



HOUSING HILLTOP



Offer for Commercial Tenant Proposal

Respond to:

Nicholas Carr
ncarr@tacomahousing.org

Or

Tacoma Housing Authority
Re: OCTP
c/o Nicholas Carr
902 S L St
Tacoma, WA 98405

Design the Hill

“Design the Hill” began in 2016 as an embedded and inclusive community engagement process to transform 3 sites owned by Tacoma Housing Authority (THA) for the benefit of the surrounding Hilltop community; it focused on three broad tenets

- Social + Spatial Equity = *Thriving Hilltop*
- Equitable revitalization in Hilltop is dependent on *Community-Driven Design*
- Opportunities for *Economic Empowerment* of existing residents are essential within this framework



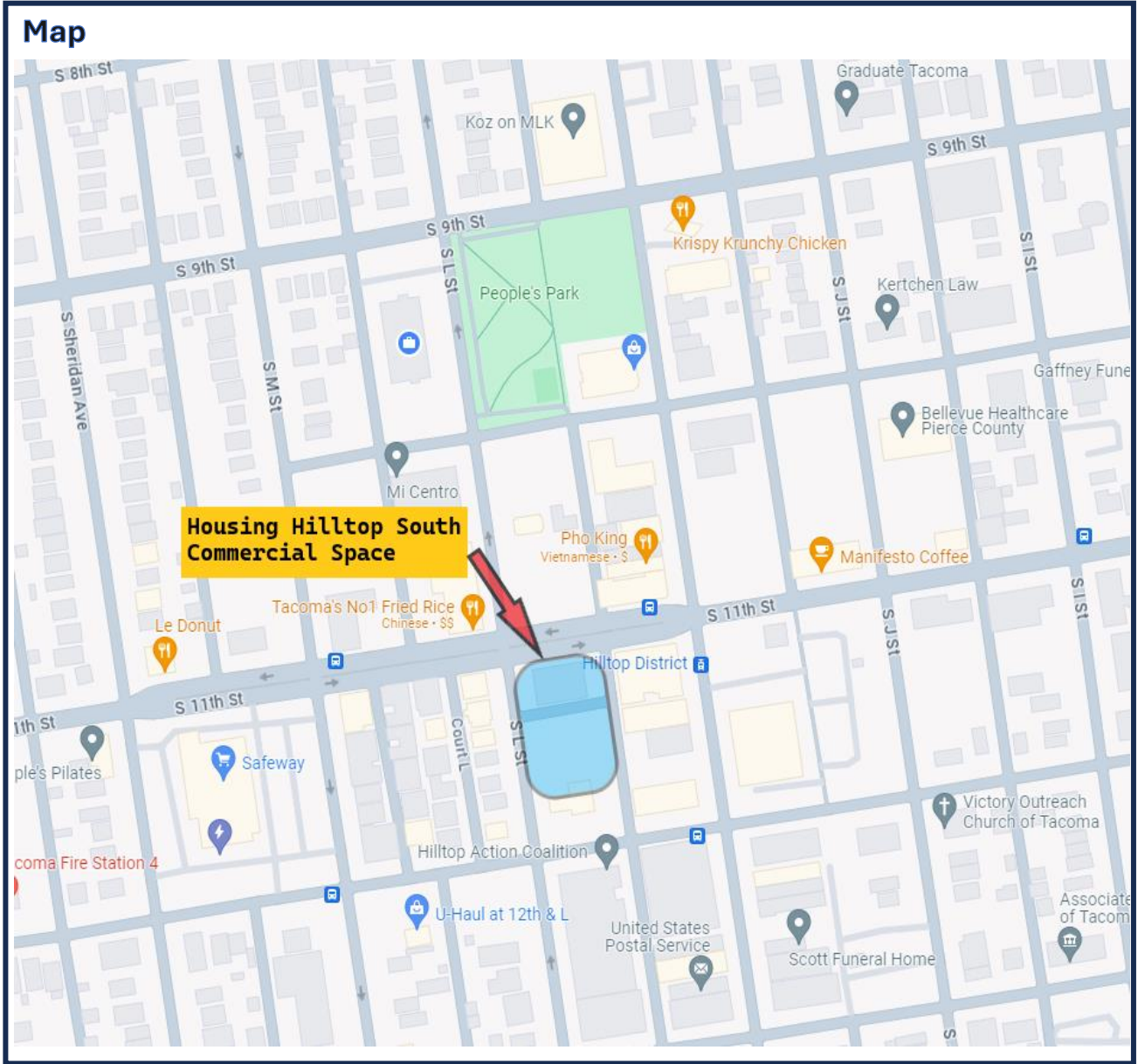
Resilient Neighborhoods and Anti-Displacement Efforts

As Design the Hill commenced, the community was starting to see signs of gentrification and wanted to do everything possible to limit resident housing and business displacement by planning for and enacting actions that supported community resiliency and anti-displacement in the Hilltop neighborhood

As the Design the Hill Community Plan was finalized THA, its planning partners, and the community agreed on some critical goals, as memorialized in the final plan:

- Create housing that is affordable to households 0-60% AMI
- Develop a community priority plan which will prioritize applications from current Hilltop residents and those who have been displaced or are at risk of displacement from the neighborhood
- Providing commercial and retail space, with a focus on affirmative marketing and supporting small, locally-owned businesses

Introduction and Summary



Timeline	
Proposal Deadline: _____	June 24 @ 5PM
Applicant Notification 1: _____	July 5
Applicant Notification 2: _____	July 15
Final 5 Interviews: _____	July 22-26
Final Decision: _____	August 1
Lease Negotiations: _____	Begin August 5
Space Build-out : _____	Begin August 16

Cold Shell Specifications

3000 square feet of total commercial “cold shell” space conceptualized as 3 separate businesses:

