

# Living Downtown

A CITY CLUB of Tacoma Community Studies report



*A WINDOW ON DOWNTOWN - Gayle Rieber photo*

A study about increasing  
the supply of housing in  
Tacoma's Downtown to  
improve livability  
and viability

**CITY CLUB**  
of Tacoma

July 15, 1998

Postcard Ballot enclosed. Please mail to CITY CLUB office by August 15.

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*Cover Photo: A WINDOW ON DOWNTOWN by Gayle Rieber*

Lower left, Broadway Center complex; Upper left, Municipal Building; Center, Winthrop House (elderly housing in former hotel); Upper right, Elks landmark (white building) and Old City Hall (building with clock tower, offices in converted public building)

## ABOUT THIS REPORT

The CITY CLUB of Tacoma is pleased to publish "Living Downtown," one of a continuing series of Community Studies reports on important issues of interest and concern to this community. It is the independent work of a CITY CLUB Task Force and will be discussed at the July 15 luncheon meeting. Members may register their views pro or con on the enclosed postcard ballot. We want to hear from you. Non-members may obtain report for \$10.00.

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# 1. Living Downtown

## *If we build it, will they come?*

What to do to revitalize Downtown Tacoma has occupied caring citizens for at least 35 years, certainly since a siren call from the new Tacoma mall lured major retail stores away. Their customers went too, of course, attracted by the "free" parking and the excitement the mall generated. Valiant attempts to restore Downtown to its former glory as "the" retail center of Tacoma never took off. The big stores did not come back to Downtown or to most other cities.

Tacoma did use Federal Urban Renewal funds to tear down many venerable older buildings, replacing them with two big parking structures and some surface parking lots. Some of the buildings could have been made over for Downtown housing. Ironically, Congress devised urban renewal primarily to expand housing.

### **Housing adds vitality, complements attractions**

Successful new attractions have been brought to the City Center after decades of civic effort to enhance Tacoma's Downtown. In place are the Financial Center, the Sheraton Hotel and the flowering Broadway Center for the Performing Arts and more are on the way including some with housing units. Increased housing will complement these attractions and increase Downtown's viability.

A growing museum complex is emerging around the restored Union Station and the Foss. Before long, the new State History Museum will have as neighbors a new Tacoma Art Museum with a hoped for housing component and an International Museum of Glass on the Foss Waterway's West Side where land has been acquired for new activities including possibly 500 to 700 housing units. Some of these good things resulted from careful project development, but much occurred more or less fortuitously rather than from a Comprehensive Plan. Housing will be a key part of a new Downtown plan element to be unveiled in mid-99. The plan must clearly establish housing Downtown as a major municipal priority and be approved speedily, this study concludes.

### **Attitude and approach to housing changing**

Past neglect of housing in programs for Downtown reflected attitude and approach. Until recently, expansion of Downtown housing was approached skeptically as neither practical nor desirable. The housing pendulum is swinging back to accommodate new residents, many of whom will work Downtown. Tacoma always has had housing Downtown, more in earlier periods than at present.

A scan of thriving successful core area housing development in other cities supports the belief that more people living in Tacoma's Downtown not only is desirable, but also achievable and essential to our community's economic health. It would help the City comply with provisions of the Growth Management Act requiring future growth to be channeled onto vacant land in built up urban communities.

Enthusiasm for housing Downtown is not unanimous. Cited are regulatory requirements that raise construction costs and marketing practices that steer new housing into more suburban style areas of Tacoma and Pierce County. They should be changed. Some developers insist that Downtown housing will not "pencil out" without government assistance and strong support from the financial community. Both are needed if Tacoma's continuing Downtown makeover is to succeed.

In May 1997, a CITY CLUB Friday roundtable forum heard local developer investor Herb Simon stress the need to increase Downtown's housing stock. Simon is currently building five condo units on the Dock Building on the Foss. The high attendance at this meeting and expressed continued interest prompted the formation of this CITY CLUB Downtown Housing Task Force. The group has met twice a month since September, hearing from 20 expert presenters.

The Task Force is pleased to submit "Living Downtown," to the CITY CLUB membership. The subtitle, "A study about increasing the supply of housing in Tacoma's Downtown to improve livability and viability" gives the report's thrust. The Task Force urges a vigorous effort to expand Downtown

housing. It calls for prompt action to increase the housing supply of Downtown and turn the City's core into an attractive residential place for single individuals, couples, families, empty nesters and seniors. Downtown's cultural attractions are an inducement for them to seek housing there, once the area is established as a good place to live. Services will follow, the Task Force believes.

### **Set firm, achievable goals**

Achieving the goal of expanding Downtown housing must become a major priority of the City government, private Downtown landowners, the development, financial and business communities, the non-profit sector and the media. To get new housing built Downtown and get its vacant second and third floor premises occupied by residents, Tacoma must produce a VISION of the future Downtown and carry it out. This report does not establish specific goals to increase Downtown's housing supply, but **firm, achievable goals** should be set by the City in consultation with the private sector and participating non-profit organizations.

To get the housing built, inevitable obstacles including identified regulatory barriers and a dearth of investment funds must be overcome. The City bureaucracy must do a better job of coordinating Downtown housing related actions of its many departments. Responsibility for administering the program must be clearly lodged with one official. A question worthy of examination is the extent that City dollars can be used for Downtown housing projects; they were provided to start the Foss development effort. To help would-be Downtown housing developers "pencil out" their proposals, creative financing" will be needed. Low interest loans is another tool, one used successfully by Seattle non-profits for Downtown housing.

### **Flow back to Downtown still only a trickle**

This report looks at questions raised, difficulties experienced, what is being done, what needs to be done, and how needs can be met to assure the unfolding of vibrant Downtown neighborhoods that will be good for the City's economy and its well-being. Creating housing Downtown will require overcoming many tough problems including a reluctance to invest effort and capital in what has been viewed for too long as too speculative. Advocates of Downtown housing voice an appealing mantra: "If we build it, they will come," but realistically "they" will come when a welcoming atmosphere is assured. There is a flow back to Downtown living, but the stream has been only a trickle in Tacoma.

To recap, we call in this report to loft a VISION for our "new" Downtown as a place for living as well as working. That VISION must become part of the City's plans and programs and their administration. We hope this report and the CITY CLUB July 15 luncheon program presented by the Task Force will kick off a civic dialogue to reach the goal. The unacceptable alternative is to continue to talk about the goal while other communities build and thrive. Tacoma's citizens deserve better.

Fifteen Task Force recommendations to increase Downtown's housing supply are presented in Section 2. Other sections contain findings about Downtown housing problems and opportunities. Background information and a listing of presenters follow in the Appendix.

The Task Force extends its sincere thanks to those who candidly shared with us their insightful views and information. We mention for special thanks resource persons who generously gave of their time and knowledge: James Colburn, City of Tacoma, Tana Stensing, Tacoma/Pierce County Chamber of Commerce, and Matthew Schwartz, director of the Thea Foss Development Authority.

Members of the CITY CLUB of Tacoma Downtown Housing Task Force who worked on this study and helped put this report together.

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## 2. Recommendations

### *A baker's dozen from the Task Force*

We are gratified by the City's recent commitment to support housing Downtown. We hope the support will be vigorous and unrelenting. The new Downtown element of the Comprehensive Plan, due for public release in mid-1999, will guide that commitment. Before it can become effective, however, public hearings must be held before the Planning Commission. Changes will occur and more hearings are likely before the nine members of the City Council cast a final vote. We worry that pitfalls we uncovered in Tacoma's sometimes sluggish approval process could stretch the process into the next Century.

No doubt many property owners and speculators are holding back from developing or selling in hopes that "the plan" will allow them a windfall profit. Some are concerned about what may be built next door. Developers are also waiting to see it. In our introductory statement (Section 1), we pointed to the need for a VISION and a clear roadmap. That is why the planning process must stay on schedule and the plan for Downtown put into effect as soon as possible.

#### *We propose and recommend the following:*

1. Housing "on the slope" above the Downtown core, now a goal of the Planning Department, not only makes sense, it provides the City with a needed opportunity to "jump start" the Downtown housing program. To make it happen, the City Council must act with dispatch to remove commercial designations from those areas and rezone them for a full range of residential uses. By clearly defining uses, the change should spur conversion of slope areas into attractive neighborhoods. That would tell property owners and investors that they will have more to gain by putting their properties on the market now instead of continuing to hold them in expectation of windfall gains from unlikely future commercial development.

Multi-family projects and high density apartments should be encouraged, of course, to accommodate needed growth, but not by feeding existing single family dwellings to bulldozers in once fashionable urban renewal style. Sound existing occupied homes should be retained. New zoning should also target locations where additional single family houses may be built. In-fill development should be encouraged to make use of small left over vacant lots and where possible; clustering of new dwellings should be promoted in keeping with R/UDAT report recommendations. It also should permit much needed neighborhood convenience stores and markets at strategic locations.

