

## STEERING COMMITTEE MEETING #2 – DECEMBER 14, 2009

### Meeting Summary

#### ATTENDEES

##### Steering Committee Members

Dave Brunner, McCoy's Firehouse  
Tina Bueche, Syanpse206 (by phone)  
Lisa Dixon, Pioneer Square Community Association  
Anne Fennessy, Cocker Fennessy  
Rick Friedhoff, Compass Center  
Seth Howard, Collins Pub  
Kate Joncas, Downtown Seattle Association  
William Justen, Samis Land Company  
Susan Ranf, Seattle Mariners  
Laine Ross, Resident  
Leslie Smith, Pioneer Square Community Association  
Annie Strain, Resident

##### Consultants

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

##### Other Attendees

Sally Clark, Seattle City Council  
Adam Hasson, Samis Land Company  
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, Department of Planning and Development  
Genna Nashem, Department of Neighborhoods, Pioneer Square Preservation Board  
Sara Wysocki, Department of Neighborhoods

#### WELCOME, INTRODUCTIONS AND COMMENTS FROM SALLY CLARK

Steve Johnson welcomed the group and noted that he has met with Mayor-elect McGinn and Deputy Mayor Darryl Smith, both of whom support this effort along with Councilmember Richard Conlin and the rest of the City Council. Steve welcomed Councilmember Sally Clark and invited her to make some remarks.

Councilmember Clark emphasized that we are at a transition point in the City -- with a new executive and several new Council members -- and people are really excited to see what can be done in Pioneer Square. She said that Donovan Rypkema is a great person to be doing this work, and she expects him to hear from people both what is good, and what needs changing. Some City Council members have been doing their own reconnaissance to answer the question: What does a Pioneer Action Agenda look like? It doesn't need to be the same as the other neighborhood initiatives. How do we keep laying the ground work for new residences and other development, and what can be done in the immediate term for the small business community?

She noted that there are several "points of light" or low hanging fruit we can point to in Pioneer Square. In particular, there has been improvement in Occidental Park, especially in the summer through the parks programming. The more challenging issue is how to stimulate a business climate in the face of the current economic climate.

Nancy Yamamoto then introduced Donovan Rypkema, principal at PlaceEconomics in Washington DC.

## **PRESENTATION BY DONOVAN RYPKEMA**

Donovan noted that “Seattle is one of my favorite cities, and Pioneer Square is my favorite neighborhood. I have a long history with Pioneer Square; I first came here 30 years ago when I was developing a historic building in South Dakota. I was also here seven years ago (in 2002) doing similar work.”

Donovan further noted that his utility is that he sees a lot of places, and travels to hundreds of cities each year. He said: “I see what people are doing, what they are trying to do and what does and does not work. I’m always candid in my assessments. My responsibility is to give it my best shot; but it’s not my community and the community needs to look at my ideas and decide what makes sense. There is a checklist of things that exist when commercial districts are successful. We can figure out what characteristics Pioneer Square is strong on, and where it is weak.”

He said that he would spend the bulk of his time walking around and hearing a variety of perspectives from as many people as he can possibly talk to in the time available. He then asked the group:

- What has to be addressed – what are the real issues?
- What would it be important for me to ponder and respond to on Wednesday? (when I report back to the group)

## **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 from the group are bulleted below:

*Pioneer Square appears to be unusual in that we have a really high concentration of low income and homeless people (historical) in a progressive city, with a complicated history with law enforcement. There is a push/pull.*

- My evaluation is that it’s always in flux - crack down/ease up/tolerate/less tolerance. To try to put the issue resolution or mitigation solely in the hands of the police is the wrong approach – they need to be PART of the solution. Perception and reality are also an issue. Perception magnifies the issues.
- In addition to the shopping areas that have been developed in Westlake Mall and Pacific Place, people are also going to Capitol Hill, Fremont and Ballard, because the communities there are so robust.

