

# DUKES ON ALKI

MIXED-USE BUILDING INVESTMENT FOR SALE  
2516 ALKI AVE SW, SEATTLE, WA



SEAFOOD  
**dukes**

SEAFOOD  
**dukes**

SEAFOOD  
**dukes**

BRUNCH  
10am - 2pm  
DINNER  
Sun - Thurs 3pm - 10pm  
Fri & Sat 3pm - 11pm  
HAPPY HOUR  
3pm - 6pm @ \$9.99

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Greek Specialties  
Vegetarian • and more  
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## EXCLUSIVELY LISTED BY

### JASON MILLER

Vice President

206.296.9649

[jason.miller@kidder.com](mailto:jason.miller@kidder.com)

### BOB CONRAD, CCIM

Senior Vice President

425.922.2647

[bob.conrad@kidder.com](mailto:bob.conrad@kidder.com)

[KIDDER.COM](http://KIDDER.COM)

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01

# INVESTMENT SUMMARY

INVESTMENT HIGHLIGHTS

## INVESTMENT HIGHLIGHTS

6,500 SF building with two tenants

RESTAURANT 5,100 SF (Dukes)

APARTMENT 1,400 SF

\$240,732 Total Year 1 NOI

ZONED NC 1-40

ICONIC LOCATION on Alki Beach

### DUKES RESTAURANT NNN LEASE

10 YEARS remaining on lease (expires Jan 2031)

\$198,732 current NOI

2% annual base rent

TWO 10-year options to renew

### APARTMENT PRO-FORMA LEASE

1 YEAR lease

\$42,000 pro-forma NOI

PARKING on-site, one stall

# \$4,450,000

PRICE

# 5.4%

CAP RATE

# 6,500 SF

BUILDING WITH TWO TENANTS

# 10 YR

RESTAURANT LEASE







02

# LOCATION OVERVIEW





SEATTLE  
CBD

T-MOBILE  
PARK



NORTH  
BEACON HILL

CENTURYLINK  
FIELD

HARBOR  
ISLAND



ELLIOTT  
BAY

PUGET PARK

WEST SEATTLE GOLF COURSE

HAMILTON  
VIEWPOINT PARK

WEST  
SEATTLE

HIAWATHA PLAYFIELD

COLLEGE STREET RAVINE

SCHMITZ PRESERVE PARK

DUKES  
ON ALKI

ALKI BEACH

ALKI PLAYGROUND &  
WHALE TAIL PARK

BAR-S  
PLAYGROUND



# LOCATION OVERVIEW

## WEST SEATTLE

West Seattle is a vibrant neighborhood located just five miles southwest of Downtown Seattle, to the west of the Duwamish River. The area is made up of several neighborhoods, large parks, and beachfront with views of the Seattle skyline and the Olympic and Cascade Mountains. In addition to appealing to downtown professionals, West Seattle attracts residents that work in the south end at employers such as Alaska Airlines, Boeing, and Starbucks.

### ALKI

The Alki Ave Development Site are located in the most sought-after neighborhood of West Seattle across the street from Alki Beach Park. Alki is known for its popular beach vibe with arts-and-crafts

bungalows nestled between newer condominiums and apartment buildings along Alki Avenue. Alki Point in West Seattle is considered to be the founding point of Seattle, before downtown was moved to its current location. Each year, the summer regional, month-long Seafair celebration commences with a reenactment at Alki Beach that commemorates the landing of the original explorers in 1851.

Today, Alki is home to iconic eateries including Spuds, which has been serving fish and chips on Alki since 1935, the upscale Salty's waterfront seafood restaurant, Pegasus Pizza, Cactus, and Phoenicia.

### ADMIRAL DISTRICT

The Admiral District lies on the northern bluff of the West Seattle peninsula (accurately titled the Duwamish Peninsula, after the local Indian tribe), less than two miles south of the Site. It is rich in views and lovely old homes and maintains a lively restaurant trade. The Admiral District hosts their own events like clean-up days, outdoor concerts, community forums, and art walks.



