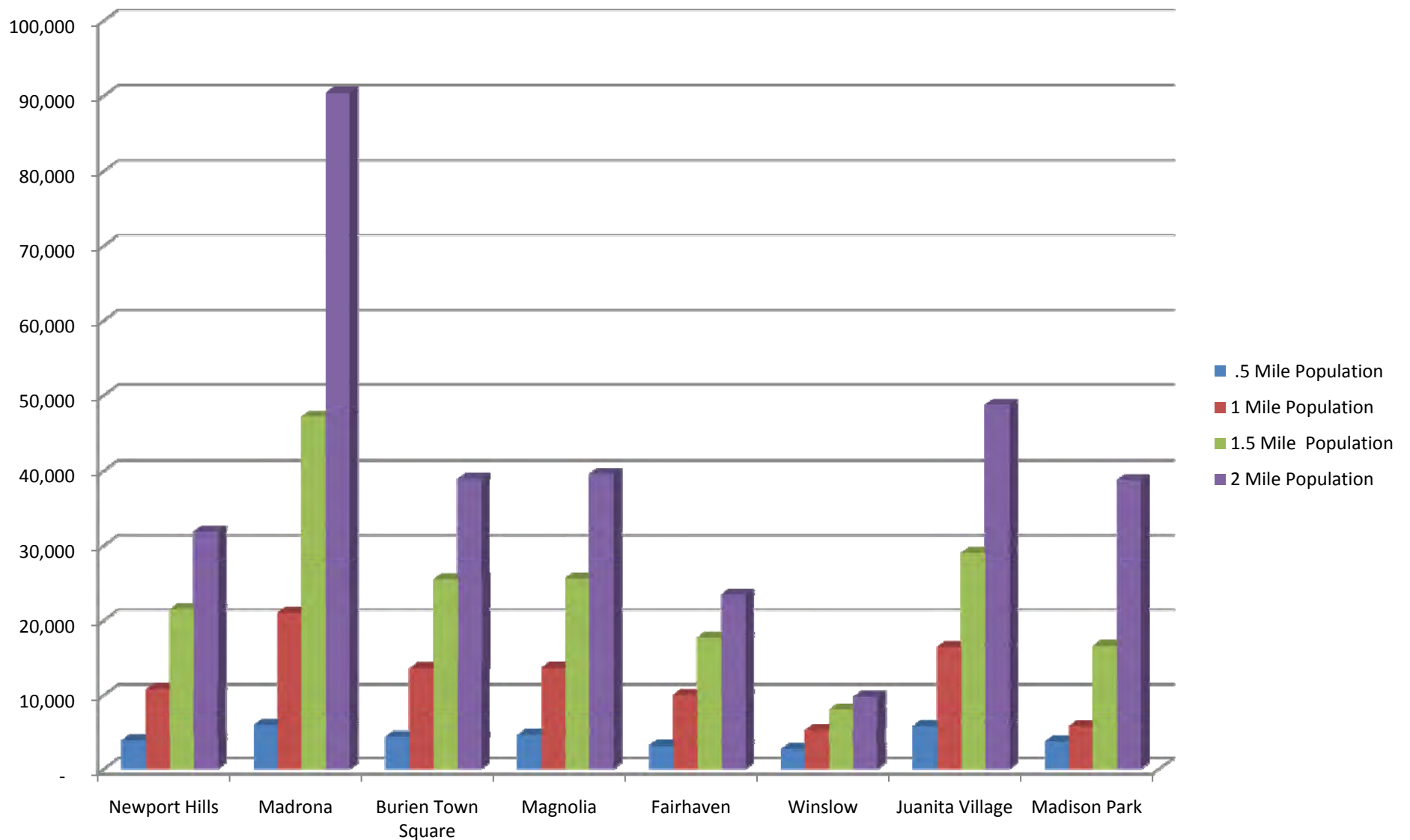


Newport Hills

# **COMMUNITY COMPARISONS**

# Newport Hills – Community / District Comparisons

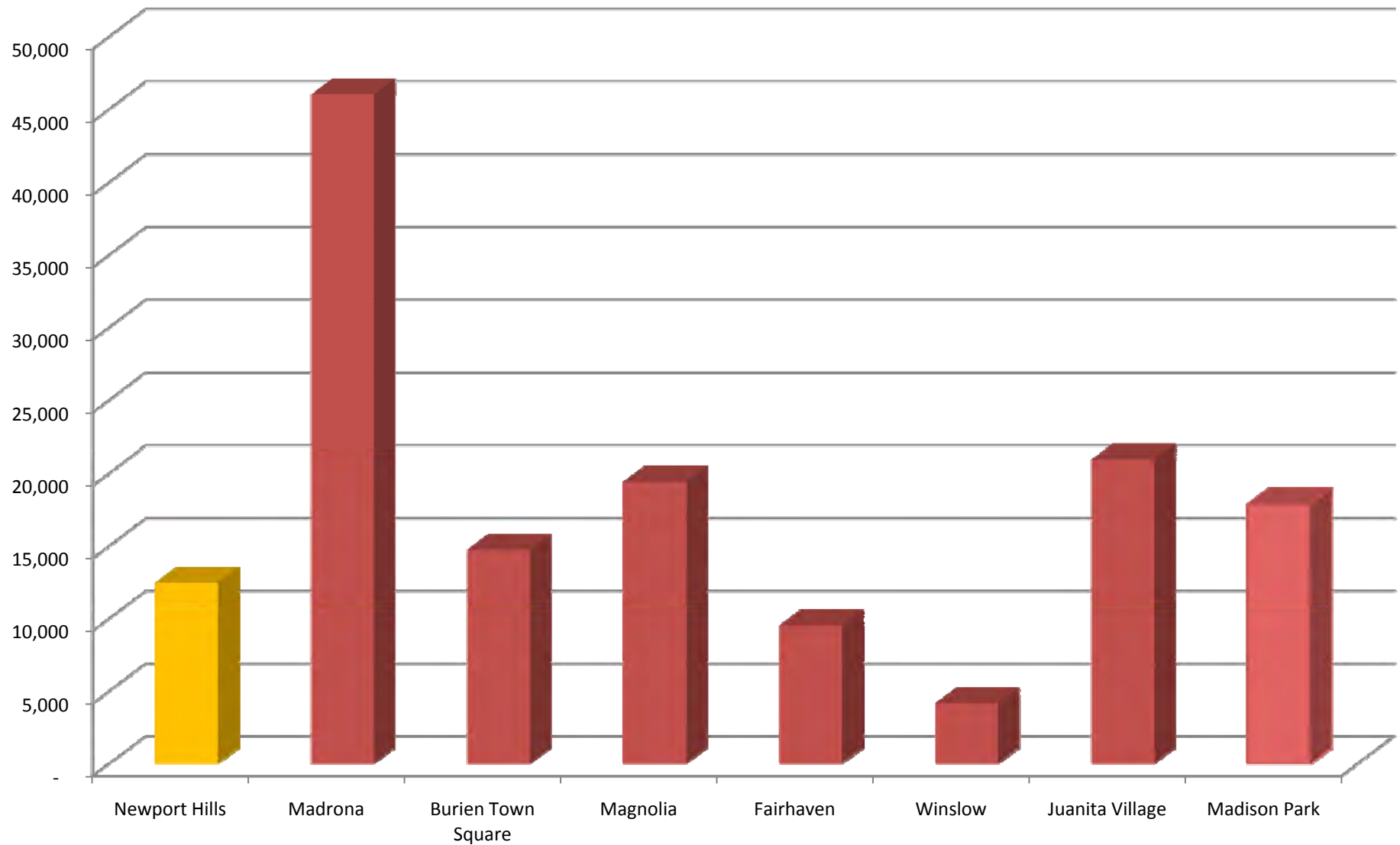
