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Commercial Real Estate

Schuster becomes the latest Seattle company to stake a claim in \$580M Everett redevelopment 🔑



Waterfront Place Central, a massive Port of Everett redevelopment project, will have a hotel, housing and retail and restaurant space. This week, the port agreed to lease ground in the first phase, which is called Fisherman's Harbor, to Seattle real estate company the Schuster Group,.... more

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By Marc Stiles – Staff Writer, Puget Sound Business Journal
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More and more regional investors are betting on the outlying areas of the Puget Sound region with some making major plans at the Port of Everett.

Seattle real estate company [The Schuster Group](#) this week announced plans to build restaurant and retail space at the port. Company President Holly Gardner said the development will bring in millions of dollars a year in new business.

Schuster has agreed to a long-term ground lease at the port's 65-acre Waterfront Place Central development, which will include housing and office space as well. The total projected cost of \$580 million makes Waterfront Place one of the biggest public-private developments ever in Everett.

[The Schuster Group](#) is leasing five sites in Fisherman's Harbor, the first phase of Waterfront Place. The investment fits Schuster's focus on emerging markets, Gardner said. In recent years, Schuster has developed mixed-use apartments in Seattle.

Real estate developers have been turning to places like Everett, Burien and Tacoma, where land is less expensive. The risks of investing in untested markets are higher, but the rewards can be greater.

Schuster is signing a 50-year ground lease with a 30-year option, according to Gardner, who said the rent is approximately \$500,000 a year.

The company hopes to land high-quality, local shops and restaurants to fill seven structures, which Gardner said could have single- or dual-tenant occupancy.

Schuster joins Seattle-based Columbia Hospitality and SeaLevel Properties of Mercer Island with projects at the 12-acre Fisherman's Harbor, which is next to West Marine View Drive in North Everett.

Columbia Hospitality is developing [Washington state's first Hotel Indigo, a boutique-style property](#). Seattle-area developers Omar and Christine Lee are investors in the 142-room hotel.

SeaLevel, a division of American Classic Homes, is working on an approximately 266-unit apartment project, the first ever housing development on the waterfront.

Gardner said the Schuster Group's development schedule will align with the residential and hotel developments. She anticipates shops and restaurants will open in mid- to late-2019. The estimated cost isn't yet available, and the company plans to name the architects, contractor and real estate brokers in the coming weeks and months, she said.

At full buildout, Waterfront Place Central will have 662,000 square feet of commercial office and retail space, 15 public gathering places, up to 660 housing units and 10 restaurants. The port forecasts that Waterfront Place will generate approximately \$500 million in private investment, support more than 2,000 jobs and generate \$8.6 million a year in new tax revenue.