The Admiral District successfully combines a beautiful residential area with ultra-hip businesses and unique culture. Patrons enjoy eclectic shops, boutique eateries, and the historic Admiral Theatre. Popular destinations include Metropolitan Market, PCC Community Markets, Hiawatha Park, The Swinery, Prost!, and Luciano's.

The park includes fire pits, picnic tables, and a bathhouse with an art studio. Throughout the summer there is also beach volleyball, and regional volleyball tournaments are held there. The beach is also a venue for concerts and features local artists.







### THE JUNCTION

Further south on the West Seattle peninsula is The Junction and the cross streets of California Avenue SW and SW Alaska Street. This intersection and surrounding area is host to a myriad of restaurants, cafes, and unique shops. A variety of events take place around The Junction, from monthly art walks to open-mic nights, beer and wine tastings, and seasonal events. West Seattle's year-round Sunday farmer's market is held in The Junction, featuring produce and offerings from over 35 Washington State farmers and local food processors.

## EMPLOYMENT

### PIONEER SQUARE

Pioneer Square is the closest employment center to West Seattle once residents cross the West Seattle Bridge. The Pioneer Square neighborhood is one of the largest concentrations of historic buildings in the nation. These buildings are being repurposed as office space, with large companies such as Weyerhaeuser and Avalara moving into this up-and-coming employment hub. Several start-up companies choose to lease space in Pioneer Square due to the more

affordable lease rates and its superior regional transportation options. Companies such as Blue Nile, HTC, Hulu, Intel, Payscale, and Rover.com are located in Pioneer Square.

### SEATTLE CBD

Just 15 minutes from the Site, Seattle's Central Business District (CBD) is the Pacific Northwest's largest employment center which accounts for nearly 300,000 jobs. Major employers comprising the CBD job market include Amazon, Bank of America, Blue Nile, CenturyLink, Chase, Cobalt, Dendreon, DocuSign, EA Sports, Facebook, Getty Images, Kaiser Permanente, HTC, Hulu, King County, Microsoft, Nordstrom, Onvia, Port of Seattle, Russell Investments, Safeco Insurance, Starbucks, Swedish Medical Center, Tully's Coffee, Twitter, University of Washington, Virginia Mason, Vulcan, Washington State, Wells Fargo, and Zillow.

In addition, companies such as Alibaba, Apple, HBO, Dropbox, and Payscale have opened up offices in and around the Seattle CBD. Expedia is currently underway with improvements on their future Seattle waterfront headquarters which is slated to open in 2019. Expedia's new campus will bring an estimated 4,500 jobs to the city once open.

### SOUTH LAKE UNION

Directly north of Downtown is Seattle's newest neighborhood, South Lake Union. This neighborhood has continued to attract new jobs, residents, retailers, and visitors over the last several years. This includes life sciences research space, apartments, condominiums, retail establishments, and office developments.

South Lake Union is home to nearly 50,000 employees, and continues to grow. The most significant employers are Amazon, which is currently expanding to over 13 million square feet, the several life sciences organizations such as Fred Hutchinson, a top ten cancer research center in the nation, Seattle Biomedical Research, NBBJ, PATH, and Skanska. Other notable employers are REI's flagship store, Kaiser Permanente (formerly Group Health), and Whole Foods.

### AMAZON

Founded by Jeff Bezos in 1994, Amazon is the global leader in e-commerce and cloud computing with their world headquarters in Seattle. Amazon's cloud computing services are among the largest in the world, serving everyone from small companies to large corporations and government agencies. In 2015, Amazon surpassed Walmart as the most valuable retailer in the U.S.



by market capitalization. Amazon is the largest internet company in the world and the fourth most valuable public company in the world. Additionally, Amazon is the eighth largest employer in the United States.

