

- A
- Building
- Reborn

Saga of a Landmark

How the 1907
Sandberg Building
became a modern
office building
and what that
suggests for
development
downtown.

A CITY CLUB of Tacoma
Community Studies Report



Tacoma, WA, November 1, 1999

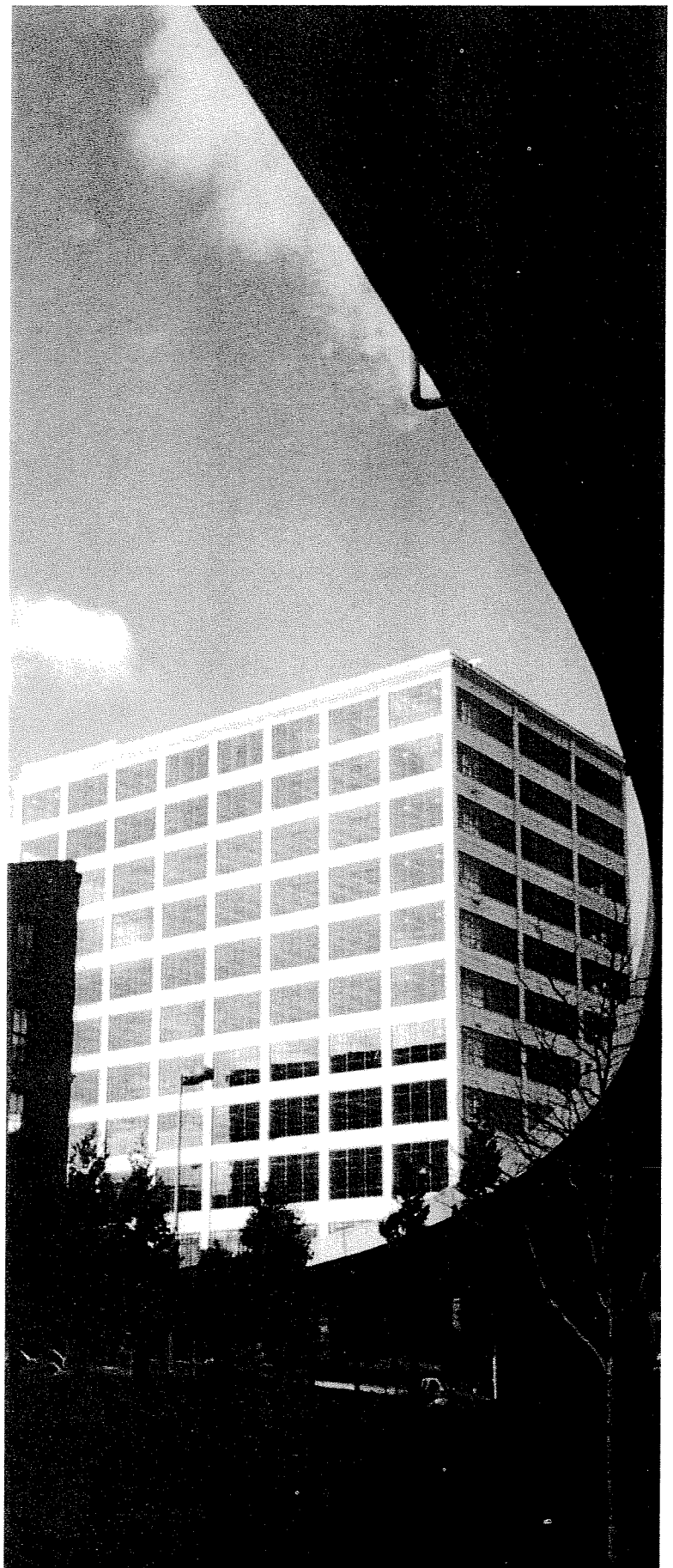


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Report designed and edited by Ben Gilbert. Cover photo of Sandberg Building by Michael Sullivan.
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Union Station and beyond as viewed from Sandberg Building upper story window. Ben Gilbert photo

LETTER OF TRANSMITTAL

To members of The City Club of Tacoma

It is a privilege to transmit this report, *A Building Reborn*, to the members of the City Club of Tacoma and to make it available to others interested in the future of Puget Sound's "City of Destiny." The report focuses on the transformation of the Sandberg Building's from a vacant derelict into a new home for an important Tacoma payroll, Total Renal Care (TRC).