2. To speed completion of the Comprehensive Plan, the City should make use of the \$350,000 in RTA study funds to bring into Tacoma a team of professional urban designers to complete the Comprehensive Plan, giving

priority attention to the Downtown element. We will benefit from other cities' experience and provide insulation from self-serving political pressures by land holders and other interested parties. In addition to clarifying arcane language, the team should prepare graphically illustrated code manuals to assist in rule interpretation and understanding.

3. City planners acknowledge that there is no central place for answers. We recommend that the City staff a Downtown Visibility Center with a ONE STOP permit office to eliminate delays and uncertainty developers experience in dealing with the many offices that review their drawings. The center would assist in defining property logistics, facilitate the development of workable plans, explain applicable rules and regulations including code and preservation requirements and generally create a welcoming reception. It would be the place to explain availability of community services, financial and land resources and tax incentives.

4. The City should install a director of Downtown housing to serve as combination ombudsman, expediter and bottleneck breaker with the responsibility to get the Downtown housing program carried out. The director should assist at all phases of development, oversee a storefront information office and guide developers through all necessary steps to completion. He or she would become the point person to assure developers that we want their energy and imagination in our "new" Downtown that housing will help create. The City Council should consider creating a Public Development Authority for Downtown housing, similar to a mechanism that it used for Thea Foss.

5. With housing vacancies at their lowest in years and rents rising faster in Seattle, Bellevue and in suburban areas, we believe the time is now right for private sector investment in Downtown housing. The City should invite developers and investors to register their interest and tell how they would proceed. Proposals to partner with the City and private landowners should be encouraged and facilitated.

Although more than half a billion dollars of Federal, State, City and County funds have been invested in Tacoma over the past 25 years, the private sector has held back. Meanwhile, close-by areas of Pierce County and South King County experienced rapid growth in housing, multi-family apartment complexes as well as single family units. The Task Force laments that Tacoma, again recognized as an "All American City," has not enjoyed comparable growth.

6. We recommend modification of stringent seismic regulations on sturdy two and three story buildings. Many of them are located in the Performing Arts area and elsewhere in Downtown with vacant second and third floors that could be restored to apartment living. It is a valuable but deteriorating housing resource. When the use of a building is changed or long-vacant properties undergo

major rehabilitation, the City applies seismic regulations and other building code provisions strictly, often for the first time, making renovation too expensive. To satisfy fire safety codes, good sprinkler systems should be installed, eliminating the need for space cramping second stairways in these narrow buildings.

7. Government entities retaining idle properties Downtown awaiting “a better deal” are behaving no differently than other land owners who impede development, except that the properties were bought with tax dollars. This should come as no surprise to our County and City governments sitting on choice pieces of prime Downtown real estate, except they should know better. Responsible officials should move promptly to put those public lands to work on behalf of the taxpaying citizenry. Certainly, the properties should not be held speculatively to impede City and community favored priorities and programs.

8. To insure the best uses for publicly held lands, a clearing house for land sales and transfers should be set up to assure interaction and cooperation among the City, the County, Port of Tacoma, Tacoma Public Utilities, School District, Metropolitan Parks, Public Library, and the Puyallup Tribe. The City and Metro Parks System partnered to acquire properties on the Foss. The City should seek help from other jurisdictions to reach the goal of more housing Downtown. Private land owners can also enter into these partnerships by registering their parcels in this land bank.

9. Existing restrictions on long term leasing of City-held lands should be removed. It is not economically feasible for developers to invest in projects on a thirty year lease. On land sales, the City should have authority to dispose of properties that are no longer needed for municipal use. On properties the City wants to retain, developers should be offered leases of up to 99 years to make them attractive to investors while giving the City “more bang for the buck” on its infrastructure expenditures. Tacoma Public Utilities many decades ago entered into 99 year leases for properties surrounding the Cushman Dam, recognizing this as an important development tool.

10. Think outside the box. Creative financing needs to be part of the equation as do joint public/private partnerships and other joint ventures to build and share costs. Groups of property owners can come together to make long term leases of private or public holdings and work out income sharing arrangements. The City can build parking lots and sell air rights to developers. Non-profit agencies often can contribute land and other benefits. These approaches have worked to increase the housing stock of Downtown Seattle significantly. Another option would be tax increment financing if regulatory barriers are removed.

11. The City should encourage owners of developable properties to organize joint ventures and trade parcels to mutual advantage. One solution is to put together a “land bank” register of developable properties including publicly owned properties as well as those privately held. An association made up of Downtown property owners could usefully meet regularly with the City, County and other governmental units to share information and explore

ways of working together. Curiously, property owners often are wary about joining forces with merchants and other business tenants to achieve common objectives.

12. Tax codes should stop rewarding owners of deteriorating properties with lower tax bills while penalizing those who make improvements with higher taxes. As writer and urban planner James Howard Kuntsler suggests, land should be taxed at its potential development value to encourage property owners to make the fullest use of their property. Faced with higher tax bills, owners would have less incentive to neglect their properties. We strongly recommend tax law revisions to change the economic equation so that owners of derelict buildings will find it in their interest either to renovate or sell. I

13. R/UDAT (Rural/Urban Design Assistance Team) has offered Tacoma a VISION and a plan for the part of Downtown from 13<sup>th</sup> to 17<sup>th</sup> Streets and Pacific to Tacoma Avenues. It emphasized housing and made specific recommendations for clusters of housing astride Fawcett Ave. between Market St. and Tacoma Ave. It is the only plan for that area currently in existence. We would like to see it happen. Architect Peter Rasmussen, a former City Council member chairs the Implementation Committee. Call him at 572-5511 to volunteer to help bring this about.

14. Code provisions could become less devastating to the Downtown housing program and other key municipal initiatives if they contained carefully crafted waiver provisions. The Task Force recognizes that code provisions for seismic and fire protection were designed to protect health and safety. In cases where rigid code application would constitute undue hardship or otherwise unreasonably impede desired development, the City should use a flexible approach through waivers or modifications.

15. Finally, a last word: Above all, we need **leadership** to encourage and put together a consortium of people who care enough about Tacoma’s future to work to revitalize our Downtown by making it a more livable place. Leadership is needed to direct staff and to involve investors, planners, idea people, and property owners – people like us – to come forward and work together. It is a call for urban pioneering to hack away the underbrush and prove that Tacoma is still young enough and energetic enough to fight for its future – our future.

*Let's have it all in place before the dawn of the Twenty-first Century.*

### 3. Image and reality

*Residents undeterred, but not builders*

Does Tacoma’s Downtown have a down at the heel image that gets in the way of accomplishing the goals that movers and shakers have set for it? How do we spruce up our image? Task Force members posed that question to its presenters, recognizing that an improved image is essential to achieve the City’s goals for Downtown. Just waving a magic public relations wand will not suffice to convince scoffers. Major changes must underpin any PR blitz. *Safe*

and *clean* are basic to image rebuilding. Fascinating activities and facilities are emerging in Tacoma's "new Downtown," but we still look for a needed rebirth of the Downtown housing market. Those who want to live Downtown now are undeterred by its "image." They are a hardy band.

"A Downtown housing boom in many cities; Seattle Downtown rush has parallels in some, though not all other markets." The Puget Sound Business Journal thus trumpeted a survey of middle-size cities that have successfully refurbished their images and brought in construction dollars: Columbus, OH boasts a Downtown complex costing \$100 million including a 27 story residential section with 142 luxury units costing from high \$200,00 to more than \$1 million. Eight local banks in Dayton created a \$33.75 million Downtown housing loan pool for below market rate and market rate housing. Kansas City calls for incentives including more relaxed loan standards to double the present 9,200 Downtown residential population to keep pace with a rising work force. Reverse parking to let residents use garages at night, an innovative idea, has been suggested. Milwaukee has projected 1,000 additional units, 500 in ten turn of century buildings being remodeled and 500 new units.

Closer to home, both Seattle and Portland have just unveiled actions that would increase housing in its Downtowns. A housing/retail complex is slated to be built near Seattle's Pioneer Square on a portion of the parking lot north of the Kingdome. Between 388 and 500 units, retail stores and possibly a hotel are projected; some will be for below market rate purchase, possibly as artists' lofts. At the same time, Portland officials announced its plan for a streetcar loop around its Downtown that they predict will set the stage for mid-rise residential construction in the vicinity. According to the Seattle Times, the number of housing units in Downtown Bellevue has grown from "several hundred" to "nearly 1,900 built or under construction." Bellevue believes the number of downtown housing units will eventually reach 15,000, most of them high density high rises, attracting a total of 22,500 persons.

