

TJERNE PLACE

MONROE, WASHINGTON



FOR SALE

 **LEE &
ASSOCIATES**
COMMERCIAL REAL ESTATE SERVICES

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PROPERTY OVERVIEW

Tjerne Place represents one of the last remaining large-scale development opportunities within the North Kelsey commercial district in Monroe, Washington. The site is strategically located with direct access to Highway 2, placing it at the center of the region's primary retail and commercial corridor.

The original commercial district, known as the North Kelsey area, was created with public input and approved by the City in the early 2000s. Over the last two decades, the City has spent considerable time and energy turning the commercial district surrounding Tjerne Place into a highly accessible and profitable area for businesses and an amenity for shoppers. In 2005, the City purchased approximately twenty-three acres of land from Snohomish County north of Highway 2. The City master planned the property, together with other City-owned land in the area, with the intent of developing retail, office space, and a public "village green" for community gatherings. Today, this commercial district includes Providence Hospital and anchor retailers: Lowe's, Wal-Mart, Fred Meyer, Safeway, and the Galaxy 12 movie theater, which are complemented by numerous smaller robust "inline" retailers, restaurants, and several hotels. Retailers on Highway 2 benefit from significant drive-by traffic – Highway 2 and SR 522 both see about 24,000 trips per day. In addition, the Highway 2 Corridor serves as a sub-regional retail center trade area for residents to the north, south, and east, since large-scale retail is limited.

This combination of regional draw, strong co-tenancy, and limited remaining commercial land positions Tjerne Place as a high-visibility, high-impact development opportunity.

In an effort to further stimulate development on the last remaining sector for commercial development within the North Kelsey area, the City has revisited its past development plans and has remade and re-envisioned Tjerne Place by modifying its land use regulations and revising the CC&R's on the site (currently in final stages of negotiations further defined in this package).

The City seeks a purchaser/developer that understands the City's objectives and wants to create a project that enhances the commercial district and contributes to the social, environmental and economic health of the community, setting the bar for new development in Monroe. The City is serious about finding a purchaser/developer to make Tjerne Place a reality and will welcome the developer willing to make this happen.



AERIAL PHOTOS





CITY VISION



CITY VISION | EVOLUTION OF TJERNE PLACE

Although the vision has changed over time, the City is open to evaluating proposals that would achieve key outcomes which include: public/pedestrian space as well as a mix of retail and/or dense multifamily.

UPDATED VISION

The City has repositioned Tjerne Place as a more cohesive, experience-driven mixed-use destination centered on a “Northwest basecamp” identity. The updated concept shifts toward:

- » A walkable, pedestrian-oriented environment organized around a central “festival street”
- » A curated mix of uses, including outdoor-focused retail, food and beverage, residential, office, and a lodge-style hotel
- » Activated public spaces designed for events, gathering, and year-round use
- » A stronger emphasis on placemaking, design, and identity, tied to Monroe’s role as a gateway to outdoor recreation



