DowntownRedevelopmentOpportunity

1103-1107RailroadAve.,BellinghamWA



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(360)961-1369|Jim@PCRnw.com

SalePrice:$2,700,000

CBA#:41674136
NWMLS#:2320049

Redevelopment

AVT Consulting was hired to provide a Development Feasibility Report. The full report is available upon request.

The property is located within the Urban Village area of the City Center Neighborhood and offers highly flexible redevelopment opportunities due to favorable zoning regulations. Key advantages include:

- **Zoning & Land Use:** Ground floor commercial use is not required, and there are no special shoreline regulations applicable to the site.
- **Parking:** No minimum parking requirements for existing or new uses.
- Height & Setbacks: No height limits or setback requirements due to the absence of adjacent residential single-use zoning.
- **Open Space & Landscaping:** No open space or lot coverage requirements. Landscaping must comply with general city standards, including street trees every 50 feet.
- **Design Review:** All new projects must go through Bellingham's standard design review process.
- **Environmental:** No critical environmental areas are present on or near the site.
- **Impact Fee Credits:** Redevelopment may benefit from traffic impact fee credits totaling $107,776.31, and water/sewer system development credits of $107,610.00.
- **Utilities & Infrastructure:** Existing infrastructure is sufficient; no major utility upgrades or additional hydrants anticipated.
- **Street Improvements:** No frontage improvements are expected to be required.

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Redevelopment(cont.)

These conditions make the site an ideal candidate for streamlined redevelopment with minimal regulatory or infrastructure constraints. The property benefits from three significant development incentives beyond standard impact fee and utility credits:

1. **Federal Opportunity Zone:** Located within a designated Opportunity Zone, the property qualifies investors for favorable federal tax treatment on capital gains, making it attractive for long-term investment.
2. **Multi-Family Tax Exemption (MFTE) Program:** Eligible for either an 8-year or 12-year property tax exemption on residential improvements:
   - 8-year exemption: Applies to fully market-rate housing.
   - 12-year exemption: Requires at least 20% of units to be designated as affordable (per AMI standards). This incentive reduces property tax costs significantly for residential development.
3. **Business & Occupation (B&O) Tax Reduction:** New businesses in commercial spaces within the Downtown Urban Village can receive a graduated B&O tax credit—90% in year one, 75% in year two, and 50% in year three—encouraging business occupancy and commercial activity.

These incentives enhance the property's redevelopment potential and investment value.

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SurroundingArea

SHOPPING & ENTERTAINMENT

Backcountry Essentials
Bellingham Bay Runners
Fringe
Beck's Shoes
Mt. Baker Theater
Pickford Film Center
Bay Street Village
Whatcom Museum
SPARK Museum
Wild Buffalo
The Ranch Room
The Blue Room
BAAY Theater
Ruckus Room
WTA Center
Bellingham's Farmers Market
Rumors Cabaret
Waypoint Park

FOOD AND DRINK

La Fiamma
Fiamma Burger
Horseshoe Café
Juxt
Camber Coffee
Storia Cucina
Bayou on Bay
Bagelry
AB Crepes
Neko Cat Café
Tadeo's Mexican
Aslan Brewing Company
Goat Mountain Pizza Co.
Mt. Baker Café
Little Cheerful Café
Wood's Coffee
Sweet As Waffles
Café Rumba

Current & Future Housing Projects



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UrbanVillageDevelopment



Bellingham Opportunity Zones:
Portions of Bellingham's downtown and waterfront have all been designated as federal Opportunity Zones. Investments in these areas qualify for substantial tax incentives under this federal program.
Multi-family Tax Exemption Program:
Get an 8-12 year property tax exemption on the residential value of new multi-family construction.
B & O Tax Reduction:
New businesses and branches that locate in Downtown, Old Town, Waterfront, Samish Way or Fountain are eligible for a graduated tax credit of 90% for the first year, 75% for the second year, and 50% for the third year of operation. Contact the Business License Services / Tax line at 360-778-8012 for more information.
Transportation Impact Fee (TIF) Reduction:
Take advantage of automatically-reduced Transportation Impact Fees (TIF) in these areas. The less transportation impact your project has, the better. Check out this program's FAQ's for details.

