



Pioneer Square: Perceptions, Realities, Strategies

Donovan Rypkema
PlaceEconomics
December 16, 2009

Images of Pioneer Square

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credit crunch pinches small firms

Low rates
don't mean
easy credit

By JEANNE LANG JONES
STAFF WRITER

With a hot idea for a new floating boat lift, Sunstream Corp. CEO Ken Hey recently applied for a bank loan to keep his company going while the product was under development.

Hey expected little trouble obtaining funding — cheap money meant easy credit, he thought. One of the state's fastest-growing companies, Kent-based Sunstream had a good relationship with a national bank and a prior track record of profitability. So

Hey was shocked when his application was rejected first by his bank, then by a number of competing banks.

Sunstream is hardly alone. Despite historically low interest rates, more

See CREDIT, Page 43

Problem is....



La Belle Dame Sans Merci
San Francisco, 1968

December 2002

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 [F]	2 [F]	3 [F]	4 [F]	5 [F]	6 [F]	7 [F]
8 [F]	9 [F]	10 [F]	11 [F]	12 [F]	13 [F]	14 [F]
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*All are
images from
December
2002*

Priorities 2002

- More residential development
- Understand the current situation beyond the anecdote
- Internal education
- Steady, consistent, positive message to change public perceptions
- Identification of 3 *Structural* challenges to overcome
- Quantification of structural challenges

Recommendations 2002

- Quit whining
- Make enforcement levels equivalent to regulatory levels
- Systematically measure patterns of change
 - 10 year business mix changes
 - 10 year revenue curves (BIA proceeds)
 - History of value changes
 - History of investment patterns

Recommendations 2002

- Real estate community identify specific incentives that would aid in creating more residential space in historic buildings
- City respond appropriately
- Identification of 3-4 primary customer groups and quantify demand
- City investigate New Jersey rehabilitation building code
- Real estate community reconsider use of Federal Rehabilitation Tax Credits

Recommendations 2002

- PSCA communicate to Pioneer Square stakeholders the “real deal”
- Real estate community revisit upper floor residential opportunities
- Preservation Board delegate to staff minor issue approval authority
- Consider “clustering plan” within Pioneer Square based on products/services/customer bases
- Limit incentives to consistency with clustering plan
- Create specific tasks (finite in time and measureable in completion) for volunteers