#### **A "kid friendly" Downtown**

We mention Vancouver, B. C. as an outstanding example of a successful Downtown revival program. Housing, of course, is a key component as are its architecturally dramatic public spaces and its splendid Downtown shopping complexes. According to Brendan Koerner in a recent U. S. News & World Report, about 60,000 of Vancouver's 475,000 population live Downtown, 12.6 percent of the total. In 1991 that number was 9,000. Vancouver expects a Downtown population of 110,000 by 2015. Huge efforts have been made to make Downtown living attractive to all including "kid-friendly" places and neighborhoods. "Part of that was economics, ... but part of it was spiritual. If you design an atmosphere for children, it will work for every one," Koerner wrote.

Matthew Schwartz, director of the Foss Public Development Authority showed the Task Force handsome

public relations pieces that Miami distributed when it decided that Downtown housing was a major economic development tool for that then depressed area. Schwartz, a former Miami official, described the massive campaign launched to sell the concept. It paid off. Miami "reimagined" the City with aggressive marketing, promoting its best features and working closely with developers reluctant to deal with government units beyond the permit counter. As in Tacoma, stringent codes and other restrictions fueled developer resistance. Through cooperative efforts, the City got 1,000 units under construction. Today 15,000 people at the upper ends of the economic scale are living in Downtown alongside the lower income residents already there.

#### **Basic services lacking**

Basic services are not now available to the estimated 6,000 persons who already live in Downtown Tacoma. Many depend on public transportation or shanks mare; carrying groceries from the nearest market can become a pain. About two miles away in Old Town, developers are building upscale condominiums, undeterred by lack of many basic services.

Incentives may be needed for Downtown, but playing "chicken and egg" to put off developing housing there is not rational or fair. Experience of other cities including Seattle show that services follow housing. Nancy Smith, executive director of the Seattle Housing Research Group, told the Task Force that "the services come when the mass is there." SHRG has created 1,900 low market rate housing units in Downtown Seattle in the last 15 years through joint ventures and creative partnering and financing to extend its limited resources.

#### **Results must follow touted images**

To convince skeptics, the City government will need to engage itself vigorously to bring housing to Downtown to combat the notion that Tacoma does not want Downtown housing. PR is a tool that will help Downtown, but only if touted images are backed up by actual results as other cities have demonstrated. Service providers are likely to get on board if they see that a serious effort is being made. Nevertheless, the pictures that prospective Downtown residents carry in their heads probably have much to do with why some individuals are willing to live Downtown and why others stay away.

Dr. Bruce Mann, one of our presenters, made the point that many possible Downtowners stay away because Tacoma, regularly getting high ratings on "good places to live" lists, has done a good job creating livable neighborhoods overall. It only takes a few minutes drive from Downtown to reach many attractive residential areas with green grass and other amenities. So Downtown must also become an attractive place to live at locations that do not have much grass, but offer other amenities. Image and reality can be intertwined.

*Some realities about Downtown that contribute to its image are presented below:*



**Shopping:** The major department stores that once lured shoppers to Downtown are now at the Tacoma Mall, a few minutes away by construction of the Tacoma spur. That project was pushed to fruition to take through traffic off Downtown streets to help Downtown. However, it works two ways. The spur also makes Downtown shops, offices and other attractions more accessible to persons who live outside Downtown. Some established specialty stores that have been Downtown fixtures for ages are still catering successfully to customers who know what they have to offer. Downtown as a special place to shop has not vigorously promoted the goodies that are available.

The demise of the Downtown Association about a decade ago left a gap that needs filling. A fledgling merchants' association has begun to take shape; we hope to hear more soon about the many and varied "niche" businesses that Downtown offers. They need to be joined by new convenience stores and service establishments. A venturesome supermarket Downtown would certainly foster image change.

**Arts and Culture:** Downtown Tacoma has successfully established itself as the cultural center of South Puget Sound primarily for its theaters and art galleries. For many persons living in outlying sections of Tacoma, in Lakewood, or elsewhere in Pierce County, Tacoma is the place to see a live professional performance on stage. Galleries that open on Third Thursday nights draw good crowds from the entire region. Theaters and art galleries find much of their patronage among the well-to-do. Other attractions are necessary to induce persons of middle and moderate income levels to think of Downtown as a place to live and enjoy. The main Public Library on Tacoma Ave. has offerings that appeal to a wide range of customers including researchers, students, and retired adults.

**More to come:** Planning is well underway to expand the City's cultural resources and provide new activity centers that are likely to employ staff members who might respond to Downtown living opportunities. A new Tacoma Art Museum is being designed by Antoine Predock, a distinguished architect, for the site immediately north of the Union Station, U. S. Courthouse complex. TAM has told the City that it would like to put privately developed housing on its site, possibly 75 to 100 units. Another famed architect, Arthur Erickson, has the task of designing the proposed new International Museum of Glass. Renowned glass artist Dale Chihuly is developing works for the Glass Museum and the pedestrian bridge that will connect it to Union Station and the State History Museum. Also on Tacoma's horizon are the much discussed multiplex cinema house for Downtown's North end near the restored Old City Hall and a world class aquarium to go on the Foss, near the Glass Museum.

On the west side of Pacific Ave. UWT is beginning second phase campus planning to meet the needs of a projected increasing enrollment. UWT plans to add additional open spaces and promenades, graceful amenities to complement classroom spaces lodged comfortably in the converted old railroad warehouse buildings. As enrollment

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## *A creative partnership for TAM's new building*

A creative joint venture that would include housing is being fostered by the Tacoma Art Museum for its new home on Pacific Ave. Partners in this effort would be the Museum, the City of Tacoma and a Seattle developer. TAM is moving ahead with fund raising for the Museum with the City considering construction of a parking garage as the Museum's foundation.

A free standing housing structure with spaces for retail stores is being proposed for the site alongside the Museum. As many as 100 units could fit on the site, but the exact number has not been determined. Residents would have a connection to the Museum through the parking garage and use of the garage for parking. The 50,000 square foot Museum would have the housing complex as its neighbor to the north, with the Courthouse, Union Station and the State History Museum to the south.

The proposed mixture of uses on its site and partnering by the non-profit Museum with both the private sector and City Government to make it happen is the kind of initiative that this Task Force advocates for Tacoma to revitalize our Downtown. The project appears to be evolving with both space and cost-sharing components of benefit to all three parties.

The Museum would make more economical use of its site, the housing developer would use his entrepreneurial skills, and the City would be graced with a new cultural facility, and a housing-retail combo that would generate activity Downtown and yield tax revenues. It also would help solve the parking problems in the Union Station Historic District, a no mean accomplishment.

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grows, Downtown housing with the area's expanding cultural offerings may appeal to some faculty members and students who would prefer to live Downtown.

**Jobs:** Downtown's workers swell its population Mondays through Fridays, a critical mass estimated at 14,000 or 15,000 persons that gives a lift to Downtown's economy, but not as much as some might think. Most of them leave at quitting time, lured by a different image, home and family, often only a short drive away. Some of them do return occasionally to sample Downtown's cultural offerings. Downtown employs a full range of jobs and salary levels. Lower income level personnel are less likely to be patrons of Downtown's restaurants, theaters and other attractions. Images that workers bring with them to their work places may depend on a number of complex factors including how well they enjoy their jobs. If afford-



able housing became available, wouldn't some adventurous singles and young marrieds be drawn to Downtown living? Other groups that might enjoy being close to the many cultural offerings would be empty nesters and elderly, the Task Force believes.

**Restaurants:** Tacoma's Downtown is beginning to offer a greater variety of eating places. Their number, however, has not achieved a critical mass to establish Downtown as the place to go for a night out. One would think that Downtown has enough workers to underpin a thriving restaurant business, at least for the noon hours. To a certain extent, it does, but there are obstacles. Those whose work schedules provide enough time are likely to visit one of the waterfront eating places on Ruston Way for a business lunch or just for sociability with friends and fellow workers.

Over the years, a number of Downtown businesses, responding to a dearth of nearby eating places, set up their own in-house facilities. A substantial number of Downtown workers eat in company cafeterias or "brown bag" it. In the evening, restaurants should consider offering package deals to theatergoers who might be induced to dine Downtown before or after the performance.

**Public safety:** The Tacoma-Pierce County Chamber of Commerce, working closely with the police, keeps a watchful eye on Downtown crime levels. It has assembled official data that shows Downtown to be a safe place. In fact, it can be argued that Downtown never had the high levels of crime attributed to it, possibly a reflection of media attention. The figures confirm a downtrend that also shows in FBI local and National data. (Chart in Appendix.)

**Upbeat report:** An intended upbeat report from Downtown Tacoma's Business Improvement Area that deploys the yellow-jacketed Downtown security patrol became no report. (*BLA gleefully found that there were not enough noteworthy reported crime incidents for a formal report in the current reporting period.*) Still many persons avoid Downtown after work. Except on nights when Pantages and TAG have evening attractions, most Downtown streets are largely deserted after dark. The need for more after hours human activity Downtown is one argument advanced for more housing in Tacoma's core.

