

STEERING COMMITTEE MEETING #3 – DECEMBER 16, 2009

Meeting Summary

ATTENDEES

Steering Committee Members

Dave Brunner, McCoy's Firehouse
Tina Bueche, Syanpse206
Lisa Dixon, Pioneer Square Community Association
Kate Joncas, Downtown Seattle Association
Scott Matthews, Vulcan Real Estate
Susan Ranf, Seattle Mariners
Laine Ross, Resident
Leslie Smith, Pioneer Square Community Association
Annie Strain, Resident

Other Attendees

Knute Berger, Crosscut
Kevin Daniels, Nitze-Stagen
Adam Hasson, Samis Land Company
Jen Kelly, The New Pioneer Square blog
Susan McLain, Seattle Department of Planning and Development

Genna Nashem, Department of Neighborhoods,
Pioneer Square Preservation Board

Darryl Smith, Deputy Mayor
David Yeaworth, Legislative Aide to Sally Clark

City Staffing Team

Steve Johnson, Office of Economic Development
Nancy Yamamoto, Office of Economic Development
Steve Brown, Seattle Police Department, West Precinct

Gary Johnson, Seattle Department of Planning and Development

Sara Wysocki, Seattle Department of Neighborhoods

Consultants

Bonnie Berk, BERK & ASSOCIATES
Allegra Calder, BERK & ASSOCIATES
Donovan Rypkema, PlaceEconomics

WELCOME, INTRODUCTIONS AND COMMENTS FROM DARRYL SMITH

Steve Johnson welcomed the group and introduced the new Deputy Mayor Darryl Smith. Deputy Mayor Smith then gave a brief overview of his background. He noted that:

- Resident of Columbia City – one of the few designated historic districts on the West Coast.
- In private practice as a residential realtor for the past 14 years.
- Began working on a similar though smaller scale effort in Columbia City – focused on how to bring life back to a moribund business district. Initially the area had gunshots, crack deals and boarded up storefronts, with only a handful of interested business owners and residents. We started the Columbia City Beat Walk and some other initiatives, which have been a great success, and helped really turn around the district.
- I also spent a few years on the City's Planning Commission, as a Board Member of Allied Arts, on the Rainier Chamber of Commerce, and I served as Chair of Great City, bringing people together to talk about how to best grow the city.

Darryl also noted that Eric Pettigrew, Representative from the 37th District, is very interested in this project and said that there will be a lot of support from the City, the new Mayor, and others. The new administration wants to listen to business groups and neighborhood residents, and will work on a variety of programs to improve the City.

PRESENTATION BY DONOVAN RYPKEMA

Donovan began by stating he loves this assignment, he thanked everyone for being so candid with him, and promised to do the same. He spoke from a PowerPoint presentation, which is available as a companion document to this meeting summary. In addition to the PowerPoint, there were a few key points not fully explained in the presentation:

- The purpose of commercial district revitalization is to increase value. From his perspective, there are four forces of value: social, political, economic and physical. This is a framework within which he will be presenting his findings and recommendations for Pioneer Square.
- The City has provided Business & Occupation (B & O) data for Pioneer Square to him. (These data are gross business receipts.) The data show that retail and food and beverage only contribute 12% of gross business receipts in the district. That is, 88% of the district's economy is coming from other sectors, primarily office uses. The creative class is well represented here in offices and small businesses.
- Based on the City's B & O data, Pioneer Square is a \$1 billion business district (annual revenues received by businesses.)
- So it's a complex business district, and needs to be managed as such. The business association can't be narrowly focused.
- You also need property owners, institutions, City, residents, social service organizations to be actively participating. They will engage and participate if the community is ready for it.
- Parking is often an excuse for business district problems, and therefore I don't usually dwell on it. But we do need to accommodate automobiles.
- However, Pioneer Square should be a national model for a mixed use neighborhood that is not auto dependent. That opportunity exists here.

DISCUSSION AND QUESTIONS

The following is a summary of the discussion and response to Donovan's presentation. Specific questions to Donovan are in italics and responses and comments are bulleted.

Can you talk more about the political piece and capacity?

- I'm a strong believer in the voice of residents and neighbors, but this should not be a homeowners association type of situation. It is a commercial district. What has been done organizationally in Pioneer Square is inadequate –the focus is too narrow and the resources have not been there. In order to get support, the organization (in whatever form it takes) need to be more businesslike.

You mentioned the Square organization should have an economic development focus – my perception is that initially it was too broadly focused.

- I think that there are elements that affect economic viability that are not economic – marketing is not the whole piece, festivals are not the whole thing. You need a comprehensive focus, but the relative priority of the various components will change over time.

It seems to me that the data is offset by the perception. Would it help to change our name? Move away from "Pioneer Square" and maybe call it Old Seattle?

- I don't think it's about the name, it's about changing the perception. This is a huge business – there is an active economy at work in Pioneer Square and some people are prospering.
- You need to get the message out about who is here. It's a billion dollar industry.
- Also in terms of the actual numbers, there was less vacancy than I anticipated. The vacancy rates in Pioneer Square are better than elsewhere in the country.

