

EXHIBIT 4, ATTACHMENT B**Request for more detail about CAI data sources**

CAI's initial report (dated April 6, 2021) included retail inventory for the entire Town Center boundary. CAI pulled this data from CoStar, which is a subscription-based, industry standard research service. I followed up with CAI to provide more details about how CoStar defines retail assets, and they provided this response:

CoStar's definition of retail is as follows:

A Retail property's primary intended use is to promote, distribute or sell products and services to the general public. It will often be in high traffic or easily accessible areas. Retail buildings are configured for the display of merchandise or the interaction of company sales personnel with others.

After reviewing the data and CoStar's glossary, the types of commercial space included in the CoStar's retail inventory include:

- Auto Dealership
- Auto Repair
- Bar
- Day Care Center
- Drug Store
- Bank
- Bowling Alley
- Car Wash
- Convenience Store
- Drive-in Movie
- Fast Food
- Garden Center
- Health Club
- Movie Theater
- Restaurant
- Service Station
- Parking Garage (paid)
- Parking Lot (paid)
- Storefront (with mix of retail)
- Storefront Retail/Office
- Storefront Retail/Residential
- Supermarket
- Truck Stop
- Veterinarian Hospital/Kennel

Staff and CAI spent a fair amount of time last year digging into whether we should use the CoStar data or the King County Assessor's data as the primary data source for inventorying applicable Town Center commercial space. Unfortunately, there is no perfect list of "retail" square footage in Town Center, and we did identify through our comparison of CoStar and King County data that there are discrepancies between what we thought should or should not be counted based on our assumptions of "eligible uses" at the time. However, we ultimately determined that CoStar is the most consistent data source, and the calculations to arrive at the commercial FAR reflect that.

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CAI used the most updated CoStar data available at the time the report was presented to City Council on April 6. CAI updated the CoStar data when we began working on the true FAR calculation in late summer/early fall. You'll note that CoStar's data for the retail inventory for Q3 2021 changed from 339,446 sq ft in April to 309,560 sq ft in September, which is why the TC-wide number used in calculating the FAR was 309,560 (step #2 in the attached slides).

Questions about data consistency

I updated the spreadsheet I sent you last week to help better reference back to it here. The updated version is attached to this e-mail.

A PDF of Tab 1 was provided to the Planning Commission as part of the November 3, 2021, agenda packet. Jeff compiled the data in response to the Commission's request to provide a building-by-building analysis of retail square footage on specific Town Center properties. The Commission wanted to see what the retail square footage would be on these parcels if they redeveloped under the commercial FAR requirement compared to their current retail square footage.

A few other details about the data presented in Tab 1:

- Jeff performed this work in-house. We do not subscribe to CoStar, so he used data from the King County Assessor, which likely accounts for some of the discrepancies you noted.
- Staff were asked to perform this analysis only on the parcels subject to the commercial FAR requirement, i.e. the blue parcels map included in the earlier versions of the proposed code amendments (excluding the Xing Hua parcels). This likely also accounts for some of the discrepancies you noted since CAI's 309,560 number represents retail square footage for the entire Town Center.
- The analysis Jeff performed was merely an exercise in response to the Planning Commission's request. His data was not used to inform the inventory counts that comprise the commercial FAR calculations outlined in the "7 Steps to Calculate a Commercial FAR" slides. The only data pulled from King County for the true commercial FAR calculation was the net parcel area for the selected FAR properties (i.e. the denominator in the FAR equation). The data sources used for each step of calculating the commercial FAR are included on slide five of the attached slides.

How did we determine the selected FAR parcels?

One final element of the commercial FAR calculation that may need clarification is how we arrived at the specific parcels included in the net parcel area (i.e. the denominator). The following criteria were used to determine those parcels:

1. The parcel has street frontage within the Town Center boundary;
2. The parcel is located on a block that is subject to the retail street frontage requirements (i.e. on a block with a "pink line"); and
3. The parcel has not been redeveloped post-2005.

This resulted in a total of 28 qualifying parcels for a net parcel area of 1,065,273 square feet.