

A historic renovation to house a senior center and new retail space.

PROJECT BASICS

Type:

Real Estate – Community Facility, Retail

Total Development Cost:

\$3.9 million

LISC New Markets Tax Credit Allocation:

\$4.1 million

PROJECT STAKEHOLDERS

LISC Program:

Washington Statewide LISC

Investor:

US Bank

Lender:

City of Seattle

Sponsor/Developer:

Pike Place Market Preservation and Development Authority

COMMUNITY NEED

- **35% Poverty Rate**
- **SBA HUB Zone**
- **WA State Enterprise Community**

COMMUNITY IMPACT

- **34,700 sq. ft. of Commercial and Community Space**
- **10 Construction Jobs**
- **92 Permanent Jobs**

Project Snapshot:

- Located on the southwest corner of Seattle's Pike Place Market, the project involved the renovation of the historic LaSalle Hotel to create 34,700 sq. ft. of new commercial and community space.
- The commercial portion of the project offers new retail and restaurant opportunities in the area while the community portion provides 6,777 sq. ft. of space for the Pike Place Senior Center at rents well below market-rate. This has allowed the Senior Center to expand and become more accessible for its members, many of whom live in an adjacent senior housing project.
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- The project is the commercial and community component of a larger \$17.2 million initiative that calls for the rehabilitation of the historic LaSalle Hotel's remaining floors and the construction of a new 6-story, 30,000 sq. ft. addition on the adjacent, city-owned Creamery lot. The larger initiative will yield 64 new and renovated units of affordable housing.



Project Background:

- This project is the first major development to occur in the Pike Place Market Historic District in 15 years. The Pike Place Market contains a wide variety of shops and services including groceries, pharmacies, a medical clinic, barber shops, and hair salons.
- The redevelopment project represents a rare opportunity to simultaneously fulfill multiple (and sometimes conflicting) community development aims. The urban in-fill project will preserve historic buildings, preserve and create low-income housing, and unlock capacity in the city's core. The project also will fulfill community needs, represented by the Senior Center, and add much-desired commercial capacity in a neighborhood that has experienced extremely low commercial vacancy rates.
- The Preservation and Development Authority (PDA) operates under a city charter with a mandate to preserve, redevelop, and manage the Pike Place Market. The PDA strives to: preserve the market's traditional character, uses, and appearance; provide goods, services, and housing for low- and moderate-income people; and, promote small, owner-operated businesses.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- With the project's commitment to devote a large portion of commercial space to a community organization at below market-rate, the project faced obstacles to securing financing under economically viable terms. Our program offered a way to leverage existing financing, close the gap, and fulfill a critical community benefit.
- \$4.1 million in NMTC allocation authority provided a custom product with non-traditional and/or favorable terms including: a below-market interest rate; subordinated debt; and a longer interest-only payment period.