We ignored a cautionary warning not to expect to discover much of interest; the building was unique. It indeed was unique, but we learned much from its saga. Although there are not many vacant ten story buildings in Tacoma, we found that there are other existing structures that are candidates for new lives in the interest of the City's economy and its architectural history. Many of the same lessons apply to new construction ventures as well.

This report strives to pass on what was gleaned, not only to our members, but also to the City's leadership and Tacoma's residents. The restoration of the building at Pacific Avenue and 15th Street occurred speedily and efficiently because the players came together as a team to do it. Of great importance were the City's support and the financial incentives that became available.

To realize its ambitious economic development goals, particularly in downtown, the City must play an increased activist role. The report suggests that the City should acquaint developers with available incentives, especially those related to the restoration of older structures. Tacoma still has a supply of vacant or underutilized buildings downtown. The final section, entitled *Task Force Findings*, presents in capsule form what we consider the applicable lessons of the successful transformation of the Sandberg Building *from an ugly duckling into a swan*.

The report carries as its subtitle, *Saga of a Landmark*, suggestive of the hectic history of the building constructed in Tacoma's downtown core in 1907. Its flamboyant owner, vice king Peter Sandberg, fell on hard times in post World War I Tacoma and sold it to the Schoenfeld furniture store. Less than ideal as a furniture store, nevertheless, the building was so occupied for more than 70 years. In 1996, the furniture store went out of business, leaving it vacant and for sale.

Refurbished and restored in less than two years, it has begun a promising new life as a modern office building, yet one that remains true to its cutting edge pioneering design. Earlier this year, TRC occupied it under a long-term lease with a new owner, developer Horizon Partners.

This report represents many months of research including interviews with key players by a City Club of Tacoma task force. It is one of a series of City Club reports on local issues prepared under a program of the City Club's Community Studies Committee. A post card ballot to get feedback on the report is in all member copies. Please respond as soon as possible.

How the building's transformation came about and what it signifies for Tacoma is our report. We believe that more such good things can happen if the City draws on that unique achievement.

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November 1, 1999

REBIRTH OF A BUILDING

A landmark restored

The Schoenfeld Furniture Co. occupied the ten story Sandberg Building at the corner of 15th and Pacific in Tacoma's downtown for more than seventy years. Although generally known as the Schoenfeld Building, the 1907 building still bears the name in masonry of its builder and first owner, flamboyant entrepreneur and vice lord Peter Sandberg. This report identifies it as the Sandberg Building, an appropriate name, given its rebirth.

Clad in brown enameled aluminum twenty years ago, the structure then acquired a forbidding presence. To many, it was ugly, an ugliness unmitigated by the store's name blaring from the sides of the building in huge capital letters. Schoenfeld's 1996 decision to close the store and vacate the site threatened to set back City efforts to breathe new life into the downtown core.

Total Renal Care (TRC), an international company that had been doing its back office work at several locations in Tacoma, now occupies the building under a long term lease with Horizon Partners, purchaser of the building and manager of its restoration.

Because of the inefficiency and inadequacy of its workspaces, TRC was on the verge of abandoning Tacoma for a new location, either in Fife or Federal Way. Induced to remain and occupy the Sandberg Building instead, TRC moved into a reborn Sandberg Building. In March, 1999, TRC left its offices in the Telco Credit Union Building at 1331 Broadway and other locations for its new home as a long-term tenant. It was essentially a three block move. A major unit of TRC, the office here handles payroll for 13,000 US employees and administers accounting functions for domestic kidney dialysis centers and West Coast insurance billing. Its presence in Tacoma dates back to the early 1980's.

The transformation of the downtown structure qualifies as a civic success story. Given the building's original open design, and its sturdy reinforced concrete construction, it was ready to be made over into an attractive modern workplace. Once out of the plastic that shielded the building during construction, it emerged much as it looked when it was first unveiled in the first decade of the Twentieth Century. Its distinctive great window spaces provide magnificent views of Mt. Rainier, the Tideflats, and the Union Station district.

The timely move saved a 400-person payroll for Tacoma. That number has since grown to 600, readily accommodated in the space that was fitted out for the firm. All involved can take pride in the outcome including TRC and its employees, the developer, the real estate broker, the building contractor, the preservation community, the City government and the City's residents.

The players

Retaining and attracting businesses in an urban center such as Tacoma, Washington requires the efforts of a broad spectrum of players. The successful renovation of the building, its interior tailored for TRC, grew primarily out of the collaboration of an energetic developer with the leadership of the City and its economic development, historic preservation, and permits entities.