**Social agencies:** Relocating Downtown's three social agencies, the Mission, Nativity House and Last Chance Shelter core has been urged to polish the image of the central core area. However, when R/UDAT surveyors looked at the issue, they proposed an architectural solution for the Mission, moving its homeless clients off the street into a courtyard that could be created at the present site.

A recent City Council action blocking available grant funds to convert a vacant Pacific Ave. office building into low and moderate income housing appeared to reflect a feeling that Downtown has enough low income residents. Some may differ, arguing that the additional housing at a range of price levels would benefit Downtown by increasing its 24-hour resident population. Efforts are being made to find a less visible location on the periphery of the central core for some of the social agencies.

**Where are the cranes?** Image building is essential, of course, but skeptics want to see cranes at work. As the wealth of projected plans get past the working drawing stage, cranes will appear. The Task Force hopes some of them will be engaged in building housing Downtown. When did we last see construction cranes in Downtown Tacoma?

## 4. Planning for future

*New Downtown plan element due in '99*

Tacoma's Planning and Development Services Department is revising the existing 1993 Comprehensive Plan that was rushed to completion to meet requirements of the State Growth Management Act. It will include a Downtown element to steer future growth and development of the City's core. By mid-1999, planners hope to forward the Downtown element to the City Planning Commission as a preliminary to City Council review.

The City expects Downtown to accommodate another 10,000 persons over the next 20 years at a relatively high level of density; meeting the needs of households of a variety of income ranges would require addition of about 250 dwelling units per year. To reach those numbers will be a tight squeeze. Vigorously municipal action to encourage building of new high density mixed use structures that include housing will be necessary as will conversion of existing underused and vacant buildings to housing use.

A primary City strategy is to push mixed use zones, not just for Downtown, but for all sections of Tacoma. It would not be mandatory to include housing in such zones along with offices and retail stores, but a developer would have the choice.

### Dynamic projects needed

In providing for the proposed mixture of uses official guidance must do more than follow the present pattern of merely *permitting* different uses to be built side by side. To work Downtown, builders must be actively *encouraged* to develop mixed use projects in dynamic ways that include housing. The Downtown element has been several years in the making. Planners are looking to the Regional Transit Authority for an infusion of \$350,000 to finish it and focus on plan implementation. We recommend that a team of outside expert consultants be retained by the City to put these tasks on a fast track to completion.

The Comprehensive Plan will provide specific guidance for land use, capital facilities and urban design decisions in the Downtown area. A clearer picture of the relationship of residential and non-residential uses, public spaces and amenities and essential facilities and services should emerge. The plan is expected to determine locations for residential development and for mixed use zones where housing would be allowed. Although not self-implementing, the plan would supply badly needed guidance to investors and serve to stimulate housing and other development in Tacoma's Downtown. Whether the plan

succeeds will depend on how it is carried out as much as on its specific provisions.

#### **Parking, a potential headache**

The Downtown Plan must address parking needs and requirements to deal with a major development headache. The rules must be administered skillfully, strictly in some cases, flexibly in others. For example, the requirement to provide at least one parking space for each unit may increase the cost of restoring and modernizing an older building, making it uneconomic. Special rules should apply to restoration of existing properties, possibly providing for waivers in individual cases. New developments, of course, create their own parking as in other parts of the City, usually in response to rules. The City will be called upon to build additional parking structures, as well. It may be desirable to issue a limited number of special parking permits for residents, either in structures or on the street.

Multi-level parking can be built on existing public and private lots with air rights sold to developers to add floors of commercial and residential spaces. The structures could locate needed levels of parking below grade and on lower floors with street frontages held for retail stores. Offices would go on floors right over the parking levels with top "view" levels reserved for prime housing. Creative designers of through block buildings could exploit Tacoma's hills, putting housing entrances on upper sides and parking and commercial entrances on lower sides. The Downtown element of the City's Comprehensive Plan should encourage construction of such multi-use buildings

#### **A housing "czar" for Downtown**

The Task Force believes that a housing "czar" with broad authority should have the duty to carry out the City's role in bringing new housing to Downtown. That official would serve as a combination ombudsman, expeditor and bottleneck breaker and preside over the proposed ONE STOP permit office.

State legislation in 1995 created the Multi-Family Housing Tax Incentive Program providing for a ten-year exemption from property taxes for new residential developments of four or more units or improvements on existing units. Tacoma sponsored the legislation in Olympia as a means of increasing the housing supply Citywide, thereby making it possible to meet anti-sprawl Growth Management Act requirements that future increases in population be funneled to urban centers where roads, sewer lines, schools and police protection exist.

Tacoma has developed a legislative measure to create special tax incentive districts to use sales tax receipts to fund project improvements. This money could address issues such as cost of compliance with seismic and fire safety codes and joint use parking facilities. The Task Force urges readers of this report to encourage their State legislators to vote for this measure at the next session of the State Legislature.

The City government would like to provide general economic development information of interest to develop-

ers through print and electronic data transfer, plus direct access on the internet. It is also pursuing creation of a Downtown Visibility Center to provide a central location for access to and presentation of the data to developers.

The Chamber of Commerce holds a City contract to study housing availability within Downtown and to explore ways to get 100 new units of market rate housing constructed. Tana Stensing of the Chamber reported that 65 per cent of the owners of 76 Downtown area apartment buildings provided current information about the number, type and cost of housing units within the study area. The data showed that the buildings hold 2,242 units including lofts, studios and one, two and three bedroom apartments. Most of the buildings are more than 30 years old. Rents range from \$130 to \$765 a month and occupancy is 91 per cent with 200 current vacancies. About 43 per cent are targeted for low income tenants and seniors..

#### **Other questions about the Comprehensive Plan raised by the Task Force:**

**Additional Incentives:** What other incentives might spur private sector housing developers to develop Downtown housing?

**Public Development Authority:** Should the City create a PDA to stimulate housing development?

**Requiring Housing:** Should Tacoma mandate a housing component in major development projects as some other cities have done?

**Developer Experience:** Do Tacoma/Pierce County housing developers have sufficient experience or interest to build high density projects Downtown where costs and building conditions are more difficult to deal with than raw suburban land?

**Market Analysis:** How do questions of land availability, land cost, capital and operating costs, availability of financing and market demand in Downtown compare to similar markets in the region and in other Cities? What needs to be done to improve competitiveness?

**Delivery Network:** What are the current relationships of landowners, realtors, developers and financing institutions in providing housing in the Downtown area?

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### ***Lewis Mumford on "Livable Cities"***

Writing in the "City in History," Lewis Mumford, the distinguished urban critic, described his view of "livable cities." We believe it has application to this report.

*Livable cities, providing high density neighborhoods, mass transit, and trillions of dollars' worth of already existing infrastructures, could be a panacea for sprawl's excesses. But the value of a City cannot be wholly tied to the money it saves or produces. The best economy of a City is the care and culture of men.*

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## 5 Needed: a bold plan

*R/UDAT offers a Downtown prescription*

*The community cannot be satisfied planning and implementing one major project at a time. A bold, coordinated and Comprehensive Plan must be government's duty, businesses' duty and the residents' duty. In such an environment, neither government, businesses, nor residential communities can be timid if a successful, sustained community is their common goal.... For many groups in the population, primarily young professionals and empty nesters, the fabric of urban cores provide attractive, positive options for living. In addition, many other population affinities find Downtown living their preferred choice.* R/UDAT report on Downtown needs and opportunities.

A four-day Regional/Urban Design Assistance (R/UDAT) April 1998 study of the "missing teeth" in Tacoma's Downtown façade stressed the need for housing as well as commercial and cultural development Downtown. To R/UDAT, housing is an essential humanizing influence to return life and activity to this neglected section, and its construction will give a lift to Downtown including its retail businesses and cultural offerings.

### **Prime opportunity area**

The nine-member team's study area stretches from Pacific Avenue to Tacoma Avenue between 13th Street and 17th Street. Located between the recently active Union Station District and the old Downtown, it is 55 per cent vacant, potentially a prime opportunity area for housing and other development.

The R/UDAT analysis called for construction of more housing as part of a planned approach to economic development. That approach can and should be applied to the entire "new Downtown," this Task Force believes. R/UDAT's statement that it is not enough to be "planning and implementing one major project at a time" was a reference to Tacoma's tendency to focus on individual headline garnering proposals, sometimes overlooking less glamorous, but important programs.

### **Unique urban neighborhood**

R/UDAT identified eight blocks from Tacoma Avenue to Market Street between Thirteenth and Seventeenth Streets for "a compact highly-livable community centered on Fawcett Ave." It proposed building on what is already there and making it "a unique urban neighborhood for persons and families of varying incomes and lifestyles." It would not go in with a bulldozer, urban renewal style, and tear down existing single family homes but would retain them and build more as part of the mix.

