

PIONEER SQUARE ECONOMIC DEVELOPMENT PLAN

STEERING COMMITTEE MEETING #5 – APRIL 13, 2010 Offices of ShareBuilder/ING Direct, 83 So. King Street

Meeting Summary

ATTENDEES

COMMITTEE MEMBERS

Dave Brunner, McCoy's Firehouse
Tina Bueche, Synapse206
Kevin Daniels, Nitze-Stagen
Lisa Dixon, Pioneer Square Community Association
Anne Fennessy, Cocker Fennessy
Rick Friedhoff, Compass Housing Alliance
Guy Godefroy, Trinity Nightclub
Kate Joncas, Downtown Seattle Association
William Justen, Samis Land Company
Laine Ross, Resident
Leslie Smith, Pioneer Square Community Association
Paul Swegle, ShareBuilder/ ING Direct
Richard Thurston, Grover/Thurston Gallery

CITY STAFFING TEAM

Captain Steve Brown, Seattle Police Department
Ryan Curren, Office of Housing
Gary Johnson, DPD
Steve Johnson, Office of Economic Development
Nancy Yamamoto, Office of Economic Development
Kerry Wade, Department of Neighborhoods
Genna Nashem, Department of Neighborhoods
David Yeaworth, Legislative Aide to Sally Clark

OTHER ATTENDEES

Councilmember Richard Conlin
Karen Beppler-Dorn, Klondike Gold Rush NHP
Don Blakeney, Saturday Market
Mike Flood, Seattle Seahawks/Sounders
Angela Gilleland, Trinity Nightclub
Adam Hasson, Samis Land Company
Dane Hofbauer, Collier's /Interurban Building
Hugh Holman, Marcus' Martini Heaven
Jen Kelly, The New Pioneer Square blog
Pearl Leung, Vulcan, Inc.
Dan Lowen, Resident
Sean O'Meara, Klondike Gold Rush NHP
Laura Onstot, Seattle Weekly
Tom Pantaleoni, Distant Lands

CONSULTANTS

Bonnie Berk, BERK & ASSOCIATES
Allegra Calder, BERK & ASSOCIATES

INTRODUCTIONS AND ANNOUNCEMENTS

Bonnie Berk welcomed the group and self introductions were made. Steve Johnson then shared his perspective on where we are in the process.

- This group started in November with an initial meeting followed by Donovan Rypkema's presentation.
- From the beginning, the City has emphasized that this is not a "City plan". We are facilitating a growing group of Pioneer Square stakeholders to discuss what should be done and to identify community recommendations for what the City should do.

- During this process, relationships have been built and there have been many new ideas and suggestions for longer term strategies as well as those that can potentially be implemented relatively quickly. For example, the Pioneer Square streetcar alignment might not have occurred had we not had this group.
- We are close to moving from brainstorming to implementation. At this stage, we are not creating a full implementation plan so all of the details don't have to be worked out. If there are any parts of the Plan that you don't agree with, I invite you to speak up and let us know. It's not the City's plan, but it does address what the City can do.

Bonnie Berk then reviewed the agenda and asked the group for updates on recent events, including the Mayor's Walk and Reception, the Great City Brownbag and any other items. The group heard the following updates:

Mayors Walk. Kerry Wade noted that the general feedback was great. The Mayor is aware of the needs in Pioneer Square, but knows he has more to learn about the neighborhood and wants to learn. Participants felt heard and it was a very successful event – fun for all, including the Mayor. We will need to work to keep up the momentum and stay on his radar.

Great City Brownbag. Leslie reported that it was a great event with about 50 people, many from outside the Square. Jen, Don, Lisa and Leslie sketched out what they wanted to accomplish and used the Brownbag to get ideas and input through “world café conversations” facilitated by Leslie and others. There were lots of ideas generated that will be fed to the groups working on short term activation and to the new organization that is being formed. There were commonalities with discussions that this group has had and also some new ideas. Jen, Don, Lisa and Leslie will synthesize and organize the information that was received so that it can be incorporated into the planning process.

Aggressive Solicitation Ordinance. Captain Brown commented that he testified a few weeks ago and thinks the ordinance will pass. Should it pass, the Seattle Police Department will need to launch an education campaign. In Tacoma, for example, the City did a good job on outreach and then didn't have to write that many tickets.