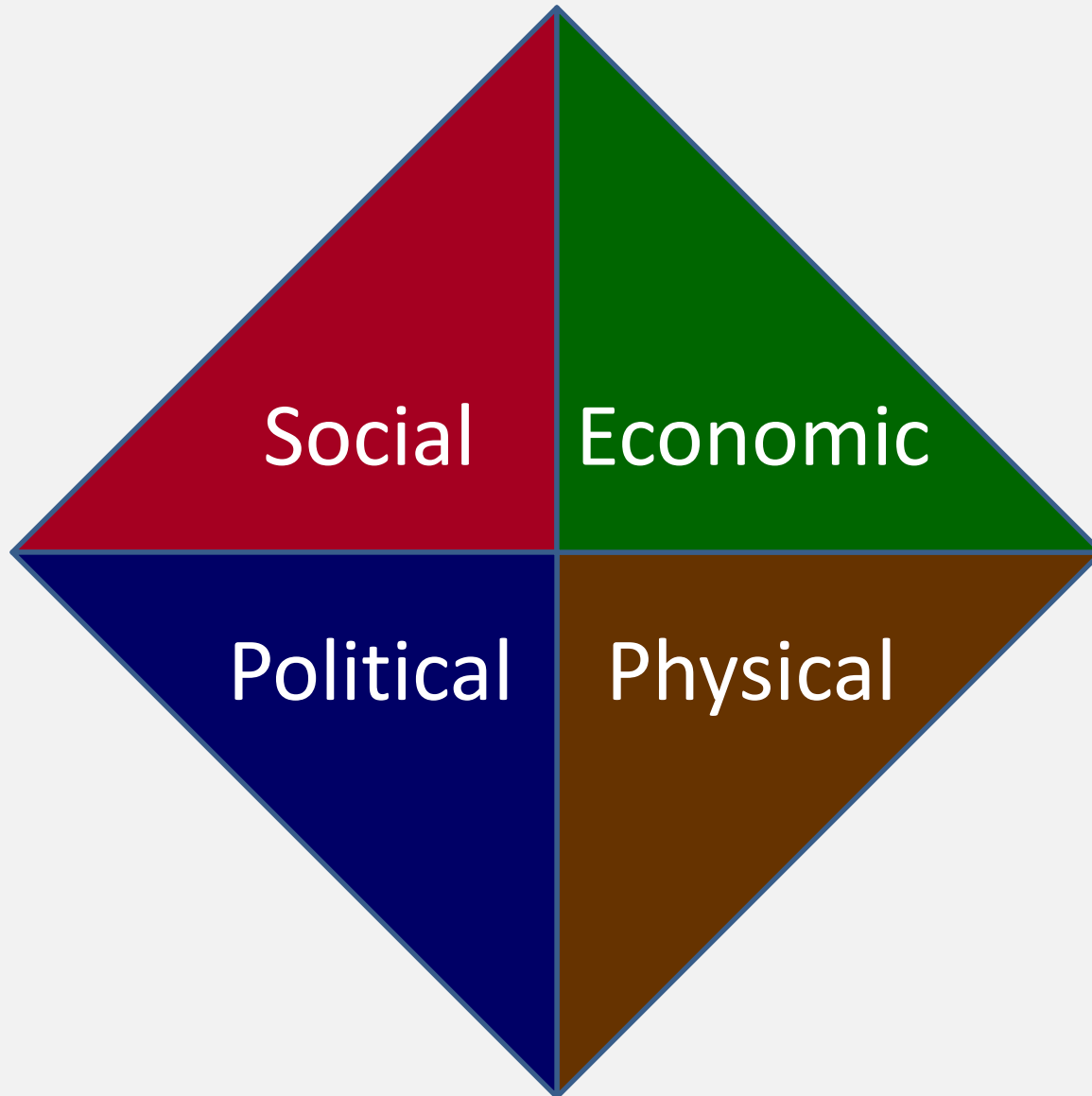
December 2009 Report

- Priorities
 - (see 2002 report)
- Recommendations
 - (see 2002 report)

The purpose of commercial district revitalization is to *increase value*

- Value to business owners
- Value to building owners
- Value to residents
- Value to the city as revenue source
- Value to customers
- Value to citizens at large

Forces of Value



Observations/Realities

Consensus is desirable and possible;
unanimity of opinion is not

Social service providers were in Pioneer Square before any existing businesses, and are going to remain there

Police have a very nuanced and individualized understanding of the character of the neighborhood.

“Problems” include criminal activity, but greatest adverse impact are on quality of life, sense of security, and visitor impression

Cannot rely on police to “solve” problems that are not primarily legal issues. Park Concierge program is excellent

Challenges

Difficult to change Seattle-wide perception of Pioneer Square when current stakeholders are excessively negative

Until there is somewhere to go, people on the street will be on the street

Overcoming the “it’s their right” mentality to addressing public incivility issues

Finding and maintaining balance between “edgy” urban district and livability



Social

Observations/Realities

Very high quality retail merchants

North Lot development will take place when market allows and will have a positive impact on Pioneer Square

Many existing problems are due to factors far beyond Pioneer Square (or any ability locally to do anything about them)

Domination by local, independent businesses VERY important for both neighborhood character AND local economy

Challenges

Incorporating non-retail businesses into decision processes

Difficulty in thinking long term when the short term environment is extremely difficult

Sorting out which problems are cyclical and beyond local control and which are structural

Maintaining predominance of local businesses in good times

Establishing mutual interdependence between landlord and tenant rather than adversaries – rent levels are nexus of joint interest

Economic

**NEED TO LOOK AT
THE DATA**

Observations/Realities

Organization not structured, staffed or funded to address issues comprehensively

Real, lasting, positive change will require comprehensive approach

“Big guys” and institutions willing to substantially increase support for and assistance to Pioneer Square efforts, but only if addressed on a comprehensive basis

Sense that the City has not been as strong a supporter of Pioneer Square as is appropriate

Sense that what Leslie has been doing is moving in the right direction

Challenges

Building organizational credibility (new or existing organization) where there is currently little

Overcoming “rights but not responsibilities” attitude among numerous constituencies

Becoming political priority in challenging economic times

Changing long time pattern of settling for diminimus responses because of thinking consensus means unanimous agreement

Political

Physical

Observations/Realities

Extraordinary collection of historic buildings; among the finest historic commercial districts in America