I'd love to hear your ideas about mitigating "demolition by neglect" – across all districts that is a big problem.

- I can't speak specifically to Seattle's ordinances. Deferred maintenance accelerates costs at the end. Water, vandalism and extreme changes of temperatures are the big enemies.
- Some cities are much more aggressive than I think Seattle is. For example, they send two notices to property owners, then they step in and fix the problem, and put a lien on the property. The approach is to be polite with the first two notices, but then to become aggressive. In many cases these are self induced hardships.
- Internationally, there are better models. For example, Belgium has a national government appropriation to do regular inspections. However, we probably don't have the money or commitment to do things at that level here, in the United States.

Building codes are not friendly to the pure math of adaptive use, the economics of it. There are significant costs associated with making energy, seismic, and safety upgrades to very old buildings. So if you want to provide market rate housing, for example, you will need incentives/tools to make it work for developers. Rents are low to begin with, it takes time.

Looking at New Jersey's codes was mentioned in your 2002 assessment of Pioneer Square. What happened, were those recommendations acted upon?

- My suspicion is that nothing happened. There is no evidence that changes in codes were looked at.

After the earthquake we had access to low cost funds to upgrade damaged buildings. Are there any programs available now to provide capital improvements?

- Colorado has a state fund, funded by gaming revenues. Delaware has a state tax credit for historic preservation. Missouri has the best program -- a state tax credit that can be stacked with a federal tax credit. In Missouri, tax credits are also saleable. I'm not a believer in instant solutions but in one decade this program has really turned St Louis around. It's an amazing success story; they were really in a deep hole.

In your comments about a situation where people have "rights but not responsibilities", can you please elaborate? What did you mean?

- One thing I have learned is that it is a mistake to lump social service entities together because there is a wide variation in impact and responsibility. That is certainly true here in Pioneer Square.
- What some of the social services providers and the night club owners have in common is that they both feel that their responsibility for their clients ends when they walk out the door.
- Here's an example: if I were selling pornographic tapes on the sidewalk I'd be arrested, yet every night public space is stolen by 40 people sleeping on the streets (near the Masin's Furniture shop). Yes, there is a shortage of beds and homelessness is a real problem, but this is not the solution. It's a civility issue.

The “big guys and institutions” you mentioned as being interested in participating in improving Pioneer Square– who are they?

- The City of Seattle, sports teams, some of the big developers in town, the Downtown Seattle Association – they would provide resources if they felt something positive was going to happen.
- On Capitol Hill, the Chamber of Commerce had previously collapsed, and the City stepped in and helped facilitate a way to reconstitute it. In Pioneer Square I don’t think we will have finalized the organization and its elements – but we can identify the steps. Form follows function. Just as a point of reference, the Plan for Capitol Hill led to what is now a 200-member Chamber and \$500,000 in City investments.

How should we convey this to new City Council members?

- It will be best to engage people with the assessment and be able to say “here’s what you need to do.” You need a specific, actionable Plan.
- The timing of this is fortunate because the Livable South Downtown plan will be coming to the City Council in March. Historic Preservation is also a priority this year for the Land Use Commission.
- The Council will appreciate a summary of potential programs, incentives and tools that can be used to improve the Square.

I know that you have been to 2,500 cities, and there are great stories of out-of-the box thinking. What have you seen that was amazing, that worked well or that simply wowed you?

- The places that wowed me are those that didn’t look elsewhere for answers. They looked within and came up with their own answers.
- Leadership at the local level is a key factor, and that leadership can come from many places.
- The key is to ask “what is our problem and what could we invent to solve this?”

Heritage tourism is one we hear about – it’s a huge market and it’s a growing market.

- There is work that has been done that demonstrates that heritage tourists stay longer, visit more places, and spend more money than other types of tourists.

What did Columbia City do to turn itself around? And what should Pioneer Square do to achieve similar success?

- For the City’s Broadway project we brought in Rob Moen (a local property owner) to discuss what Columbia City businesses did together. It was a group of property owners who decided to turn the neighborhood around; they organized themselves, made t-shirts, picked up trash, and organized a neighborhood watch. They also banded together and identified missing or needed businesses, those that would be complementary and would bring vitality into the district. Then they took action, for example, recruiting a movie theater to the street. They organized and worked together, and have had tremendous success.
- One of the things they did was an art project that put art into the windows of vacant spaces.
- The other thing they had in their favor was affordable, residential properties.
- The historic character of the neighborhood allowed that to happen.
- We have made plans, but the problem is that we go to the next thing. We’ve done safety walks and worked with social services but we never really get momentum.

- We do have a plan but perhaps it's not as dynamic as Columbia City's. We have many elements that go forward, but maybe without the host umbrella we don't get as much traction – we are not well managed or integrated.
- There is an opportunity to communicate better as a neighborhood business group.
- A neighborhood plan is not a business plan or an economic development strategy. You can reference the neighborhood plan, but what's really needed is an implementation plan that outlines short-term, medium-term and long-term goals, and discusses the organizational capabilities to carry it out. A plan like that is essential for success in Pioneer Square.
- We've heard that retail and food beverage accounts for only 12% of the volume of sales. So maybe Columbia City may not be a fair comparison to Pioneer Square.
- We should work with office tenants to understand who they are and to better connect them to retail uses.