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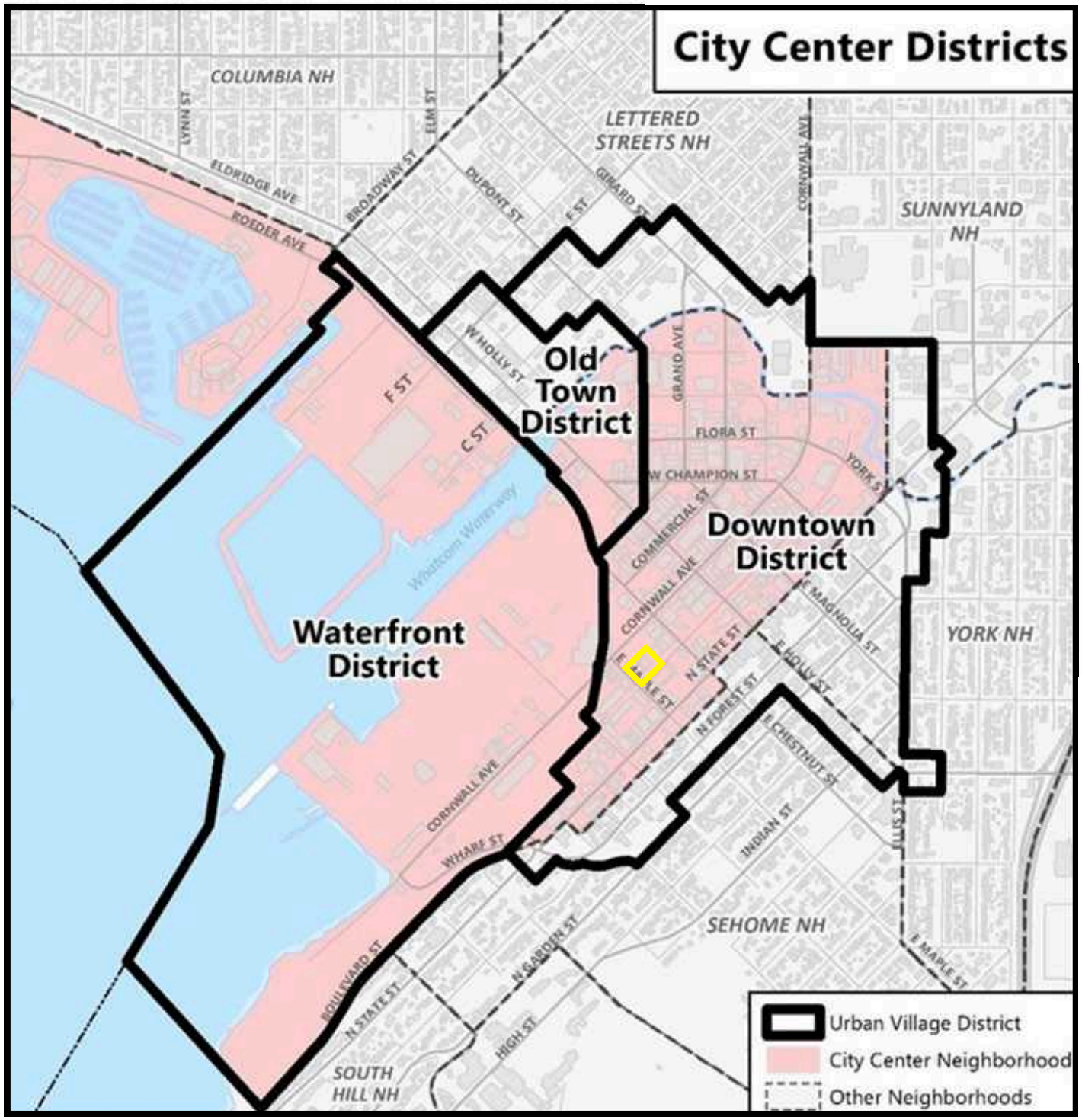
Zoning