Multi-family structures would be encouraged on suitable open sites in Fawcett and other locations in the study area. Additionally, it projected a five to ten year "build out" period for 176 units, many in clusters, that the team of architects, planners, and a housing specialist would create. The Task Force favors this proposal and recommends that the City promptly rezone the eight blocks for residential

use to stabilize land values and create a climate for housing development.

The R/UDAT report recognized that some populations such as artists tend to gravitate to the inner City, seeking shared experiences and stimulation that comes from being near to other creative persons. The deteriorating dance hall at 13<sup>th</sup> and Fawcett Streets evoked a call to create lofts for artists and artisans who have been leaving Seattle and other centers because of escalating rents.

Under a "Recasting the Image of Downtown" heading, R/UDAT declared:

*The traditional uses of Downtown as centers of pedestrian retail have been marginalized, some feel permanently, by the introduction of the automobile and suburban expansion. For many groups in the population, primarily young professionals and empty nesters, the fabric of urban cores are attractive, positive options for living. In addition, many other population affinities find Downtown urban living their preferred choice. This means that the City Government, service, industrial and financial institutions must encourage the facile development of housing as in-fill and adaptive reuse in the City core. Tacoma has beautiful topography, grand streets, burgeoning cultural offerings, planned light rail and potential natural trail linkages that can leverage into viable neighborhoods.*

In effect, R/UDAT suggested the City locate housing Downtown wherever possible, in vacant spaces, in existing buildings including historic ones and on left over in-fill lots. Perhaps of even greater importance, R/UDAT called on the City government to facilitate the outcome, a dynamic approach that this Task Force also favors.

### **Commons and an arts high school**

Other aspects of the R/UDAT program would reinforce its housing thrust by making Downtown more welcoming to stimulate development of housing and other construction. The wide ranging mixture of favored uses incorporates residential, work and cultural activities, provide a "commons" to focus community activity, and network the area with pedestrian ways, and bicycle routes. A "magnet" high school of the arts was also proposed, strategically located to connect with the expanding museum area to the east and the Broadway Center to the west. It also gave the City's public art program a boost

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## ***What is Downtown?***

The Task Force used the City's planning office definition of Downtown: Division Ave. to I-5 and Thea Foss Waterway to Martin Luther King Jr. Way. By reaching up to the Hilltop, planners perhaps were expressing a hope that spillover development, particularly affordable housing, eventually will fill some of the empty spaces above Market St. and restore Martin Luther King Jr. Way as a thriving shopping street for the Hilltop and part of Downtown

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Noting that the area is perceived as unsafe, the report attributed that perception partly to history and partly to the lack of sidewalk activity. While data suggest that the reputation is unfounded, pedestrian movement through the "lonely" area is deterred, R/UDAT said. As development under the R/UDAT plan occurs, people would become visible on Downtown streets after dark as well as during the day, providing reassurance to evaporate such concerns.

## 6. Tyranny of codes

### *A tax plan to fix derelict buildings*

Out of date zoning regulations that are based on planning theories of past generations often impede development in cities. Some don't even make sense any longer if they ever did. Developers complain that they often face unnecessary restrictions that were intended originally to channel development in accordance with now out-dated plans. A new Comprehensive Plan is in the works and hopefully will provide an incentive to revise the zoning code. We favor a major review of zoning regulations as an essential companion action to enactment of the plan.

**James Howard Kuntsler**, whose books lay many of the problems faced by American cities on the way they are planned and regulated, offered the City a way to speed the preparation of its plan. He told us that outside code writers are available for hire and suggested that Tacoma hire a crew to help rewrite current codes. They would give us the benefit of mistakes made and corrected in other cities now enjoying revitalization. Money is now available from RTA to do it. That should be done.

In February, Tacoma sponsored an all day "Conversation on Design, a Community Forum on Metropolitan Revitalization." Two speakers of National note, Kuntsler and **Donovan Rypkema**, both recognized authorities on how American cities grow and develop, stressed the importance of making use of existing buildings and promoting housing in urban areas.

Both said that bad building codes are responsible for lack of development and under usage of properties. Both urged modifying restrictions and providing realistic rules to allow good things to happen in deteriorating urban centers such as Tacoma's Downtown. They also stressed that more people living in our inner cities creates excitement and reduces crime, two results that enhance the commercial viability of City centers.

### **They voiced a serious message**

They obviously hoped that the message would be taken seriously by the City's regulatory officials who attended the forum and taken back to the Municipal Building. Similar problems plague most aging American cities, they noted. The forum was paid for by the City, a positive indication that Tacoma is looking at how projects are designed. We hope that actions emerge to carry out these suggestions.

Some City codes only come into play when a vacant building returns to occupancy or its use changes. Thus, a building owner may be required to retrofit the building to meet present seismic (earthquake) and fire prevention codes. That can become too costly to justify redevelopment. The Task Force was informed that this practice was the primary reason why many two and three story buildings are left vacant above the ground floor. In addition to seismic and fire requirements, entrance and egress requirements come into play as does asbestos removal. Some of the affected buildings are near the Broadway Center of Performing Arts, the Municipal Building and Antique Row. One of them, the Bostwick Building between St. Helens and Broadway at Ninth Street, is a historic structure whose upper floors probably would appeal if they could be rehabilitated affordably.

Members of the Task Force sought an explanation of why code enforcement often has a more severe impact on vacant buildings than those that are occupied. The short answer is that enforcement is often triggered by a major building permit application. Serious code violations in continuously occupied buildings rarely get attention from authorities. When they do find them, the City is reluctant to evict the occupants unless the building is in imminent danger of collapsing or has become a serious fire hazard.

Planners from inside and outside the community suggested that existing regulations need to be examined to see if they can be changed to facilitate the reuse of existing buildings and parts of buildings that remain vacant. Does a narrow three story building really need two sets of stairs? Should restrictive and expensive seismic and fire codes be adjusted to the realities of residential buildings which are often more modest than commercial structures? Should there be provision for waivers and consideration of alternatives such as sprinklers instead of a second space-consuming stair well? Waivers could be granted in cases where strict enforcement would appear unreasonable or cause undue hardship.

### **A tax solution for derelict buildings**

A regulatory problem involves derelict buildings that dot our Downtown and detract from development, a problem caused in part by the way Pierce County and many other jurisdictions in the State and Nation levy real property taxes. Derelict structures often hurt whole neighborhoods, creating an understandable reluctance to invest near a deteriorating eyesore; good spaces may be hard to rent where offices overlook them.

There are innovative solutions that are beginning to receive attention to spur owners to renovate or sell. One idea that writer Kuntsler advanced at the City sponsored design forum would make fundamental changes in the way taxes are levied.

Currently our tax programs reward owners who hold neglected properties for years on speculation. Total taxes drop as buildings age; land values usually stay unchanged or decline with the buildings. By shifting the emphasis to land and taxing properties at their potential value, Kuntsler would create a tax incentive for owners to take care of

their holdings or develop them. Rising property taxes may prompt the owner to improve his property, or alternatively sell it to someone else who will.

The Task Force supports Kuntsler's basic approach. Buildings should continue to be taxed in two tiers, but the emphasis should shift from buildings to land. The land tax would increase as the value of the property rises, the building tax would decrease for allowed depreciation. This change would penalize absentee owners, inheritors of property and speculators. Those groups of land owners now benefit from falling total taxes on deteriorating properties that they are holding for inflationary gains.

As their taxes rise, owners would have a financial incentive to maintain and improve their buildings or sell their holdings. The City does have power to invoke its health and safety regulations to deal with derelict buildings, but because it is difficult to administer, that authority is reserved for extreme cases.

A follow-up CITY CLUB study could examine the derelict building problem Kuntsler and this report addresses and a related question about the way Pierce County assesses individual properties. We heard complaints that the formula approach used by the Assessor's office is arbitrary and discourages development. Pierce County has the unenviable distinction of having the highest real property taxes in Washington State.

## 7. Preservation 'carrot'

### *Commission's Downtown development role*

*The Task Force wanted to know how the Tacoma Landmarks Preservation Commission carries out its responsibilities after members of the development community cited problems they encountered.*

In the mid seventies the Tacoma City Council established by ordinance the Office of Historic Preservation and, soon after, the Tacoma Landmarks Preservation Commission. The City Register of Historic Places is modeled on the National with the recognition that designated structures and districts have great value to the community as a record of its history.

The Landmarks Commission generally follows the Secretary of the Interior Standards and other Federal Historic Preservation guidelines as well as local precedents that have evolved. Occasionally the State Division of Archeology and Historic Preservation expresses its view on a specific property for the Commission's consideration.

The Landmarks ordinance provides that 10 of its 15 citizen members have specific skills, such as real estate, banking, planning, architecture, landscaping, and cultural history [Ben Gilbert, editor of this report, a charter member of the American Institute of Certified Planners (AICP), is planning member of the Commission.] There are five 'at large' members. Appointments to the Commission for three year terms are made by vote of the City Council.