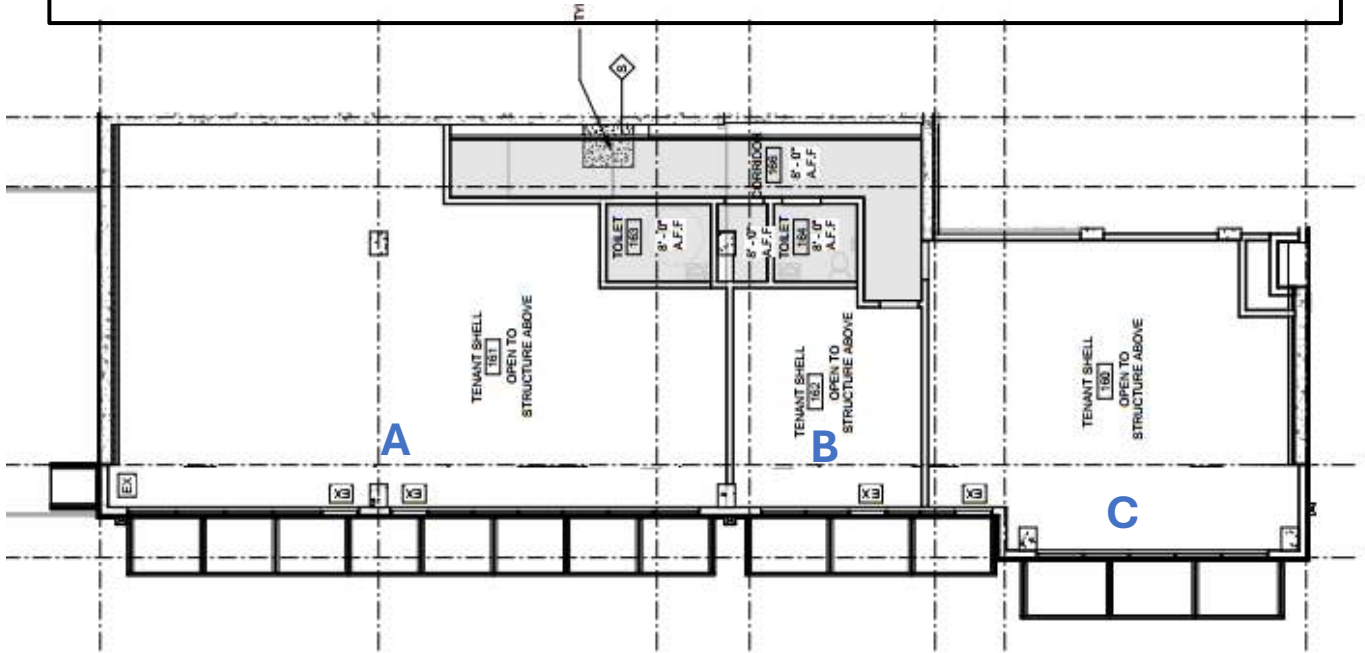
- Space A 1501 SF +288 SF patio
- Space B 296 SF
- Space C 775 SF

THA has included predevelopment investment for prospective tenants, including two (2) ADA bathrooms with shared hallway access for all tenants, and significant electrical work, including panels, and shared HVAC tie in for future installation. There is a grease trap in Space A.

The cold shell has 4 entrances from 11th St, with the east most space having access to an enclosed patio. There is no building maintenance or support access to the rear of any of the shell. This means garbage removal, product delivery, etc. will need to be done through the front street facing doors. There will be street parking on 11th St and side streets, but there will be no dedicated parking for employees or visitors within the building garage. Marketing signage will be negotiated with all chosen tenants and THA at a later date.

- Bathrooms and shared hallways space include instant hot water units, lighting, exit signage, fire alarms, and a shared utility/storage room
- Electrical work includes 200A panels, freeze protection electric heaters, and fire alarms for each of the three conceptualized spaces

The detailed floorplan for the commercial space is shown in Exhibit A at the end of this proposal and will be available as a PDF by request.



Commercial Façade (faces north)



Above: looking southwest at Space A and patio access from 11th St sidewalk.

Commercial Façade (faces north)