Portions of the Downtown District and Old Town District, along with the Waterfront District and Squalicum Harbor, comprise the City Center Neighborhood. The City Center Neighborhood Plan unites the three districts under a common planning umbrella, while the goals, policies, and regulations for each are contained within the plans and development codes for each individual area. The Downtown District also includes portions of the four neighborhoods abutting the City Center.



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Financials

Year Built	Street Address	Building Description	Square Feet	Current Market Rent	Annual Market Rent
1920	1107	Railroad Level	4,500	$18.00	$81,000.00
		Lower Level	4,500	$10.00	$45,000.00
1999		Deck	910	$8.00	$7,280.00
2000		Restroom Below Deck	312	$15.00	$4,680.00
1920	1105	Railroad Level	2,475	$12.00	$29,700.00
		Lower Level	2,475	$8.00	$19,800.00
1999	1103	Railroad Level	1,000		$16,000.00
		Lower Level	3,000		$39,000.00
		Unbuilt Land	13,593		
		Beer Garden (incl. area below deck)	6,910	$4.00	$27,640.00
		Storage at South End	5,000	$4.00	$20,000.00
		Service Area Behind	1,683	$ -.—	$ -.—
		Buildings			
		Building Footprint	10,599		

Financials(cont.)

		Total Rentable Square Feet	19,172		
		Land	24,192		
		Building Footprint	10,599		
					$290,100.00

Valuation

Vacancy & Credit Loss	5%
NOI	$275,595.00
Cap Rate	7.00%
Value	$3,937,073.43

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InteriorPhotos



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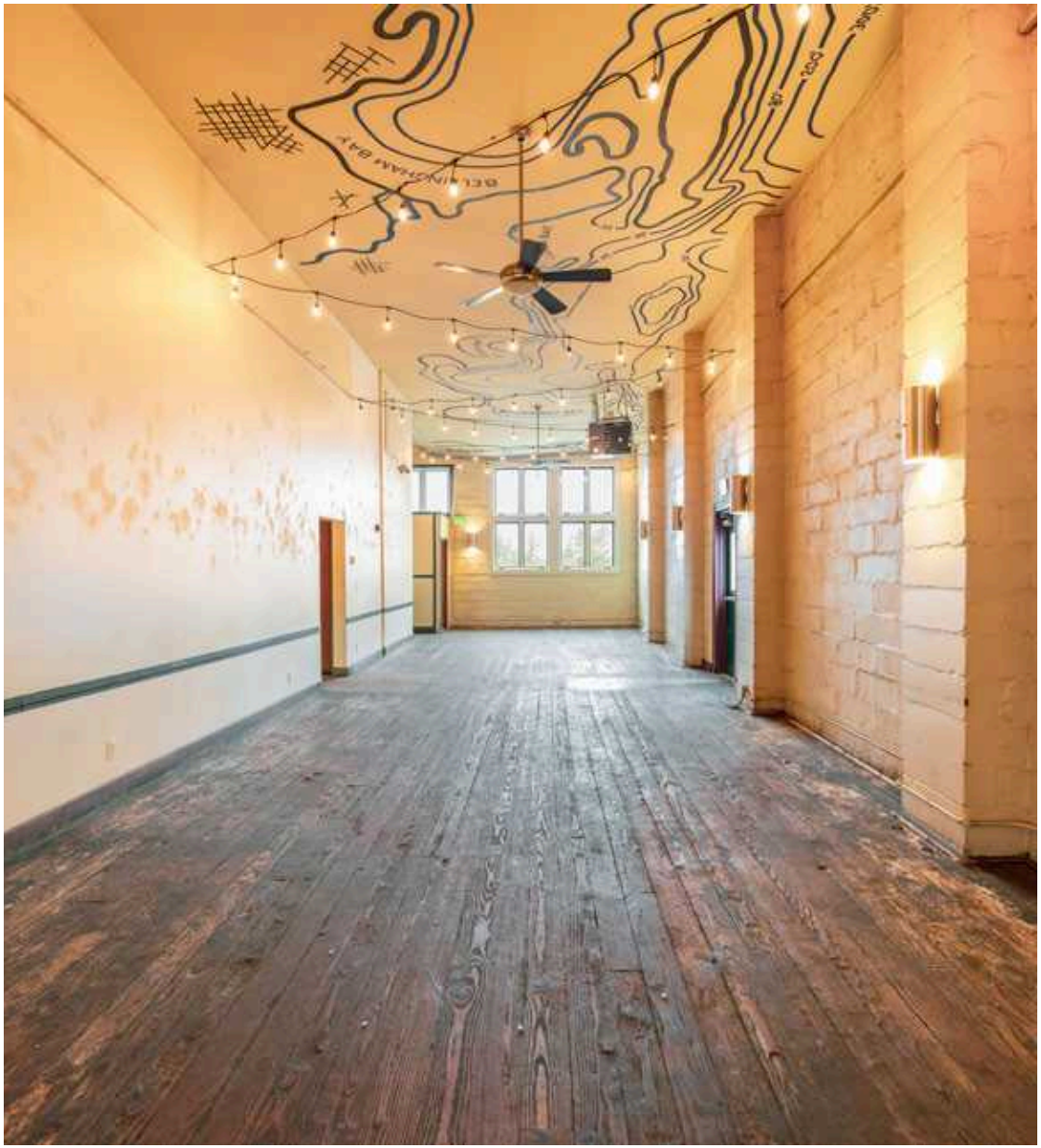
InteriorPhotos