The players, in addition to City officials, were the developer/investor, Horizon Partners; a committed tenant, TRC; a creative broker, Colliers International; and an experienced contractor with restoration experience, Rushforth Construction, Inc. Once the City became aware of TRC's need for a new home, it took a pro-active stance to make it happen, one that we hope will be-

come a pattern for similar efforts with other Tacoma buildings. But it was a close call. Without the City's timely intervention, TRC would have left Tacoma for Fife or Federal Way.

TRC's space needs

With its rapid growth, TRC desperately needed space. A building in the 800 block of Pacific Ave. became the initial focus of TRC's search, but it did not have enough space to allow for expected growth. Then TRC shifted its quest from downtown Tacoma to properties in the Tacoma Mall complex and in Lakewood, but neither seemed suitable. Shown other locations in the South Puget Sound region, TRC evinced special interest in a Fife site since occupied by an automobile dealer, and one in Federal Way on Weyerhaeuser properties. It appeared that an outlying community would get the nod.

What turned TRC's search for space back to Tacoma, the task force asked? Economic Development Director Juli Wilkerson, who had a major role in completing arrangements, said the turn around began when City Council member Paul Miller informed the local government that Total Renal Care would leave Tacoma unless it found sufficient space to house its burgeoning operations. That was the City's first intimation that TRC might leave.

How did Miller know? By happenstance. The only building in downtown Tacoma that TRC inspected at the outset of its search was the one Miller owned in the 800 block of Pacific Ave. When he learned that TRC had stopped looking at other Tacoma sites, Miller placed an urgent call to City Manager Ray Corpuz. According to Miller, the information did not reach the City earlier because the agent leading the search sought to keep it confidential. A possible lucrative commission would not be shared with other brokers.

Once informed, City Manager Corpuz and Economic Development Director Wilkerson moved promptly to keep TRC's payroll in Tacoma, preferably downtown. They talked to Kristen Videto, TRC's facilities and administrative services manager, to find out why the firm wanted to move. TRC told them that it really did not want to; it liked being in Tacoma; its employees loved the Tacoma area. The prospect of I-5 commuting to either outlying location did not cheer them. Moreover, TRC was enthusiastic about the City's future prospects. Executives visiting TRC's Tacoma offices enjoyed the convenience of staying at the nearby Sheraton Hotel.

Spurred on, the two officials gave the matter priority status. Ray Corpuz and Mayor Brian Ebersole telephoned Jack White, TRC's director of finance, to tell him that the City would work with TRC to keep it in Tacoma. The firm had to be assured, not only that the space would work, but also that it would be affordable and delivered speedily. The Sandberg Building looked like a logical fit, but it had to be fixed up on a fast track. Urgent meetings were held with real estate-broker Eric Cederstrand of Colliers International, who was marketing the Schoenfeld property, and Michael Bartlett, president of Horizon Partners, who regarded the building as a development opportunity. Both identified financing incentives, assistance with parking, and loan arrangements as essential to success. The City put TRC in touch with Bartlett and Cedarstrand.

Big enough for TRC's needs, the vacant ten story furniture store with 80,000 square feet of usable space could be turned into an efficient modern office building, once it was stripped of its metal cover. New utility systems would be installed and seismic retrofitting done. Restoration, returning it to its original appearance, would meet historic preservation standards and secure crucial financial incentives. Interior furniture store trappings, added years after it opened, could be removed without affecting the structure's preservation tax benefits.

Incentives package

City cooperation in meeting permit requirements for the complex renovation was pledged. A package of financial incentives was assembled. A complex equation to meet a bottom line test appeared to prove out. TRC needed to secure adequate space to satisfy its operating needs at

competitive costs. Moreover, it wanted a satisfactory environment for employees with convenient, affordable and safe parking places.

The incentives package had four parts, local and Federal tax benefits, financing and parking:

- Real estate tax abatement - listing the building on the Tacoma Register of Historic Places.
- Gap financing services - enabling the developer to carry the project financially.
- Federal income tax credit - listing on the National Register of Historic Places.
- Parking - making available 225 spaces in a City parking lot under the I-705 Freeway.