“Transit Oriented Development” “Walkable Communities” “Mixed Use Neighborhoods” don’t have to be invented in Seattle....that is exactly what Pioneer Square is

Density can be increased but should not be done in a manner that diminishes the unique character of the neighborhood

“Property rights” should not extend to diminishing the value of neighboring properties through lack of maintenance, intentional vacancy, demolition by neglect

Challenges

Needed investment in times of economic chaos

Getting other decision makers (DOT, public transportation, parks, health care, etc. etc.) to have the context and nature of Pioneer Square as priority in planning of their projects

Zoning and land use policies that encourage denser, appropriate development without diminishing character of existing neighborhood

Equitably distributing costs and responsibilities for maintenance of public spaces

Physical

Political

Simultaneously held and mutually
exclusive opinions

Argument by anecdote rather than evidence

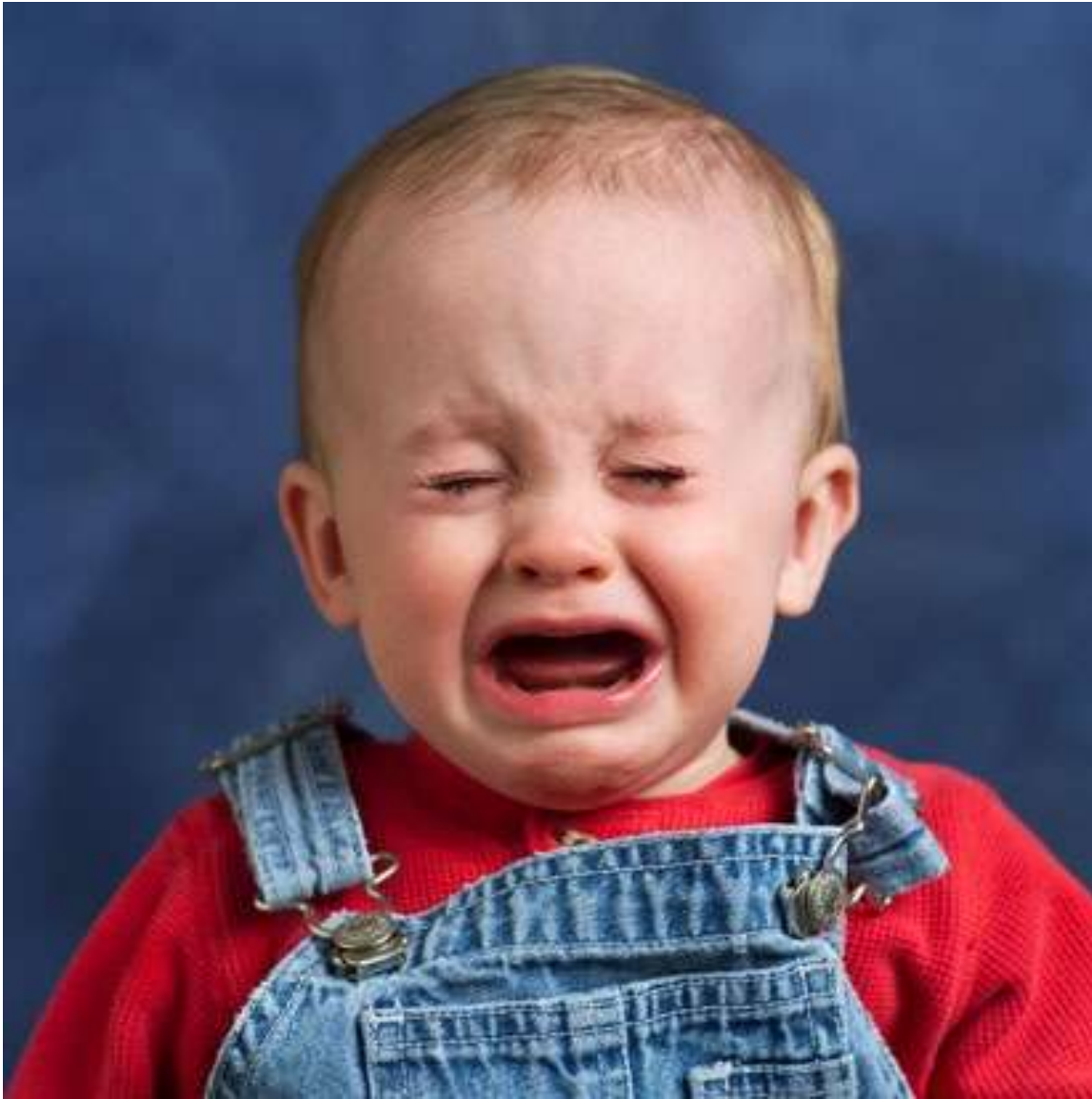
Viewpoint myopia

Zero sum game mentality

FAR less appreciation of the character and uniqueness of
Pioneer Square than is warranted.