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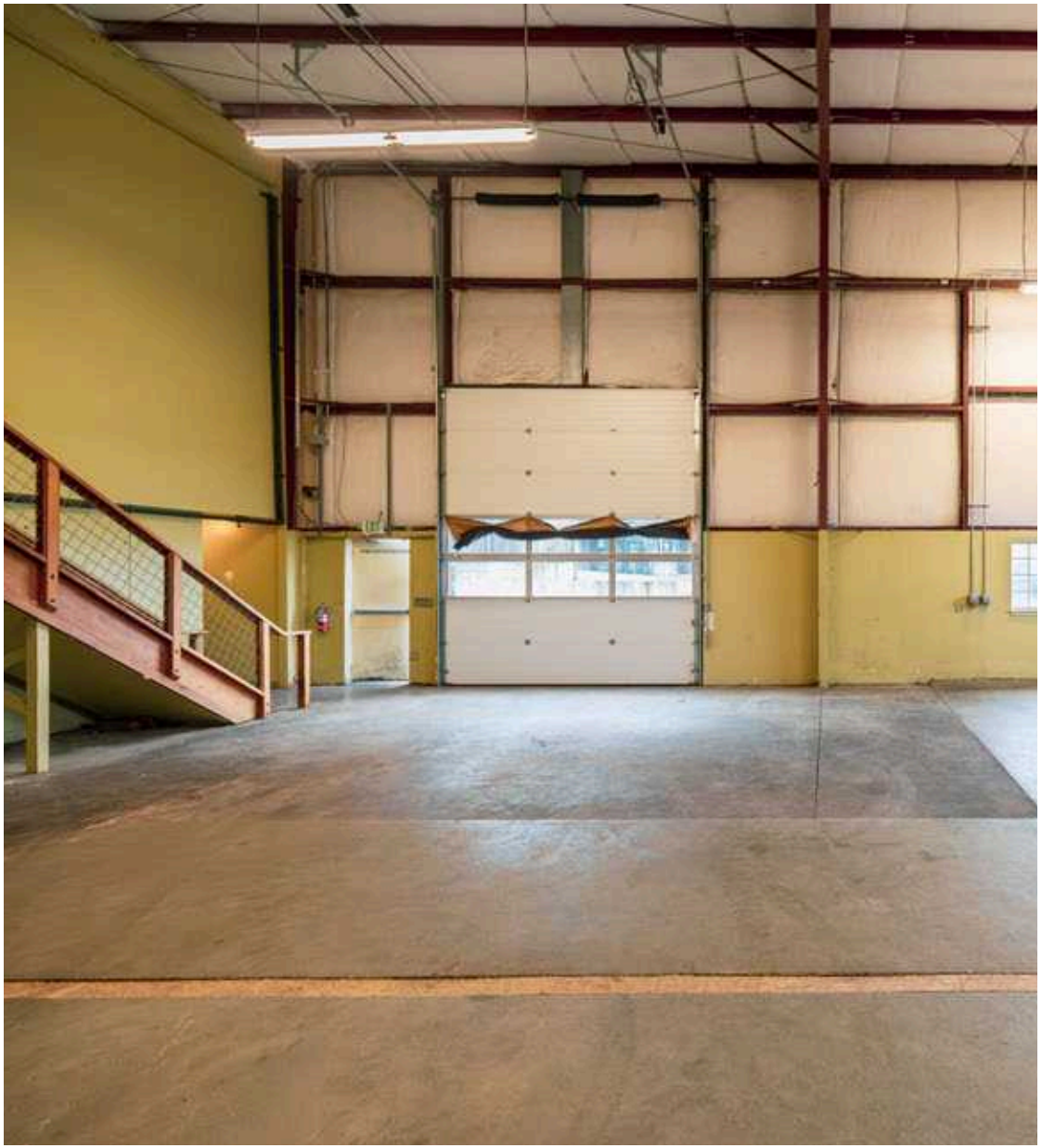





