



Northwest

BALLARD STATION

Opportunities for Integrated Transit-Oriented Development



TECHNICAL ASSISTANCE PANEL REPORT | September 2024

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The Urban Land Institute (ULI) is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

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More information is available at uli.org. Follow ULI on [X](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About ULI Northwest

ULI Northwest is a District Council of the Urban Land Institute, a nonprofit education and research organization supported by its members. ULI Northwest carries out the ULI mission locally by serving as the preeminent real estate forum in the Pacific Northwest, facilitating the open exchange of ideas, information, and experiences among local, national, and international industry leaders and policy makers.

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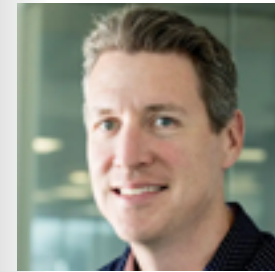
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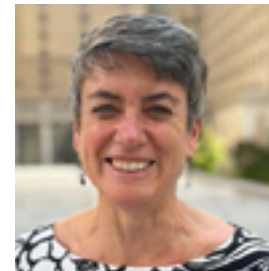
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EXECUTIVE SUMMARY

As part of the Ballard Link Extension (BLE), Sound Transit (ST) partnered with the Urban Land Institute (ULI) Northwest to conduct a Technical Assistance Panel (TAP) focused on integrated joint development opportunities. The TAP included a sponsor briefing, site tour, stakeholder interviews, deliberation, recommendations and discussion, to provide opportunity for Sound Transit to learn from the development community what delivery and partnership methods will have the greatest potential for success and will inform Agency decisions regarding potential integrated joint development opportunities. While Sound Transit is not empowered to build transit-oriented development (TOD) itself, the Agency's near-term design and development delivery decisions could greatly affect the feasibility and desirability of integrated TOD.

This TAP report concerns the Preferred Alternative for Ballard Station, which is a tunnel station located below grade immediately to the east of 15th Avenue NW, with the platform immediately south of NW Market Street and underneath 54th Avenue NW. Entrances would be located on both sides of 15th Avenue NW, south of NW Market Street, with the west entrance connected to the station box via a pedestrian tunnel beneath 15th Avenue NW.

Note: Images provided to the TAP by Sound Transit regarding the station and station-area TOD are preliminary concept images for discussion purposes only. They are not intended to reflect final design.

Site Recommendations:

The panel first focused on the primary use for each of the five sites.

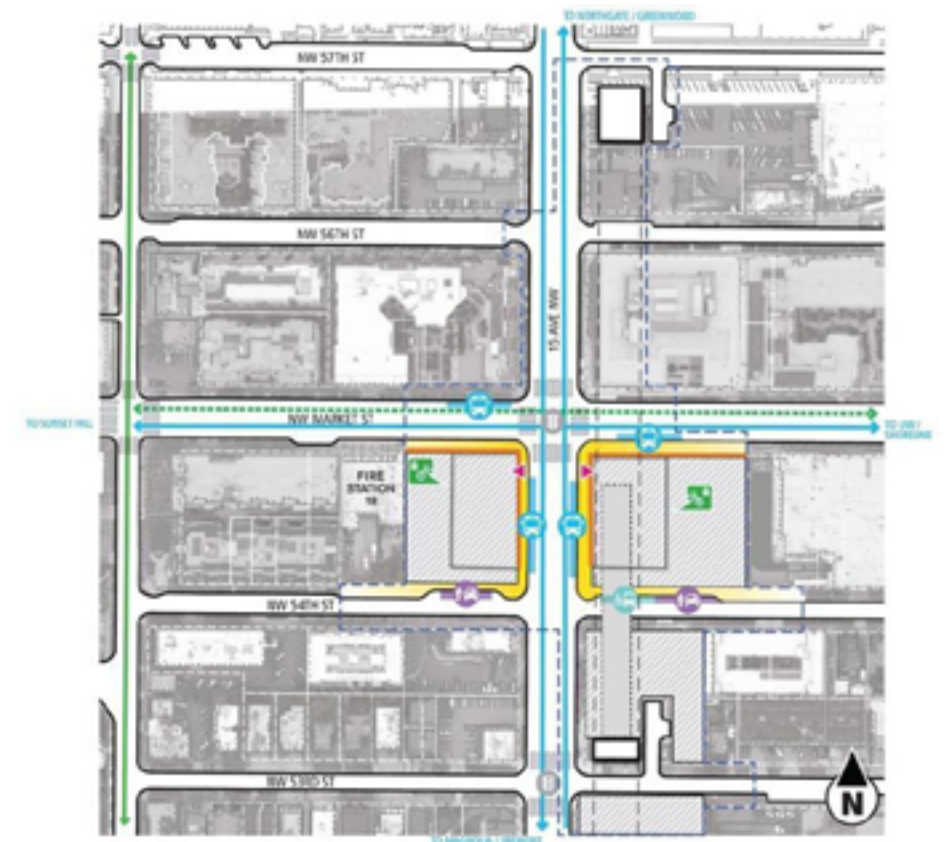
- The panel recommended Site A, on the southwest corner of NW Market Street and 15th Avenue NW, be significantly upzoned to facilitate affordable family housing.
- For Site B, on the southeast corner, upzoning could support the largest floor plate possible of the five sites, with potential for office research and development as well as residential.
- For the three sites south of Site B, on the east side of 15th Avenue NW from 54th to 51st streets, they recommended hotel use for Site C, housing for Site D, and a possible "zoning swap" focusing industrial and commercial use on Site E, allowing for greater residential use on Site D.