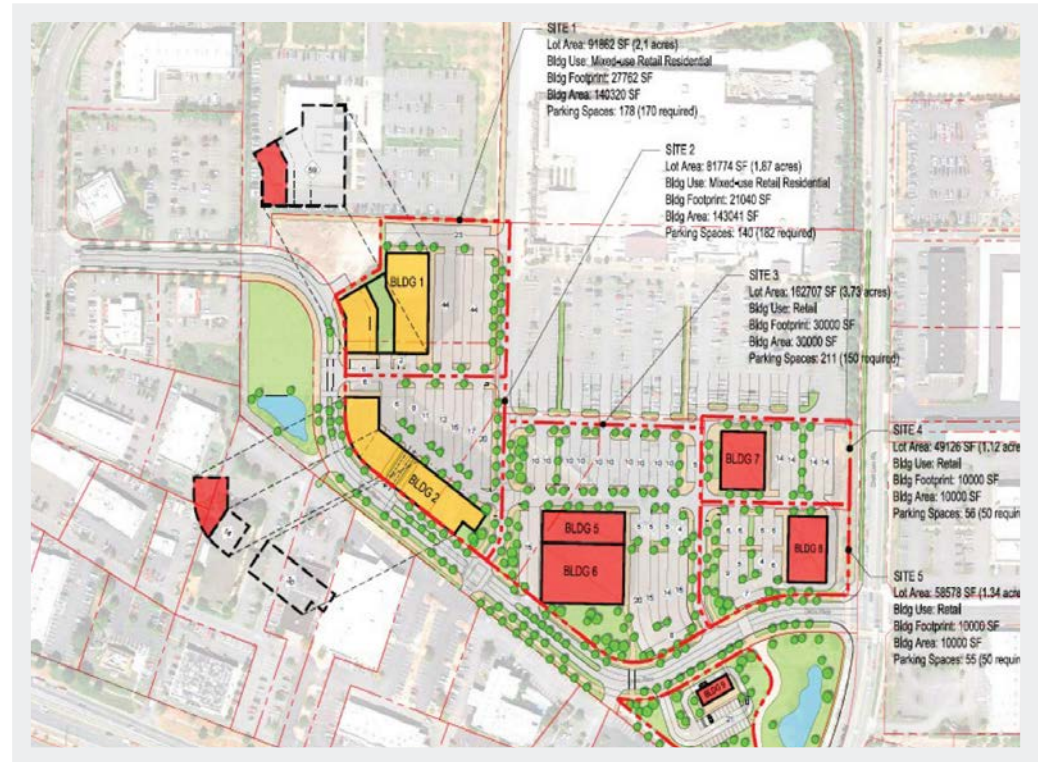
The program evolves into a more balanced vertical mixed-use environment, incorporating ~230 residential units, retail and service uses, office space, as well as a 90+ room hotel component. This updated vision reflects a more modern walkable, design-forward mixed-use destination that prioritizes experience, identity, and activation over conventional site planning.

CITY VISION | EVOLUTION OF TJERNE PLACE (CONTINUED)

ORIGINAL VISION

The original vision for Tjerne Place was a structured, master-planned mixed-use extension of the North Kelsey retail district, anchored by commercial uses with integrated residential components. As illustrated in the conceptual site plan, the program was heavily organized around:

- » Retail-driven pads and ground-floor activation, including ~54,000 SF of retail
- » Significant multifamily density, with approximately 196 units incorporated into multiple buildings
- » Conventional site planning, featuring internal drives, surface parking, and clearly defined building pads
- » Supporting commercial and office uses, though secondary to retail and residential



The layout reflects a horizontal mixed-use approach, with residential buildings separated from retail pads and supported by large, shared parking fields. Parking was a dominant component, with over 600 stalls planned across surface and structured formats. This reflects a traditional suburban mixed-use project, blending retail and multifamily within a master-planned, auto-oriented framework.



SITE CONDITION

Tjerne Place benefits from meaningful upfront infrastructure and site work completed by the City as part of the broader North Kelsey master plan, reducing early-stage development risk. This includes much of the offsites including some stormwater infrastructure in place, main utility in place with stubs to site, and Tjerne Place road work already completed. The sites are graded to require minimal sitework to construction. In short, there is beneficial work in place which should reduce both entitlement risk and upfront capital requirements for a developer.

STORMWATER



Stormwater infrastructure is in place to handle some of the development area in the existing Lot 8 & Lot 9. The City is prepared to work with potential developers to assist determining the existing and/or additional infrastructure needs based on the site development plan with remaining capacity for future development subject to final engineering review.

WATER



Water infrastructure borders the site area along Tjerne Place, with an 8" ductile iron pipe in the main line and 6" stub to the property. In addition, the 8" ductile iron main line loops to the north side of the site through a northwest oriented easement in the northern portion of Parcels 4 & 5. There are stubs for future construction in place.

SEWER



Sewer infrastructure following the water main line that loops to the north side of the site through a northwest oriented easement in the northern portion of Parcels 4 & 5. There are stubs for future construction in place.



ZONING REVIEW

NORTH KELSEY / TJERNE PLACE OVERLAY

The Tjerne Place site is governed by the General Commercial (GC) zoning with the North Kelsey/Tjerne Place Overlay (NK/TP-O), which is specifically structured to allow higher-density mixed-use development with significant flexibility in site planning.

