

American Life's immigrant investors to back latest Stadium Place project with \$300M

Puget Sound Business Journal by Jeanne Lang Jones, Staff Writer

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Daniels Real Estate image

An artist's rendering of the hotel project planned by Daniels Real Estate and American Life, left center with the hotel tower in front, viewed from the north with CenturyLink Field behind it.

Two beers turned two competitors into allies and put an ambitious mixed-use project in Pioneer Square on the fast track.

It took a Mac & Jack African Amber Ale and an on-tap pilsner at the Hooverville bar in Sodo to get longtime rivals [Kevin Daniels](#) of Daniels Real Estate and [Henry Liebman](#), CEO of American Life Inc., to forge an alliance to move ahead with the east block of Stadium Place. The big mixed-use residential project, now under construction on the north lot of CenturyLink Field, is considered by many to be crucial to revitalizing the surrounding Pioneer Square neighborhood.

The two firms announced their plans Wednesday to proceed with the remainder of the nearly four-acre development. Plans call for two high-rise towers including a 278-room conference hotel with a ballroom meeting space, an athletic club, 16,000 square feet of retail space and 376 parking stalls. A 170,000-square-foot office tower will be built at a later date.

The project will also include funding for affordable housing nearby in the International District.

“We’ve been competitors down in Sodo for a decade,” said Daniels. “I don’t know if we’ve been vociferous but we’ve competed hard against them and I have a lot of respect for what they have accomplished.”

Headed by Seattle immigration lawyer [Henry Liebman](#), American Life is [one of the most active real estate developers in the country](#) under the federal EB-5 immigrant investor program. The program enables foreign investors to obtain green cards in exchange for investing \$500,000 in job-creating projects in economically distressed areas.

Daniels said Liebman called him up about a year ago to meet for beers at Hooverville. The two men were a bit wary at first.

“I didn’t buy his beer, he didn’t buy mine,” said Daniels of the sit-down with his longtime rival. They discussed Liebman’s Homeplate project just south of Safeco Field and Daniels’ struggles getting Stadium Place going.

During the evening, Liebman suggested working together to add a hotel to Stadium Place.

“We understand how those facilities work,” Liebman told Daniels. “Don’t you think it would be a great addition to the neighborhood?”

“It doesn’t take a genius to say, “Yeah!” to that,” Daniels said. “I’ve always thought a hotel would be a great fit there.”

Back when Daniels and Nitze-Stagen were working with [Paul Allen](#)’s Vulcan Northwest on restoring Union Station, Allen observed that the neighborhood lacked a quality hotel and floated the possibility of including a hotel in that project, Daniels said.

“We’re excited about the opportunity to participate and help revitalize Pioneer Square and help complement [Kevin Daniels](#)’ vision down there,” said American Life COO [Greg Steinhauer](#).

American Life has experience building hotels. In addition to the Courtyard by Marriott in Pioneer Square, American Life broke ground last month on a 393-room Courtyard by Marriott/Residence Inn near the Staples Center in Los Angeles and has a 130-room Hilton Homewood Suites in the works in Atlanta.

American Life will be raising a total of approximately \$300 million under the EB-5 program to fund the Stadium Place east block. About \$200 million will be needed for the first phase, which includes the hotel tower and the podium for the future office tower. The podium will include parking, the ballroom banquet space for the hotel and an athletic club. That means American Life will need to recruit 400 immigrant investors under the EB-5 program, which requires investment of \$500,000 in exchange for a green card. Steinhauer estimates it will take about a year to 18 months to raise the money.

Immigrant investor interest in EB-5 investments has been “steady and consistent and I hope it remains that way,” Steinhauer said.

Daniels and partner R.D. Merrill had been working with Pacific Life Insurance to obtain construction financing for the project but the insurance company backed out after there were [difficulties documenting the various agreements](#) relating to the development site dating back to the teardown of the Kingdome.

“We were never able to satisfy PacLife’s (legal) counsel on some of those issues,” Daniels said. “We are in front of the King County Council now for resolution of those issues.”

Daniels expects that the project will be able to break ground next summer. The company filed for a master use permit revision about a month ago and will need approval from the Pioneer Square Review board.

Daniels is also waiting for final approval for its proposal to provide additional affordable housing as part of the Stadium Place project. The developer plans to partner with InterIm CDA, a nonprofit community development corporation, for a 91-unit affordable housing project at Fourth and Main in Seattle’s International District.

InterIm CDA Executive Director [Hyeok Kim](#) said Daniels likely will be contributing about \$4.5 million toward the roughly \$23 million housing project. Kim is in the midst of arranging additional financing through various governmental programs and anticipates breaking ground next summer.

The project will be called Hirabayashi Place to honor the late [Gordon Hirabayashi](#), who received the Presidential Medal of Freedom in honor of his protest of the Japanese internment program during World War II.

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