## Population



Sources: Claritas, Inc. 2009

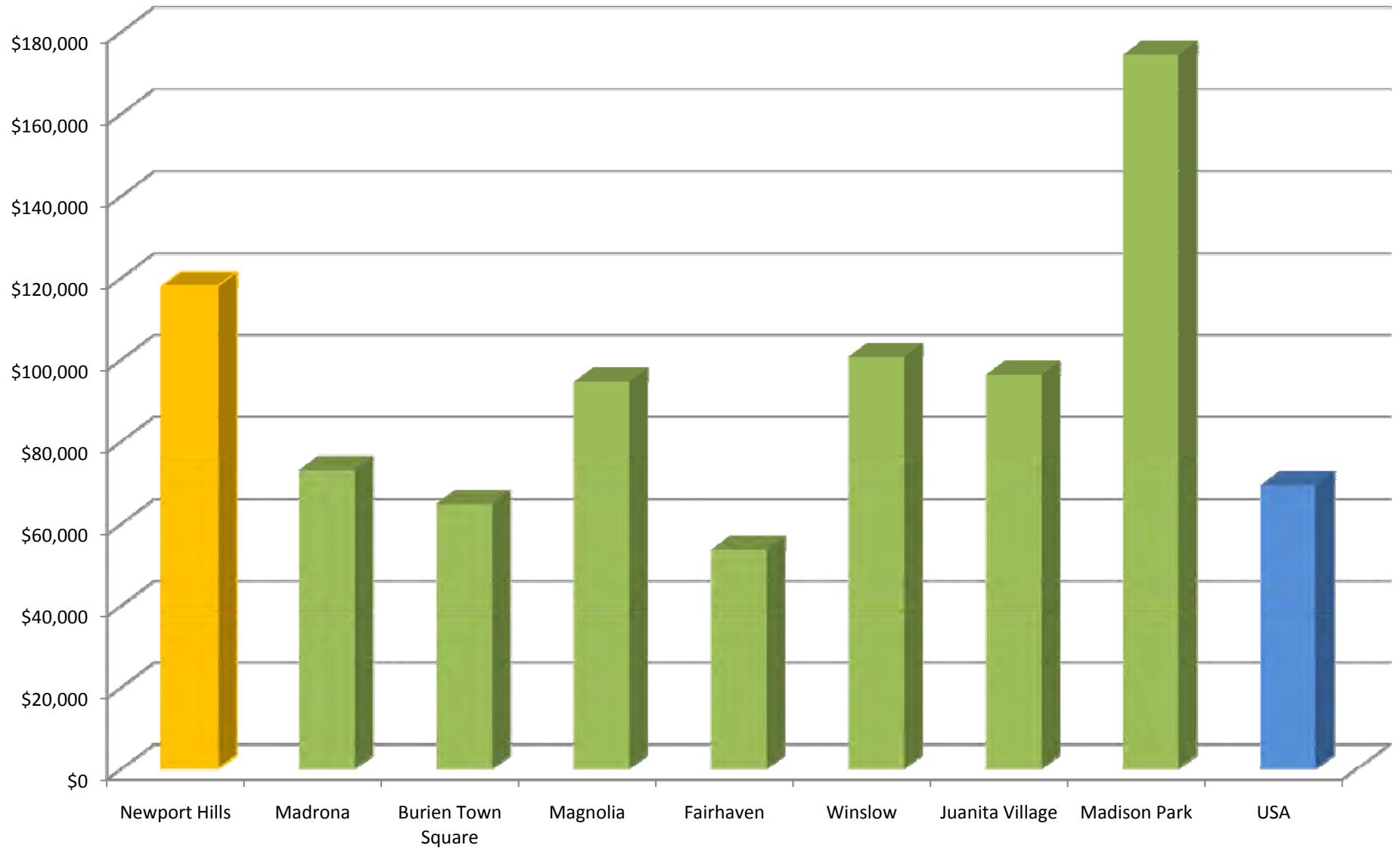
# Newport Hills – Community / District Comparisons