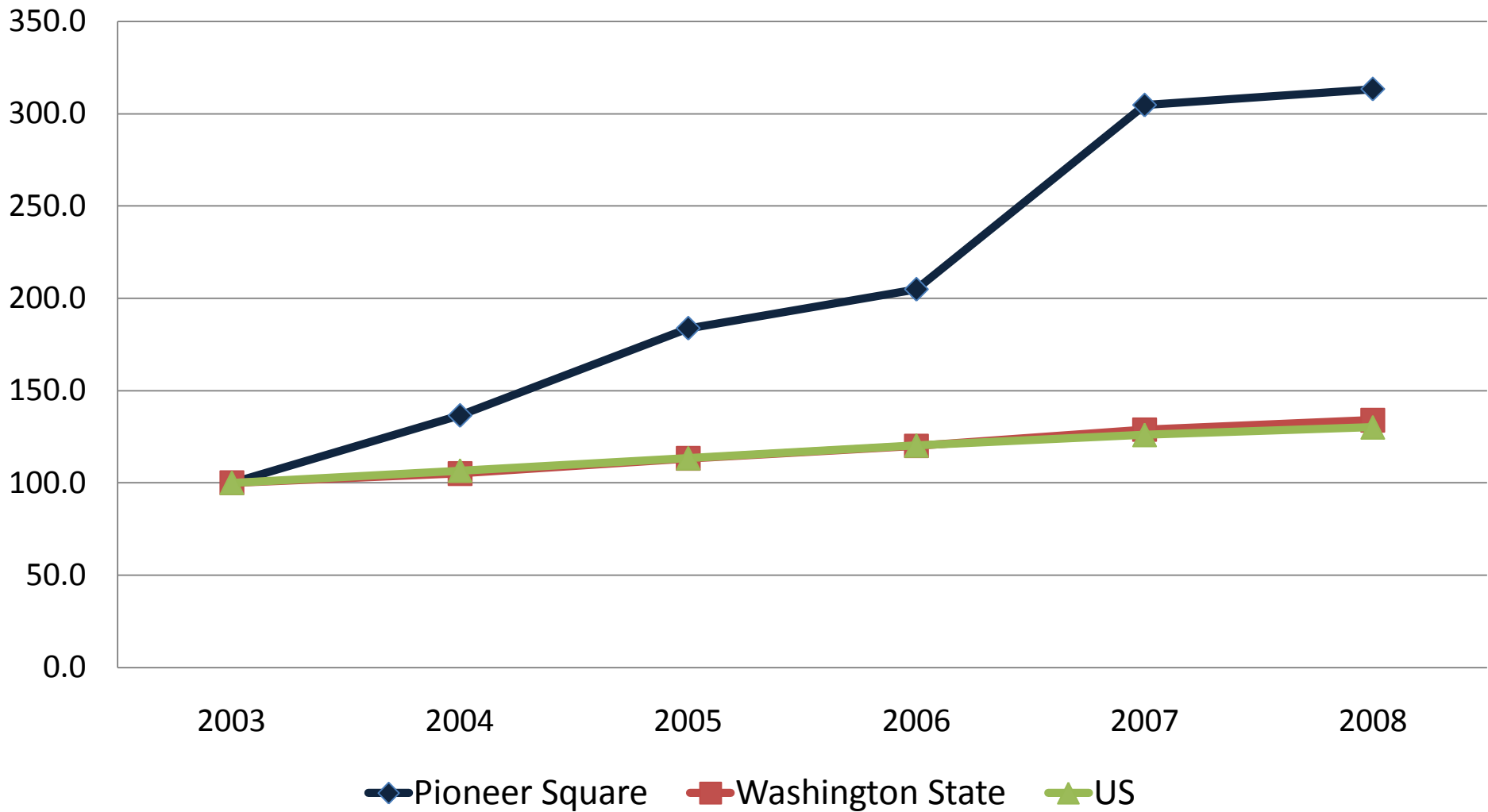
Economic

Social