Lisa noted that monthly meetings for the **Viaduct information sharing** begin this Thursday (April 15) at the Klondike. Flyers with details were passed out to the group.

Also, Artemide is partnering with Diva on a **May 20 event** to think/talk about Pioneer Square. Check the Pioneer Square Blog for more details.

The next **OED Business Casual event** will be April 29 at the Arctic Hotel.

IMPLEMENTATION TEAMS REPORT OUT

Supporting Economic Growth Team

Paul Swegle reported on the March 24 meeting to discuss this goal and passed around a summary of the discussion. The group focused on reaching out to businesses around the Square, especially those on the second floor, to get an inventory and learn more about who is here.

- The group reviewed information provided by Nancy that lists those that reported sales tax to the City in 2008 and are headquartered in the Square. The information is good, but needs to be updated and improved. How and when should we reach out to these folks? What can we learn about who is here?

- Some initial ideas were generated including, a welcome kit, a full service website that comes up if you Google Pioneer Square that has both public information and a registered private section for members.
- The group had a long conversation about confidentiality and access to information. A truly comprehensive listing is the goal, but questions remain about who would have access and for what purpose.
- The next steps still need to be decided and coordinated with the rest of the planning effort. A big component of this effort is information about who is here that can inform the strategy. It's a critical first step.
- Brokers are a key stakeholder to reach out to in order to learn about how they are selling (or not) the neighborhood to potential tenants. Property owners are another key group to facilitate contact with tenants.

Tina noted that there is a lot of history around this task in that it's been tried before. A conversation about not repeating mistakes of the past would be worthwhile. An inventory is very dynamic because there are so many small spaces, and tenants do change with some frequency.

Marketing, Branding Promotion Team

Guy Godefroy reported that the group met twice, once at Trinity and once at PSCA, and developed short term and long term goals. Short term was defined as this summer and addresses ways to impact public perception of the Square.

- We need to get people to the Square to generate buzz through word of mouth. The group created a list of summer events to focus on and build from. They hope to coordinate with the farmers market, Art Walk, Art Sparks, Mariners and Sounders games etc. and target hotels, and cruises to bring visitors into the Square for organized events. Cross promotion and coordination are key, as many events will be even stronger when combined. It sounds like a really simple thing to do, but it is difficult to really get the word out.
- The long-term goals start to move beyond the subcommittee and should be picked up by the new organization.
- Guy also noted that the new Pioneer Square map, designed by a local artist who works above Salumi, looks fantastic.

Gary Johnson commented on a **project to activate the vacant retail space**. A committee has formed with members from this group and elsewhere to identify vacant space and work with Cornish to put together a program to activate it with art, design and fashion displays. Pioneer Square will serve as a pilot with the idea of expanding to other areas.

Nancy Yamamoto announced that a **Street Civility Subcommittee** would be formed and chaired by Rick Friedhoff. The charge to this team is to think about what this group can do to advance the perception of public civility. Real Change coming to the Square was a concern for many as are human services, but there are other impacts tied to nightclubs and stadiums. This is not meant to be a replacement for conversations underway, but we do need to think about what this team should recommend. The following individual volunteered for this team:

Tina Bueche, Jen Kelly, Karen Beppler-Dorn, Richard Thurston, Laine Ross, Anne Fennessy, Kerry Wade, Captain Brown, Gary Johnson and Dave Brunner all volunteered.

The group will have a meeting soon so that they can report out at the next full group meeting.

ORGANIZATIONAL PROPOSAL

Nancy started the conversation by noting that one of the City's goals going into this project was increasing community capacity, ensuring that the work could be carried out and sustained. At the last meeting Leslie talked about where PSCA is and where it needs to go. She has had follow-on individual conversations with many project participants on this topic.

Kevin Daniels, Adam Hasson and Hugh Holman, all members of the BIA, support an organizational model that is based on the **National Main Street Program**.