## Households



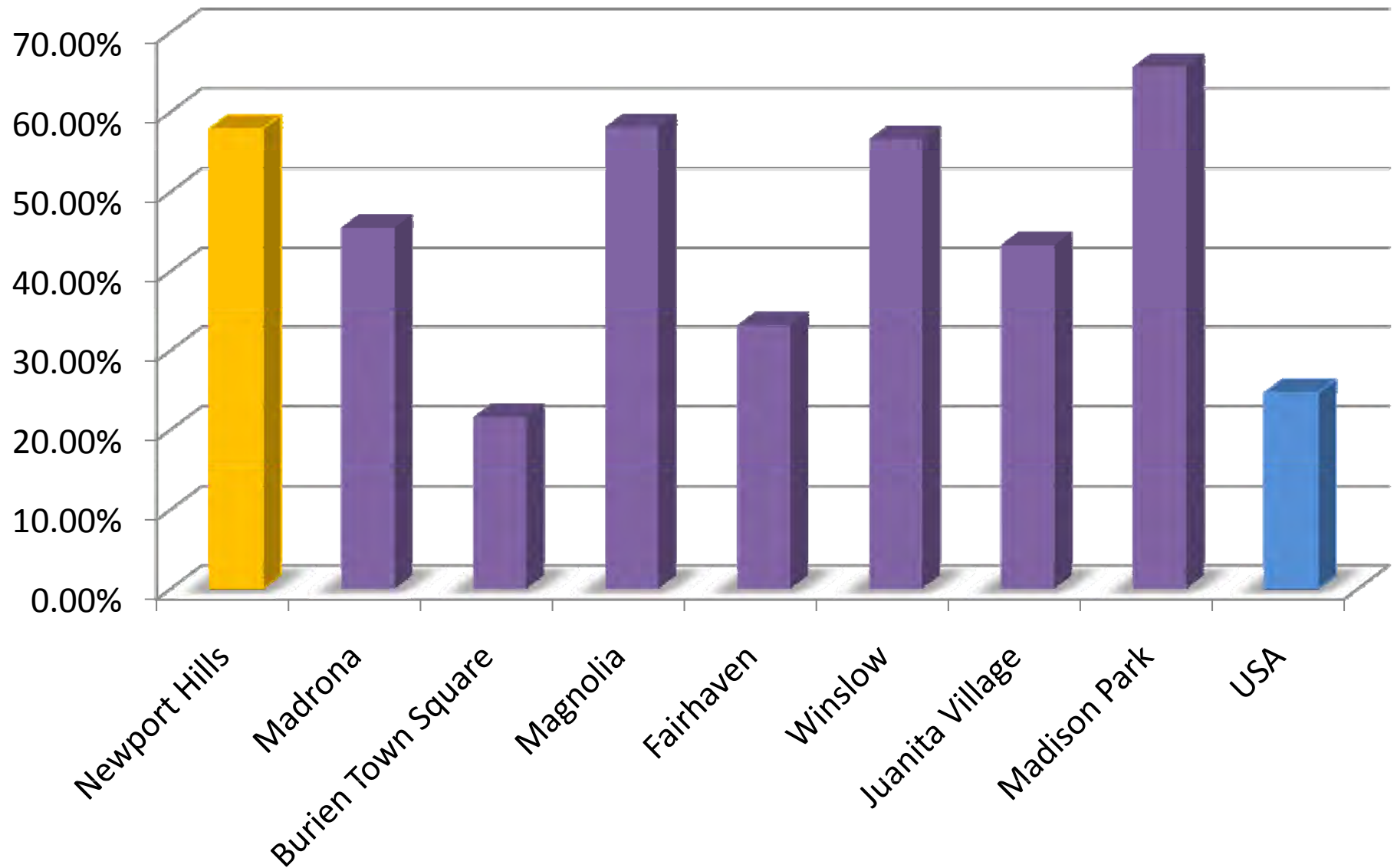
# Newport Hills – Community / District Comparisons