KEY DEVELOPMENT PARAMETERS

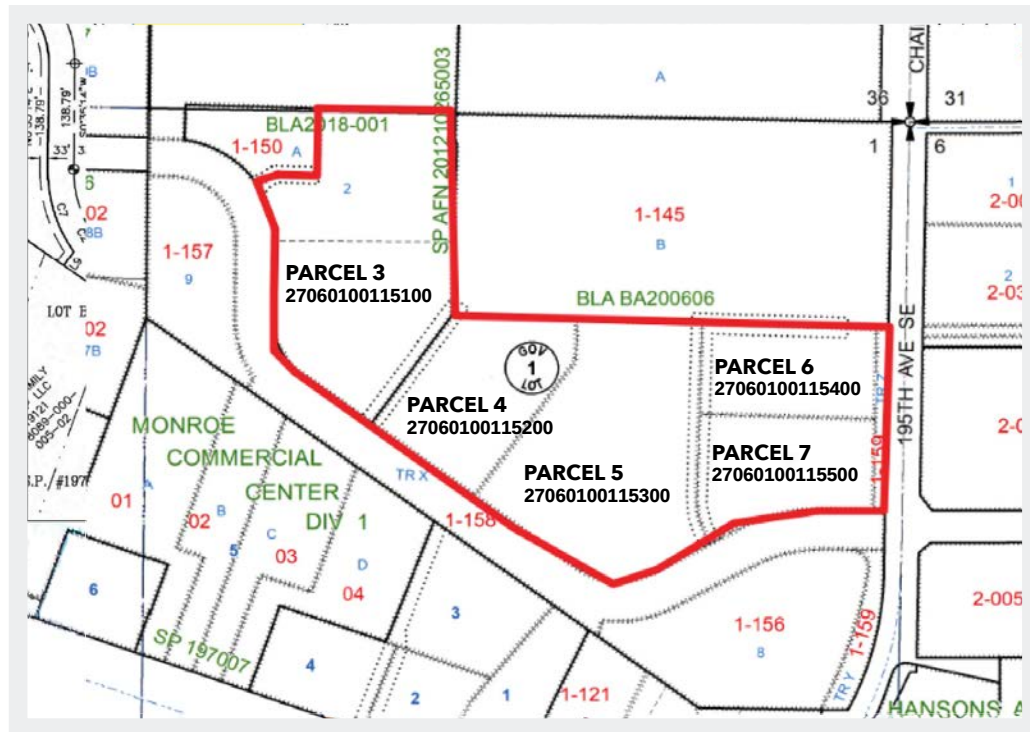
RESIDENTIAL DENSITY	Allows up to 26 dwelling units per acre, supporting meaningful multifamily integration within a commercial setting.
BUILDING HEIGHT	Up to 65 feet for residential uses Up to 45 feet for commercial uses
SETBACKS (HIGHLY FLEXIBLE)	0' front and side setbacks within the commercial district Minimal separation requirements (10')
LOT COVERAGE	Up to 100% lot coverage permitted
ACCESS AND FRONTAGE FLEXIBILITY	No strict street frontage requirement Access can be provided via easements or internal drives
COMPATIBILITY STANDARDS	Additional setbacks apply when adjacent to residential zones

The link to the zoning code can be found here: [North Kelsey/Tjerne Place Overlay District Municipal Code](#)

CC&Rs | PROPOSED AMENDMENT

Short Plat shows parcels 3-7, which total 10.1 Acres.

- » Parcel 3 is 3.25 acres
 - Easement road between
- » Parcels 4 & 5 are 4.47 acres
 - Easement road between
- » Parcels 6 & 7 are 2.38 acres



Parcel 3 is not impacted by the CC&R's, however:

Parcel 4-7 are currently encumbered with the following restrictions:

"Use shall be limited to retail stores and will have not office, restaurant, or similar parking intensive uses."

SUMMARY OF UNFINALIZED COVENANT AMENDMENT (CITY OF MONROE - LOWE'S)

The City has been in advanced discussions with Lowe's by circulating a draft Amendment to the Declaration of Covenants, formalizing prior deal points and incorporating Lowe's input into a working legal framework. The draft reflects general alignment on key items, with limited items requiring additional Lowe's input. This has been a long process that is very close to being finalized, giving a developer the opportunity to ensure that final version is acceptable prior to closing.