PHOTO SOURCE: SOUND TRANSIT

Implementation Recommendations:

Regarding **phasing** and **partnering**, a master development consultant could advise and ensure that station and tunnel are overbuild-ready for sequential construction. For **planning, zoning, and public benefits**, working with the City of Seattle on its anticipated Regional Center and Manufacturing and Industrial Center (MIC) Subarea Plans would be advantageous in determining how much density should be planned for on each site, including developing strategies to adjust the zoning boundaries of the MIC and/or to apply a station area overlay district. This could allow for residential uses as well as innovative industrial skill centers, for example. Consider an EcoDistrict approach to tie into broader planning (water, power, energy, social equity) for the Ballard Interbay Northend MIC.



Ballard station environment plan, source: Sound Transit. Design is not final and subject to change. **For discussion purposes only.**

BACKGROUND

Sound Transit is a regional transit authority, whose statutory scope includes designing, building, and operating high-capacity transit, and all associated activities. Sound Transit completed the first phase of the Link light rail system connecting Downtown Seattle to Seattle-Tacoma International Airport in 2009 and subsequently expanded that operating line to the University of Washington (2016), Northgate (2021), and Lynnwood (2024). The agency opened the 2 Line service in Bellevue and Redmond in 2024, which is expected to extend to Downtown Redmond (2025) and to downtown Seattle where it will interline with the 1 Line to Lynnwood (2025). A further extension of the existing 1 Line south to Federal Way is under construction and will add three additional stations and bring the network to 62 miles of light rail service (2026). Later expansions, including WSLE and BLE, are set to expand the light rail system to 116 miles.

After several years of alternative development and environmental review, the Agency is poised to advance design and construction work on locally preferred alternatives for the WSLE and BLE projects, which will add 13 new light rail stations to the urban core and inner-ring neighborhoods of Seattle. Sound Transit can achieve high levels of integration between its stations and new TOD. This includes air rights and integrated development over stations, also called overbuilds, defined as projects that are constructed on top of a transit facility. As preferred alternatives were refined for both extensions, potential TOD opportunity sites were identified, allowing Sound Transit to conduct a test fit and feasibility study. From there, Sound Transit identified six potential stations where overbuild appeared feasible and advanced TOD conceptual designs. This work clarified that the transit project would need to plan and provide for future overbuild development in station design and construction.

Sound Transit has an established practice in delivering TOD at stations, managed by a dedicated team in the Community Development Office (CDO) and guided by the Agency's [Equitable Transit Oriented Development Policy](#). CDO has numerous TOD and joint development projects, with nearly 3,500 housing units built, under construction, awarded to developers, or in negotiations; of these, nearly 2,700 are income-restricted affordable housing. In addition, the Agency has experience with integrated development. At the U District Station, Sound Transit and The University of Washington partnered on an overbuild of the underground station, completed in 2024.