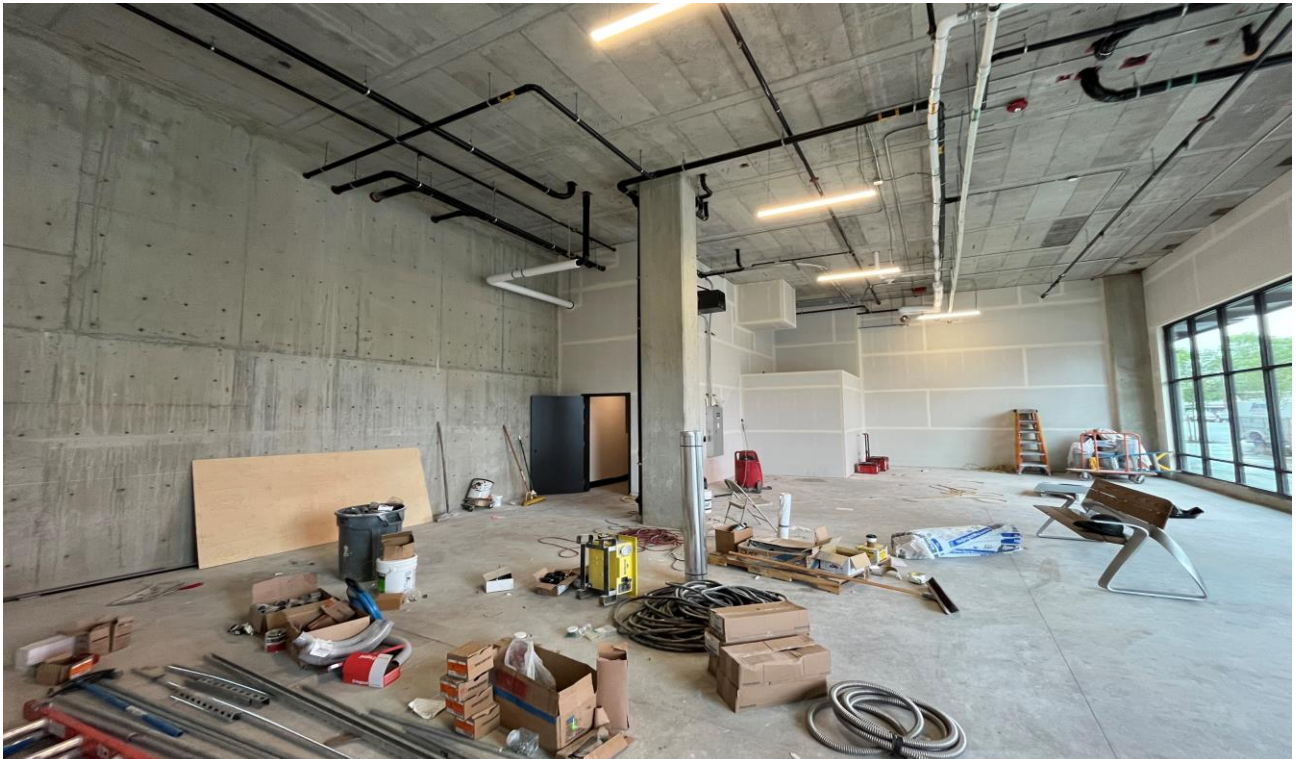


Above: looking east at front windows and doors from 11th St sidewalk.

Commercial Interior



Above: looking east at Space A and patio access.



Above: looking southwest to bathroom/hallway from inside Space A.

Space Details

Commercial Interior



Above: looking north in Space B to entrance.



Above: looking southeast to space and bathroom access of Space B.

Space Details

Commercial Interior



Above: looking northwest at Space C.

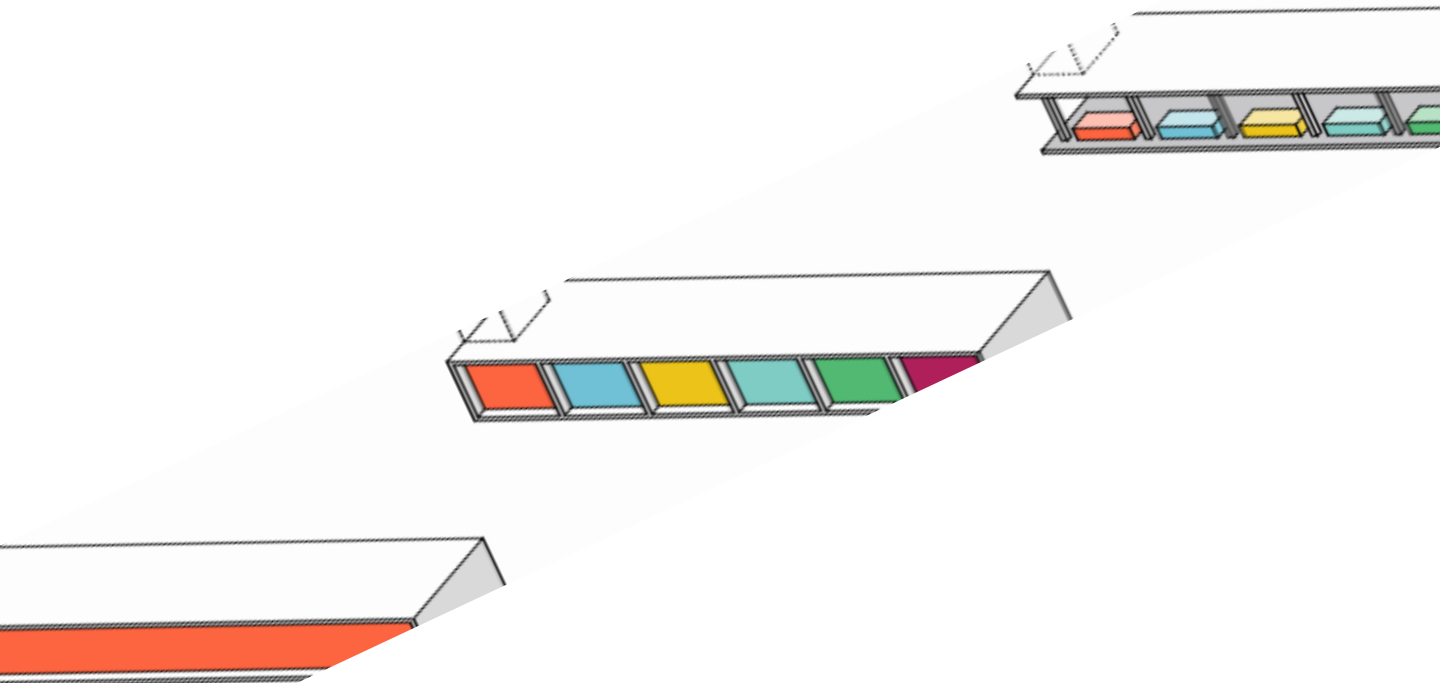


Above: looking southeast to bathroom/hallway from inside Space C.

Business Recruitment

THA is looking for passionate, creative, and qualified applicants to propose business opportunities for our newest development, Housing Hilltop. THA will evaluate the submissions using a transparent set of guidelines with input and support from independent community leaders and local professionals.

Please submit your package by **June 24, 2024**. Format your response in a style that you are comfortable with, but please ensure that it **that includes responses and documentation to the following evaluation criteria, financial qualifications, and resources as outlines in sections A through D.**