*Where would I go to see the metrics for the best turn around – I need more tools, not more cops. What’s the impact of the density of service delivery and what about the stadiums? What do you see as the top five areas for potential improvement?*

- You need to separate out the issues you can’t do anything about – the economy, for example. What are the things you can do something about? You need to sort out what is cyclical and what is structural.
- Part of the cyclical issues are that when you have an area that has been strongly tied to tourism it’s going to be more vulnerable to swings – so you need to figure out how to make it more sustainable.
- My approach is to have an intersection of historic preservation and economic development. It’s not heritage tourism only, which has great potential. But the potential extends beyond just tourism.
- We also have to redefine the term tourism – money from outside the neighborhood is also tourism.

*In my 3-4 months of spending time in the Square I have heard concerns about the ability of this neighborhood to come together as one group to make change happen. Just look at the number of times this analysis has been done. This neighborhood needs help on the issue of the shared vision. Some businesses love the sports businesses, some hate them. We need strong leadership to get this done. Everyone cares about the Square; how do we get people to come together and put aside old grudges?*

- Sometimes these polarities exist because of the personalities of the people and sometimes because of the nature of the businesses themselves. If it's the latter, you may have to think about whether all businesses are the right fit for the neighborhood.

*Is a district better off to be a bit more flexible with historic preservation or should we be more conservative and stick to the code? We have been more flexible because these are tough times, but we are at a juncture.*

- You could have a new development and still have the same issues. The best form of historic preservation is use.
- We want to make sure that this happens – more often than not it helps to have flexibility in the zoning codes more than rules about specific treatment of the building.
- Importantly, compromises made in down economic cycles should not impact the quality of a district or the nature of the environment – because once the economy returns people then have become used to certain behaviors and approaches that you don't want to encourage.

*Over the past 10 years we have seen a huge change in the type of businesses south of the Square and that's changing the dynamic. For example, some nightclubs are moving south – and I don't know if it's good or bad.*

- In 2002, I recommended a clustering plan for Pioneer Square – to have concentration and compatibility among businesses. Sometimes this can mitigate these conflict issues.
- I don't think government has been very helpful. A few years ago a group of property owners got together to create a vision. We identified two city blocks where the City could do high rise development and then the City bought one of the blocks and built a fire station on that site. As a developer I think we need density – but there are concerns that it's out of scale with Pioneer Square.

*What is your experience with Enterprise Zones?*

- It's totally a function of state enabling legislation so there is a huge variation from state to state. The fundamental problem in business districts is that owners have "lot line myopia" and are focused on the immediate area. The public has a larger view and sometimes you need public policy objectives and policies that focus things in a certain way. It can be successful, but it depends on what you are trying to do. Tax Increment Financing, targeted investment etc. can all be good tools but you need to be clear about what you are trying to make happen. In particular, the City should be working to "make doing the right thing easy and the wrong thing hard."

*The SODO retail cluster of home improvement businesses happened organically. And Western Avenue has become a furniture district, though it is struggling with the economy. Is there potential to bridge these geographic areas and their clusters?*

- Most of the good clustering districts start organically. There is a good example on the south side of Pittsburg along East Carson Street. On E. Carson Street (which is a long street –too long to be thought of as one district) there is an arts/entertainment/culture cluster at one end, in the middle are consumer arts businesses, and then at the other end are businesses that serve other businesses (print shops etc). The City provided incentives for similar businesses to locate along the district – they didn't preclude locating elsewhere, but they provided incentives for certain types of businesses to locate along with others.

*Where we see successful business district strategies there is almost a perfect correlation between the extent to which property owners and business owners are in alignment.*

- A fundamental difference between a regional shopping mall and a neighborhood district is that at the malls there are big companies on both sides of the negotiation table. In neighborhood districts, generally neither party has the profit margins nor capital assets that larger companies have, so you need to get the landlord and the tenant on the same side of the table. This is an important point – the landlords and tenants need to be working together.
- I'd like to see some recommendations around basic services that have to be in a neighborhood. For example, the City made a decision 25 years ago to make some physical investments in Belltown. Can we do that in Pioneer Square now?
- The Square has different personalities based on the time of the day. We used to have a much stronger art gallery and retail presence.
- What can we do increase density around a historic district? It would solve a lot of the other problems. We need a better relationship with the City to get some infrastructure improvements.