Sound Transit, while not empowered to build TOD itself, is making design and project delivery decisions in the near term that could greatly affect the feasibility and desirability of integrated TOD. To inform Sound Transit's decisions, the Agency is partnering with ULI Northwest to convene five TAPs to review conceptual designs for integrated development and make recommendations to Sound Transit and its partners.

Notes on Policies & Terms Used

Sound Transit and Affordable Housing

Sound Transit has an established practice and experience in delivering transit-oriented development (TOD) at stations, managed by the Community Development Office (CDO), and guided by the Agency's Equitable Transit Oriented Development Policy. CDO staff manage both market-rate and affordable housing development and commercial real estate development opportunities on Agency property with the goal of maximizing revenue from market-rate development opportunities and minimizing the cost of creating affordable housing by offering property discounts. Sound Transit properties are subject to multiple conditions and approvals for TOD on federally funded properties. State statute requires at least 80% of surplus property suitable for housing be offered first to qualified entities for affordable housing who must then develop at least 80% of the units to be affordable to households earning 80% or less of the area median income (AMI). However, Sound Transit has some flexibility to pursue market-rate development where appropriate.

Maritime and Industrial Strategy and Zoning

The eastern portion of Sites C, D, and E, between 54th and 51st Streets, are zoned for Industry and Innovation (II), and are within the Ballard Interbay Northend Manufacturing and Industry Center boundaries. In October 2023, Seattle's current Industrial and Maritime Strategy legislation, including the II zoning designation, became effective. The intent of the II legislation included stronger land-use protections for core industrial and maritime areas, while encouraging innovative high-density industrial development in walkable areas near light rail stations, such as the Ballard TOD areas. The legislation authorizes proposals to remove land from a MIC through comprehensive plan updates (Seattle's anticipates completion of its current plan in 2025), or through a city-led study.

Mass Timber

Panelists discussed Mass Timber as an innovative building paradigm recognized for reduced carbon emissions, lighter weight, and increased construction efficiency that might work for TOD sites. Because mass timber buildings are lighter, they can be built without the need for massive core structures below grade, which is an advantage for integration with transit structures. Mass timber policy continues to evolve at the state and local level.

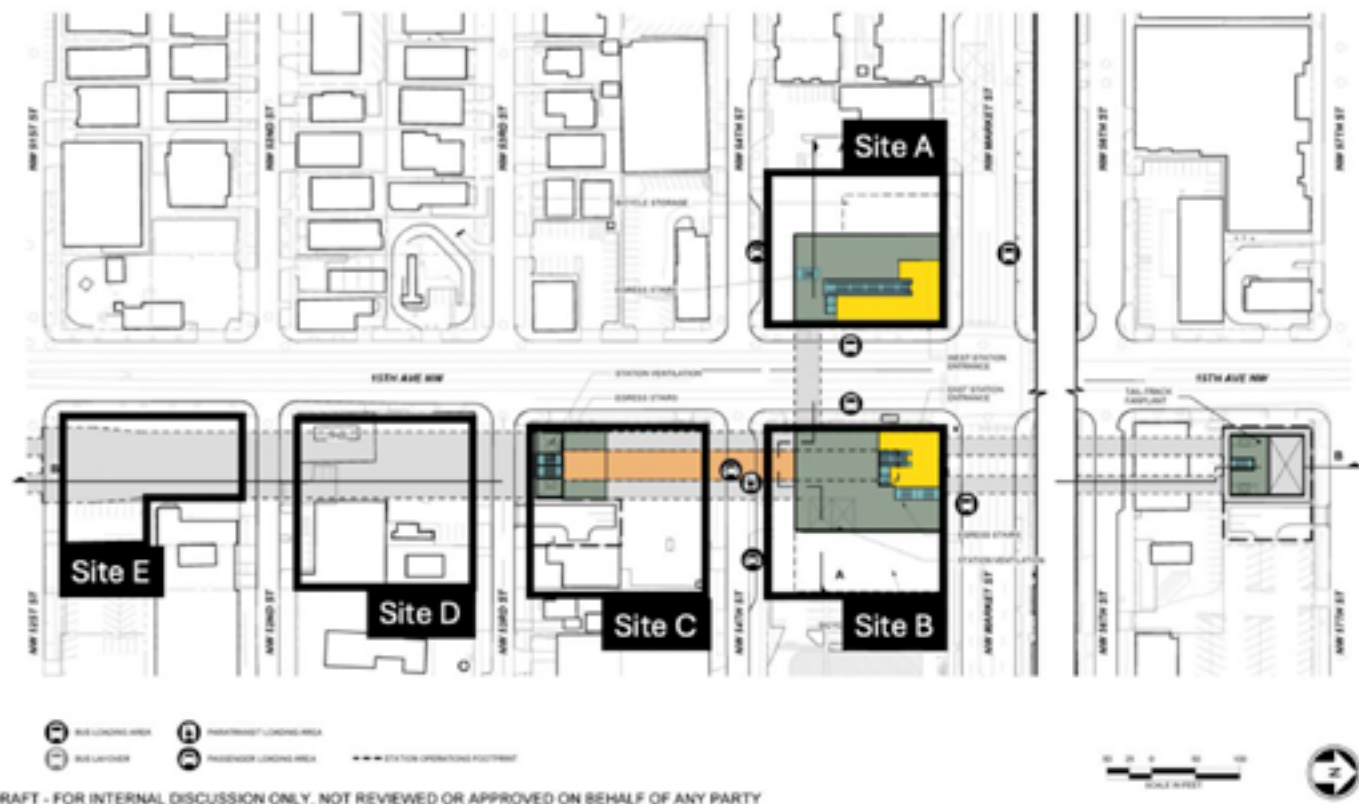
One Seattle Plan - Comprehensive Plan/Regional Centers