Although exact figures were difficult to nail down, it appeared that the proposed rehabilitation of the remarkably well built, reinforced concrete structure would be more economical than new construction. With incentives, it seemed a good bargain, both for developer and tenant. When it first viewed the Sandberg Building, TRC reacted negatively. In its deteriorated state, it was hard to imagine what it would look like with its cover pried away. *A vision was needed.*

Development opportunity

TRC's interest revived after Bartlett showed the firm renderings architect Ilmar Reinvald had prepared. It is noteworthy that Reinvald, who had restoration experience, and developer Bartlett had been working to create a vision even before TRC entered the picture. After studying the renderings and the package of incentives, TRC's representatives and the developer agreed that the vision could be realized. Bartlett's experience with making similar projects happen in Oakland, California reinforced his enthusiasm and gave the project credibility. Eric Cedarstrand of Colliers International pitched in to work with the City on the crucial loan and incentive packages.

Don Lloyd of Rushforth, the prime contractor called in by Bartlett, stressed that developers cannot succeed unless the project "pencils out." The Sandberg Building would have remained vacant, absent the incentives. According to Lloyd, Seattle developers are beginning to recognize that by their standards, Tacoma has a number of buildings waiting to be rehabilitated at lower costs than similar structures would require in Seattle. The City government and the City Council have become pro-active in supporting developers, Lloyd agreed. Rushforth had the job of meeting the expedited schedules for the complex restoration that TRC made a condition of the deal.

Historic preservation

The financial benefits that both Tacoma and the Federal government provide for the renovation of registered properties originated as part of a mid-century national effort to save designated historic buildings. The restoration of the old furniture store building provides an excellent example of "adaptive reuse," returning a landmarked building to productive use, instead of allowing it to decay, vacant or underutilized. As it did in this case, a change in use may occur.

Obviously there is an element of risk if a project's viability becomes dependent on benefits that have not been provided up front. The risk threshold for the Sandberg renovation dropped when it became clear that the exterior could be brought back to the way it looked when it opened 90 years ago. Two former Tacoma Historic Preservation Officers; Michael Sullivan and Valerie Sivinski, partners in Artifacts Consulting, experts in preservation procedures, prepared the TRC Building's local and Federal nominations. Presentations were made to a succession of review agencies, the Tacoma Landmarks Preservation Commission, the State Office of Archeology and Historic Preservation, and the National Park Service of the Department of Interior. All three entities approved the restoration so the property could be registered and receive tax benefits..

Tacoma and Federal review bodies added the building to their registers of historic places and approved the tax benefits, abatement of property taxes on improvements and income tax credits.

The nomination was submitted first to the fifteen member Landmarks Preservation Commission, Tacoma's local historic preservation design review body. The Commission supported the developer's goal to restore and maintain the historic fabric of the building's exterior. Broad spaces in the interior of the building would be modernized. The aluminum façade would be removed and the sheared-off window sills restored. The Commission agreed to the installation of newly fabricated aluminum windows instead requiring costly repair of the rusted steel ones. New gray green enameled window frames allowed installation of energy-saving double-glazing. "X" shaped seismic bracing, although visible through the front windows, also received approval.

Placing a TRC sign on the parapet and a logo on the 15th Street side was approved. A request to waive code provisions mandating a screen around the building's rooftop structures was supported by the Commission. The suggested solution: paint the roof structures a neutral color.

Special valuation tax relief

A "special valuation" program allows an abatement of real estate taxes for ten years on approved renovations and improvements for registered historic structures. Each year, approved expenditures are deducted from the appraised value of the property, as long as they total at least 25 per cent of the appraised value on the assessment rolls. The owner must sign a covenant to maintain the property as restored. For the Sandberg Building, the Commission has approved \$12.7 million special valuation, an expenditure figure that far exceeded the appraised value of the property. The benefit will offset all real estate taxes on the building for ten years.

At present rates, the tax abatement is worth an estimated \$228,600 per year, or \$2,286,000 over ten years, using the approved rehabilitation figure of \$12,700,000. The developer gave the Commission figures showing a total investment including land costs of more than \$15,000,000. The building is currently assessed at \$6,170,000, a sharp increase over earlier years..

Federal income tax credits

A parallel Federal listing of the property on the National Register of Historic Places is a precondition for Federal income tax preservation credits. To secure both the Tacoma and National benefits, the project had to be listed on the two registers and meet standards promulgated by the Secretary of Interior, a spur to perform a first class job. Under the Federal program, 20 per cent of approved rehabilitation costs may be taken once to reduce personal or corporate income taxes. If the taxpayer is unable to use the credits, the law permits their sale to someone who can.

Based on estimated costs of \$12,700,000, the one-time Federal tax benefit would total \$2,540,000, but the exact amount could be somewhat less if the credits were sold.