#### **Amazon's Headquarters Expansion**

In December 2012, Amazon purchased three city blocks from the Clise Family in the Denny Triangle along Westlake Avenue, between Sixth Avenue and Blanchard, for \$207.5 million. The site is now home to their 3.3 million square foot expansion including three office towers as tall as 37 floors,

a 40,000 square foot auditorium, an Awareness Garden, and a neighborhood walking/jogging trail. The first two phases; 1.1 million square feet each, have already opened. The final 1.1 million square foot phase is expected for occupancy in 2018. Amazon's headquarters in Seattle's South Lake Union neighborhood has grown to include over 13 million square feet of leased and owned real estate with full occupancy expected by 2019.

#### **Amazon's Growth**

Amazon's rapid expansion and hiring spree has aided the region's resurgence. In the past year, Amazon added over 235,100 payroll jobs worldwide. This staggering growth has led Amazon to have a total worldwide employment force of over 541,900, which is now bigger than local software giant Microsoft.

Amazon currently has approximately 41,000 employees in Seattle. It is estimated that Amazon will have room for 72,000 employees in Seattle by 2020. These new hires are typically younger millennials that have recently graduated from college.

#### **BOEING**

Boeing continues to produce the 737 out of their Renton Factory, 15 miles south of the Site. The 737 is still the best-selling commercial aircraft in the world. Boeing was also awarded the Navy's Multi-mission Maritime Aircraft contract and will build what is projected to be 300 of the new submarine hunters at the Renton plant. Boeing also produces the new 737 MAX out of its Renton plant which is the fastest selling airplane in Boeing's history. With its first delivery completed in May 2017, the new airplane already has over 4,000 orders.

Boeing has gone on a building spree for its Next-Generation 737, recently increasing its production rate from 42 planes per month up to 48 planes as of July 2017. Boeing previously announced plans to produce up to 52 planes per month by 2018. Boeing delivered a record high 762 airplanes in 2015 and currently has 5,700 orders for commercial airliners.





## BOEING FIELD

King County International Airport, also known as Boeing Field, is less than 15 minutes south of the Site. With a total of 594 acres, Boeing Field is one of the busiest primary non-hub airports in the country and supports over 5,200 direct jobs. The airport serves small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military, and other aircraft.

Boeing currently has operations at the airport, including final preparations for 737s, flight test facilities, and a paint hangar.

## SWEDISH - WEST SEATTLE

Swedish Medical Center offers a primary care clinic in West Seattle, less than 10 minutes from the Site. The Swedish West Seattle Primary Care clinic offers several services, ranging from family medicine to minor surgical procedures.

Swedish Medical Center is an established regional healthcare provider, operating in the Seattle area for over 100 years. They are also the largest nonprofit health provider in the Greater Seattle area, with five hospitals throughout the

area, specialty care, and emergency rooms in Redmond and Mill Creek, and over 100 primary care and specialty clinics that are comprised of the Swedish Medical Group and relationships with suburban hospitals and physician groups.

