STATE FARM HIRES MORE THAN 1,200 WORKERS

In late September 2013, State Farm Mutual Insurance opened its Tacoma regional headquarters offices. It now occupies a total of approximately 300,000 sf of Class A office space at 909 A and 1301 A Streets in downtown Tacoma and has hired more than 1,200 workers. It continues to grow and is expected to have approximately 1,340 employees here by the end of March 2014.

State Farm is now one of downtown’s largest employers. According to downtown property owners, developers and real estate brokers, it is exerting a major influence on attracting new investment in the Central Business District. New restaurants and retailers have begun to fill ground floor space along Pacific Avenue, especially between the entertainment-themed S. 7th to S. 9th Streets and in the University of Washington Tacoma area between S. 17th and S. 21st Streets.

NON-LOCAL INVESTORS SEIZE MARKET UPSIDE

San Diego, Seattle and Bellevue investment firms have purchased residential, office and mixed use properties to seize investment opportunities in downtown Tacoma and leverage anticipated increases in building values and rents. Properties include but are not limited to Albers Mill (36 residential lofts at 1801 Dock Street), Chelsea Heights (78 apartments at 603 S. J Street), The Walker (mixed use residential at 405 6th Avenue), the Old Columbia Bank Building (88,000 sf office at 1102 Broadway) and Stadium Thriftway market (mixed use at 618 N. 1st Street).
MARKET RATE HOUSING AND EDS AND MEDS GOING STRONG

Market Rate Housing
Permits will be issued for 300 market rate residential units, including The Henry along the Foss Waterway (161 units) and The Grand on Broadway at 4th and Broadway (139 units). Groundbreaking will occur this Spring. Another 400 to 500 units are anticipated later this year including 28 Proctor in the Proctor neighborhood at 28th and Proctor (140 units), McCarver Village Apartments at S. 25th and I Streets (100 units) and Point Ruston’s mixed use development (220 units) with a 9-screen Cineplex.

The City of Tacoma also finalized a deal to sell the historic Browne Star Grill building on the Hilltop to a Shoreline, WA developer who will restore the landmark for retail on the ground level and 10 market rate apartments on the second floor.

In addition, the City, in cooperation with the State Department of Commerce, released an RFP with a rolling deadline for the sale of a 1.5-acre mixed use vacant parcel at 11th and Martin Luther King (MLK) Way. The site lends itself to mixed use development with an orientation toward medical worker housing.

Eds and Meds
The MLK Corridor is also witnessing significant growth in anticipation of Sound Transit’s light rail groundbreaking, which is expected in 2018. Along the Corridor, Pierce County’s two major medical facilities—MultiCare and Franciscan—have invested over $200 million to expand their facilities. Collectively, they employ over 10,000 workers. Community Health Care opened a new 59,000 sf urgent care clinic at 11th and MLK.

The University of Washington Tacoma (UWT) recently held a groundbreaking on a joint venture with the YMCA to build a $20 million, 65,000 sf multi-use fitness center for students and area residents.

The Summer 2013 opening of Wal-Mart at the Allenmore Center in a medical office corridor resulted in the addition of a new McDonalds and Starbucks near S. 19th and Union Streets, just off SR-16.

2014 Outlook: Bright with market rate housing and mixed use development in the downtown and neighborhood business districts, new Central Business District office uses and increased industrial activity.

AHEAD PRO, the world’s largest hunting and fishing store, submitted plans to occupy and expand the former Lowe’s store at I-5 and S. 72nd Street. This flagship is their first location in the Pacific NW.

Bass Pro, the world’s largest hunting and fishing store, submitted plans to occupy and expand the former Lowe’s store at I-5 and S. 72nd Street. This flagship is their first location in the Pacific NW.