Ballard is identified as a Regional Center, the highest density type of center designation, in the Seattle Comprehensive Plan. It could have additional rezones and/or related Subarea Plans as part of a Regional Center Subarea Plan or a future update of the city's Comprehensive Plan. Sites A and B, and the western portions of Site C, D, and E, are in the Ballard Regional Center.

THE ASSIGNMENT

The BLE Preferred Alternative includes Ballard Station located below grade just east of 15th Avenue NW and south of NW Market Street. Entrances would be located on both sides of 15th Avenue NW, south of NW Market Street, with the west entrance connected to the station box via a pedestrian tunnel beneath 15th Avenue NW. The entrance configuration brings access points to the station for the established business district, the neighborhoods to the west, the East Ballard industrial area, and the Woodland Park neighborhood to the east. This area has experienced substantial development over the past 15 years, with many mixed-use residential buildings, primarily mid-rise, constructed in the western half of the ten-minute walk of the future station. Sound Transit has identified five opportunity sites for integrated TOD above the underground transit infrastructure. These opportunities were the focus of this TAP.

Note regarding the preferred alternative: The preferred alternative identified by the Sound Transit Board in 2022 is not a final decision or obligation. It is an indication of the direction the project is likely headed. Following publication of the Draft EIS in 2022, Sound Transit decided to refine and add new alternatives to the project and expects to publish a new Draft EIS in 2025. The Sound Transit Board will then confirm or change the preferred alternative and pursue a Final EIS.



Ballard Station, Preliminary Engineering Concept Plan. Source: Sound Transit. Design is not final and subject to change. **For discussion purposes only.**

Sound Transit posed three primary questions for the panelists:

1. Setting zoning aside, do you concur **housing is the likely highest and best use** for consideration across the five TOD sites, or should other uses and building products be prioritized? Do you concur that tower-scale development is reasonable to contemplate in defining the development potential and structural interface with station facilities?
2. Taking into consideration your responses to Question 1, do you concur with the **proposed phasing approach**? What approach to partnering best supports a reasonable phasing plan?
3. Assuming that a zoning change would be necessary to allow for the highest and best use (per your response to Question 1), what would the development community feel are **reasonable public benefits** to provide to achieve that change?