## STARBUCKS

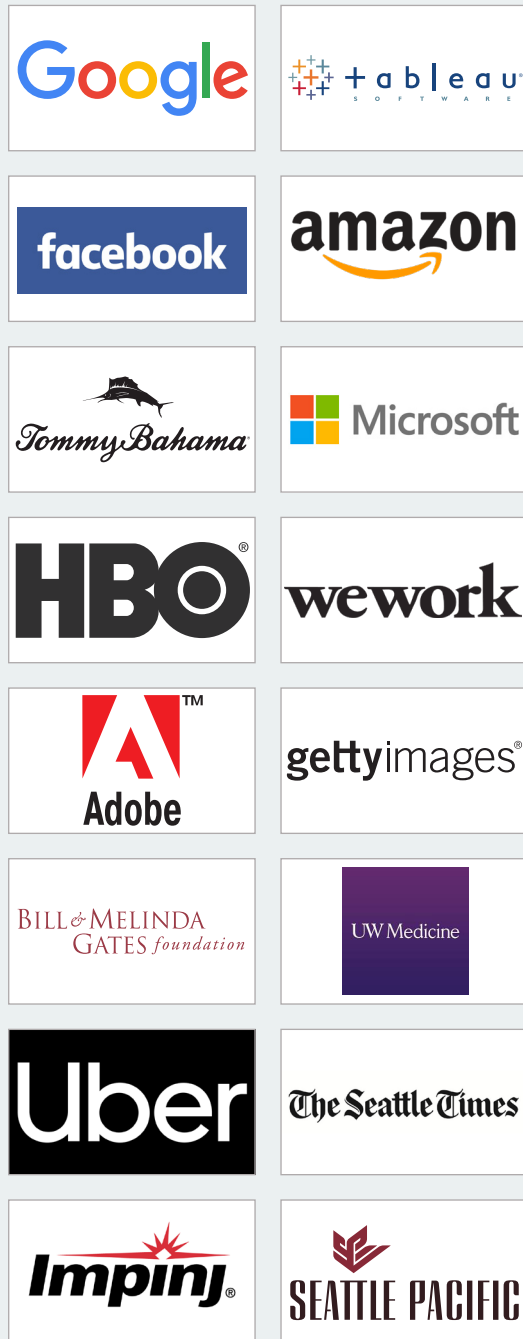
Starbucks got its start in 1971 at Pike Place Market in downtown Seattle with the intention of being a world-wide coffee roaster and retailer with the best coffee on the market. 45 years later, Starbucks is still operating their Pike Place Market storefront in addition to over 26,700 locations around the world and is the best-known coffeehouse chain globally. Starbucks' corporate headquarters is located less than five miles from the Site in Seattle's SoDo neighborhood.

In October 2015, Starbucks hired its first Chief Technology Officer to lead their technology team. The company has been growing their technology team which is based out of the Seattle headquarters ever since. As of July 2017, 9% of U.S. purchases were made on customer's mobile phones using the Starbucks app, up 50% from last year. Approximately 3,500 people work at Starbucks' Corporate office with approximately 1,000 in technology development.





TOP PUGET SOUND AREA COMPANIES



## EDUCATION

### SOUTH SEATTLE COMMUNITY COLLEGE

Less than five miles southeast of the Site and overlooking Elliott Bay lies the 87-acre campus of South Seattle Community College. Among its popular and unique program offerings are nursing, aviation, culinary arts, horticulture, and wine making. The two-year college also offers Bachelor's degrees in hospitality management and teaching, as well as transfer options through its partnerships with City University and Eastern Washington University.

### UNIVERSITY OF WASHINGTON

Located 20 minutes north of the Site is the University of Washington (UW). The UW is among the top higher learning institutions in the nation and is ranked 11th globally by U.S. News & World Report and 4th in the nation among U.S. Public Institutions on the Higher Times

Education World University rankings for 2017.

Founded in 1861, the UW consists of three campuses offering almost 580 degree options with over 46,000 students and 800 faculty and staff. It is the #2 public university in the nation for receiving federal support in research and training totaling \$1.37 billion in 2016.

For the 22nd time in 23 years, the medical school was ranked #1 among all schools in the country for primary care by U.S. News and World Report. The UW is also known for its College of Engineering and the Michael G. Foster School of Business. The graduate program in computer science is widely regarded as among the top ten programs in the nation. In fall 2016, 39% of UW students were pursuing at least one science, technology, engineering, and mathematics (STEM) major and in 2015-16, the UW awarded 6,007 STEM degrees. Nearly three-fourths of University's graduates remain in the state.

## SHOPPING & RECREATION

Just beyond West Seattle, Seattle's downtown shopping district is only 15 minutes from the Site. This district's compact square of several blocks includes brand name stores like Nordstrom's flagship store, Banana Republic, Barneys New York, Gap, J. Crew, Kate Spade, Macy's, Michael Kors, Nike, and Tiffany & Co., and Urban Outfitters. Fashion boutiques like Anthropologie and Isadora's Antique Clothing offer Seattle shoppers more eclectic options. Further south on Fifth Avenue, high-end retailers such as Gucci can be found.

### WESTFIELD SOUTHCENTER

To the southeast and less than 15 miles from the Site, Westfield Southcenter is the largest shopping center in both Washington and the Pacific Northwest. The shopping center is owned by The Westfield Group and is anchored by JC Penney, Macy's, Nordstrom, and Sears.