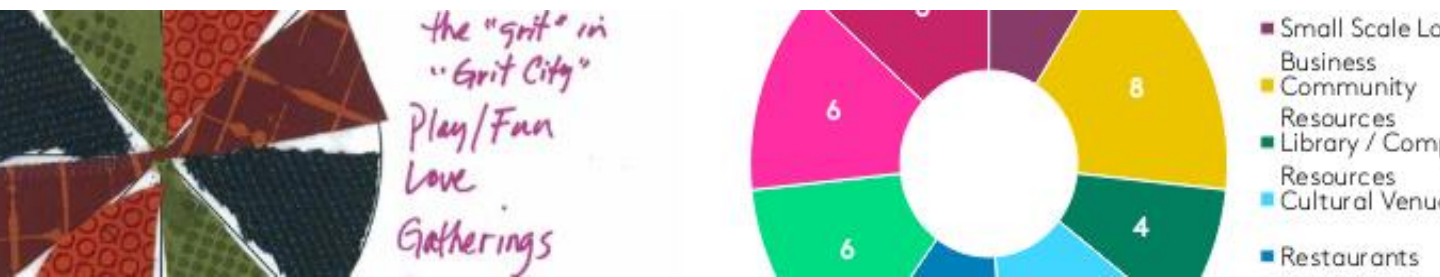


A. Evaluation Criteria Questions

1. Tell us about your business/concept. What do you love about what you do? Why does it fit the space? How does it fit the Hilltop community? What excites you about this opportunity? Please elaborate on your vision! Tell us who you are and why you are giving us the opportunity to choose you.
2. THA's market rental rates are \$21 per square foot, plus applicable tenant costs as outlined in Lease Expectations below; what sales and/or service goals would you need to over the rental rate for this property? Please provide us some insight in this answer.
3. Are you a small business? (Using [RCW 19.85.020](#), "small business" means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, and that has fifty or fewer employees.)
4. Are you a member of a historically marginalized group? (Using a definition from the *International City/County Management Association, 2022*, "historically marginalized groups" are people who have faced deliberate and long-term exclusion from involvement in or access to cultural, social, political, and economic activities. People in these groups are often marginalized because of their race, ethnicity, immigration status, gender, sex, or sexual orientation. Indigenous, Black, people of color, immigrant, women, transgender, non-binary, lesbian, and gay communities are often considered historically marginalized populations.)
5. Do you consider yourself a member of the Black community?
6. Are you a current or previous resident of Hilltop? Do you currently operate (or have you previously operated) a business in Hilltop? Are you at risk of displacement? Why do you want to move or start your business here?
7. Do you have community support? What is the potential (and current) impact of your business on the local community? Does your proposal fit the needs and character of the neighborhood? Letters of reference and letters of support are welcome and encouraged.

B. Financial Qualifications

1. Do you have a business plan and business experience? What is your history of business operations, including achievements, growth, and resilience to hardship?
2. What is your current financial situation? Is your business financially viable? Do you have access to, or need, capital resources? Are you able to show us documentation to support your proposal?
3. Do you require some financial support if you are considered for one of these spaces? How much?



C. Financial Support

The architectural, permitting, and construction costs to turn a cold shell into a commercial shell starts at about \$100,000 per 1000 square feet, with costs increasing as design and finishes are customized. THA has secured some financial resources to build out the commercial space (totaling \$610,000 split between the space by square foot) that must be spent by **December 31, 2024**. These resources are limited to specific uses as outlined below, and will be managed by THA in service to the commercial improvements. **Please include how these resources will strengthen your proposal.**

Grant Source	Total Amount	Allocation by Square Footage			Uses
		1,501	296	775	
Chase	\$400,000	\$233,437	\$46,034	\$120,529	Space improvement, Signage, Project management
HUD	\$100,000	\$58,359	\$11,509	\$30,132	Furnishings, Fixtures, and Equipment (NOT permanently installed)
HUD	\$100,000	\$58,359	\$11,509	\$30,132	Professional Services – Architectural and MEP Design
HUD	\$2,500	\$1,459	\$288	\$753	Building Permits
HUD	\$7,500	\$4,377	\$863	\$2,260	Moving/Prep for Moving

The *Chase* grant funds will be reserved for commercial improvement needs. Plumbing may not be included outside of the already constructed bathrooms. These *Chase* funds will be managed and completed by THA. This means that once the tenants have been chosen and we proceed with leasing and move-in, THA will consult with new tenants, but the work completed using these funds will be in service to the space and will remain with the space and owned by THA.

D. Additional Resources

We have also identified below some additional opportunities for financial or technical support, please also include if these resources are 1) necessary for you to utilize, and if not necessary, 2) are you still interested and planning to contact the providers to support your proposal?

1. [Washington Minority Business Development Agency – Tacoma Business Center](#)

The Tacoma office of the MBDA can help minority-owned businesses access to capital. This includes bonding assistance, identifying financing opportunities, and matchmaking with banking institutions or mezzanine financing options. It also includes connecting businesses with alternative lenders for the financing of purchase orders or rapid scalability.

Contact: Frank Boykin; fboykin@cityoftacoma.org

2. The city's [Economic Development Services](#) include some specific opportunities that may be of interest to respondents, including their [Business Incentives](#) page and their [Small Business Loan Program](#), which offers:

- Small Business Revolving Loan Fund
- Micro-loan Revolving Loan Fund
- Grow America Fund
- Historic Rehabilitation & Repair Loan
- Fire Safety Loan
- Business Façade Improvement Loan

Contacts: Carol Wolfe; cwolfe@cityoftacoma.org, (253) 591-5384
Debbie Bingham; dbingham@cityoftacoma.org, (253) 591-5117

3. THA is partnering with the [Tacoma-Pierce County Black Collective](#) to help support respondents. The Black Collective may be able to offer:

- Business plan support
- Financial resource guidance
- Business expansion strategies