Kevin Daniels provided some background and context on the Program. Executive staff from the National Trust for Historic Preservation will be part of an informational session this Thursday (April 15) and everyone is invited to learn more and ask questions. Points made include the following:

- I've been involved with three plans in the neighborhood and they are good plans. We have had some success, but we need to do more on implementation.
- I'm on the Board of the National Trust for Historic Preservation and Vice Chair of the Preservation Committee that oversees the Main Street program. I know that this is a tried and true program that works and learns from its failures. We need outside help in order to be sustainable.
- In 2008, over \$48.8M was invested by private investors in Main Street communities. Private funds were raised at \$25 to every \$1 in public funds. Over 206,000 building were preserved or rehabilitated. Our greatest strength is our old buildings – we need to preserve this fabric and leverage it for economic development.
- The timing is right: Governor Gregoire's budget made cuts to the Washington State Main Street program, but the House and the Senate overturned the decision and moved the program from the Department of Commerce to the Department of Archaeology and Historic Preservation.
- The Main Street program has a four point approach to revitalization: Economic Restructuring; Design, Promotion, and Organization.
- We have spoken to seven property owners and we have significant capital and interest to fund the education and start up phase of the new organization.
- This is an organization that can take all these thoughts and ideas and do something. It will be resourced with trained staff to help us with implementation. We need to raise the money from investors to make this happen, but there is a lot here to build from – transit oriented development, preservation, entertainment etc. but I need to show progress.
- There is legislation in Washington that allows Main Street communities to have their state B&O tax revenues returned to the program, to benefit the areas, but cities over a certain size are exempt, and this notably includes Seattle. We need to work with the Legislature to change this provision in the statute, so Seattle and Pioneer Square can access this tax provision.

Hugh Holman added that as a Pioneer Square business owner for five years the stories he hears are about the problems with continuity. This program offers a lot of experience and a framework to leverage that experience. It also offers short term benefits that would allow business owners to grow their companies within the community.

Adam Hasson added that for years the Pioneer Square district has "struggled to invent our own wheel" and that the Main Street program would not require any reinvention or development of new models. Thus, we could save our energy and learn from experience. The concept of getting B&O dollars back into the community would also be great– we need new revenue sources.

Group Discussion of the Organizational Proposal

Kevin Daniels and Leslie Smith invited questions from the group about the Main Street proposal. The group's questions are in italics; for some questions there are several responses.

Q: Is there any source of funds to help start an organization like this from the government?

Kevin Daniels: The national Main Street program has small grants. Susan Kemp conducts training that is funded by the state, but that is the extent of it.

Q: Is there a budget prototype for the startup?

Leslie Smith: Recognizing that it's not helpful to have different groups going off in different directions, doing their own thing, I've tried to see a path forward that respects this process. My proposal is that between now and June I will focus on restructuring PSCA, bringing on new Board members, and doing different things. Lisa and I are scheduled to attend the Main Street national conference in Oklahoma City for training and to gather more information to be able to answer questions about the model and the program as it will apply to Pioneer Square.

Over the summer, Main Street staff will come here to see the neighborhood and talk about the goals recommended by Donovan Rypkema and this group. Then we will work on a detailed plan and budget in the fall. Lisa and I are willing to stay on and do this work if we have support, but we won't do it alone. The Main Street Program brings together the desires of City, property owners, the desire for an economic development focus on preservation, Annie's energy around a business group, activation of vacant space, and other ideas. I have had a number of conversations with Annie and she is on board with this approach.

Q: It seems like there are many different directions. How do we coordinate these efforts? Do you have to have the organization done first so that we know where to go?

Part of why these implementation teams got going was that there was immediate work to be done while we come to agreement on larger goals and strategies. All the work is tied to this larger strategy of attracting complementary businesses to the Square. The Main Street program will encompass this, but there will still need to be volunteer efforts.

We have all the pieces for a revitalization strategy; they just need to be pulled together under one roof.

Steve Johnson noted that if this group wants the City to mirror the state's B&O tax policy (assuming it is changed), it should be in the Plan. The Plan could also request start-up support. The City does not fund ongoing Chambers, but it does fund start-ups. The Main Street model is very familiar to us and it's what we have been practicing in organizing the discussion of this Plan. This program will add capacity and this work will inform the organization as it develops.

Q: Leslie, can you talk more about your visioning around the existing BIA?