## Average Household Income



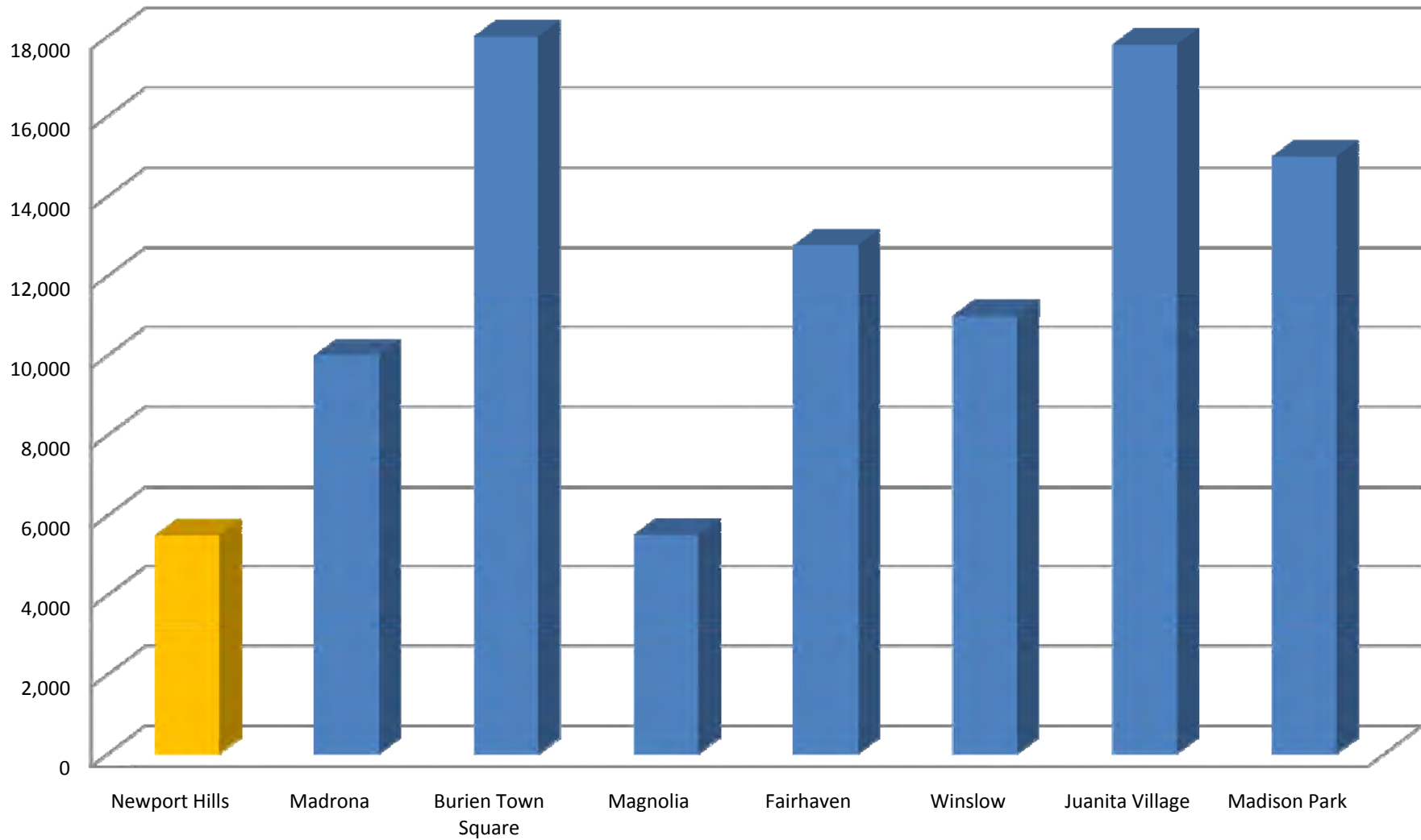
# Newport Hills – Community / District Comparisons

## Education



# Newport Hills – Community / District Comparisons

## Traffic Counts (ADT)



# Madrona



# Madrona

The retail core of Madrona is located on East Union Street and 34<sup>th</sup> Ave. While downtown Seattle is a close distance, Madrona has been able to attract local artists, shops and restaurants giving this community a sense of place.

Retail Core GLA: +/- 20,000 -25,000 SF

Retail Landscape: Most buildings are retail below with residential units above to giving the core a bit of density.

Streetscape: Traditional retail district street parallel parking.

District Residential/  
Retail: Combination of mixed-use with residential above retail and older buildings of character.