Contact: Michael Jordan; mjordan@bcnavigator.org

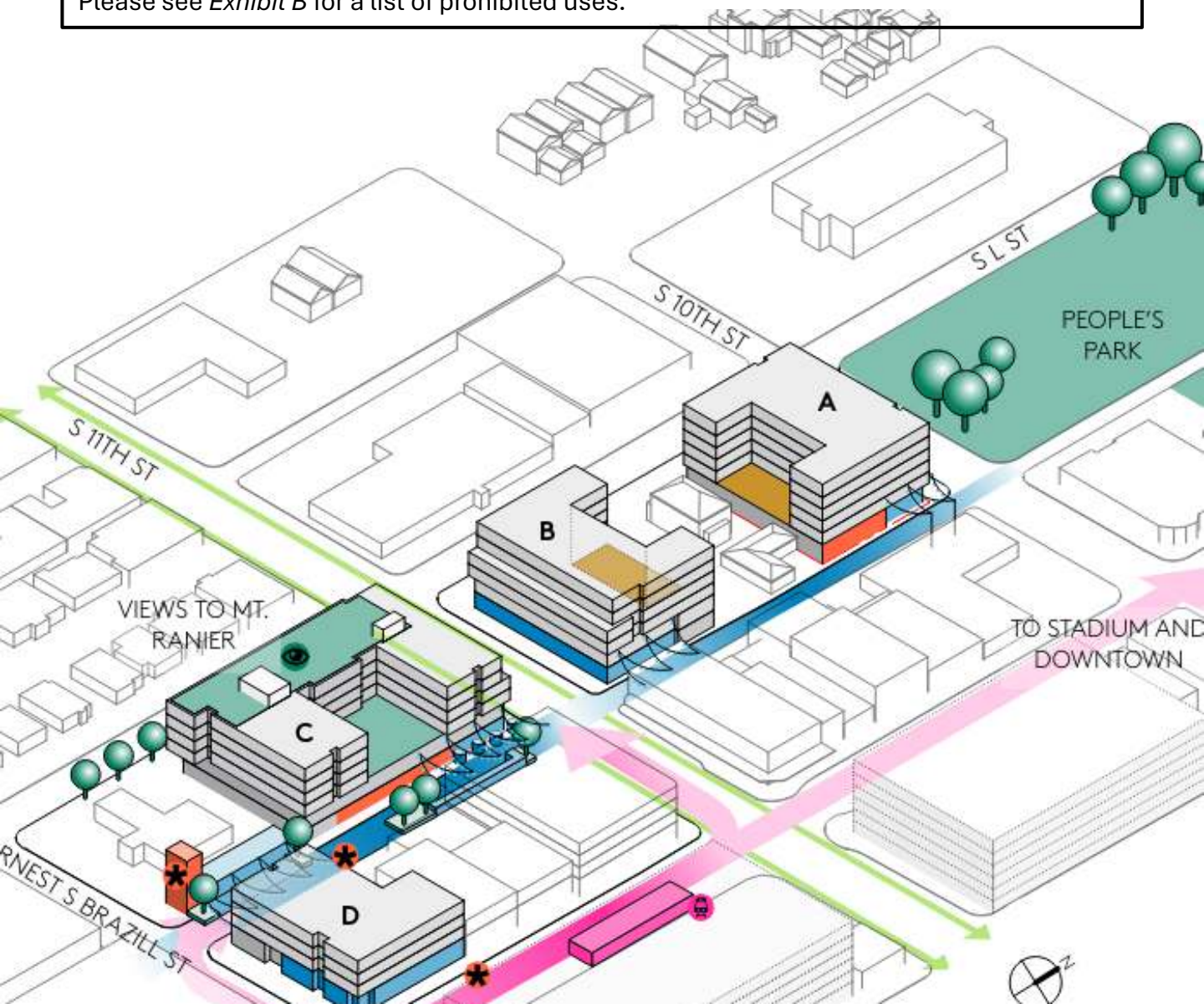


Lease Terms

- 5-year initial term with negotiable extension options available.
- The commercial space is located within a larger affordable housing property that has been financed with a number of sources. All uses of the commercial space, as well as the Lease form, must comply with requirements of the existing funders, as well as the terms of a Commercial Space Sublease (the "Sublease") between Housing Hilltop LLLP and THA.

Prohibited Uses

The Sublease provides that certain uses of the commercial space are not permitted. Please see *Exhibit B* for a list of prohibited uses.



Proposal Deadline

June 24, 2024

Submit packages to Nicholas Carr via email at ncarr@tacomahousing.org or drop them off at THA c/o Nicholas Carr.

THA Administrative Offices are located at 902 S L St, Tacoma, WA 98405.

THA will consider late submissions with acceptable reasoning.

Preliminary Review: Applicant Notification 1

THA staff will review all submissions with a “review team” consisting of THA employees, city representatives, and community leaders. Each applicant will be scored individually by members of the review team; after scoring is done, the review team will review the applicants together before collectively making decisions on the next round.

- Applicants moving on to the next round of the process will be informed, and may have additional requirements or questions to respond to.
- Applicants who are not chosen will receive acknowledgement and thanks, and will have clear messaging on why they won't be moving to the next round.



Secondary Review: Applicant Notification 2

The review team will consider those proposals making it past the preliminary stage, analyzing the requests for further information (if applicable), and will choose up to 5 applicants to interview for a final decision.

Interviews: Final 5 Applicants

Five final applicants will be interviewed by the review team. These interviews will provide additional information and context for consideration by THA Leadership.

Final Decision

Based on the final five applicants' proposals and interviews, THA Leadership (consisting of multiple departments) will choose the 3 businesses to be offered space at Housing Hilltop South.

Scoring Rubric

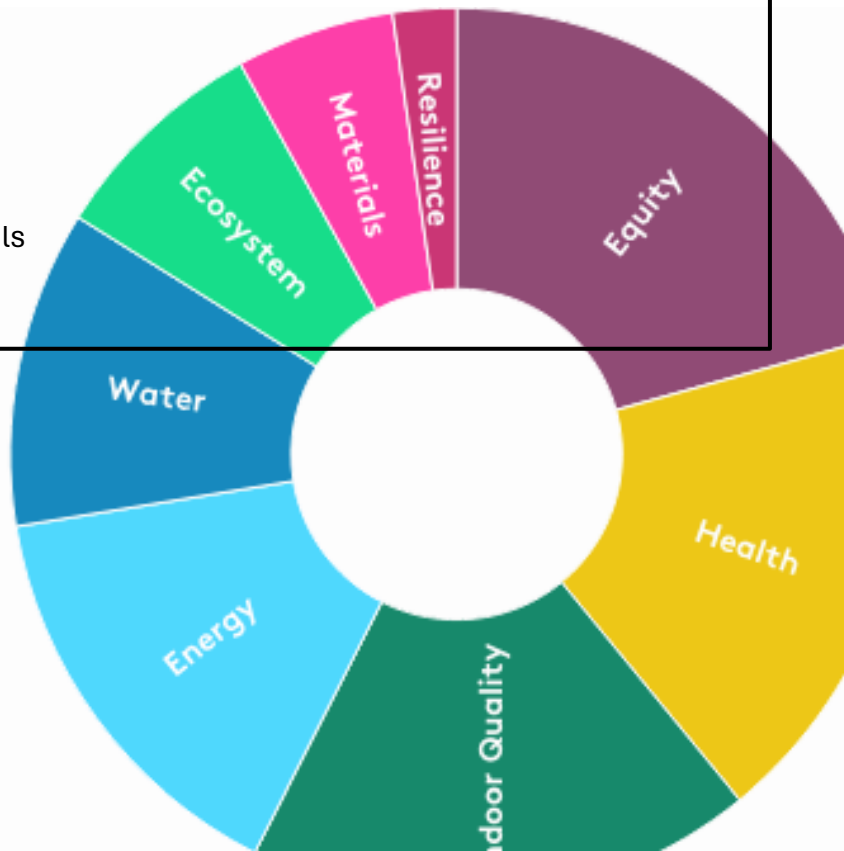
The scoring rubric that the review team will use to evaluate applicants is located in this proposal as *Exhibit C*.