Leslie Smith: Long-term, we will have opportunities for start-up money from somewhere. Part of what we have to plan for is the sustainability of a viable economic development organization. Currently we market this community on a very small budget from BIA ratepayers. We need a systematic change in how the BIA assessment is structured and collected, and we need to rework the boundaries to include the entire historic district. This effort, combined with the potential for B&O tax money could make for a sustainable organization. I don't necessarily see a different BIA approach, other than more robust engagement with BIA ratepayers and an effort to make it more representative of the businesses operating in the Square.

The interest of current BIA ratepayers is to level the playing field. The MID is much bigger than the BIA and BIA ratepayers are actually subsidizing the rest of the neighborhood.

Steve Johnson: This is not the first time that there has been an existing BIA at the start of a Main Street program. It's pretty common that you would identify and align interests of the BIA and an economic development organization; we have seen this happen in Columbia City and in the University District.

Q: I'm curious about how the B&O tax fits into this? Is there a window of time where this committee could advocate for the change to the law?

Kevin Daniels: The Legislature has \$1.5M allocated toward this purpose and last year zero of this funding was used. In Washington there are 90 Main street communities: 11 are true ones, the others are affiliates. The fact that the law is currently limited to cities under 90,000 is not advertised. The City of Seattle can help with this, but AWC's participation and support will probably go a long way. If the Department of Revenue and the Department of Archaeology and Historic Preservation want this done in Pioneer Square, we may have a good chance at getting this changed.

Leslie Smith: The legislation is structured so that \$1.5M of retail B&O tax can be set aside for communities with the Main Street designation. The maximum the State could give back to the Pioneer Square Main Street Program (or any other Main Street program) is \$100,000 annually.

Next Steps

Leslie Smith: My intention is to go full time at the PSCA and focus on the Board and learning about the Main Street program. I will then come back and engage with this group or a subset to discuss what I have learned and start action planning around implementation. The feedback I have received is that this is well supported by the community.

Steve Johnson asked the group: Is the Main Street Program the direction you want to go?

Anne Fennessy: I support this program. I have seen firsthand that it works. I think it's an opportunity to have a new framework that has been successful elsewhere.

Rick Friedhoff: I second it.

At the suggestion of Paul Swegle, the group took a "non binding vote," which was passed with no opposition. Several people said: let the record show that we had consensus!

DISCUSSION WITH COUNCILMEMBER RICHARD CONLIN

Councilmember Richard Conlin thanked the group for the opportunity to join the meeting, noting that it is great to be here at this historic moment. Councilmember Conlin's remarks are summarized below. Questions to Councilmember Conlin are in italics.

- One of the reasons I wanted to come here was to talk and hear concerns about this proposal. Anne's point about the Main Street program's alignment of preservation and economic development is true. They are not in conflict and they provide a real opportunity.
- I've heard from people in the Square that broadband communication is a big issue so I'm pushing on City Light and the providers to find out the problems. I found out recently that there were permits languishing at City Light. This is a source of revenue for the City, so City Light needs to keep moving ahead with improvements. I'll continue working on this issue.

- The next stage of the Viaduct process is going to be interesting. We know it's going to have significant impacts as it progresses. Let us know your concerns and we will go to SDOT and WSDOT and do our best to find a resolution.
- Once this project is completed, we could have something really extraordinary. We want integration of the Seawall, the Viaduct and other components, and to coordinate street closings and other impacts. We won't have complete control, but keep in close communication with us and we will do our best to mitigate any impacts.

Q: Related to construction coordination, is there a mechanism to also coordinate smaller projects? Washington Street is currently closed, but I don't remember much notice. A point person would be great.

Coordination of smaller projects is a great point – I'll look into that.

Q: In tough budget times do you see any possibility of budget support if we proceed with the Main Street program?

We will have to do some very hard work to make the budget work. A few things may help if they materialize, but we need to wring out \$50-60M from the budget. We solved the 2010 problems with one-time fixes that most people did not notice, with the exception of the libraries. Next year will be different, but we will fund important things and we will prioritize. We are in the process of working through New Market Tax Credits and Recovery Bonds from the American Recovery and Reinvestment Act (ARRA) – this could be a significant amount of money to support projects. I think there will be more federal money available and we will continue to work on this.