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MarketArea

FewplacesinthePacificNorthwestareaspeacefulandunspoiledasBellingham,abustlingcitynestledintheBellinghamBay. Natureaboundsinalldirectionssurroundingthiscoastalparadise.Bellinghamcanbeconvenientlyaccessedbyland,air,rail, andsea.Witheasytransportationtobothcanadaandthe international hub of Seattle, Bellingham offers a central location. Whilethe Canadianmarketoffersadiverselocaleconomy,businessesarecontinuallymigratingnorthtotheareainordertofindanewandbetterhome.

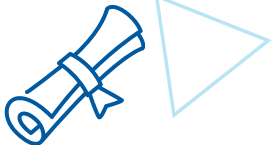
The waters of the Pacific offer opportunities for whale watching, cruising to Friday Harbor or visiting the Canadian city of Victoria. To the east, Mt. Baker beckons skiers and snowboarders to its slopes. The city itself is alive with vibrant theater, historicalmuseums,gourmetrestaurantsandfinearts.



ThedominatingMt.Baker towersoverthecitywithitsstaggeringbeauty. Thedeepexpansiveblueofthepacificcarriesour sighttothe SanJuanIslands.Allthewhileyou enjoythesoftgreenoflusciousfoliagethat decoratelandforasfarastheeyecansee.



TheprosperouscityofVancouver, Canada,isjust55milestothenorth;The technologyhubofSeattleisjust88milesto thesouth.Bellinghamoffersanideal midpointforthoselookingtooperate withinbothexpandingdistricts.



WhatcomCountyishometofiveinstitutions ofhighereducationthatcoveravastarrayof differentfocuses.WesternWashington University,WhatcomCommunityCollege, BellinghamTechnicalCollege,NWIndian College,andTrinityUniversityallprovide qualifiedandskilledworkers.



Population

WhatcomCounty-230,077

Bellingham-93,910



AverageHHIncome

WhatcomCounty-$80,569

Bellingham-$56,198



MedianAge

WhatcomCounty-39

Bellingham-37.5

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