The Pike Place Market had a lot of outreach to residents and offices – could Pioneer Square as a community do a better job of reaching out to office users and residents?

- Right after Donovan's 2002 visit the BIA championed a "living local economy" and tried to create a hub, but we get back to sustainability with organizations of our size. Organizational turnover happens and we lose momentum.

People are flat out exhausted - can we use technology to aid this effort?

- Despite this being a technology hub, the retail businesses have not been that technologically savvy. I think there is now a great nexus happening, and some opportunities to better use technology.

CONCLUSION: ROUNDTABLE COMMENTS

The group was asked for final thoughts or comments, either on today's discussion or the process. Comments were as follows:

- I continue to be hopeful with the process and the conversations. Thanks to Donovan for three very full days. There is an enormous amount to process.
- The path this group is on is very much in alignment with conversations I have been having about PSCA since I arrived. We can't pretend that rubbing together two pennies will solve the problems of the neighborhood.
- There are a lot of great volunteers in the neighborhood that are really burned out.
- Donovan did a great job and I appreciate the candor. A few things strike me – do you really understand how the rest of the city views Pioneer Square and who your customer is? You need to define the market. Do you have good unbiased information about what the metrics are and what you want to measure? Get it from someone other than yourselves.
- I've heard Donovan speak for the past 20 years and I always learn something new. I am energized by the discussion today; I have lots of ideas and see a path forward.
- I appreciate your focus on the tremendous value of the architecture.
- Thank you for empowering us – there is a lot to be said for recognizing the positives.
- I had the privilege of walking around with Donovan the last few days and it was a process of discovery – so many cool things, I was amazed at the level of sophistication and savvy. Talking to so many people with so many great ideas is really exciting.

- This presentation was very valuable. There are some great opportunities and ideas at the table and we definitely need the City's support because a lot of the previous attempts at solutions have been from the ground up. The ground floor business owner is myopic – but you are exhausted from trying to rally interested parties. Gallery Walk is a sustainable great example. It's a huge expense to get this marketing campaign in to gear but up to now we've been trying to do this with a budget of what feels like only \$1.
- I'm optimistic. The set of circumstances that has brought us together is an opportunity, galvanizing. I appreciate that you helped us underscore the assets and also the real challenges – rights and responsibilities etc. I appreciate you calling that out. If we could figure that out it would pay dividends.
- Let's not forget that Pioneer Square has accomplished a number of firsts: the BIA, community clean evolved into CleanScapes etc. There is a lot that we can do.
- Thanks for a thoughtful presentation. And thanks also to those around the table who have done this before as well as the new folks. I'm hopeful that this time we have the catalyst and the energy. I think now is the time with a new administration and I think we will get the attention we need.
- There were two things I really appreciated. First, the concept that we have TOD (transit oriented development) right here. Second, a few years back there was a small video done about the Square that showed the waking up of the Square. That's where we are again – take care of your sidewalk, take care of your neighbor's sidewalk if they are not doing it.
- Thank you – this was a great consult. Dealing with the social services is tough – they are very siloed. Having a place for people to go during the day is a big issue. We don't necessarily need more cops – we need a strategy.
- This afternoon a Pioneer Square Game Association is being formed. We should have some traction soon, and this is a great opportunity.
- It's great to have the focus on assets – it's not to ignore the issues but you can't only focus there. One thing I didn't hear talked about was the infrastructure – lights, alleys etc. I am working on these issues now in the Square.
- It's interesting how much we define ourselves by our retail environment, and yet economically the upper floors have more going on. We learned that today, even more so. We need to get that message out. Most landlords are on the same page – that's why we don't have a mini mart on Occidental, for example.
- Samis has rented all of their 34 retail spaces out. That's an accomplishment and a positive for the Square.
- There are lots of great ideas and insights here today. Pioneer Square is a billion dollar business that needs to be managed as one, but it's not only about the money.
- I've heard Donovan speak a number of times but never about my community. I need to go and reflect.
- I want to tell the Square that we failed to realize what we have done well – Phase 1 of the South Livable Downtown is a huge success and a tool to move forward. These tools are important and took a lot of work to get there, but we are now ready to go on the housing side. It was a very rewarding process even though there were contentious issues.
- I'm really new to the neighborhood but we fell in love with it and the reality does not match what some people say about it.

- The Gallery Walk event brings people to other businesses and they make sales that night – that’s amazing.
- The timing thing is right from a new administration perspective. Also, the timing is right now because the economic downturn gives you the time to set out the framework and implement it. That will help businesses to take advantage of the upturn, when the market returns.

NEXT STEPS AND NEXT MEETINGS

Donovan’s PowerPoint will be sent out along with an Executive Summary that he will develop.

We will resume discussions in the New Year and develop a summary and presentation of our recommendations by the end of the first quarter. The strategies and recommendations will be the key component. The City will have facilitated a set of actions and hopefully the Committee will act as the ambassadors to say “here is what we are committed to and here’s what we need the City to do.”

Information about the next meeting will be sent by email.