### **Reviews renovation proposals**

To renovate a building that is a registered Tacoma

landmark or improve property in a Historic District, the Commission's okay is required to get a building permit. According to **Valerie Sivinsky** who is retiring as Tacoma's Historic Preservation Officer, the Commission can use its powers as "carrots". It usually has the last word; a majority of the City Council can overrule it but rarely does.

Some developers have the perception that the City's Historic Preservation Office and the Landmarks Commission are difficult to deal with. Although only a very small number of projects have ever been rejected, some builders hesitate to undertake projects that are subject to Landmarks review. However, the Commission and the property owner do strive to reach agreement on changes to meet Commission and Interior Department guidelines, often improving the project's design. Often relatively simple changes make the difference. Sivinsky says the City invites developers to consult early to avoid pitfalls.

**Jim Merritt**, major renovator of old buildings in Tacoma including Union Station, has worked closely with the Commission for many years. He was an original architect member of the Landmarks Commission. While developers must deal with the Commission for historic renovation projects, they will find it flexible, he told the Task Force. He seconds Sivinsky's suggestion that architects and developers consult the Historic Preservation office early on, before making a large dollar investment in design work.

### **Codes impact landmarks**

Although building codes are not administered by the Landmarks Commission, changes required by the Building Department may have a special impact on historic structures, Merritt pointed out. Codes have been changed over time and are apt to become more restrictive on such matters as seismic and fire protection. What might have been feasible in the early 80's may not be possible now. Renovation of buildings such as the Albers Mill on the Foss Waterway, a deteriorated structure that is not formally listed as a historic structure but is eligible for designation, may prove costly because of its condition and the application of codes to vacant buildings. Within limits, code provisions occasionally are waived to facilitate the restoration of historic buildings.

Public dollars have renovated buildings in the Union Station and Warehouse Historic District. Although, the University of Washington Tacoma's handsomely revived historic warehouse buildings across from the station do not include housing, two Warehouse Row private sector neighbors have not avoided housing. There are 21 artist loft units in the McDonald Smith building and 55 rental units planned for the Harmon Building, now undergoing a major renovation. The Harmon Building is already home to retail shops including a micro-brewery and will incorporate housing, parking and a street level restaurant. The Cliff Apartments near the Eleventh Street Bridge (46 loft units) is another project carried out with private dollars and has enthusiastic occupants. More than 150 market rate units have been developed in renovated buildings.

A 10 year real estate tax abatement program author-

ized by the State has proved to be a housing repair and restoration incentive. Under it, building owners have renovated rundown and decaying structures and has led to a spurt of rehabilitation of residential properties on the fringes of Downtown on the Hilltop. The Commission passes on the improvements; the tax assessor makes the tax adjustments. There are also limited Federal tax benefits for rehabilitating buildings on the National Register of Historic Places, but they require approval of changes by the National Park Service's Historic Preservation Office.

**Tacoma has three established Historic Districts:**

**Old City Hall District.** Designated buildings are Old City Hall, the Railroad Buildings and others from the 1880's to 1920's. Development is controlled by the Landmarks Commission to keep a basic ambience.

**Union Station and Warehouse District:** The University of Washington Tacoma's new campus is located in this district. The Commission has worked closely with UWT property managers and architects to meet tight construction deadlines.

**North Slope Historic District.** Running from North I to M Streets and Division to Steele, it covers a residential neighborhood that requested designation to protect its unique characteristics.

Historic preservation is very important in defining a community. Tacoma has lost far too many wonderful buildings from its past. However, since it escaped the worst impact of the "tear down and build" boom of the 1950s and 1960s, it retains some important reminders of its history such as the Albers Mill. Preserving buildings that can still be rehabilitated for an adaptive reuse is a worthy goal that finds the Landmarks Preservation Commission as an ally.

## 8. Four syllable words:

**Infrastructure and amenities are needed**

The Growth Management Act is quite clear about it: Population growth should be directed to urban centers like Tacoma where *infrastructure* already exists. Where it is not available, developers may be charged impact fees to compensate the jurisdiction for its extra costs.

**Asset for Downtown**

For Downtown Tacoma, availability of infrastructure is a potential asset; developers can be assured that no impact fees will be charged. One exception, of course, is parking, but the City government appears ready to pick up at least part of the tab for parking as a public benefit. Another is parks. Tacoma's Downtown has a number of vest pocket parks, but will need more to support growth in housing as it occurs.

Infrastructure also covers such items as sidewalks, street lights, electricity, natural gas, water supply, sewer connections, telephone (and cable) services, transportation (by bus) and garbage pickup. It covers such supporting services as police and fire protection. Public schools fall

under the infrastructure heading.

The other side of the coin are amenities (defined as supporting services for this discussion). Downtown residents once could get their groceries at a neighborhood market within walking distance. That was an *amenity* that came with living Downtown. For years after the markets left, Woolworth in the Downtown core tried to fill that void with a modest food department. Since Woolworth departed, Downtowners had to go afield, often to conventional supermarkets a few blocks further away.

In recent years, big supermarket chains have tended to locate expanding emporiums farther out; they are now in business to fill many needs besides those directly connected to one's stomach. Many of those items once were provided on a more modest scale by Woolworth and its competitors.

Small delis and convenience stores do exist on Downtown's fringes with a limited selection of food stuff and other items. When pockets of housing develop in Downtown, will more such stores emerge as a first wave response? Yes, according to some of our presenters.

**A formidable wish list**

The Task Force made a combined list of infrastructures and desired amenities needed by prospective Downtown residents. As a wish list, it is formidable, but much of it not beyond accomplishment once a critical mass of resident customers is established. It includes convenient pharmacies, grocery stores, farmers markets, laundry and dry cleaning, mailing and financial services, video rental, bakeries and delis. More restaurants and clubs would be a great enhancement as would shoe repair, cinema, fast food outlets, trendy retail stores, newsstands, book stores and cultural and educational opportunities. Parking, of course, and parks will require special attention.

Families with children seek accessible schools and play grounds, parks and playing fields. How many blocks people will go to find these services has not been identified in this study, but common sense tells us that convenient services will enhance and facilitate interest in market rate housing Downtown. (R/UDAT suggested locating a high school of the arts Downtown.) Office supply, copy centers, electronics, travel agents, car rental and financial agents do exist in the 9th to 11th Street part of town, but are generally lacking beyond 13th Street to the south. If the need exists, it is said, the services will come, but some creative incentives to small businesses are needed.

Discussions are taking place to make use of the aged disintegrating Municipal Dock Building at the 11th Street Bridge on Dock Street for a Farmers' Market that would operate every day. Like all such proposals, funds are needed to make it happen. A consultant has estimated that it will cost \$10 million to turn this structure into the proposed market with the City contributing \$3 to \$5 million.

The building reached its present deplorable state because of failure to appropriate the much more modest sums need to stabilize it. It is a difficult issue, depending in part on the public interest on rescuing a historic structure that once provided landing facilities for the "mosquito fleet"



that shuttled between Tacoma and Seattle in the days before I-5. A rebuilt Municipal Dock Building could become a new activity center that would contribute to enhancement of both the Foss Waterway and the Downtown core.

#### **Parking needs special attention**

As noted, parking requires separate attention. At present, the hardy band of Downtown affectionados either regard parking as something they are prepared to struggle with, or they don't own an automobile. The goal to expand significantly the number of persons living Downtown requires a residential parking solution. Some other communities have created residential parking permit programs, but, to work, there must be enough spaces available.

The City government has accepted some responsibility for providing Downtown parking in structures as well as regulating the use of curb spaces by cars. As Downtown grows, more City-built parking garages will appear, hopefully in accordance with the new Comprehensive Plan's forthcoming Downtown element, not always where a developer might want it placed to support a particular development. Parking charges would pay part of the cost, but some of the expense must be considered a spin-off benefit from the creation of other uses on parking structure air rights.

New housing units will need to provide adequate parking for tenants and guests. New businesses to service residents of the Downtown core area will seek locations where parking is available. New office buildings will need to provide parking for tenants and, if they are multi purpose, for residents, as well. In most cases, parking will be built into the buildings to serve its occupants. If built in whole or in part with public funds, the garages must be open to all comers. As noted in the Planning Section of this report, free standing public garages should be designed to carry additional stories for residential or other uses.

#### **To build cultural audiences**

Tacoma seeks to build audiences for its growing complexes of museums, theaters and other cultural opportunities. The Task Force views well planned and well located parking facilities as good investments for Tacoma to support tax producing entities that grow up around them. The City and County own sizeable tracts of Downtown property that would make ideal locations for parking structures planned to accommodate other developments on those properties. Owners of individual properties often are willing to pave over vacant areas for surface parking, but that type of "land banking" should not be allowed to prevent future development. The tax program proposed by the Task Force to assess land at its "highest and best use" would obviate that problem.