Ongoing coordination between the City and Lowe's legal teams to finalize amendment language is underway. This will allow a clear path for development as well as defined, but non-controlling, input rights for Lowe's. The following table shows what is allowed today versus what would be allowed if the amendment is approved.

USE CATEGORY	CITY ZONING (NK/TP-O)		EXISTING CC&RS (POST-SHORT PLAT)	PROPOSED CC&R AMENDMENT (2026)	
COMMERCIAL (OFFICES, SERVICES, ENTERTAINMENT)	✓	Permitted (P) – broad commercial/ services allowed	⚠ X Allowed on Parcels 2-3 (no restriction) Prohibited on Parcels 4-7 (retail-only limitation carries forward)	✓	Allowed on all parcels (restriction removed)
RETAIL (GENERAL RETAIL)	✓	Permitted (P)	✓ Allowed on all parcels (primary permitted use in restricted areas)	✓	Allowed
RETAIL - HOME IMPROVEMENT / BUILDING MATERIALS	✓	Permitted (P)	X Prohibited on all parcels (Lowe's protection applies regardless of parcel shift)	X	Still prohibited (expanded/clarified)
RESTAURANT / FOOD & BEVERAGE	✓	Permitted (P)	⚠ X Allowed on Parcels 2-3 Prohibited on Parcels 4-7 ("no restaurant or similar parking-intensive uses")	✓	Allowed on all parcels
RESIDENTIAL (HOUSING)	✓	Permitted (P)	⚠ X Allowed on Parcels 2-3 (no CCR restriction) Not allowed on Parcels 4-7 (retail-only limitation)	✓	Allowed / encouraged (market-rate housing supported)
MIXED-USE DEVELOPMENT	✓	Permitted (P)	⚠ X Allowed on Parcels 2-3 Not allowed on Parcels 4-7	✓	Allowed
PARKING-INTENSIVE USES (GENERAL)	✓	Permitted (P)	⚠ X Allowed on Parcels 2-3 Not allowed on Parcels 4-7	✓	Allowed (subject to zoning)
OUTDOOR STORAGE	⚠	Accessory only (A)	- Limited / tied primarily to Lowe's operations	-	No change (acknowledged for Lowe's)



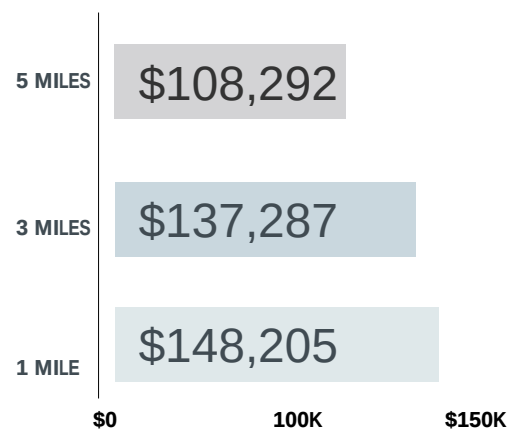
LOCATION

Monroe, Washington is a growing city in Snohomish County, located about 30 miles northeast of Seattle where the Skykomish, Snohomish, and Snoqualmie River valleys meet. Surrounded by foothills and farmland, Monroe offers a blend of small-town charm, outdoor recreation, and access to the greater Seattle area. Its location along Highway 2 also makes it a gateway to the Cascade Mountains and popular destinations like Stevens Pass.

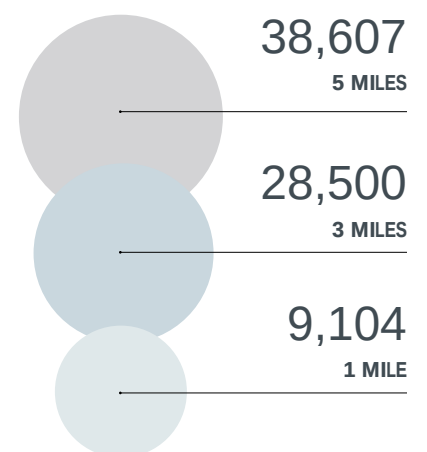
Today, Monroe features a mix of residential neighborhoods, local businesses, parks, and schools. Outdoor enthusiasts enjoy nearby hiking, fishing, camping, and river activities, while residents appreciate Monroe's balance of natural beauty, community atmosphere, and access to jobs in nearby metropolitan areas.

