



## Vineyard Lane Development Development Opportunity



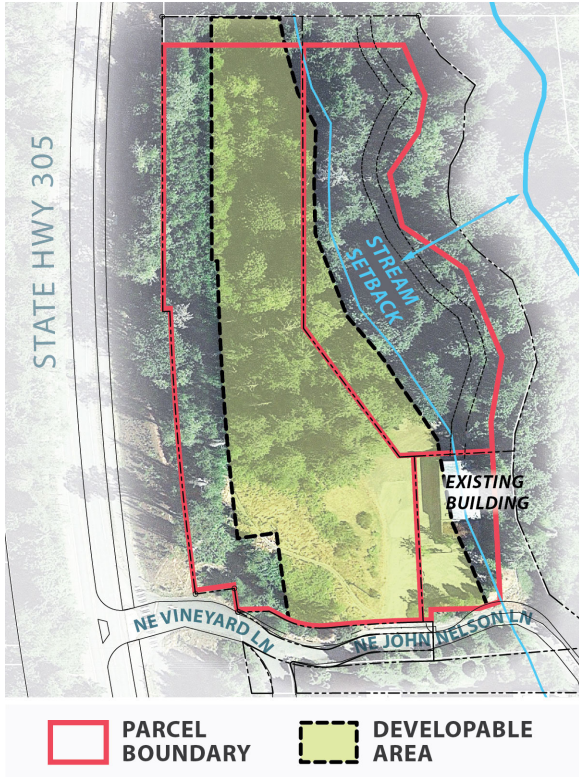
### Property Quick Facts

- Location:** Within 10 minute walk of Winslow Town Center and Bainbridge Island Ferry Terminal
- Address:** 710 John Nelson Lane NE  
Bainbridge Island, WA 98110
- Land Area:** Three tax parcels totaling approximately 187,000 SF (4.29 Ac)
- Existing Improvements:** One 3,836 SF commercial building
- Parcel Pins:** Kitsap County Parcel #s 262502-2-137-2007, 262502-2-136-2008, 262502-2-135-2009
- Zoning:** Mixed Use Town Center Zone; Gateway Overlay District
- Price:** Offering is Unpriced
- Timing:** Offers due TBD

HEARTLAND



# Investment/Development Opportunity



EXISTING OFFICE BUILDING



SOUND TO OLYMPICS TRAIL



## Executive Summary

The **Vineyard Lane Property** (“Property”) presents a unique opportunity to acquire over 4.25 acres of land that is well-positioned for residential development in the heart of Bainbridge Island. The Property is just a short distance from the shops and restaurants in the Winslow Town Center as well as the Bainbridge Island Ferry. It is tucked away among a scenic nature trail and park and offers an ideal combination of connectivity and natural surroundings.

Heartland intends to conduct this transaction in a confidential manner. To that end, this Offering Memorandum (“OM”) is strictly confidential and interested parties should be aware they are precluded from having any discussions or communications of any kind with the management, employees, contractors, agents, or representatives of the Owner without prior written consent.

## Property Overview

The Property encompasses three (3) parcels on 186,872 SF (4.29 acres), located on the east side of State Highway 305, a half mile north of the Bainbridge Island Ferry Terminal. The Property is encumbered by a 10’ trail easement for the scenic John Nelson Trail on the western edge of the property. The John Nelson Trail is directly connected to the Sound to Olympics Trail. The east side of the Property is steeply sloped down to a ravine containing a stream, which is subject to a 200’ stream buffer and 15’ setback. Thus, of the 4.29 acres, approximately 2.11 acres (92,000 SF) are developable, with measurement estimates based on publicly available data.

In addition to the stream located to the east and the road located to the west, the Property is bordered to the south by an existing three-story multi-family property, and to the north by commercial businesses.

A single-story LEED Gold Certified office building with mezzanine space is located on tax parcel 262502-137-2007. The 3,836 SF structure was built in 1987, and extensively improved in 2009, is attractive and in good condition, and is likely to remain in a future development concept as it is constructed within the boundaries of the stream buffer.

**Environmental:** A Phase 1 Environmental Site Assessment was completed in 2004 and has been included in the due-diligence documents. No known changes have occurred on site since that assessment.



## Neighborhood Overview

The Property is located in the northeast portion of the Winslow Town Center of Bainbridge Island, a charming and walkable town center lined with independent shops, restaurants and wineries. The Property is located on the eastern side of State Highway 305, just a short walk to the commercial center of Bainbridge Island located on Winslow Way. It is approximately a 1/2 mile (10-minute walk) to the Bainbridge Island Ferry Terminal, and is connected to the terminal by a public trail that is grade-separated from the highway.

Land uses in the vicinity are generally characterized by small townhome, apartment, and detached home developments. The Property is adjacent to the John Nelson Trail, a scenic public trail that follows Winslow Ravine and connects to the Sound to Olympics trail system, thus connecting the Property to a larger system of trails and parks. The Property is within walking distance of the Bainbridge Island Museum of Art, with an excellent collection of art focused on artists from the Puget Sound region. It is also a short drive away from grocery stores, parks, neighborhood schools, and an urgent care facility.

The Property represents an increasingly rare opportunity to develop a community of homes in an outstanding housing market. Home prices on Bainbridge Island have increased considerably in recent years, and particularly in the last year as the work-from-home model has increased demand on Bainbridge Island and in Kitsap County. There is an increasingly scarce supply of developable land on Bainbridge Island, especially this close to the town center and ferry terminal. As of June 2021, home prices on Bainbridge Island are up more than 15% over pre-pandemic levels, and up more than 30% over the trailing 12 months.