An adequate and well-managed transit system like the regional one promised for Sound Transit should reduce parking needs as well as alleviate freeway congestion. The system must provide sufficient parking outside the City's core that is well publicized and promoted for tourists and residents. Businesses whose employees have stable in-

office hours must find ways to reward and encourage this type of parking, rather than using nearby on the street spaces, as is too often the practice. The City needs support and encouragement in its search for ways to make better use of existing parking spaces, both on the street and in garages. Although Downtown living carries with it "walk to work" opportunities, with transit, it can also provide a home for persons who commute to jobs in outlying areas and other cities.

#### **Hilltop beginning to bustle**

Martin Luther King Jr. Way on the outskirts of Downtown in the Hilltop, an area that is beginning to bustle once again, offers some shopping opportunities. Efforts are being made to turn it into a thriving shopping area. New residents are upgrading and renovating existing housing and its population is increasing. The presence of people, jobs and stores effectively deters crime. As noted in the "image" section of this report, Downtown crime levels are statistically lower than other parts of Tacoma, despite its reputation.

One technical note: From a governmental standpoint, infrastructure is often used to refer to "hard" utilities such as electricity, water supply, sewage disposal, and such "soft" services as garbage pickup, policing, schools, playgrounds, libraries and community meeting places. Except for parking, Downtown is fortunate in having adequate utilities in place. Other services will need to follow when significant Downtown population increases take place. Whether commercial support facilities appear in good time will depend on the entrepreneurial spirit of the private sector as well as what City government can provide.

An opening question of this report asks: "If we build it, will they come?" Tacoma can assure a positive answer by acquainting developers of the ready availability of most needed infrastructure and amenities. Moreover, remedies appear to be at hand to deal with parking for new development. Measures also are needed to encourage the location Downtown of food stores and other services.

Whether "yes" becomes the answer will depend on our determination. The Task Force hopes its voice in favor of getting "it" built will become a clarion call.

## **9. Experts comment**

### *On ways to revitalize City's Downtown*

#### *Task Force members attended the February community forum on urban revitalization and design.*

**James Howard Kuntsler**, an author of widely hailed books about American cities, voiced a call for actions to rescue our trashed and degraded cities to restore community and ambience to our daily lives. He made these points: We make it easier to build single family houses in outlying areas than to create livable environments in our central cities. The automobile has encouraged suburban sprawl. Bad zoning has reduced the attractiveness of central cities by regulations that discourage development of housing



Downtown. Unlike cities overseas, America has largely failed to commit itself to rebuild our decaying cities.

Kuntsler's basic message: Do a better job designing our cities. He would encourage developers to work on smaller parcels of land instead of super-blocks, recreating in Tacoma and other cities the scale of urban living that has survived in Europe for centuries. Design codes should look at each street instead of a one size fits all approach that often doesn't work. Because property taxes are levied primarily on the value of the structure, rather than the land, investment is discouraged, he stated. If taxes were based primarily on land values and the land's potential, developers would be encouraged to put their holdings to use creatively instead of leaving them underused or vacant for long periods to minimize taxes, he said. Aggressive use of municipal powers of condemnation to force rebuilding or removal of disgracefully deteriorated buildings should accompany the tax change.

**Donovan Rypkema**, consultant on economic development, followed Kuntsler with a similar message. He attacked the disposition to tear down historic old buildings as destroying a community's identity and sense of history "Those who want to tear this building down have never seen this place as wonderland." Unmanaged growth is a "cancer," a process of building new and abandoning the old. "When we build let us think that we build forever."

He would encourage everyone in a community to participate in planning and design work. "People need to feel the City is theirs," he said. "Experts may help but people are smarter. Economic opportunity is essential to a sense of ownership and healthy urban growth," but he decried the competitive bidding where cities vie to pay for each job created, "a bad strategy." In his trips around the country (he gets to 100 cities a year), he senses a new appreciation of quality urban design. Quality elements he noted included sustainability, adequate infrastructure (usually present in built-up cities), a diverse economy.

The fact that two-thirds of the work force will be able to work anywhere in the Twenty-first Century worries him. He outlined a homespun philosophy of attachment to where we live. "Coffee houses provide community and that is why they are so popular, a mix of young and old. The Internet does not provide a community." Users have three things in common, he quipped, they own computers; they pay \$20 a month for the service and they deny participating in sex chat rooms."

"We have five senses we need to preserve; place, evolution, ownership, identity and community." Summarizing, he sees individuals and communities as sharing responsibilities. It becomes the community's job to make things happen.

#### *Digests of representative comments by presenters:*

##### **Hoops to go through**

**John Collins**, Columbia Bank Downtown manager, co-authored a document on downtown housing a while ago. He said he found "brick walls of regulations" and was

stunned by the hoops people had to go through. William Philip, Columbia Bank CEO wants the bank to do as much as possible for Downtown housing, Collins said.

Conversion of older structures is difficult and expensive, largely because of codes and restrictions, particularly seismic. They do loan on conversions when economically feasible. The United Way Building (historic Sprague Building at 15th and Pacific), would not have been possible without considerable grant monies.

Q. You did lend on the Harmon Building (in Warehouse District on Pacific). Do you keep the paper in-house? A. Mostly in-house. We sometimes sell to a secondary market but buyers set stringent guidelines. They also loaned to the a couple that wanted to live Downtown. Another couple gave up because of City restrictions.

Q. Developers feel the banks create the barriers. How to overcome this? A. Developers didn't want to come downtown, too expensive for fees and such. The government restricts, not the banks. Costs need to be paid up front and cannot be spread out.

Q. What would you look for? Is a private/public partnership too complicated? A. Banks would look more favorably on new construction. Multiple ownership would add strength to a loan request.

Q. What about tax rebates for low income? A. That would be helpful.

Q. You are a lifelong resident and talk to a lot of folks. Do you hear of people wanting to live downtown? A. My wife and I talked about living downtown. I think there is a group that would.

##### **City can offer incentives, encouragement**

**Martha Anderson**, Economic Development Manager, City of Tacoma.

Q. What can the city do to help developers? A. It can offer some incentives and encouragement. Some restrictions stem from the State constitution that says cities cannot "lend credit". That means no direct assistance to project developers such as assembling property, even though the project might create many jobs. City can assist if there is a public purpose served along with streets and roads, parking and parks, infrastructure.

She made these additional comments:

Some Federal loan programs do not have such restrictions. The Sheraton Hotel, United Way Building and other projects were built with HUD money. There are Federal small loan programs for minority or women owned businesses, up to \$25,000. This money can be used for building improvements or acquisition. Larger sums require bank assistance. The Tacoma Community Redevelopment Authority that acts as a loan board to review projects administers a pot of money. The Community Development Fund can make risky loans in marginal neighborhoods.

High impact projects such as parking garages are favored by the city council which want to minimize surface parking, especially on the Thea Foss. The Glass Museum will be built on air rights. The city would like to do it because parking structures are generally ugly. They look better with multiple uses. Such parking must be public.

Older buildings in disrepair are a special problem. When building use is changed new codes come into play and the cost of rehab is very high to meet current building codes that cover disability, seismic, fire etc. The city finds it hard to change any of those requirements. They tried to change some local fire codes but the firemen fought it.

Q. Do you talk to developers? A. This week I met with three, all from out of town. One, from Vancouver, BC, heard about Tacoma from the architect of the History Museum. He is looking at downtown transition areas and wants to locate where, others like UWT, have gone first. He specializes in commercial and housing for artists and designers, Office rents here top at about \$19.00. They are \$30.00 in Seattle and Bellevue.

### **Housing a good solution**

**Erling Mork**, Director, Economic Development Board and City Manager of Tacoma for 15 years. Multi-purpose buildings with a housing component would provide street level shops, parking and perhaps office and residential. Many cities are finding this a good solution. We need to identify people who are willing to look at this concept. Currently, people flee downtown at the end of the day. About 15,000 people come to work downtown every day, a lot of purchasing power. But you never see these people on the streets. Too many businesses provide cafeterias and their employees never spend a nickel downtown. Many cities, such as Vancouver, BC, do not allow freeways into downtown, to encourage a market for working and living downtown. Retailers come with people and vice versa - also financiers and developers.

Twenty-five years ago Tacoma invited a few outside companies that were active in downtown development. At lunch with a dozen local business people, their reaction was that it was "too soon." They left town never to be heard from again. Just this week some people from Alaska came to the EDB looking for redevelopment opportunities. They found some "ideal" buildings. They may come back.

How do we bring activity? The Pantages restoration was a good partnership effort. An out of town entrepreneur had an option on six buildings on Broadway for a year, but a misadventure landed him in jail in California. When the option expired, the City bought the Jones Building that houses the Pantages. Private citizens raised funds.