In 2006, a \$240 million renovation and expansion added 400,000 square feet and two parking garages to the mall. Today, there are over 230 specialty stores, 1,700,000 square feet of retail space, and a 16 screen AMC Theater, which includes an IMAX theater. Southcenter's annual 14.7 million shoppers and sales per square foot make it one of the most successful retail outlets in the region.

### ALKI BEACH

Besides the annual Seafair festival, Alki Beach is a popular destination for both tourists and Seattle area natives alike. There are several unique restaurants ranging from casual to gourmet dining. In the summertime, the 135.9-acre beach park is filled with joggers, cyclists, roller bladers, and dog walkers.

The park includes fire pits, picnic tables, and a bathhouse with an art studio. Throughout the summer there are beach volleyball and regional volleyball tournaments held there. The beach is also a venue for concerts and features local artists.





### LINCOLN PARK

Lincoln Park is five miles south of the Site. The 135-acre park includes trails, a paved walkway along the beach, baseball fields, tennis courts, picnic shelters, a heated saltwater swimming pool, a wading pool, children's play areas, and horseshoe pits. Throughout the five miles of walkways and trails, walkers and hikers can enjoy beautiful views of the Puget Sound, marine wildlife, cargo ships and ferries, the beach, and the surrounding old growth forest.

### PIKE PLACE MARKET

Located 15 minutes from the Site, Pike Place Market is one of Seattle's most popular tourist destinations with over 10 million visitors annually. The Market overlooks Elliott Bay and is situated between Pike and Virginia Streets along 1st Avenue. The Market opened on August 17, 1907, making it one of the oldest continually operating public farmers' markets in the United States. It is a place of business for many small farmers, crafts people, merchants, restaurateurs and famous street performers.

Pike Place Market is comprised of eight different buildings, some of which are built on the edge of a steep hill. The Market layout consists of several lower levels located below the main street. Each level features a variety of distinct shops such as antique dealers, comic book

and collectible shops, small family-owned restaurants, and one of the oldest head shops in Seattle. The upper street level contains fishmongers, fresh produce stands, and craft stalls operating in the covered arcades. In July 2017, the market opened their \$74 million expansion, the MarketFront, with 47 vendor stalls, a 300-stall parking garage, and 30,000 square feet of open space.

The Market is also known for its numerous eating and drinking options. Popular food establishments include the historic Lowell's Restaurant, which has been serving the public for almost 100 years, French bistro Maximilien, which was highly praised by Julia Child, Copacabana, Seattle's only Bolivian restaurant, and the Pink Door, a well-known Italian restaurant that became popular strictly by word of mouth and without the aid of using signage or advertising. Guests enter the restaurant into a nearly unmarked pink door on upper Post Alley.

## TRANSPORTATION

West Seattle is served by several transportation options including King County Metro, the RapidRide bus system, Washington State Ferries with service to Vashon Island and Southworth, the King County Water Taxi, a passenger-only ferry service with service to the Seattle waterfront. The West Seattle Water Taxi terminal is located less than one mile from the Site. For car commuters, the West Seattle Bridge connects the area with downtown Seattle and the surrounding region via State Route-99 and Interstate-5.

### NEARBY RETAIL, DINING, & ENTERTAINMENT

5 MIN

ADMIRAL JUNCTION

9 MIN

ALASKA JUNCTION

11 MIN

MORGAN JUNCTION

16 MIN

PIKE PLACE MARKET

22 MIN

WESTFIELD SOUTHCENTER MALL

13 MIN

STARBUCKS WORLD HEADQUARTERS





West Seattle sits across Elliott Bay from Downtown Seattle and is the city's largest neighborhood with over 80,000 residents.





# NEIGHBORHOOD AMENITIES

Dukes on Alki is a prime location for locals and tourists to relax, play, and enjoy all that a Northwest beach has to offer.