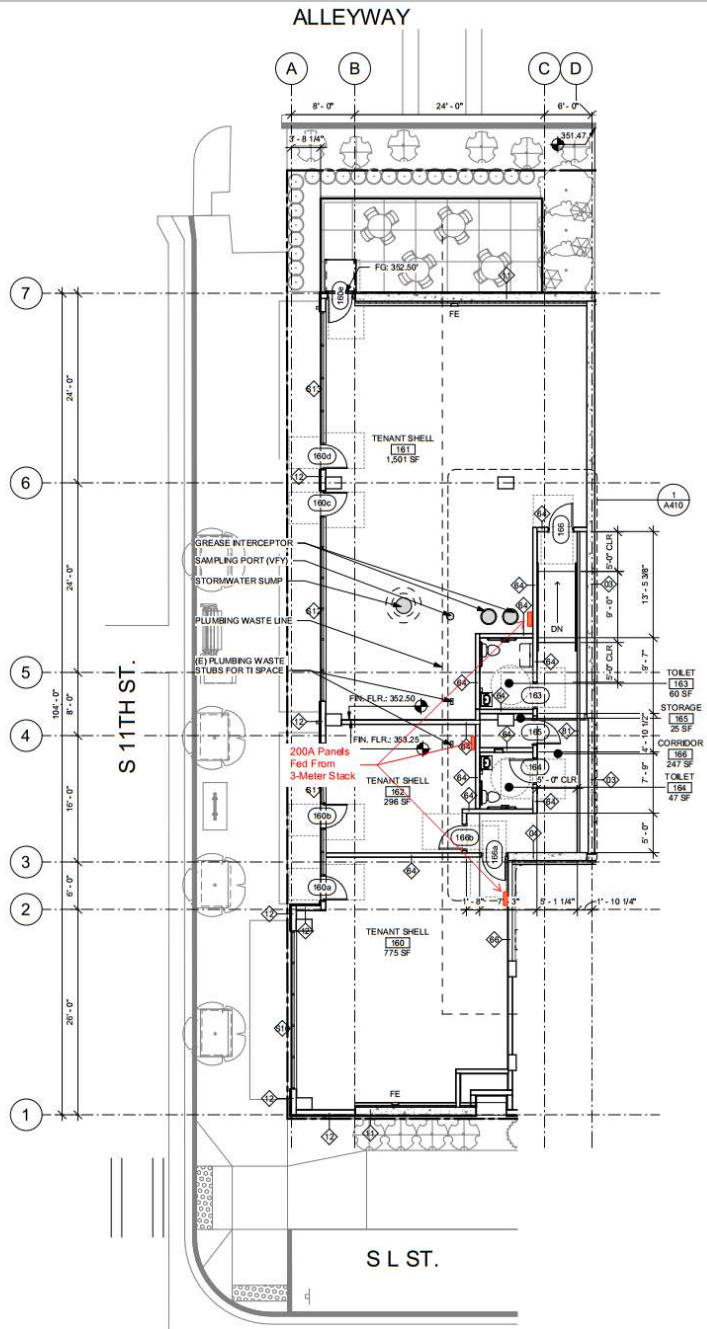
Post-section Process

Prospective tenants will meet with THA to review lease terms and conditions, shell space needs and tenant improvement process, move-in timeline, signage, and operational starts dates.

The build-out process is conceptualized as an iterative partnership between THA and all 3 tenants. The process will include:

- Space design concepts
- Cost estimates
- Design/engineering
- Permitting
- Construction
- Inspections
- THA/City of Tacoma final approvals
- Lease execution
- Open for business





1 LEVEL 1 TENANT IMPROVEMENT FLOOR PLAN
SCALE: 1/8" = 1'-0"

USE (IBC CHAPTER 3):	MAX. OCCUPANTS & AREA - 1 EXIT (IBC CHAPTER 10):			NO. FIXTURES PER OCCUPANT (IBC 2902.1)		
	MAX. NO. OCC. (1006.2.1)	X SF/OCC. (O.I. FACTOR 1004.5)	MAX AREA (1 EXIT)	TOILETS M	TOILETS F	LAVS M
ASSEMBLY (RESTAURANTS, BANQUET HALLS, FOOD COURTS)	49	15 NET	749 SF (NET)	1:75	1:75	1:200
BUSINESS (BUSINESS, PROFESSIONAL SERVICES, OFFICES, LIGHT INDUSTRIAL, AMBULATORY CARE)	49	150 GROSS	7499 SF (GROSS)	1:25 (FIRST 50), 1:50 >50		1:40 (FIRST)
MERCANTILE (RETAIL, SERVICE STATIONS, SHOPS, SALESROOMS, MARKETS, SHOPPING CENTERS)	49	60 GROSS	2,999 SF (GROSS)	1:500	1:500	1:750