Parking solution

Lack of convenient parking can turn away prospects. There is no realistic way to find affordable parking close to the Sandberg Building. The limited number of parking stalls were designed for horse and buggies and probably once held Model T's. The City found 225 stalls that were available on its East 23rd Street lot under the I-705 Freeway at a price of \$15 a month, perhaps \$30 less than the cost of a stall downtown. Pierce Transit's downtown shuttle bus would provide employee transportation to and from the lot. The City would get \$10 of the monthly fee for each space and Pierce Transit would get \$5 for each employee it carried.

Assuming 200 stalls are used regularly, the parking benefit would be worth \$72,000 a year, or a ten year total of \$720,000. Total tax benefits including the one-shot Federal credit would exceed \$5,000,000.

Despite the fact that the basic structure of the building was not changed, a large number of permits were required for the interior improvements, particularly for up to date utility services, plumbing, rest rooms, electrical and mechanical connections, seismic reinforcing, and fire suppression and alarm systems. The permits were issued as each design change was presented, an accommodation that speeded the work. Bartlett obtained an occupancy permit, allowing for the larger size of the workforce and the new building use by TRC. To fill TRC's high-speed data transmission needs, Click, the City's new municipal cable system has been connected..

As a 90 year old existing structure, the building held grandfather rights that allowed use of less restrictive earlier codes, Gary Pederson, the City's manager of building and land use services, told the task force. However, an effort was made to exceed required levels, Pederson said. For instance, the owner and its architect wanted to satisfy the full seismic code. Most corporations will not invest in structures that fail to meet codes in earthquake prone areas.

Although the building's interior was not extravagantly finished, it was made comfortable and efficient, amply meeting accepted standards for a modern workplace.

EMERGING RENAISSANCE

New City goals

The notion that Tacoma is undergoing a renaissance has become more than a public relations slogan. It has begun to receive attention beyond the City limits.

For instance, Tom O'Keefe, CEO of Tully's Coffee, in announcing that he would open 14 coffee-serving stores in Tacoma and Pierce County, explained, "We're coming here because there's a genuine rebirth going on in Tacoma." Space in the Sandberg Building has been leased to house one of the 14. Bruce W. Kendall quit the Seattle and King County Economic Development Council to take "a step up," the post of director of the Tacoma-Pierce County Economic Development Board. "If anything is on the verge of an economic renaissance, it is Pierce County with Tacoma at its core," he said.

Union Station vicinity

Well before initiation of the TRC project, revitalization activity had been underway in downtown Tacoma, south of the Sandberg Building. The process started with the restoration of the architecturally significant domed Union Station, begun in the late 1980s. Restored to its 1912 elegance, the Station now serves as the main entrance to the new Federal Courthouse built on its north side and as a public showplace for exhibits, such as the present one for Chihuly glass.

The Station emerged, not only as an attraction for out of town visitors, but also as the nucleus of a promising new activity center in a revitalized downtown and as a catalyst for development and renewal. Although preservation of an architectural gem rather than economic development provided the original stimulus, the Station's restoration soon attracted other ventures nearby.

Washington State selected the vacant parcel of land flanking the Station to its south for its new Washington State History Museum. The late Charles Moore, a renowned architect, won the national competition to design the museum. His soaring brick arches and barrel-vaulted roof complement the Station. Both greet visitors as they approach Tacoma from the south.

Shortly thereafter, the University of Washington Tacoma (UWT), turned a cluster of old railroad warehouse buildings on the west side of Pacific Avenue into the campus for the growing new state higher educational institution. The bold move to open a unique modern urban campus within these solidly built but underutilized structures greatly added to the area's development

momentum. The University has begun work on Phase Two, contemplating reuse of other existing buildings and construction of new ones, spaces needed for its expanding enrollment.

UWT has received two awards, a preservation honor award from the National Trust for Historic Preservation and one from the American Institute of Architects for urban design. The Union Station restoration previously received the same preservation award. It is unusual for one city to receive two such awards within a relatively short span of time.

Before long, the Station, the History Museum and the University will get two more museum neighbors, the proposed Tacoma Art Museum to be built on the City-owned parking area north of the Courthouse and the projected International Museum of Glass to the east, a key element of the Thea Foss Waterway development plan. A pedestrian bridge will link the history and glass museums as part of the growing cultural complex that has emerged around the Station.