## EAT + DRINK

- 1 Sunfish
- 2 El Chupacabra Alki
- 3 Alki Spud Fish & Chips
- 4 Cactus Alki Beach
- 5 Top Pot Doughnuts
- 6 Pegasus Pizza & Pasta
- 7 Alki Cafe
- 8 Pacific Room
- 9 Starbucks
- 10 Il Nido
- 11 It's BBQ Time
- 12 Harry's Beach House
- 13 Homefront Smoothies & Ice Cream
- 14 Pepperdock
- 15 West Seattle Brewing Co.
- 16 Ampersand Cafe on Alki
- 17 Blue Moon Burgers
- 18 Mission Cantina
- 19 Freshy's
- 20 Mioposto Pizzeria
- 21 Parliament Tavern
- 22 Circa

## GROCERY + SHOPPING

- 1 Safeway
- 2 Metropolitan Market
- 3 PCC Community Markets
- 4 Alki Surf Shop
- 5 Admiral Junction
- 6 Zelda Zonk Consignment
- 7 Meeples Games
- 8 The Swinery

## ENTERTAINMENT

- 1 Log House Museum
- 2 Statue of Liberty Plaza - Seattle
- 3 Admiral Theater

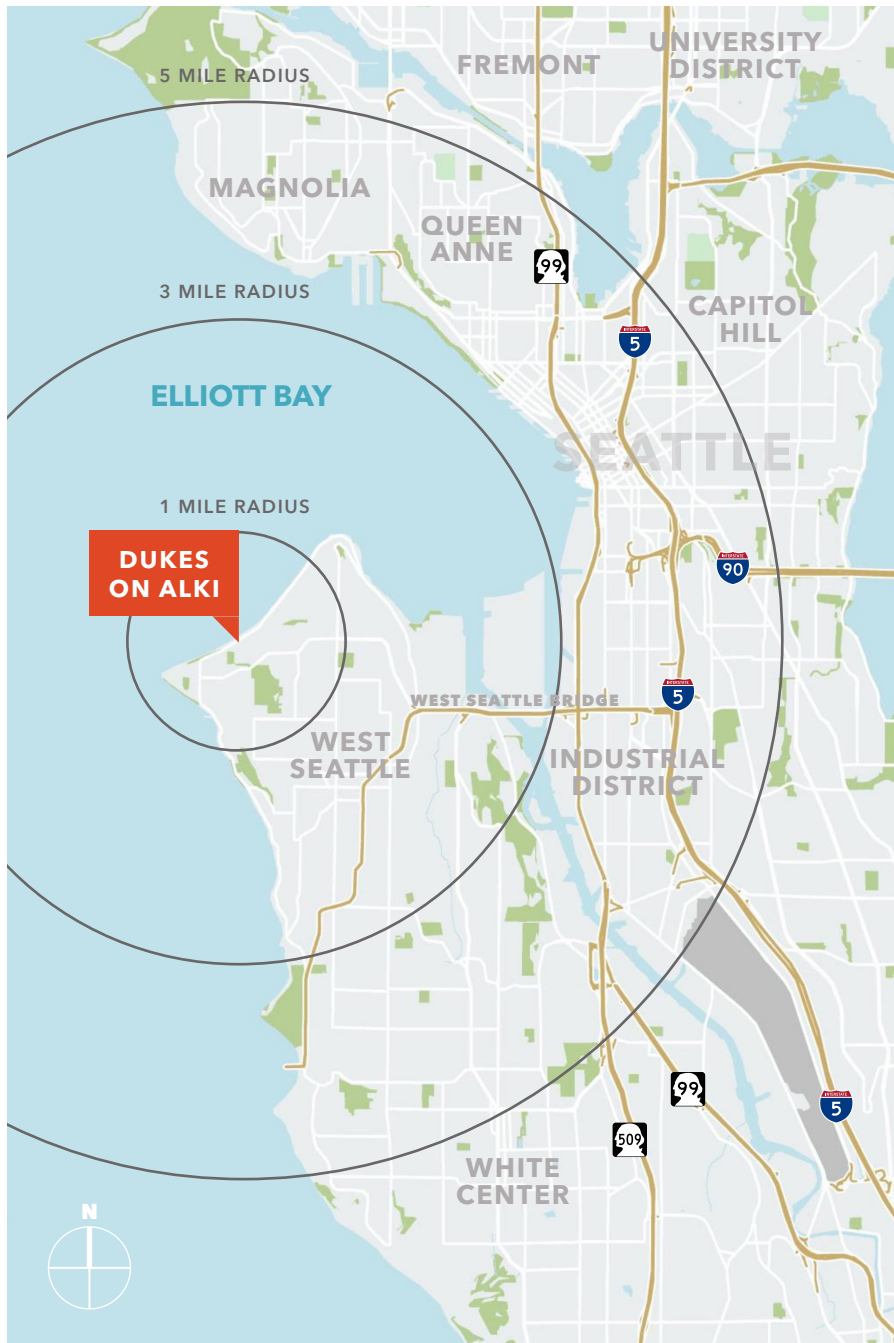
## PARKS

- 1 Schmitz Preserve Park
- 2 Whale Tail Park
- 3 Alki Beach Park
- 4 Me-Kwa-Mooks Natural Area
- 5 College Street Ravine
- 6 Hiawatha Playfield





# DEMOGRAPHICS



	1 Mile	3 Mile	5 Mile
<b>POPULATION</b>			
2019 Population	13,720	58,283	280,277
2024 Projected Population	14,766	62,006	297,328
2019 - 2024 Annual Growth	1.5%	1.3%	1.2%
Median Age	42	40	37

<b>HOUSEHOLDS</b>			
2019 Households	6,841	28,078	150,645
Average Household Size	2.0	2.1	1.8
Average Family Size	2.8	2.9	2.9

<b>HOUSING</b>			
Owner-Occupied Units	58.3%	52.9%	34.2%
Rent Occupied Units	41.7%	47.1%	65.8%
Average Home Value	\$703,720	\$623,462	\$624,653

<b>INCOME / EDUCATION</b>			
2019 Average Household Income	\$165,655	\$129,346	\$118,431
2024 Projected Household Income	\$187,780	\$144,368	\$131,524
Income Over \$100K	57.1%	50.2%	45.2%
Bachelor's Degree or Higher	68.8%	61.5%	61.1%