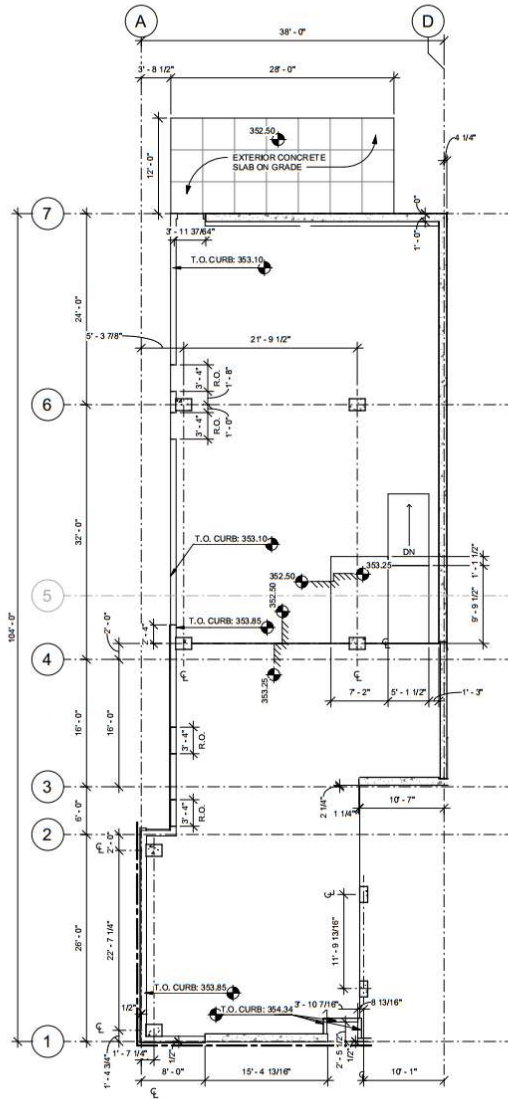


SMR Architects
117 S. Main St., Suite 400
Seattle, WA 98104

PH: 206.623.1104
FX: 206.623.5285



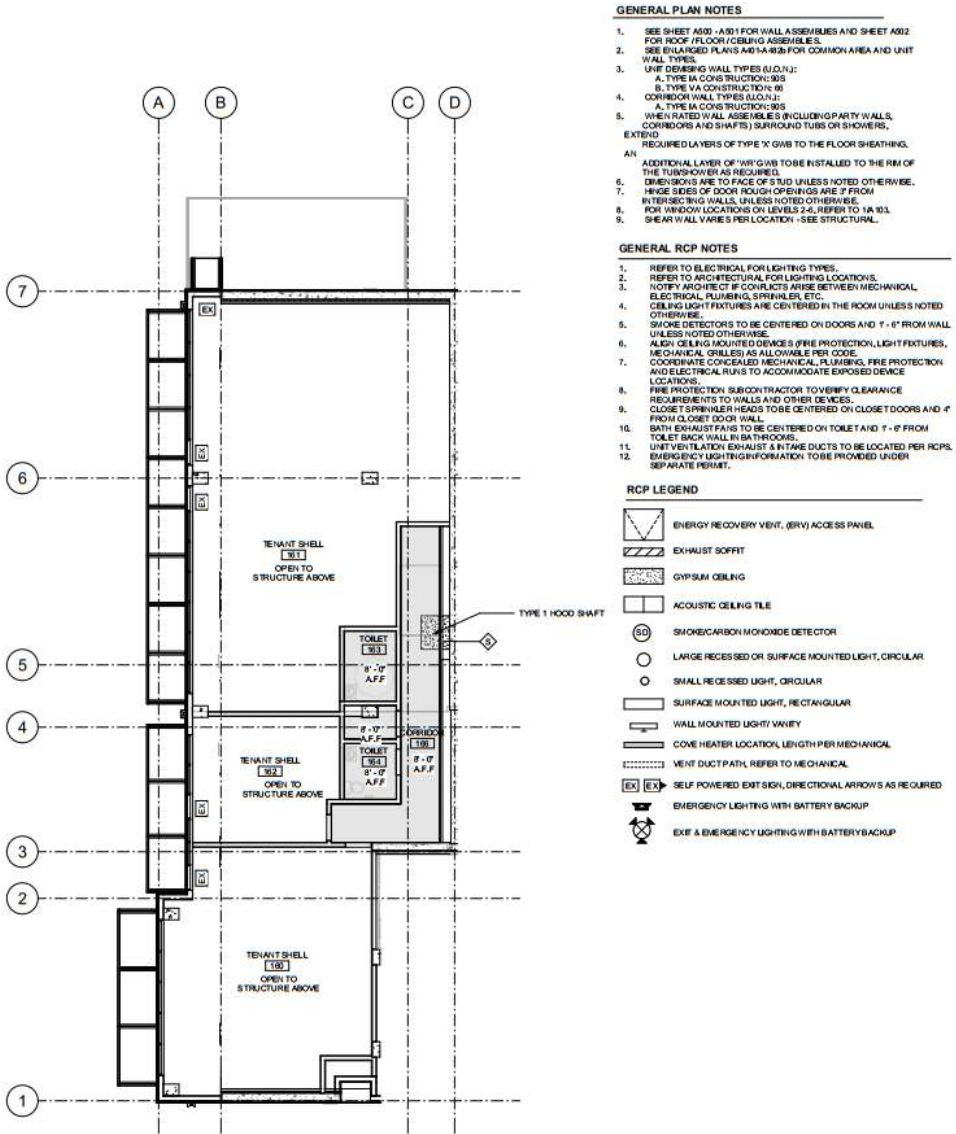
WALSH
CONSTRUCTION CO.