Q: King Street Station in Pioneer Square is one of the City's most important and underdeveloped assets. The City has not taken a broader view of how this hub can help drive people into our area. There is a lot of money in ARRA for rail, how do we protect this major investment?

King Street Station was a transit node in the previous Administration's plans. The current Mayor wants to revisit the transit plan so there are some unknowns. The coming of the streetcar will make a big difference. My impression is that the Council is generally very supportive.

Q: Regarding broadband, could the Square be a fiber optic test market? We have a lot of cutting edge software firms, big stadiums, plus residents, government, etc. – a good mix for a test market.

Steve Johnson commented that Jeff Strain is bringing Speak Easy, Microsoft and some others to identify what the actual issues are for discussion with City Light and others.

Q: Is there a way we could help these absentee owners whose vacant buildings are really falling down to do the right thing? For example, can we be creative with some of the money from the recently passed housing levy? Could we provide artist housing as low income housing?

All great ideas, thank you.

Q: Many of us have worked for years on public safety – we've tried it all and yet now the community seems to want to tone it down, and talk about "civility" rather than public safety. The cradle of civility is bathrooms. Visitors to the Square want to know: where is the bathroom? There is so much we want to do, but there is no place to use a restroom. We can't be a civil neighborhood without a clean, usable restroom. The civility committee should identify that this is a need – it could be a short term goal.

We need to do a number of different things, but this is an important point.

ROUNDTABLE REMARKS AND REFLECTIONS ON THE PROJECT

- Good meeting. I'm very interested in how the implementation teams come back to the table so that we can put all these pieces together –that is the challenge.
- Great meeting – I am very inspired by Main Street. On April 14, the City Council Committee on the Built Environment will be discussing South Downtown changes and Pioneer Square is the focus (it is the 10th item on the agenda so it will probably start at 10:45 a.m.)
- I'd like to ask the retailers to help us distribute posters for the American Express Partners in Preservation initiative. You get to vote once a day for the building you would like to receive a preservation grant.
- We all spent a few hours thinking about how to make this better, but Lisa and Leslie do this full time. Thanks to both of you.
- The PSCA submitted a \$98,000 grant application for the Trails to Treasure program through the Department of Neighborhoods. That's great. Also, Spring Clean is April 24 and we already have 124 volunteers.
- I encourage those of you here today to invite your neighbors to the 1:00 pm Main Street presentation.
- Thank you Councilmember Conlin for your attention to our neighborhood
- I want to express my appreciation for engagement in this effort and to Paul Swegle for hosting us in this space.
- This is my first meeting and I'm excited that there is so much energy. I think it would be a great idea to open up Occidental to traffic again.
- Great meeting for me. I've spent a lot of time on the PSCA Board and there has been a lot of conversation around how to improve – this is a big moment.
- Thanks to everyone for all your hard work.
- I am very excited about the Main Street program. Anytime you ask a question they have the experience.
- There is great momentum building.
- Very exciting, I'm excited.
- Don't forget about the nightlife.
- I like the focus on preservation.
- Great progress at this meeting.
- We passed the interview and got the job, now we have a long career of work ahead of us!
- This has really been coming into concert, and I'm starting to hear a chord.
- Baltimore, Boston and Milwaukee all have great Main Street programs that are worth looking at.
- I'm excited to learn more about the Main Street program.
- I feel fortunate to witness a “transformative nonbinding vote.”
- The Office of Housing can offer up housing data on the spectrum of unit size and prices. I would like to follow up on potential sites for artists' lofts.
- I am happy that we showed consensus – this has been missing before.
- Is King Street station in the running for a preservation grant?

- Can someone tape the presentation so that we can put it on the website.
- For us at the Seahawks/Sounders a vibrant and civil atmosphere is important to us inside and outside. We'll stay involved. The Main Street Framework looks terrific, and combined with the energy here this should be great.

NEXT STEPS

The next meeting will be in late April or early May, and will focus on the City actions associated with the Plan. Version 3.0 will be the focus for discussion and you will get a draft in advance.

At the final meeting we will take final comments and have a celebration to launch implementation. We will try to time that with presentations to the Mayor and Councilmember Conlin.

Laine Ross commented that she has the business tracking list that was started a few years back and can pass it along.