

8-story opportunity zone project planned for Seattle's Chinatown-International District

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New Century Tea Gallery operates in Seattle's Chinatown-International District at 701 S. Jackson St. The Mar family, the longtime owners of the property, plan to sell the corner site to OZ Navigator, which plans to develop an eight-story, mixed-use apartment building.

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Seattle native [Barry Mar](#) was dedicated to providing affordable housing, so in the 1970s he managed the conversion of his family's Atlas Hotel property in the Chinatown-International District (CID) into low-income apartments.

This legacy of Mar, who died last month, will continue in the form of an eight-story development at 701 S. Jackson St., just up the street from the Atlas. The Mar family has agreed to sell the nearly third-acre corner lot to Seattle-based OZ Navigator, which will develop approximately 245 rental units for people who make between \$42,000 and \$55,000 a year.

OZ Navigator is a partnership between two Seattle companies, Housing Diversity Corp. and Nitze-Stagen. Nitze-Stagen has been active in the CID for several decades, doing the extensive renovation of Union Station, now the headquarters of Sound Transit, and developing the Union Station garage, which it still owns.

A goal of the to-be-named mixed-use project is making the retail a public gateway from South Jackson into the core of the historic district. Neighborhood leaders have asked for this, according to Lisa Nitze, Nitze-Stagen's community relations vice president.

"We have in our design exterior spaces that are going to hopefully accomplish that," she said.

"Part of our guiding principles on our design is to have the property fit into the fabric of the neighborhood," OZ Navigator Principal Brad Padden said. "We'll be extremely sensitive to that in our designs and our use of materials, and the massing itself."

Neiman Taber Architects of Seattle is the designer, and STS Construction is the general contractor. Padden said the team plans to have the development entitled by October 2022. The target completion date is 2024.

It's not an easy project, as the property is a former garage called the 7th Avenue Service Station. Padden said the developers are entering into the state Department of Ecology's voluntarily cleanup program and are working with GeoEngineers and Marten Law.

He said the cost of the cleanup as well as the overall project is not yet been nailed down.

New Century Tea Gallery operates on the property and has the right of first refusal for commercial space in the project.

"We're going to be seeking authentic restaurants and small businesses," Nitze said. "We're going to start with a study of the retail landscape and community input on what would be the highest value add for the neighborhood." The developers also seek input on the name of the development. The branding consultant is Drag & Drop Creative, which is in the CID.

Padden said commercial real estate broker David Behar introduced OZ Navigator to the Mar family.

In a statement, the Mars said they're "pleased that the 7th Avenue Service Station property is now in contract to be sold to support the OZ Navigator plans for a new affordable housing project and is glad to see the property able to serve residents in the community."

The site is in a federally designated opportunity zone, and OZ Navigator plans to raise capital from opportunity zone investors.

"One of the best things about the opportunity zones is they give us an opportunity to reduce some of the risk in the project with something other than having to push rents," Padden said.

This is OZ Navigator's sixth opportunity zone project. Its developments are located in opportunity zones, which are designated under a federal program created as part of the 2017 tax cut. It allows investors to receive tax breaks in return for revitalizing low-income areas.