Pro-active approach

To assure its viability as a "business crossroads," Tacoma, at times termed the "City of Destiny," has endeavored to respond affirmatively to the needs of its business community. A strong economy, availability of money for investment, and growing opportunities for profitable development are factors that have given added importance to this City strategy. This pro-active approach has enhanced its prospects for success, according to development community members.

The City Council recently designated economic development as its top municipal goal. Symbolic of the reorientation is a mundane name change. The old Planning and Development Services Department now calls itself the Tacoma Economic Development Department, an acknowledgement of its new responsibilities. The City sees evidence of a migration of Seattle businesses desiring to expand or relocate. Development costs and commercial rentals in Seattle have been skyrocketing, giving Tacoma, where costs are not rising as fast, a new growth opportunity.

A new Comprehensive Plan for downtown is moving through the Planning Commission and City Council approval process. The plan, provides for nurturing downtown's neighborhoods, more housing, and partnerships with the private sector to achieve City goals. An improved business-friendly traffic circulation would return two-way traffic to 11th, 13th, and A Streets.

A companion six page downtown zoning code aims to encourage developers to offer proposals to enhance the vitality of downtown Tacoma. Called "Destination Downtown," it meshes with the projected Tacoma light rail link. Limits on density and building heights would be eased for projects that accept City review of their design. State environmental and growth management requirements would be made part of the plan. The goal is to simplify permit issuance and eliminate regulatory uncertainty, a major bugaboo for developers.

A "Market Tacoma" thrust has become a key plan element. "Marketing downtown's assets will change people's perceptions and attract new investors and consumers," the City asserted. Local, regional, national and international audiences will be targeted by the promotion. The City looks at the new convention center to be located on the west side of Pacific, not far from the Sandberg Building, as an important investment stimulus for downtown Tacoma.

The plan takes a bow to features proposed by the visiting R/UDAT urban development team that studied the vacant two-block area between 13th and 15th, also on the west side of Pacific. Three developers have submitted proposals in line with the R/UDAT program for a variety of mixed use projects, including offices, hotels, and a possible entertainment center in the space that has languished as a parking lot since it was cleared for development thirteen years ago. The Luzon Building, a historic landmark at Pacific and 13th, may be restored as a "boutique" hotel. These proposals and the convention center are closely related.

The keen interest displayed by investors in the Pacific Ave. parcels showed their confidence in City's future. The two blocks, termed Tacoma's "missing front teeth," interrupts the development

progression that began with Union Station and now has reached the Sandberg Building. Filling the gap will finally link the development around Union Station with the downtown core.

The Sandberg Building

The Sandberg Building stood across the street, an empty shell on the east side of Pacific, vacated in 1996. Did the growing vitality to its south stimulate the building's restoration? That must have been a factor. Although Tacoma was growing commercially as well as culturally, the shabby unoccupied building on a prime downtown corner was another obstacle to overcome in achieving the City's vision of a thriving Pacific Avenue linking sections of its downtown."

The original building had beauty and style, and that has now been restored, giving it a contemporary appearance. The SCHOENFELD'S label and its brown enameled aluminum covering have vanished. When it opened in 1908, a year after its 1907 groundbreaking, some critics considered it "outrageous, innovative and massive." One of the first *skyscrapers* in the western United States, it pioneered a new construction method, steel reinforced concrete. That enabled it to soar to 123 feet, far above its architecturally different neighbors. Electric light fixtures shining through the large windows made the building seem "ablaze at night," one commentator noted.

Peter Sandberg, whose name is sculpted at the building's top, made his fortune as Tacoma's "king of vice," operating brothels, saloons and gambling houses. Sandberg retained architect Frederick Heath who later designed Stadium High School to design the building as a personal monument. Heath created something far different from existing downtown Tacoma buildings.

Sandberg's building contrasted sharply with two Victorian neighbors, the Sprague Building across 15th Street and the Waddell Building diagonally across Pacific. The Sprague Building, a registered landmark, has been handsomely redone as a home for United Way. The deteriorating Waddell Building may be brought back to life as part of the new convention center complex.

Community fears that Sandberg would use his tall building for gambling and prostitution disappeared when he leased it to Davis Smith & Co., a furniture retailer that acclaimed itself to be "the largest furniture store west of Chicago." L. Schoenfeld & Sons, predecessor of Schoenfeld's, purchased the building in 1922 from Sandberg who had experienced financial problems. Sale of furniture at retail was to be its destiny until 1996 when it closed.