## Zoning

The site is zoned Mixed Use Town Center Zone; Gateway Overlay District. The district permits a wide range of commercial and residential uses, including single-family and multi-family uses. The flexibility in uses will allow for the existing commercial building to be used for commercial or office should the Buyer choose to keep the structure. The base allowable FAR for the property is 0.15 for commercial use and 0.5 for residential use. There is a FAR bonus of 100% for residential development, but only if the entire bonus is dedicated to affordable housing.

It is unlikely that the property could achieve more than the base FAR of 0.5 due to the existing constraints to development. The trail easement, stream buffer, and setback reduce the developable area of the site to approximately 92,000 SF. Thus, a site that utilized the 0.5 base FAR over the full 4.29 acres of the Property would achieve greater than 1.0 FAR for the developable portion of the site.

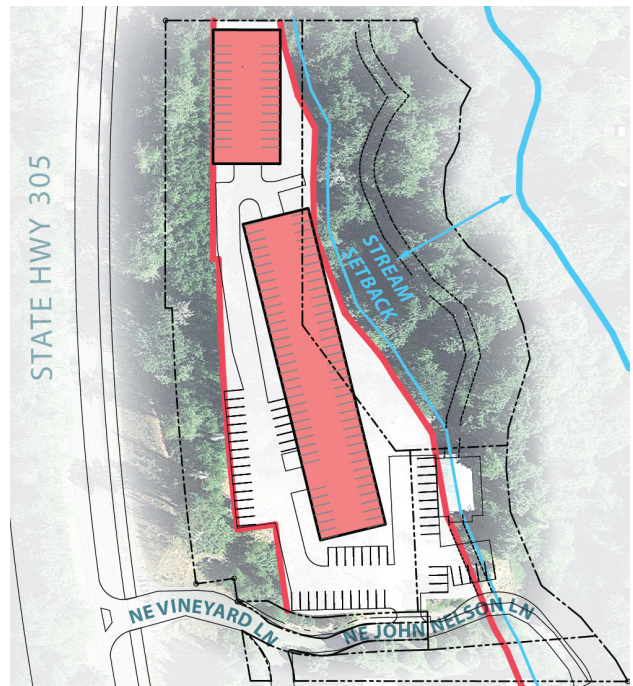
The Owner engaged Coates Design, a Bainbridge Island-based architecture firm, to analyze the Property in the context of the zoning code, easements, and setbacks. Coates Design produced potential townhome and multi-family scenarios which illustrate the developable area and show the potential yield for each scenario.

- The townhome scenario yields 76 townhomes with one-car garages (average size of 1,450SF)
- The multi-family scenario yields approximately 100,000 SF of building area, assuming one level of tuck-under parking.
- Each scenario assumes the existing 3,835 SF office building remains on the site for use as commercial or adaptive-reuse residential.

TOWNHOME SCENARIO



MULTI-FAMILY SCENARIO





# Terms of Sale

This property is being offered “as-is, where is”. Seller has not made or will not make any representations or warranties, expressed or implied, as to the accuracy or completeness of the Property Information with respect thereto. Analysis and verification of the information is solely the responsibility of the prospective purchaser.

Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Seller shall have no legal commitment or obligation to any entity making an offer to purchase the Property unless and until a purchase offer for the Property is accepted by Seller, a formal purchase and sale agreement is signed, and any conditions obliging Seller thereunder has been satisfied or waived.

## Due Diligence Materials

The Seller has made the following documents available via a Secure SharePoint site for potential Buyers to review in advance of making an offer.

1. Preliminary Title Report
2. Documents Related to Trail Easement
3. Coates Design Feasibility Study
4. Phase 1 Environmental Assessment Report

Contact the Transaction Team to receive access to the SharePoint site. Any further reports will be the responsibility of the Buyer during the feasibility period.

## Offers

Offers are due **Tuesday November 2nd at 5:00 PM**. Offers should include all key transaction terms, including:

- Development Team: including the firms involved, roles, and organization of the team
- Price
- Earnest money amount and timing
- Timeline related to waiver of feasibility and closing
- Anticipated entitlement, product type and yield

## Transaction Team Contact Information

### H E A R T L A N D

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# Disclaimers

## Confidential Offering Memorandum

*Daisy Lane LLC ("Seller") has engaged Heartland LLC, ("Heartland") as real estate advisor and broker on an exclusive basis in connection with the sale of the Property.*

*This Offering Memorandum ("Memorandum") is being delivered to parties who may be interested in the Property. By acceptance hereof, each recipient agrees not to reproduce or use in whole or in part the information contained herein, or any other information that is not already public, and to use this Memorandum only for the purpose of evaluating the offering made hereby.*

*The Property is offered in an "AS-IS" condition with all faults, without representations or warranties of any kind or nature.*

*Heartland LLC does not represent or warrant the accuracy or completeness of the information contained in this Memorandum. Nothing contained in this Memorandum should be construed as a representation by any person as to the future possibilities or performance of the Property. Potential buyers should conduct their own due diligence.*

*Any commission paid to a broker representing the buyer will be paid by the buyer. No finder's fees, commissions, expenses, or other compensation will be paid by Heartland or Seller to agents, consultants, advisors, or other intermediaries or any interested party.*

*Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and / or to terminate discussions with any entity at any time with or without notice which may arise because of review of this Offering Memorandum. Seller shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations therein have been satisfied or waived.*

*All communications or inquiries regarding this opportunity or any other matters relating to this letter should be directed to Matt Anderson, Lee Striar, or Mark Goodman, per the contact information provided above.*