# 03

## TENANT PROFILE



# TENANT PROFILE

**Duke's Seafood & Chowder has come a long way since its humble and carefree beginnings in 1976 when Duke Moscrip broke away from his partnership in Ray's Boathouse to start the original Duke's Bar & Grill at 1st Ave. West and Thomas on Queen Anne, just two blocks from the Seattle Center.**

Fueled by the success of Duke's Bar & Grill, Duke's Bellevue opened two years later, followed by Duke's 5th Avenue in 1985. It was in 1989 that the company made its biggest and best decision; they opened the first Duke's Chowder House on South Lake Union followed by Duke's Green Lake Chowder House in 1990, and finally Duke's Alki Chowder House in 2001. Even though other concepts were started, Duke shifted his focus on the winning formula found in the Chowder House concept and thus, other locations to make way for more Chowder Houses around the Puget Sound.

The Duke's Chowder Houses are casual and unpretentious where comfort, cold beer, tasty cocktails and scrumptious food all come together. "Don't let the casual nature of the atmosphere mask the fact that at Duke's our goal is preparing world-class equal to any fine dining restaurant."

Duke's Clam Chowder recipe soon became a local favorite, but it originated with Duke's grandfather in New England, evolving over time and with tastes winning countless awards including the Seattle Chowder Cook Off three years in a row. Seven other chowder flavors were spun from the original recipe with more continually introduced.

Menus expanded, more seafood introduced, broader selections took hold with customers which lead to a name change to Duke's Seafood & Chowder. "The new name better represents our menu today," says Moscrip. "Chowder remains a mainstay, but it's our adventurous and flavorful fish, chicken and beef dishes that make Duke's a local favorite." Currently Duke's operates in seven locations area the Puget Sound region.



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[jason.miller@kidder.com](mailto:jason.miller@kidder.com)

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