The new owner soon painted the building and its windows to shield the fabric covered wares inside from the sun's rays. It was the first of four coats of paint that the building endured before it was encased in metal and turned into a largely windowless dark brown monolith in 1979. Concrete window sill projections were sheared off to make way for the ugly container. A photographic portfolio of the building's changing face appears on the inside back cover of this report.

Now renovated and occupied, the restored Sandberg Building joins new and refurbished facilities around Union Station, linking them to Tacoma's downtown core, illustrating how the City's architectural past can accommodate development. For TRC, the location provided an attractive environment, and in UWT, a convenient source of trained employees.

TASK FORCE FINDINGS

Conclusions and Recommendations

To grow, the City Club task force concludes, Tacoma must make its mark on business in the Pacific Northwest. Tacoma has the dual tasks of retaining existing businesses and encouraging the construction of new ones. Although other available buildings may not be as spacious as the Sandberg Building, there are many older structures downtown that beg for new life as part of the

City's developing renaissance. As noted, Tacoma has a land bank of vacant downtown properties on Pacific Ave. between 13th and 15th that has drawn three development proposals

The City is fortunate to possess both supplies of renewable buildings and developable land to capitalize on the momentum created by the TRC restoration and Tacoma's other successes.

Recipe for success

The Sandberg saga suggests that visionary entrepreneurs are important to the successful renewal of downtown Tacoma. What do they need? Ideally the recipe for success should embrace experience with historic properties, City assistance, financial backing, and tenants in hand. *The City Government's role is central.* It should assist in finding properties and tenants, securing HUD loans, and identifying affordable parking. Proposals to revise the zoning code to make it more flexible and easier to comprehend rank high on the development community's wish list.

The energy and activity now being devoted to the future of Tacoma's downtown in the wake of the TRC project is encouraging. For the TRC project, what the developer, Horizon Partners, contributed was essential to success. Developers, often reluctant to appear before preservation bodies, may be reassured by the TRC experience.

Success breeds success. We are cheered that the City and the development community intend to build on that success, to help make these visions materialize.

Even though the marriage of TRC and Sandberg was unique, Tacoma learned much of use to the City's economic development program. For example, it learned the importance of timely information. Fortunately, the City was able to move quickly once it learned that TRC planned to leave. A need exists to build confidence between the City and the real estate community. One way to assure the timely receipt of vital information would be to assign the task to a liaison officer. That would help assure two-way communication, , a way for the City to collect valuable economic intelligence and furnish brokers and developers vital information about City programs.

The task endeavored to capture the lessons for Tacoma of its research into the Sandberg/TRC experience. Eight general conclusions and seven specific recommendations for action follow.

Eight basic conclusions

In capsule, here are our conclusions, suggesting a basic approach to downtown development:

- Incentives: To keep the firm within the City, Tacoma made good use of the package of incentives it had on hand. Without them, alternative sites in outlying areas would have had an added advantage. Provision of affordable parking spaces, although less important to TRC's bottom line, was a key factor in making the downtown location work for the employees.
- Historic preservation: Financial incentives offered depended on securing local and Federal landmark registrations and restoring the property appropriately. In making that happen, Tacoma also rescued a fascinating part of its architectural history. The City's economy benefited and its urban environment became visually more attractive.
- Vision: It took creative individuals with vision and imagination to see possibilities that others overlooked. Although some visions may appear difficult to achieve, they can be nurtured and encouraged. Achieving the vision was pivotal. That it also made economic sense was a bonus for both the owner and the tenant.
- The players: The conversion of the Sandberg Building into an icon of downtown Tacoma depended upon the teamwork of the players and their willingness to venture into new territory. Their coordinated actions contributed greatly to the success story outcome.

- Civic energy: The TRC challenge needed a burst of civic energy. The City Government supplied it and played its part in retaining an important business activity and providing space for its future growth. The proposed downtown plan calls for a more active role by the City Government in promoting economic development, a course that we welcome.
- Kit of tools: Not only did Tacoma improve its downtown's situation with TRC's successful relocation, but it also forged a kit of tools for use in identifying and helping prospects to settle in Tacoma. This is an important part of the City's new approach, one of seeking out challenges and opportunities, rather than waiting for a developer to knock on the door.
- Partnerships and permits: By engaging in an informal partnership with the interested parties, the City helped assure a successful outcome. The flexibility shown by the permit issuing agencies speeded the renovation to completion. The City now needs to make the TRC experience better known, spreading the word widely that government assistance and public/partnerships are available in the development and growth of Downtown Tacoma.
- Future renovation projects: Tacoma has much to gain by responding in a positive way. The flexible, non-bureaucratic approach to building code issues being proposed is essential. But so are assurances that vital safeguards such as seismic reinforcing of existing buildings will be maintained. Investors and major corporate prospects want that assurance.

