



DAILY JOURNAL OF COMMERCE

City talks with Opus NW about Second Ave. tower

March 18, 2005

By MARC STILES

The Daily Journal of Commerce

Opus Northwest is working on another major residential project in Seattle, according to a city official, and this one is in the heart of downtown, next to Pike Place Market.

For months Opus, the region's largest development company, has been rumored to be homing in on a parcel on Second Avenue between Pike and Pine streets.

Officials of the Samis Land Co., which owns the site, have met with city officials to discuss building an approximately 36-story project on the property that the Green Tortoise Hostel and a surface parking lot occupy.

Michael Jenkins, a senior land-use planner, has been handling the project for the city. He said about a week ago he met with a Samis official and someone from Opus Northwest.

William Justen, Samis' managing director, would not say if Samis is selling the site to Opus Northwest. "I'm really not prepared to discuss it."

"I can confirm we do not have a development partner," he said.

Citing a confidentiality agreement, Opus Northwest Vice President and General Manager Tom Parsons declined to comment yesterday. But in December Parsons said Opus was "in dialogue with" Samis regarding the Green Tortoise site. "We are optimistic there's an opportunity to help them with their project."

Opus is a national company headquartered in Minneapolis. In the Puget Sound region, Opus Northwest has traditionally focused on industrial and office projects but a few years ago started branching out into residential and retail.

Opus Northwest got its first taste of residential development in Seattle several years ago when it teamed up with Holland Partners to build the 201-unit Dexter Apartments. The joint venture sold the project in the South Lake Union neighborhood last year for \$40.3 million.

Now Holland and Opus Northwest are buying the site of the Avalon Madison, the long-stalled mixed-use project at Eighth and Madison on Seattle's First Hill. Earlier this month, Clyde Holland confirmed he and Opus plan to purchase the site from Avalon Bay Communities and have put money down.

Avalon Bay stopped construction of the project after Sept. 11, 2001. Today, it's a gaping hole.

Opus Northwest is pursuing at least one other residential project, a 180-unit condominium development on Bainbridge Island. The site is near the ferry terminal, and Parsons said the company, which acts as its own general contractor, is "cranking on it."

Plans for the Green Tortoise site that Samis submitted to the city last year call for approximately 250 residential units with ground-floor commercial space and underground parking. A monorail stop

could be part of the project.

It's unclear if the residences would be condos or apartments. "I'm assuming they would be condominiums but I haven't heard," Jenkins said.

Justen indicated the scope may be altered. "Everything that's gone through (the city's) process is very conceptual and is subject to change," he said.

Construction apparently is a ways off. The developer has not yet filed for a master-use permit, and current zoning limits development to 240 feet, not high enough for a 36-story tower.

Under a proposal by Mayor Greg Nickels, the height limit could be increased to 400 feet. The Mayor's Office has yet to submit the legislation to the City Council, and it's unclear if the council will go along with his proposal. Even if it did, the council could take months — and perhaps up to a year — to review the plan and OK it.

"They (the developers) want to proceed with the project anyway so they need a text amendment," Jenkins said. Such an amendment would permit construction of a taller tower before the height limits are expanded.

City staff members would have to make a recommendation to the council. It's a process that "will take a significant amount of time," Jenkins said.