Photo Source: <http://madrona.wetpaint.com/>



# Burien Town Square

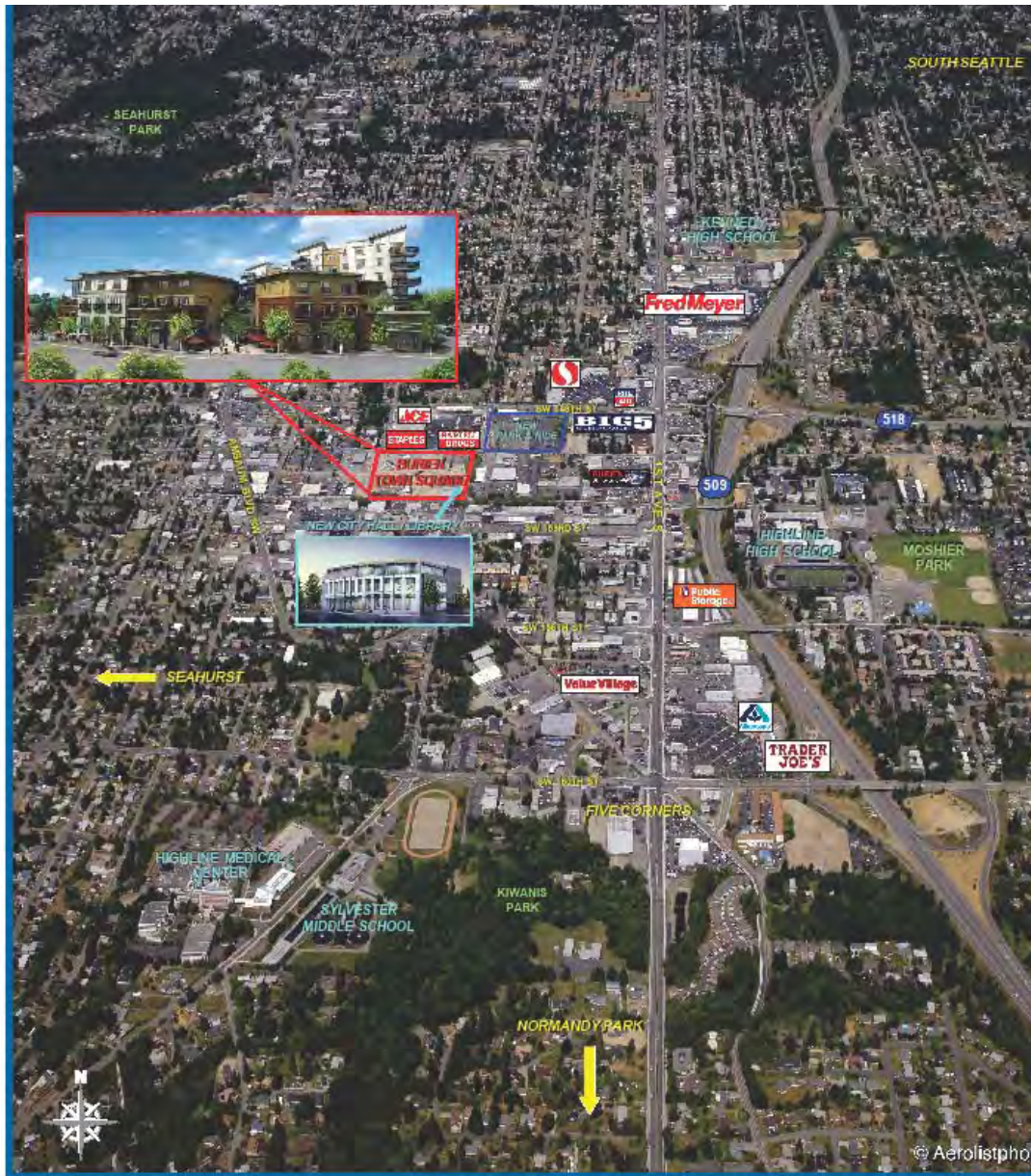


Photo Source: <http://www.burientownsquare.com/>

# Burien Town Square

Residential mixed use, open air, pedestrian friendly project. Anchored by a new library and town hall and centered around a performance lawn and stage to bring the community together. Centered in the heart of Burien retail district.



Photo Source: <http://www.burientownsquare.com/>

|                          |  |
|--------------------------|--|
| Residential Units:       | 124  |
| Retail GLA:              | 19,718 SF  |
| City Park:               | 1 acre   |
| Streetscape:             | 12' sidewalks and special paving designed to reduce speed. Traffic surrounds circular drive with performance lawn in the center. |
| Non-Traditional Anchors: | Library & City Hall  |

# Magnolia



# Magnolia

2<sup>nd</sup> Largest Neighborhood in Seattle by area. Isolated community due to the man-made border to the east, BNSF railway.

Community includes Discovery Park (534 acres) and the popular Magnolia Village adjacent to the Community Center.

Retail Core GLA: +/- 150,000 SF

Traditional Anchors: Bartells, Albertsons (grocer not at the heart of the Village)

Non – Traditional Anchors: Magnolia Garden Center, Magnolia Community Center

Community Center : Playfields, Outdoor Swimming Pools, Tennis, Childcare, Preschool, Fitness Classes, Athletics, Arts & Crafts Classes, Magnolia Farmers Market

Streetscape: Sidewalks lined with Magnolia trees. Parallel and angle parking along street.

District Residential/  
Retail: Combination of mixed-use with residential above retail and older buildings of character.