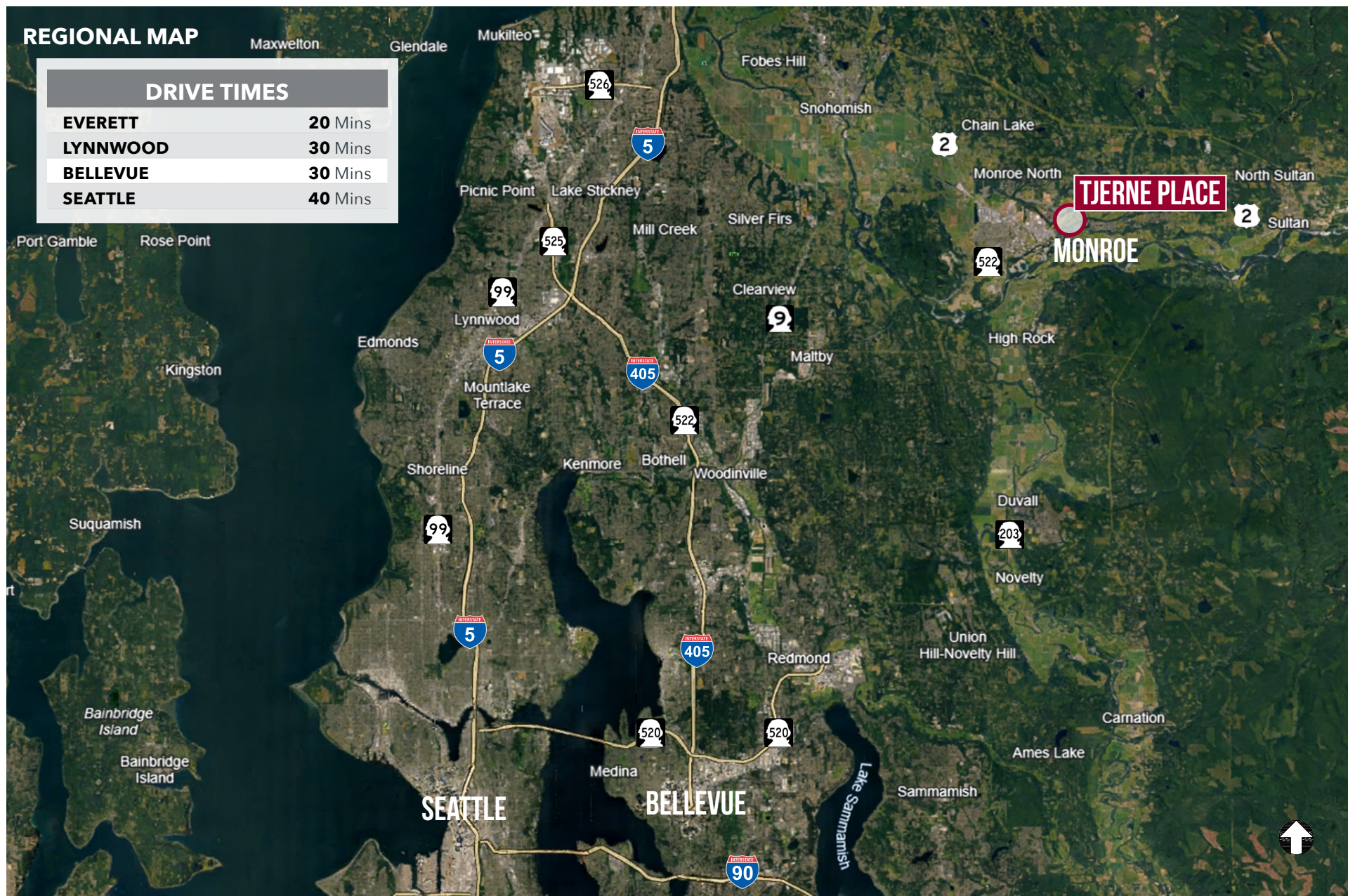


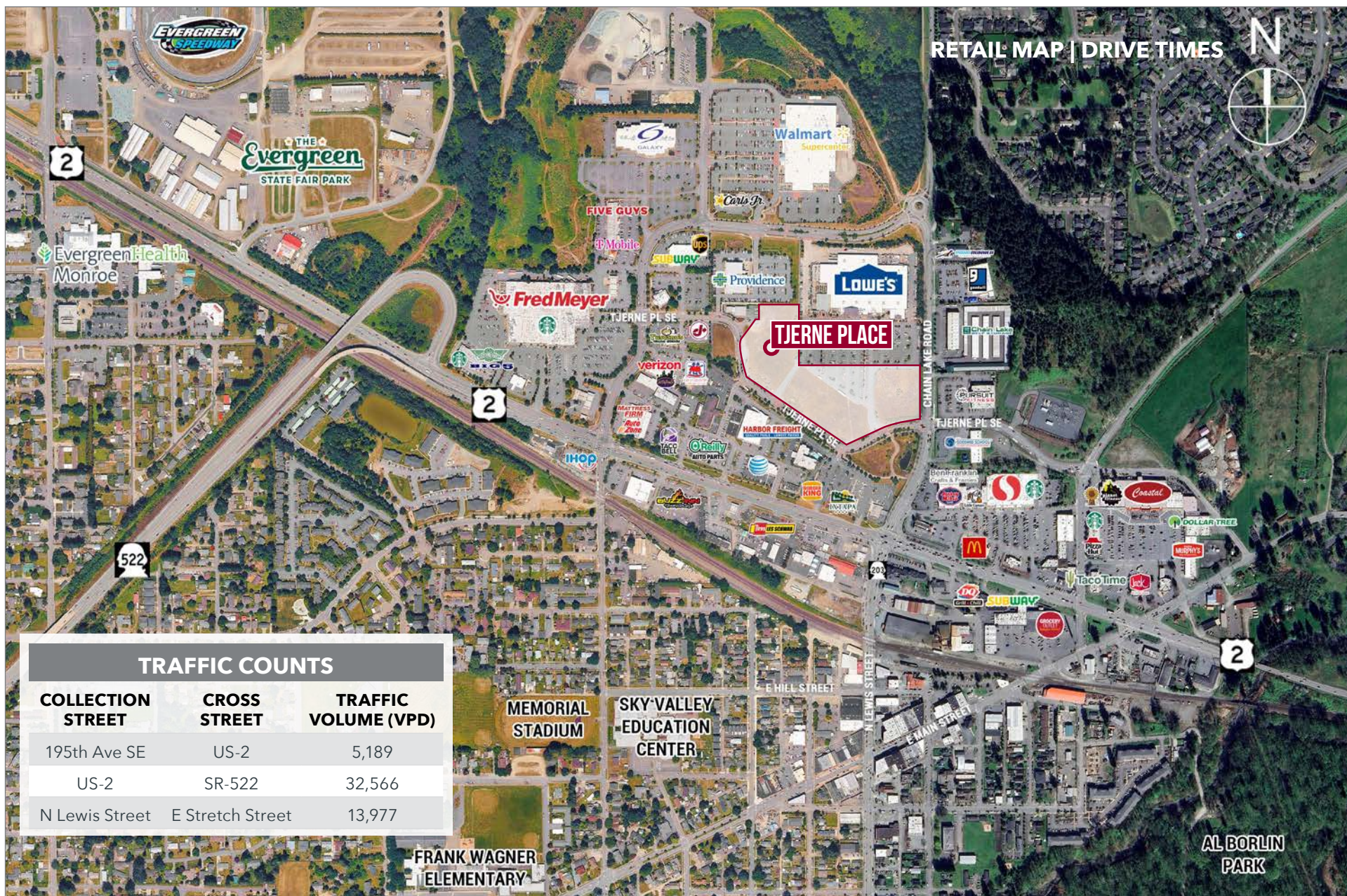
AVERAGE HOUSEHOLD INCOME



POPULATION 2025







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