2 LEVEL 1 TENANT IMPROVEMENT SLAB PLAN
SCALE: 1/8" = 1'-0"

NO.	LAWS F	DF	OTHER
1:200	1:500		1 SERVICE SINK
ST 80, 1:80-80	1:100		1 SERVICE SINK
1:750	1:1,000		1 SERVICE SINK

HOUSING HILLTOP - SOUTH 1111 S.L.ST. TACOMA, WA 98405	REVISIONS / NOTES NO DATE DESCRIPTION 1 08/1922 BP RESUBMITTAL 1	COT STAMP



3 LEVEL 1 TENANT IMPROVEMENT REFLECTED CEILING PLAN
SCALE: 1/8" = 1'-0"

	PERMIT #	BLDCN22-0030	TITLE	SHEET NO.: AXX1
	DRAWN	Author	TENANT IMPROVEMENT FLOOR PLAN & RCP	
	CHECKED	Checker		
	ISSUE DATE	11/29/23		
	JOB NO.	21027		

EXHIBIT L

PROHIBITED LEASES

- Any manufacturing, distilling, refining, smelting, agricultural or mining operation, including farming (within the meaning of Code section 2032A(e)(5)(A) or (B));
- Any dumping, disposing, incineration or reduction of garbage;
- Any bowling alley or skating rink;
- Any mortuary or funeral home;
- Any establishment manufacturing, selling or exhibiting drug-related paraphernalia;
- Any establishment that exhibits, either live or by other means to any degree, nude or partially clothed dancers or wait staff, provided, however, that the Tacoma Urban Performing Arts Center may operate in the commercial space regardless of the type of costuming worn by performers;
- Any type of sexually oriented business, adult entertainment or adult bookstore, such as any facility selling or displaying adult or pornographic books, literature, recordings or materials in any medium, or any facility providing adult entertainment or other adult services (materials or activities shall be considered "adult" or "pornographic" if the same are not available for sale or rental to children under the age of eighteen years because they explicitly deal with or depict human sexuality);
- Any gambling facility or operation, including, but not limited to: off-track or sports betting parlor; table games such as blackjack or poker; slot machines, video poker/blackjack/keno machines or similar devices; bingo hall; or other games of chance;
- Any auto repair facility;
- The sale of any firearms, ammunition or weapons, or a shooting gallery of any type;
- Any tattoo parlor or any establishment that performs tattooing;
- Any bar, tavern, liquor store or other establishment selling alcoholic beverages for consumption on or off-premises; provided, however, that a restaurant or café deriving at least 80% of its income from the sale of food and non-alcoholic beverages may operate in the retail space and serve alcohol provided that the retail space tenant, and not the Project Partnership, is the applicant for any required liquor license);
- Pawn shops, pawn brokers, car title lenders (which for purposes of this limitation, will not include auto loans made by a state or federally chartered bank or thrift), payday loans, or any similar lending activity or operation;
- Check cashing services, except as an incidental part of another primary business or incident to the banking activities of a state or federally chartered bank or thrift;
- Any convenience store;
- Any on-premises dry cleaner (except that a dry cleaner that performs all dry cleaning off site shall be permitted);
- Escort services, dating services or similar matchmaking or companion services;
- Bail bond services of any kind, or any activities of a bail bond agent;
- Any business which produces environmental hazards regulated under applicable environmental laws;
- Any parole, juvenile detention or similar service;
- Any piercing service;

- Any type of flea market, amusement or video arcade, pool or billiard hall, night club, discotheque or dance hall;
- Any business that serves food before 5:00 am or after midnight;
- The sale, distribution, marketing or production of marijuana, cannabis or any constituent cannabinoids such as THC (this limitation applies broadly, regardless of whether the activity is conducted by collectives, collective caregivers, co-ops, growers or any other entity or organization);
- The rental to others of residential rental property (as defined in Code section 168(e)(2)(A));
- The operation of any private or commercial golf course, country club, massage parlor, hot tub facility or suntan facility, any racetrack or other facility used for gambling, any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or any check cashing store;
- The development or holding of intangibles for sale or license;
- The operation of any bank, credit union or other financial institution;
- The sale of fireworks, except as an incidental part of another primary business;
- Debt collection activities, debt consolidation services, credit repair or restoration activities, except as such activities are incidental to banking activities conducted by a state or federally chartered bank or thrift;
- Business based predominately on inbound or outbound telemarketing activities, except as such calls are an incidental part of another primary business; and
- Multi-level marketing activities, the sale of multi-level business opportunities or network marketing activities.



Tacoma
Housing
Authority

Scoring Rubric for Housing Hilltop South Commercial Space

	CATEGORY	POINTS
1	Business vision and plan.	<p>Maximum points: 25</p> <p>The business provides a cohesive concept and vision, with a sound business plan.</p> <p>Yes: 25 points No: 0 points</p>
2	The business is willing to lease the space at market value. The score will be based on the average rent per square foot over the term of the lease.	<p>Maximum points: 50*</p> <p>\$21/sq ft: 50 points \$20/sq ft: 45 points \$19/sq ft: 40 points \$18/sq ft: 35 points</p> <p>*Minus 5 points for each \$1 sq/ft under market value</p>
3	Business applicants are small businesses.	<p>Maximum points: 10</p> <p>Business has less than 50 employees as defined by RCW 19.85.020?</p> <p>Yes: 10 points No: 0 points</p>
4	Business owner is representative of a historically marginalized group.	<p>Maximum points: 10</p> <p>Business ownership is a member of a historically marginalized group; often facing exclusion from involvement in or access to economic activities. Often race, ethnicity, immigration status, gender, sex, or sexual orientation. Indigenous, Black, people of color, immigrant, women, and LGBTQ communities are considered marginalized.</p> <p>Yes: 10 points No: 0 points</p>
5	Business owner considers themselves a member of the Black community.	<p>Maximum points: 10</p> <p>The business owner identifies as Black.</p> <p>Yes: 10 points No: 0 points</p>

6	Business owned by a resident of the neighborhood and/or the business operates(ed) in the neighborhood.	<p>Maximum points: 10</p> <p>The owner lives or lived in Hilltop or business is currently or previously located in Hilltop.</p> <p>Yes: 10 points No: 0 points</p>
7	Community support and impact.	<p>Maximum points: 10</p> <p>Proposal fits the needs and character of the neighborhood, provides positive impact, and is supported through letters of support and/or references.</p> <p>Yes: 10 points No: 0 points</p>
TOTAL POINTS		MAXIMUM: 125

FINALIST REVIEW	
Selected businesses must be poised to succeed as evidenced by a business plan, financial viability; business experience, and capital resources for relocation/startup in new location. We will also review any letters of support from the community or customers.	Individualized review will be completed for all applicants through 2 separate rounds. The review team will narrow to a final 5 applicants for in person interviews with the review team. After the interviews, recommendations will be made to THA Leadership, who will decide the final offers on the commercial space.