PHOTO SOURCE: SOUND TRANSIT



Stakeholder Interviews

Stakeholders represented a range of expertise, including community service and business improvement organizations, local property owners, commercial real estate developers, and multifamily market rate and affordable housing managers and developers. Stakeholders advocated for a thoughtful, community-focused approach balancing density and preserving the unique character of “Old Ballard.” They expressed strong support for increasing both affordable and affordable family housing. Most stakeholders supported tall buildings along 15th Avenue near the station. They also called for an assessment of the needs of the unhoused population in the neighborhood; improved walkability, safety, and streetscapes; and amenities like childcare facilities, youth programming and family “play” centers (bowling, skating). New developments should enhance community, identity, and livability. This included a goal for community connectivity, with mixed-use developments, including a hotel, to promote lively, activated spaces for an 18-hour community.

There is a need for better connectivity between different parts of Ballard, including east-west access. Preservation of Ballard’s unique character was a central theme and includes protecting local businesses, maintaining historic charm, and ensuring that new developments complement the community’s identity and support existing small businesses.

Stakeholders also cited the need for clear land valuation. They supported incentives to facilitate TOD and mass timber development, while noting challenges posed by current market conditions and the City’s risk-averse stance on development incentives. They also spoke of frustrations with planning processes and a lack of transparency and consistency in Sound Transit’s approach. Underscoring the need for preemptive infrastructure investments, they also called for a Regional Center Subarea Plan.

HOUSING AND SCALE

Setting zoning aside, do you concur that housing is the most likely highest and best use for consideration across the five TOD sites, or should other uses and building products be prioritized? Do you concur that tower-scale development is reasonable to contemplate in defining the development potential and structural interface with station facilities?

Generally, housing is the best use throughout the TOD. For Site A, at the southwest corner of NW Market Street and 15th Avenue NW, maximize the upzone to accommodate family (2-4-bedroom) housing. Site B, at the southeast corner of NW Market Street and 15th Avenue NW, could support a large enough floorplate for office, research and development, or residential.

The sites south of 54th Street all have two zoning designations that allow different uses on the western and eastern sides of the sites with the 15th Avenue frontage zoned for Commercial Residential/Commercial Mixed Use, and eastern portion of the sites zoned for Industry and Innovation. Site C, with existing crosswalks across 15th Avenue at 53rd Street, would be a good location for a hotel, and both zoning categories allow for hotel use. Site D, between 53rd and 52nd Streets, would be ideal for housing, affordable or market rate, however the industrial zoning on the east would not currently allow for that use.

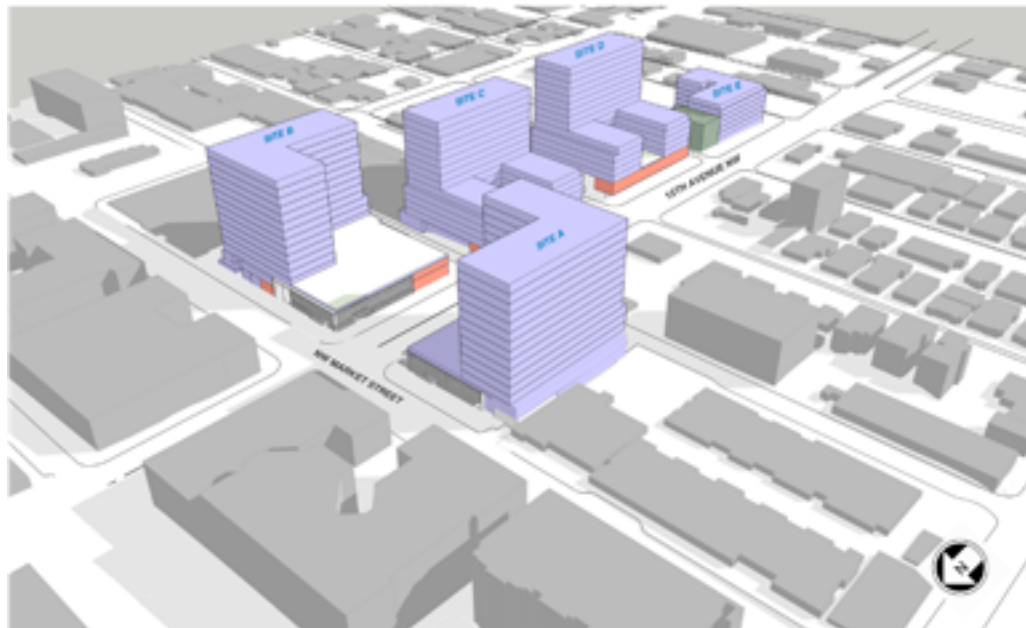


Sound Transit Option 1 Scenario: Generally reflecting existing zoning. 920 total residential units. Source: Sound Transit. **For discussion purposes only.**