Seven action recommendations

The conclusions were boiled into these seven specific action recommendations:

- The TRC success story should be publicized in national media, specialized publications and on the City's web site. It shows the system working, a subject worth a little horn-tooting.
- The new downtown plan and companion zoning code revisions should be put on a fast track to make the most of the present positive economic environment. The City should provide sufficient staff resources to put plan and code changes into effect promptly.
- Incentives for historic renovations need to be advertised to brokers and developers. They should be made more aware of the historic renovation incentives for existing buildings.
- Historic preservation and the economic development program should be linked more closely together. Both programs will benefit from that coordination.
- A City liaison officer should be appointed to cultivate and maintain contact with the real estate and business communities.
- Small and medium-sized businesses should receive attention and encouragement as part of the City's economic development thrust. Sensitivity to their needs will help Tacoma retain them as vital parts of the City's economy.
- The vision and imagination put into the transformation of the Sandberg Building produced an inspiring result. Tacoma needs to harness those qualities and experiences to take full advantage of the opportunities presented by Tacoma's emerging renaissance.

The team effort that facilitated the rebirth of the Sandberg Building can produce many other TRC-type successes for "The City of Destiny" as we embark on the approaching millennium.

INDIVIDUALS INTERVIEWED

Michael R. Bartlett, President, Horizon Partners Northwest
Eric Cedarstrand, associate vice-pres., Colliers International
Merten Bangemann-Johnson, Economic Development Dept.
Don Lloyd, Marketing Director, Rushforth Construction, Inc.
Gary Pedersen, Manager, Building and Land Use Services Div.
Trish Hughes-Raber, Economic Development Department
Valerie Sivinski, Principal, Artifacts Consulting

Troy Spurlock, Superintendent, Rushforth Construction, Inc.
Michael S. Sullivan, Principal, Artifacts Consulting
Kristen Videto, Facilities and Admin. Services Manager, TRC
Juli Wilkerson, Director, Economic Development Department
Patricia Woodruff - President, Visions, Design Solution.
Ben Gilbert, task force co-chair and Tacoma Landmark Commission member, was also interviewed for the report.

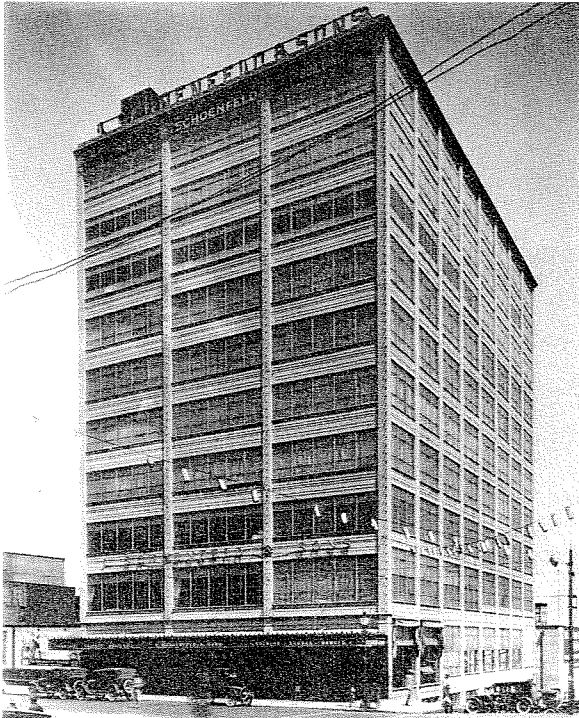
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For information about City Club,
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Phone (253) 272-9561, FAX 272-5437

Sandberg Building: How it changed over many decades



1926 photo: Four years after Schoenfelds bought the Sandberg Building, 1908 exterior remains unaltered.
Tacoma Public Library Collection



Painted: Starting in late 1920s, building acquired four coats of paint. Photo probably dates from 1950s.
Artifacts Consulting files



1979-1996: Brown aluminum cover and huge sign applied in 1979; removed as part of restoration.
Artifacts Consulting files



Restored: Current photo shows Sandberg Building reborn with Total Renal Care sign at its roof top.
Photo by Ben Gilbert