*Donovan asked about the Livable South Downtown Plan: Is it enough?*

- Yes, it's the answer to the density, but it still needs to be approved by the City Council.
- The Viaduct project will have significant impacts – this will restrict the ability to develop some areas. The project is massive and will have significant impacts on the Square.
- Some of us think that the South Downtown Plan's recommendations are pretty timid; that they are not bold enough to provide incentives and create real density.

*Regarding parking, we've lost 1,400 spaces in recent years. There is about a 20 year gap between parking and transit.*

- The challenge for Pioneer Square is that people can get here, but then they can't get home at night. Transit out of the Square is problematic in the evenings.
- There is also a perception that the entire Square is not safe.
- There is a challenge with special events. People come in and park for free all day on Sunday game days – it's free to park, so spaces are taken up, there is no turnover, and that makes it difficult for shoppers and others to find parking.
- Take Gastown in San Diego – the capacity for cars is impressive, there is diagonal parking everywhere. Here in Pioneer Square a lot of the on-street parking areas are taken up by municipal services. For example, there are large swatches of curbside for Metro buses to wait, large spaces for the Fire District.

*Office space – it seemed like in the tech years there was a lot of demand for office in the Square, then that went away with the downturn. But now Microsoft is here again, do we know why they are here?*

- Microsoft is moving people back – they have a large game related division and chose it because the area is edgy.
- We could work on getting DigiPen to have a presence in the Square. DigiPen is a four-year accredited program – it's a global entity and people come from all over the world to go to school there.
- The Metropole Building (kitty corner from Smith Tower) is still boarded up.
- Tech companies require very small amounts of space to start, and we have a strength here. If startups grow they can be sustainable – Pioneer Square can be "Where Seattle business begins".

*What about turning the basement of Elliott Bay Bookstore into an incubator?*

- An individual landowner has a difficult question – if it's successful the startup business is likely to leave; if they are not they may not pay the last few months rent. You might be able to do incubator space with a public policy objective, with shared risk to mitigate this challenge.
- We need to get Seattle residents to Pioneer Square – it's dreadfully underutilized by the surrounding City. Gallery Walk is only once a month.
- It's interesting because my company has two market rate apartment buildings, and we track where renters come from – they often come from the East Coast but not Bellevue or Kirkland.
- Where a district is on the edginess scale is a fragile thing.
- We prosper as a community when we come together against something that galvanizes us. Community and clustering for business are very similar.
- I see game developers coming down to the restaurants and exchanging ideas and connecting, and then the environment for that takes off. But for some reason, this goes away from cycle to cycle.

**CONCLUSION: ROUNDTABLE COMMENTS AND SUGGESTIONS OF PEOPLE FOR DONOVAN TO SPEAK WITH**

The group was asked for final thoughts or comments, either on today's discussion or the process, and also to identify any people or organizations that Donovan should try to contact. Comments were as follows:

- We should involve the largest property owners in the Square in this process
- Find the companies who have left – why did they leave?
- Talk to Todd Vogel organizer of alley parties
- Talk to one or two of the recent arrivals in the district. For example, Sharebuilder started in Bellevue in a warehouse. They ended up making the decision to come to the Square based on the feel of the building and price – they are also interested in public safety and more residents.
- Talk to Jones and Jones –the landlord for Elliott Bay. Also Frank Buchanan – he will handle leasing for the space Elliott Bay is vacating
- Vulcan Real Estate – they should be involved in this
- Reach out to One Reel Productions – producers of Teatro ZinZanni
- Millstream – left and came back under new ownership. The Frontier Café – is closing. They were reportedly offered 6 months free rent, but are still leaving
- Talk to Adam Hasson of Samis, because he has so many tenants.
- We get questions about how safe is it for women in the Square - this comes up a lot.
- The Livable South Downtown Plan just left the new City Council Committee on the Built Environment, and has been sent to the City's Legal Department. The City Council is slated to take it up in Q1.
- Talk to people in the mid-income rentals - Quintessa and Lowman, street cleaners and beat cops, Cleanscapes
- Talk to Phillip Craft, the Occidental Park concierge, also John Cheney, formerly with Historic Seattle

**NEXT STEPS AND NEXT MEETINGS**

The next meeting will be Wednesday, December 16 at 3pm.