Site E, between 51st and 52nd Streets, given its location closer to the 15th Avenue bridge traffic, would not be suitable for residential use. Consider a “zoning swap” or modification of the boundaries of the Industrial Innovation zoning to concentrate residential development on Site D. The concept would rezone all of Site E as Industrial Innovation as a “trade” and rezone the eastern half of Site D to mixed-use, thereby avoiding a material net loss of industrial zoning for the MIC.

Upzoning to allow for 95-foot-height structures on the sites would provide greater flexibility than existing height limits, particularly for Site B, where office and or life sciences research and development would benefit from the additional height. Upzoning to tower development scale (above 180 feet) wouldn’t make sense for today’s market, but Sites A and B, on NW Market Street, might call for greater height in the future, particularly if supported by a Regional Center designation and Subarea Plan, anticipated as part of the city’s ongoing Comprehensive Plan process.

The panel recommended that housing should serve a wide range of household sizes and incomes, including both market rate units and those affordable to households earning 60% AMI and below. Affordable housing, with a prescriptive unit mix based on community need and family housing, could benefit local workers and businesses. One site could be developed as a 100% affordable product and financed with Low Income Housing Tax Credits, factoring in parking needs for affordable housing especially for families. The panel recommended mandatory 10% (or more) of units be affordable to households earning 80% AMI or less. Current zoning for Sites A and B include Mandatory Housing Affordability (MHA) requirements.



Sound Transit Option 2 Scenario: Generally reflecting potential upzoning. 1,508 total residential units. Source: Sound Transit. **For discussion purposes only.**

PHASING APPROACH

Do you concur with the proposed phasing approach? What approach to partnering best supports a reasonable phasing plan?

Sound Transit proposed that Sites A and B should be prioritized for the first delivery phase, with the potential to solicit an integrated delivery team for transit infrastructure and TOD on one or both sites. In turn, Sites C, D, and E could be developed in future phases as supported by future funding or market conditions.

Sequential Delivery:

Panelists agreed that Sites A and B should be prioritized for the first delivery phase and will function as the gateway to downtown Ballard, however sequential delivery model would be simplest. While some affordable housing developers could participate in a fully integrated development model, in general, it would be challenging for private developers to commit to significant upfront capital investment given the extended timeframe for project delivery. This extended period could see conditions of volatile changes in construction costs, interest rates, rents, and expenses that would have a large impact on imputed land value.

Overbuild of Station:

Even so, Sound Transit should *support overbuild* of the station to secure future value. In that vein, Sound Transit should consider a wider range of massing concepts on sites A and B (over the station box) for better urban design and to maximize property valuation. Sound Transit should front the cost and pursue 30% design for overbuild ahead of time. To do this most effectively, Sound Transit should consult with a seasoned multifamily development team to advise the Agency’s station design team on the most cost-efficient design/below grade infrastructure to allow for cost-efficient midrise or high-rise construction above the station. This will likely require a study regarding the incremental costs necessary to strengthen the below grade structure to support higher density vertical construction.

Timeline and Approaches:

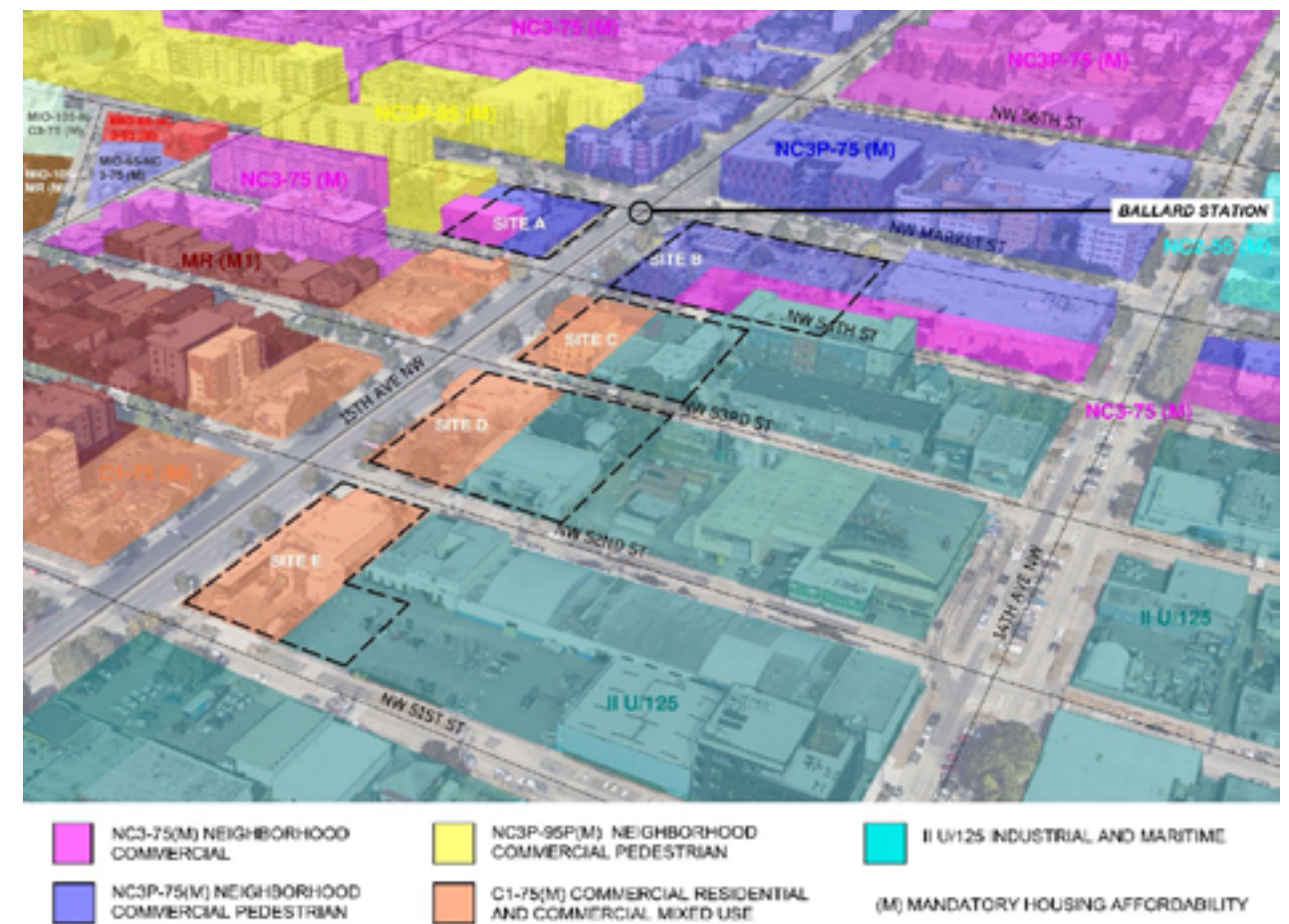
The request for proposal and developer procurement should be two to three years prior to construction, followed by negotiation with a developer, with Sound Transit benefiting from advice from a master development consultant. For a fully integrated development, a design-build model would be most ideal, while for the more likely sequential model, a General Contractor/Construction Manager could deliver the project. As for structural approaches, mass timber residential construction is hard to justify now due to cost and engineering challenges, but in the future, with incentives, it could become more attractive.

Overbuild Cost Analysis

Pre-build for a midrise structure would be less substantial than for a tower and would allow some future flexibility with moderate cost. For this approach, pre-design to 30% is recommended but not required. Pre-build for a tower (180-foot-high), on the other hand, whether for mass timber or concrete construction, would result in much less future flexibility, incur a higher cost for infrastructure, and require 30% pre-design of the overbuild. In general, the “pad ready” overbuild site would require full disclosure of existing conditions; as-built design drawings, relevant reports, and utility agreements. It would also require increased footings, shear wall accommodations, column coordination, and pre-planning for utility connections. A valuation model, factoring in the cost of not providing for enhanced below grade structural systems vs. potential future land valuation with enhancements, will likely show a path for maximal value capture.