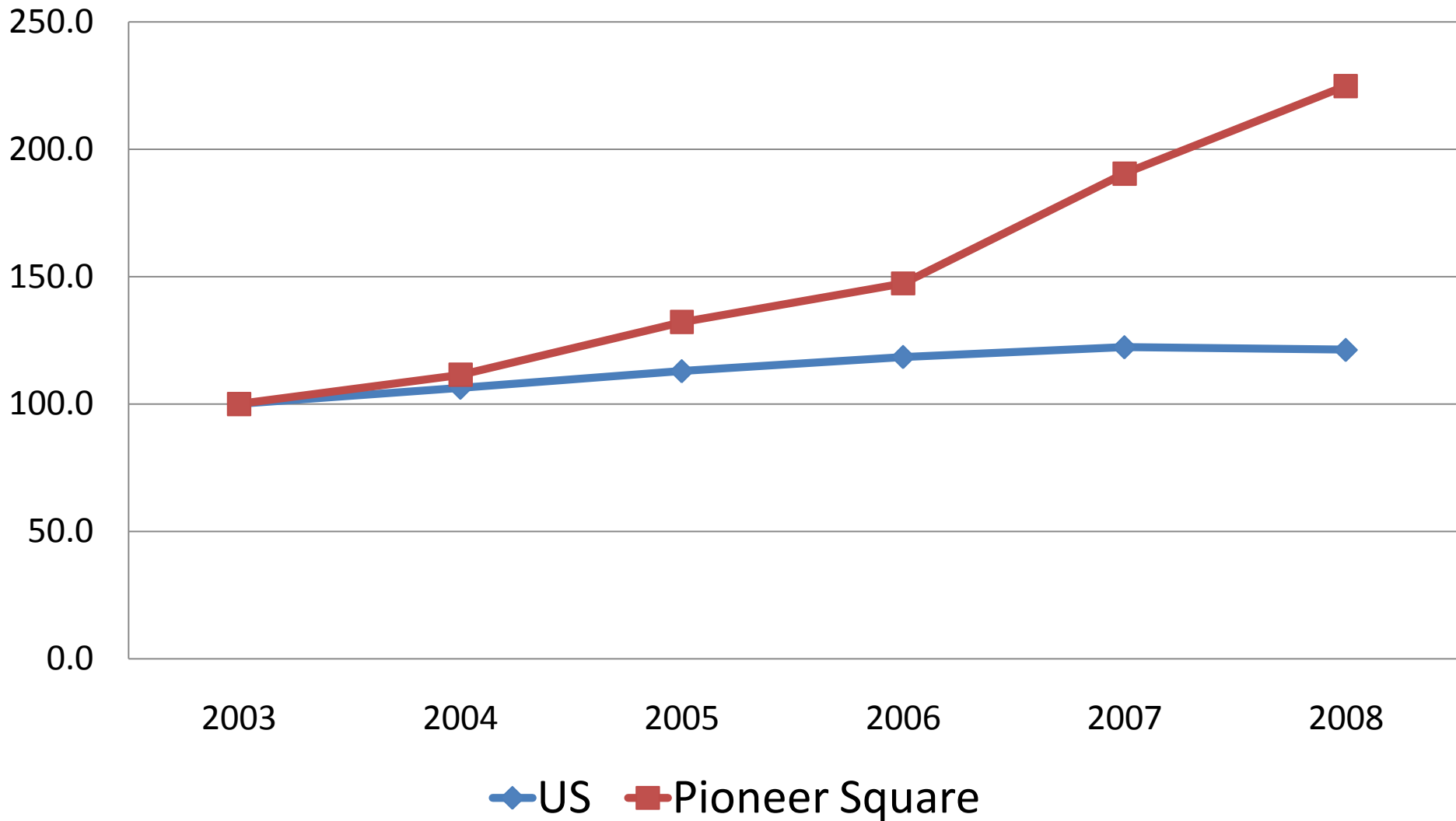
Open your
eyes and
look at
what's
happening