# Fairhaven (Bellingham)

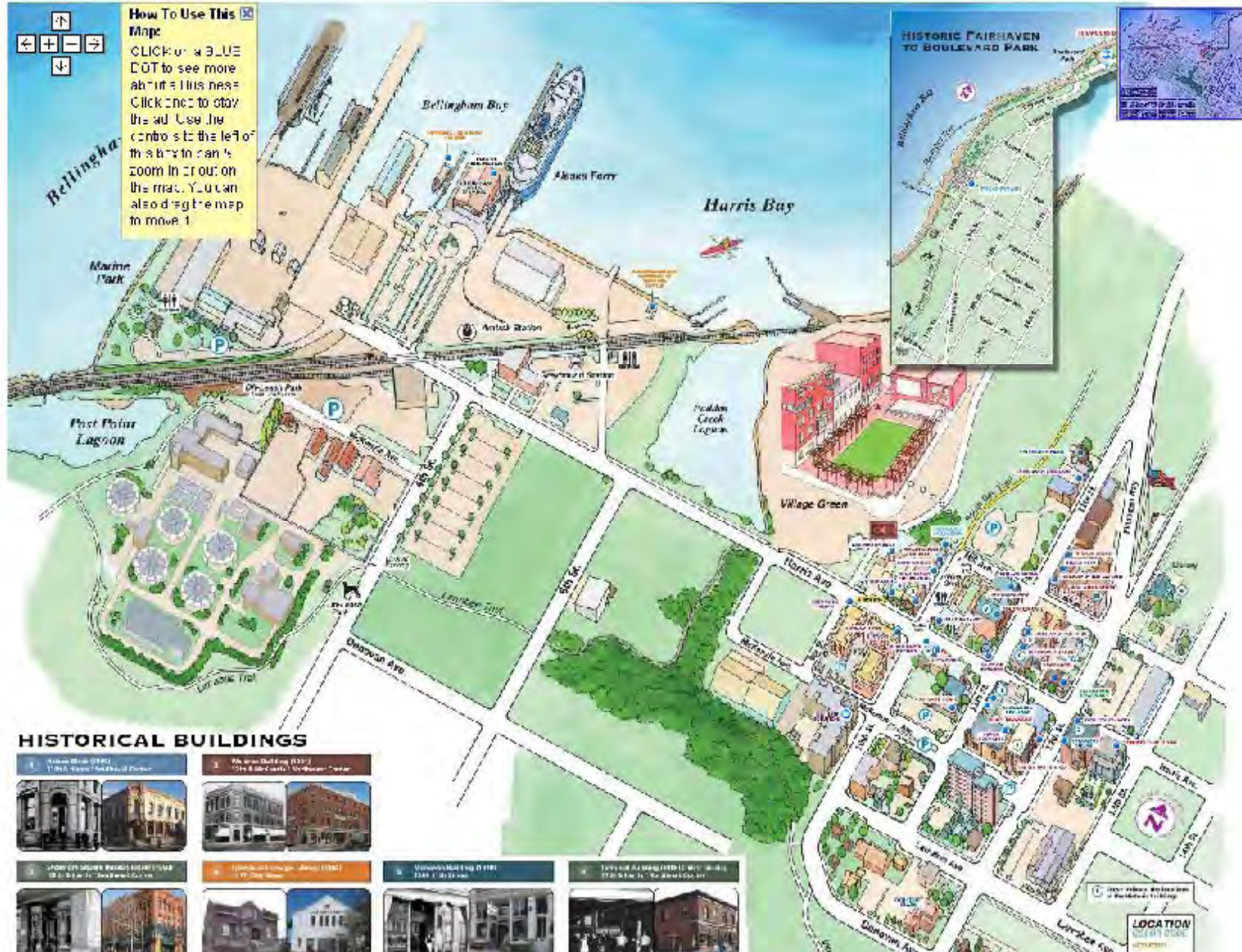


Photo Source: <http://www.fairhaven.com/>

# Fairhaven (Bellingham)

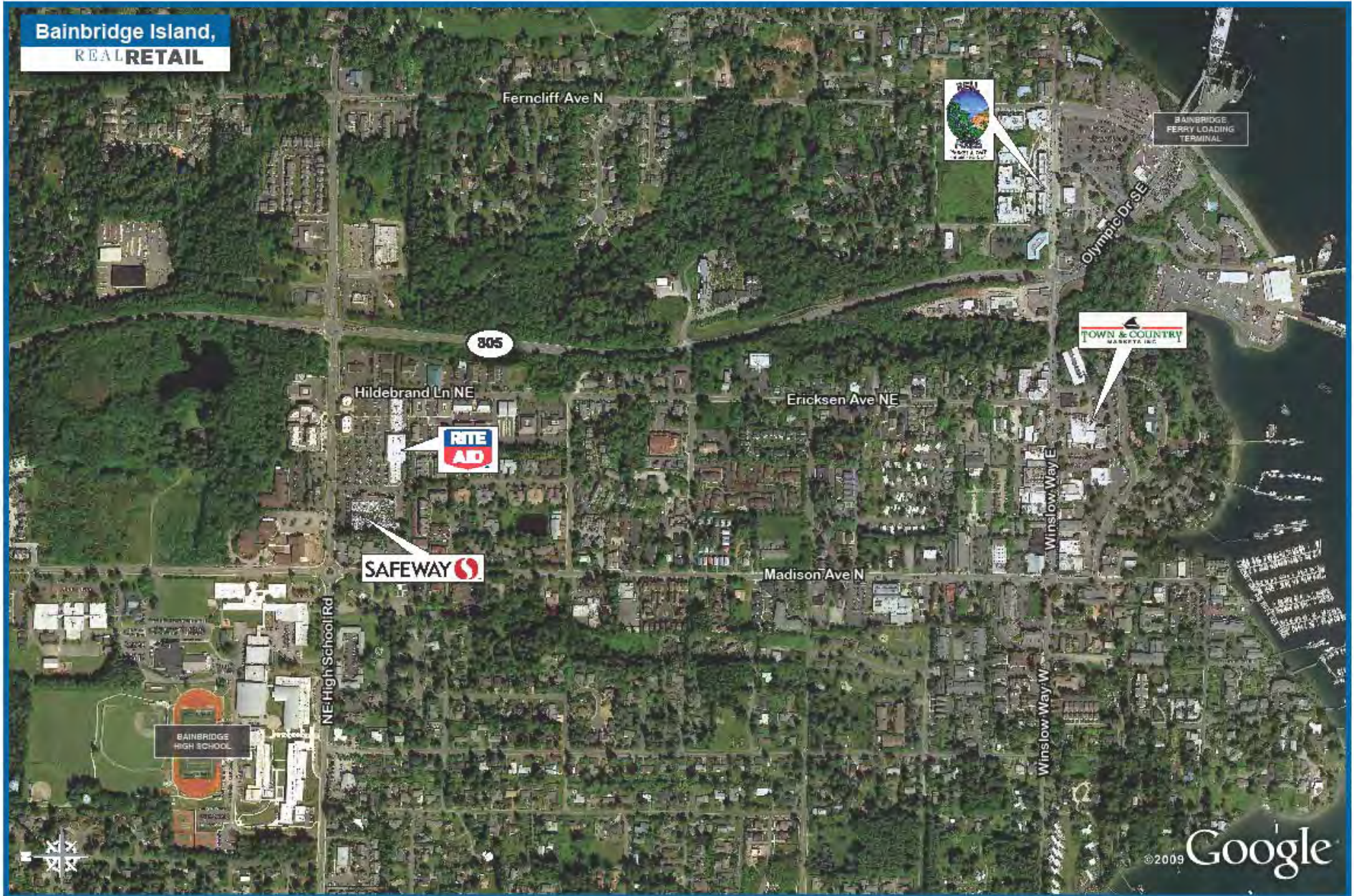
The historical district of Fairhaven is a lively suburb of Bellingham. A popular tourist destination with summer ferry service to San Juans and Victoria. This retail district is centered around a lively town square which hosts monthly town events and concerts.