ZONING CHANGE AND RELATED PUBLIC BENEFIT

Assuming that a zoning change would be necessary to allow for the highest and best use (per your response to Question 1), what would the development community feel are reasonable public benefits to provide to achieve that change?



Existing zoning at station area TOD sites. Source: Sound Transit. **For discussion purposes only.**

In terms of existing zoning, Site A is primarily Neighborhood Commercial Pedestrian, with a small portion Neighborhood Commercial. Site B is also primarily Neighborhood Commercial Pedestrian, with smaller portions Neighborhood Commercial and Industrial and Maritime. South of 54th Street, the 15th Avenue blockfronts on Sites C, D, and E are zoned for Commercial Residential and Commercial Mixed Use. The eastern portion of the lots, however, are in the Ballard Interbay Northend Manufacturing and Industrial Center (BINMIC) and zoned for Industry and Innovation. As a result, sites C, D, and E have “split zoning” between mixed use and industrial uses. These are especially impactful because Industry and Innovation zoning does not allow for residential development (but does allow for hotel use).

Zoning Options:

The panel looked at ways to overcome split zoning.

Option 1: Upzones and Split Zoning:

Upzone all lots to allow for increased height and density (95' for all sites, 180' for sites A and B based on potential Regional Center Subarea Plan). This approach could also reduce the number of split-zoned properties by making all of Site E industrial zoning and all of Site D mixed use, resulting in no net loss of industrial zoned land and creating a larger footprint for residential development at Site D.

Option 2: Station Area Overlay:

Apply an existing Seattle zoning tool, the Station Area Overlay, on Sites A, B, C, D and E, modifying the split zoned properties via overlay. Development standards for the overlay would apply. Those regulations should include pedestrian improvements around sites, enhanced building materials, open space requirements, and environmentally sustainable guidelines. The overlay also includes standards for entering into Development Agreements with Sound Transit, which could include long-term vesting and other provisions to minimize risk to Sound Transit and future developers.

This approach could significantly improve walkability on 15th and 14th Avenues, which should be developed with sensitivity to trucking needs. It could include significant setbacks from 15th Avenue with wide planted areas. It could also complement the culture of "Old Ballard," and serve as a gateway to all of Ballard. This would not be a separate city center, but a complement to existing services, whether traditional retail to the west or big box retail to the east. It could strengthen connections to small businesses, too. Envisioning future neighborhood needs, Sound Transit should explore how child-care could be included in TOD.

Ideas for the station overlay district should include pedestrian improvements along 54th Street connecting to Gilman Park, and stormwater treatment for the development parcels as well as surrounding streets beyond basic code requirements. Creating adequate space for vehicular drop-off will also be important, considering the likely increase in drop-off volume with increasing rideshare use, as well as last mile connections for bikes and other micromobility options.

CONCLUSION

Given that market conditions dictate when and what a developer builds, sequential construction, with its greater flexibility, would be the best option in most cases. Sound Transit should engage a master developer consultant to advise on ensuring that the station and tunnel are appropriately overbuild-ready. The master developer could be the future developer of the site, but not necessarily.

Sound Transit should pursue the opportunity to "swap" the Industry and Innovation zoning from Site D to Site E, effectively consolidating Site D as mixed-use and Site E as industrial. The result would be a more viable residential development on Site D, and better industrial flexibility on Site E. For example, development of an industrial skill center in partnership with community colleges would take advantage of the Industry and Innovation zoning and be compatible with the MIC designation. Also, given that designation, there is an opportunity to consider an EcoDistrict approach to tie into broader planning goals for the BINMIC. Sound Transit should work closely with the City of Seattle on a Regional Center Subarea Plan (or a TOD overlay), to address planning for the new transit rich regional center. To address concurrent vs. sequential integrated development, the panel strongly recommends an additional TAP to focus on financing models.



PHOTO SOURCE: SOUND TRANSIT



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