US GDP, Washington GSP, Pioneer Square Gross Receipts 2003 = 100



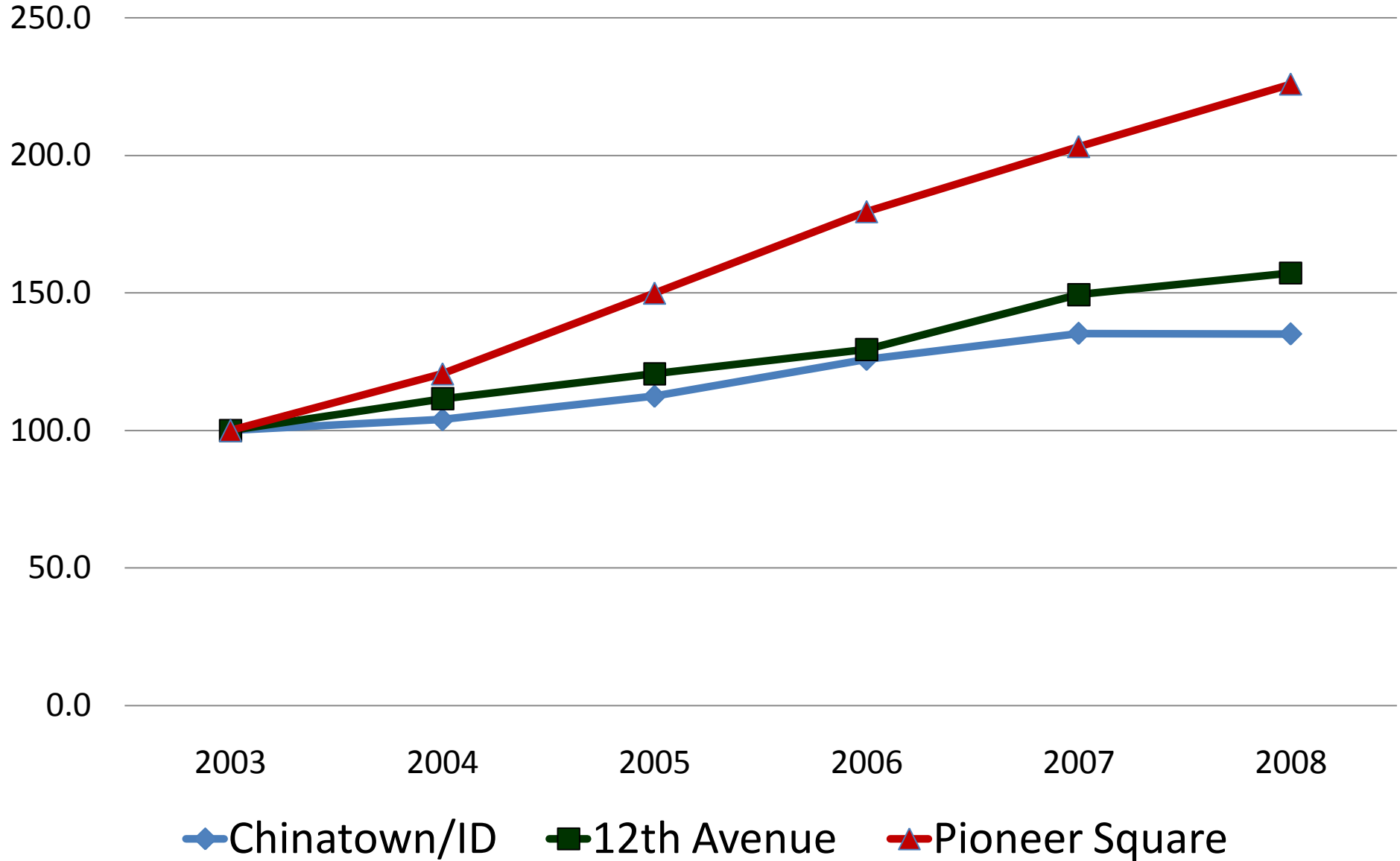
Retail Sales - US and Pioneer Square

2003 = 100

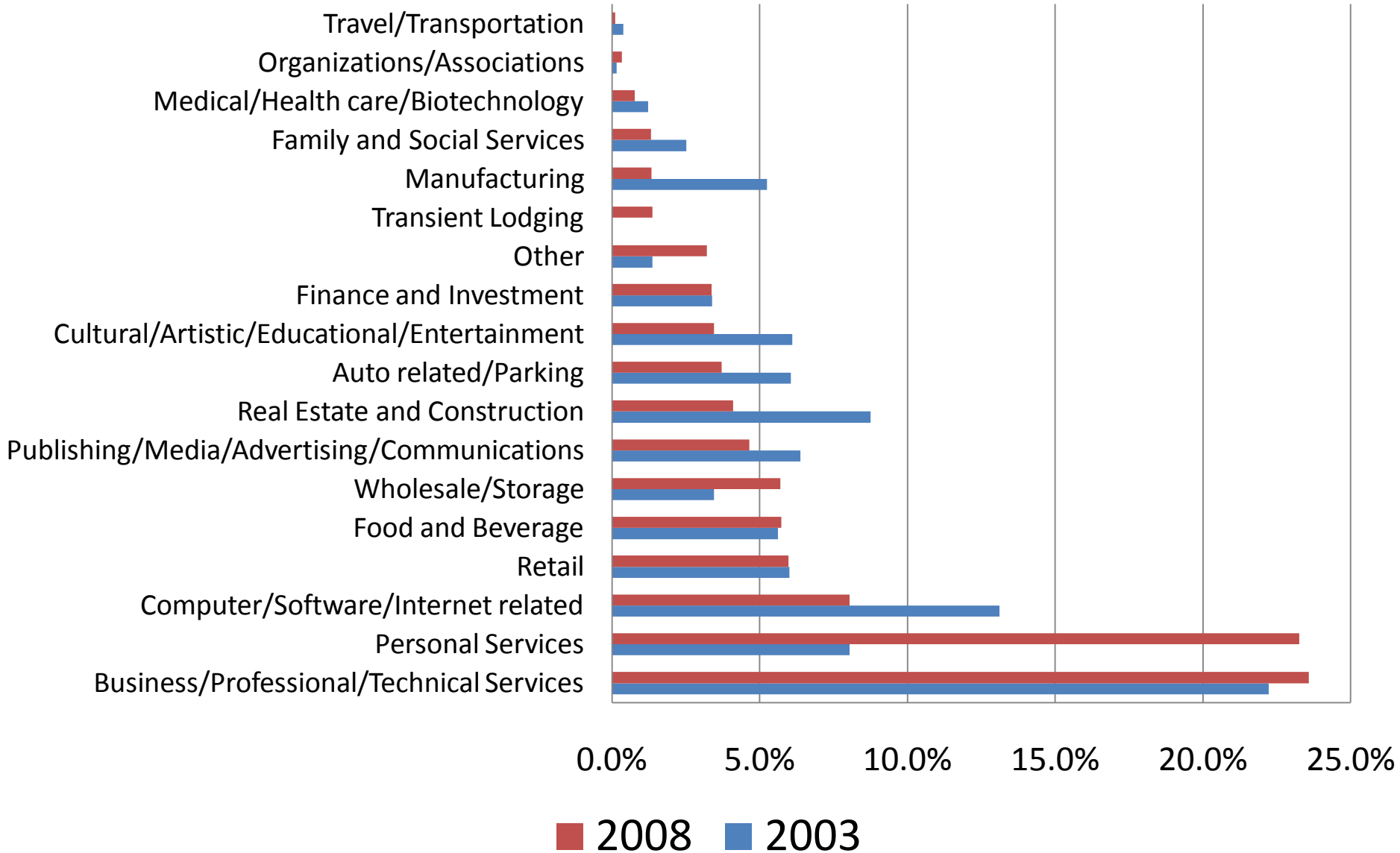


Change in Gross Receipts

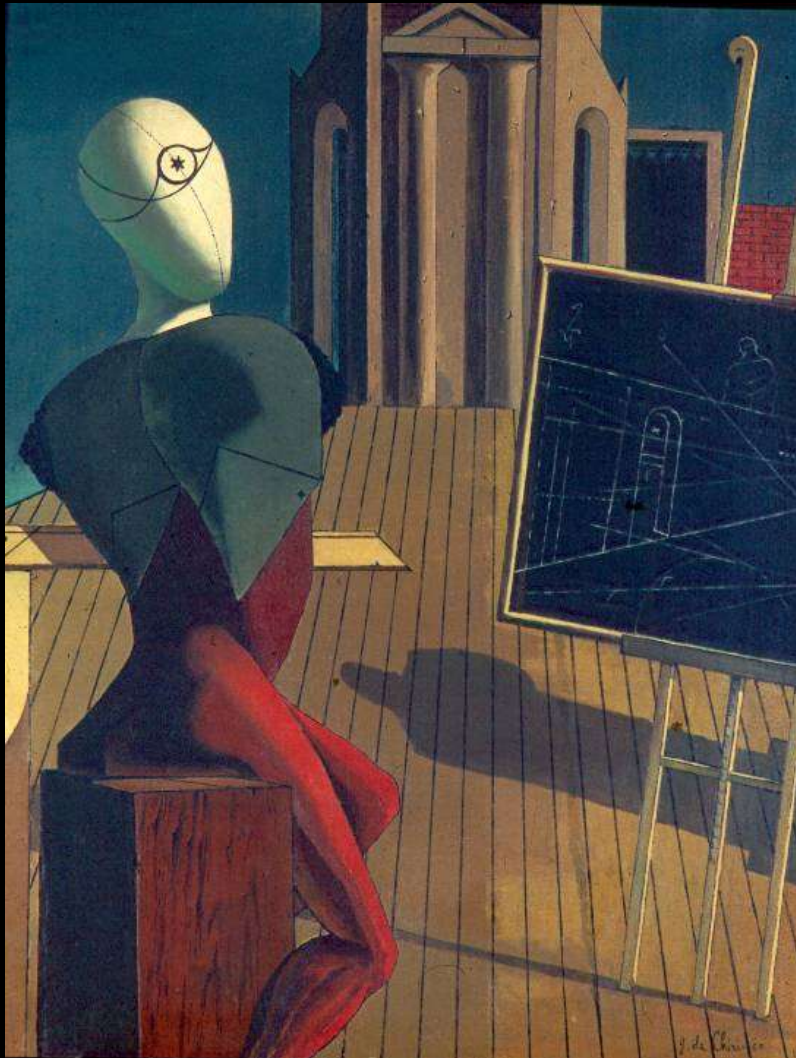
2003 = 100



Business Activity by Category – Pioneer Square



Challenge of planning for ongoing change (The Singapore Approach)



Comprehensive Economic Development Organization



	Social	Economic	Political	Physical
Short Term (next 12 months)	<ul style="list-style-type: none"> • Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s)
Intermediate (1-4 years)	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s)
Long Term (4-10 years)	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s) 	<ul style="list-style-type: none"> •Priorities • Responsibilities • Partner(s)

Social

Short Term
(next 12
months)

Priorities

- Gather information on strategies in San Francisco, New York and Washington on mitigating impact of concentrations of homeless

Intermediate
(1-4 years)

Priorities

- Assist in the creation of a Day Facility for clients of Pioneer Square social service entities