|                                  |   |
|----------------------------------|---|
| Retail Core GLA:                 | +/- 85,000 SF   |
| Retail Scene:                    | Local flavor with small shop retail and restaurants.  |
| Streetscape:                     | Sidewalks and pedestrian friendly strolling lanes with a European village feel. Angle parking.    |
| Town Square:                     | Used for concerts, monthly events, farmers market, outdoor movies, etc...                         |
| District Residential/<br>Retail: | Combination of mixed-use with residential above retail and older historic buildings of character. |

Photo Source: <http://www.fairhaven.com/>



# Winslow (Bainbridge Island)



# Winslow (Bainbridge Island)

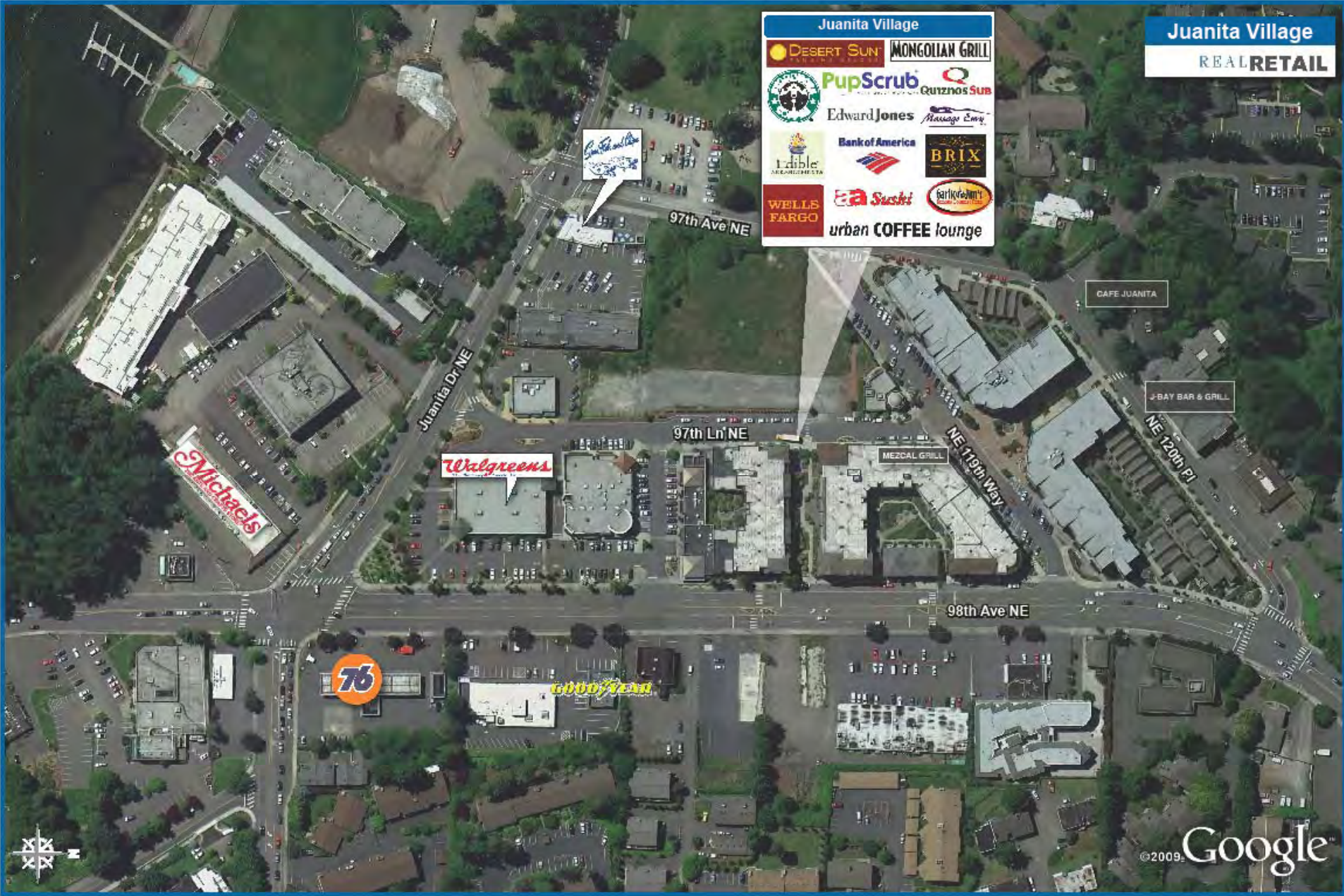
The rustic charm of Winslow on Bainbridge Island draws artists, ferry goers, shops and restaurants. The ferry terminal provides a 35 minute ride from downtown Seattle. Historic Winslow on Winslow way provides small shops and restaurants.

|                              |  |
|------------------------------|--|
| Retail Core GLA:             | 97,700 SF  |
| Traditional Anchors:         | Town & Country Market,<br>Safeway (on High School Road)  |
| Retail Landscape:            | Waterfront Community with<br>small shop retail, galleries, coffee<br>houses and restaurants.                                   |
| District Residential/Retail: | Smaller mixed –use residential<br>over retail, surrounded by single<br>family homes with large parcels,<br>gardens, vineyards. |
| Streetscape:                 | Traditional retail district street<br>parallel parking.  |





# Juanita Village



# Juanita Village

Juanita Village was designed to redevelop an unsightly strip center with an abandoned grocery store and revitalize the community with a mixed use neighborhood center. Juanita Village is located on the main intersection of Juanita Drive NE and 98<sup>th</sup> Ave NE. It is bordered by Juanita Park to the west and Juanita Beach Park and Lake Washington to the southwest.



Retail GLA: 56,000 SF

Traditional Anchors: Walgreens

Residential Units: 580

Total Land: 11 Acres

Retail Landscape: Street front buildings, retail benefitting from increased housing density, social gathering places

Streetscape: Landscaped plaza, sidewalks, street lamps with surface parking pods and angle parking.



Photo Source: <http://www.gglo.com/project.aspx?projectId=171&catId=5>

# Madison Park



# Madison Park

The Madison Park retail core is located on East Madison Street and bordered by McGilvra Boulevard to the west and Lake Washington to the east.

- Retail Core GLA: +/- 80,000 SF
- Traditional Anchors: Bert's Red Apple
- Retail Landscape: Street front retail social gathering places, local restaurants and shops, no major national chains.
- Streetscape: Landscaped sidewalks and tree lined streets with traditional street parking.
- District Residential/  
Retail: Mixed-use residential above retail and older buildings of character with significant multifamily within walking distance.



Photo Source: <http://www.madisonparkseattle.com/>

Newport Hills

# **RECOMMENDED RETAIL USES**

# Trends in Retail

- Migration of retailers back to regional anchored centers –less neighborhood boutiques.
- Vacancy continues in secondary locations, no duplication in retail categories due to retailer attrition - best retailers will only take best locations
- Migration of restaurants to neighborhood districts where they can locate to buildings of character – chef driven restaurants, smaller format, less seats

# Newport Hills Community Club

## Retail Survey Results

Consensus: Variety and Sense of Place are lacking.

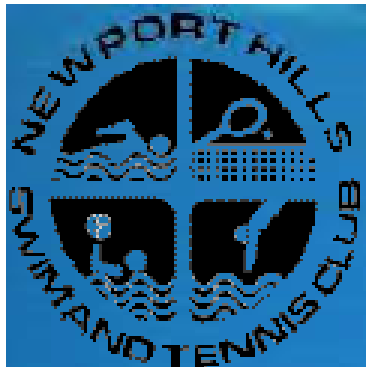
### **Community Recommendations**

- Café / Coffee House
- Bookstore
- Arts & Crafts Classes
- Dog Park
- Pea Patch
- Family Oriented Restaurants
- Fresh Vegetables
- Smaller Grocer

# Recommended Uses

## Existing Successful Uses

- Newport Hills Swim & Tennis Club
  - 750 member with capacity for additional members
- Newport Hills Elementary
  - 537 student enrollment
- Tye Middle School
  - 542 student enrollment
- Stod's
- Existing Dance/Yoga/Karate Studios
- Playfields





# Recommended Uses

## Transitional/Adaptive Reuse

- Schools of Instruction
- Family Fun Center Activities
  - Funtasia
  - Mini Golf
  - Sky High
  - Whirly Ball
  - Rainbow Play Systems
  - The Bouncy Place
- Street Food Vendor Collection



# Recommended Uses

## Permanent Adaptive Reuse

- Outdoor Cinema
- Concerts
- Holiday Events
- Farmer's Market
- Off Leash Dog Park
- Skateboard Park
- Community Pea Patch
- Ice Skating



# Recommended Uses



## Other Retail Uses

- Neighborhood Pub/Restaurant
  - The Roanoke
  - Sand Point Grill
- Hardware Store
  - City People's Mercantile
  - Ace Hardware
- Coffee House / Café
  - The Lyon's Den
  - Play Café
- Breakfast
  - The Original Pancake House
- Components from Grocery Store
  - Produce Stand (Yakima Produce)
  - Deli/Butcher (Bill the Butcher)
  - Cheese/Wine

City of Bellevue

# **SUMMARY & RECOMMENDATIONS**

# Summary - Recommendations

- Modify zoning to allow more flexibility with retail uses
  - Increase health club to 20,000 sf
  - Increase hardware to 15,000 sf
  - Allow for apparel & accessories
  - Increase childcare maximum to 10,000 sf
  - Allow for street food cart vendors
- Modify zoning to allow for street retail on 119<sup>th</sup> with parallel or angle parking in the street to slow traffic down and signify the sense of arrival at the retail district.
- Amend zoning to provide credits for public gathering space / invest or set land aside for public gathering space.
- Amend zoning to create a pedestrian friendly streetscape
- Size retail component appropriately to account for existing competition and phasing. Maximum of 10,000 – 15,000 SF small shop with potential for future phases as demand permits.



# Newport Hills Summary

- Highly educated
- Significant incomes
- Transitional age demographic
- Generic competition lacks character and does not provide a sense of place
- Existing neighborhood traffic generators
- Strong active community
- Potential for significant land parcel assemblage
- Appropriate “Street Scale” intimate pedestrian district

## Newport Hills Opportunity

**Change Zoning to higher density mixed-use development. Critical in creating and urban village, density will allow for more creative and sustainable retail.**