- Create and implement marketing strategy to communicate “real deal” of Pioneer Square

Long Term
(4-10 years)

Priorities

- Add sufficient quantity of market rate housing to dilute negative impact of social service clients

Economic

Short Term (next 12 months)	Priorities <ul style="list-style-type: none">• Assemble, evaluate, and communicate <i>RELIABLE</i> economic data about Pioneer Square
Intermediate (1-4 years)	Priorities <ul style="list-style-type: none">• Identify <i>specific</i> needs/strategies for which incentives are appropriate (Pilot neighborhood for TDR?)• Identify or invent appropriate incentives• Work with City, lenders, others to create those incentives• Create clustering plan for Pioneer Square
Long Term (4-10 years)	Priorities <ul style="list-style-type: none">• Significantly increase market rate housing in Pioneer Square

Political

Short Term
(next 12
months)

Priorities

- Establish/reestablish or refocus organization so that it becomes *Comprehensive Economic Development Organization*

Intermediate
(1-4 years)

Priorities

- Establish funding base that includes business owners, property owners and institutions; expand boundaries
- Staff organization for comprehensive economic development
- Educate then incorporate into public policy fact that Pioneer Square *IS* the model of mixed-use, walkable, pedestrian oriented “urban village” that City is trying to implement elsewhere

Long Term
(4-10 years)

Priorities

- Establish financial mitigation programs for adverse

Physical

Short Term
(next 12 months)

Priorities

- Work to create carrot/stick tools to combat demolition by neglect, purposeful vacancy and poor maintenance to be aggressively implemented when real estate market begins to recover
- Revisit plans for lot south of City Hall to encourage more residential

Intermediate
(1-4 years)

Priorities

- Identify and implement *intermediate* solutions for parking

Long Term
(4-10 years)

Priorities

- Make Pioneer Square a national model of a mixed use neighborhood that is not automobile dependent

If you do not systematically identify priorities, sort them into short-term, intermediate and long term, assign responsibilities, and do so on a comprehensive basis I'll be sending you this same report in 2016 (on the outside chance I'm still alive).

Thank you very much