Some things just seem to fall into place, Union Station, History Museum, UWT. Now we have the dynamics. We need the ingredients: property owners interest, financing, determining the best combination of uses, plus an employment base. We could look at Europe where local governments buy land and build the structures, encouraging choices. There is also a great need for financial incentives. Code changes could help by allowing for no setbacks and altering some seismic codes. UWT, for instance, developed several buildings in a row and tied them all together.

Q. What about groups of people to purchase parts of buildings? A. Could be a co-op or joint effort. If people showed a willingness to buy shares or invest in a unit it would spur development.

Q. What other institutional obstacles are there? A. Commercial rates applied to residential, as in garbage pick-up, security problems, and excessive charges for water. There is a symbiotic relationship between living and working in the same environment.

Q. Do we need another Downtown Association? A. The old DTA was mainly geared to retail and marketing. When People's and Schoenfeld's closed they lost a lot of their funding. Property owners are not interested. The Chamber doesn't have the dollars for ongoing projects.

Q. We are starting a group with merchants. All the blocks are different and have different problems. They will do block parties and small things. A. Merchant groups are good as they have common interests.

### **Good attractions, more needed**

**Dr. Bruce Mann**, professor of economics at the University of Puget Sound and land use consultant, gave this assessment:

**More attractions:** Downtown has good attractions such as the Pantages and the museums, but more are needed. A psychologist at Pacific Lutheran University who studied perceptions found Downtown defined as "gray and bleak". There are perception problems like crime. Crime levels in Lakewood may be greater, but perception matters.

**Family town:** Certain well defined groups will seek in-City housing: young singles; newly marrieds; older retired people, and people with strong ties to Downtown. The poor may lack other affordable places to live. Tacoma is a traditional family town. Getting the kids to school is a factor. Most families want space.

**Cost issue:** Building Downtown is costlier. A developer will look for higher densities to get more revenue to pay for higher land costs. Creating market rate housing Downtown is difficult. Many of the estimated 6,000 people living Downtown are low income.

**Build quality:** Carefully select your market and build quality housing. We are water oriented and docking privileges would appeal to many, but at \$400,000 to \$500,000.

**Attract the elderly:** Tacoma has good hospitals and health care facilities. Make the units handicap accessible with good security and parking. Some would like the excitement of Downtown living. They also need social programs. Sun City spends to make this happen.

**People in the arts, lofts:** Artists are being priced out of Seattle. They tend to live where they work and are reverse-mobile. Put in the studios and they will come.

**City assistance:** Convince the City's leaders to make housing an economic development policy. The Pantages and the Foss development are subsidized but nobody complains about it.

Q. Could we be a bedroom community for Seattle? A. That's been happening for years in the suburbs. Young couples in Seattle won't do it because of the attractions there. Retired might want out and families are moving - to the suburbs.

Q. Market rate? A. There is too much competition, like Old Town condos with views. You need to build the right kind of building to provide the proper atmosphere.

Q. Reuse of old buildings? A. Often high cost because of codes. Demolish old buildings of no historic significance. Have mixed use buildings with housing on top floors. The City needs to help.

Q. When the City builds parking garages, why not lease space above for commercial and above that for living units? A. This would be a real advantage as the City would put in the basic costs.

Q. What about codes? A. Fire and Building codes and strict seismic codes drive cost up. Most fire codes are designed for saving kids. If there were no kids maybe they would relax the codes for sprinklers and windows.

Q. What part of town first? A. I like the Foss and the buildings around the Pantages and Rialto. The Bostwick is a favorite but there is not enough space when you build to code. The Woolworth building is too big. The UWT district is overrated; students go home after classes.

#### **Retail needed for housing to blossom**

**Councilman Mike Crowley** described himself as a strong supporter of retail development Downtown. Having been a retailer in Downtown Tacoma he feels that retail development is necessary before housing will blossom. The proposed Cineplex project at Downtown's North End reflects this priority. If developed it will provide 80,000 sq. feet of theater space and 125,000 sq. feet for retail. "Housing follows growth," he said.

City Council and City staff supports housing development, not just Downtown but in all neighborhoods, he said. They were instrumental in getting the legislature to pass the law permitting tax abatement housing development. That law has already produced some housing in the Downtown area, he pointed out. The Council supports housing on the Foss Waterway, along with commercial and retail, he said. Commenting on interest generated by the University of Washington Tacoma campus, he suggested "if you build excitement, housing will follow." Nevertheless, he doubted that many students would live nearby.

He shares with some other Council members reservations about possible concentration of low income housing in the Downtown core. When Catholic Community Services proposed locating low income housing units in the central Downtown, the Council concluded that Downtown had enough of those units, he said. Efforts are underway to move the project to a peripheral area of Downtown. Noting that there are three social services operating Downtown, he said they do not need to be at their present locations, but should be moved to the periphery.

On Downtown planning, he favors a plan provided it is sufficiently flexible to respond to rapid changes in the way development occurs. Although the Council may not adhere to the letter of a plan, he said it offers guidelines to "keep things from just popping up all over the place." He added that "you cannot have a plan so rigid that you scare people out." The Downtown element of the Citywide Comprehensive Plan is expected next year. On building codes, he feels the building department is "fairly flexible."

On preservation of historic buildings, he has mixed

feelings. "I'm not in favor of tearing every old building down," he said, but finds himself sometimes at odds with the Landmarks Preservation Commission. Recently a developer who proposed a major development Downtown was scared away before the Council even heard of the proposal. "There is a need to preserve but is it better to let the building crumble than permit renovation?" he asked.

Tacoma suffers from a State law that requires demonstration of public benefit before spending public money, he said, but California and Oregon communities may "write checks if they want to encourage certain kinds of development," he said.

On crime levels Downtown and its perception, he said that "statistics show the Downtown is the safest area in Tacoma. There used to be open drug dealing, etc. Not so, now." (See crime data in Appendix.)

In answer to a question about building owners who allow their properties to deteriorate, he said actions to hold building owners accountable for the condition of their properties posed "a difficult issue" for the community. "Property owners can do as they please," he said.

#### **Amenities to expand housing**

**Herb Simon**, investor and Downtown property owner: Downtown is a neighborhood as are such locations as 26th and Proctor, etc. Within Downtown are several distinct areas such as Hilltop, University District, Theatre District. There is a need to designate the areas that are best for housing. On the condominiums he is building on Dock Street on the Thea Foss: If it works more will follow, but everyone is not willing to be a pioneer.

Turning to the Hilltop, he pointed to the need for services, bus line services on 11th and 13th Streets, infrastructure, such as parking, street lighting, service oriented businesses. We cannot expand housing without amenities.

How does it come together? For instance, if someone wanted to develop the Woolworth building into offices, there would be a square foot requirement for 85 additional parking spaces. Where? How? Tacoma and Spokane are secondary markets for expansion. Seattle and Bellevue are overgrown. Costs are high and many would like to relocate to viable communities. There is interest among developers and investors. Tacoma has great hillside views for residential development. Downtown only needs the parking infrastructure to make it happen.

Market rate housing is not low income housing. Section 8 housing (Federal subsidy program for low income renters) is not market rate. It hampers development. About 14,000 people work downtown daily. A 'grade A', 150 unit development is needed. So is a Comprehensive Plan that says where parking is needed. Available office space is 85 to 87 per cent occupied. Realtors are now asking for additional space. If we cannot supply the demand these people will go to the suburbs where surface parking is available. Suburban office space is 97 per cent full. Lakewood and Fircrest have no space.

Q Will we be missing opportunities because of a lack of parking? A. Yes. The current downtown parking was

built in the '60's when no need existed, before current growth, but it has contributed to that growth. It is healthy that we have these parking problems. They didn't exist 10 years ago. If people can't find parking it means there are many people seeking it.

Q: Are parking structures money losers? A: No, but they have no sex appeal. Bell Town in Seattle is a great example of a city taking hold. Seattle built underground parking and private money built high rise towers for residences.

#### **Public sector can help**

**Jerry Dinndorf**, Master builders Association, a recent Tacoma resident. Tacoma, the major regional center of Pierce County, needs to get more growth in the downtown core, including more housing, he told the Task Force. The public sector can help. A clear vision of proposed development is a necessity; good design, fast track city codes. Benefits to investors and others must be apparent and a good example is necessary.

He cited a seminar entitled "Redevelopment for Livable Communities" that listed salient points to attract people to downtown:

**Jobs formation:** Jobs in Tacoma will increase about 5.2% a year over the next 10 years, a rate faster than the rest of the region. Over the next 10 years, 20,000 jobs will be created Downtown. In 10 years the core will have about 48,000 jobs. Seattle has 165,000 and expects to grow 33,000 in the next 10 years.

**Affordable Housing:** Tacoma is one of the most affordable communities on the West Coast. New housing costs substantially more than existing homes. He asks whether new construction can be profitable for the builder.

**Public Transportation:** It is regarded as good and getting better with new regional bus service coming on line along with the RTA, projected for Pacific Avenue. RTA will help cross the "no mans land" from 13th to 17<sup>th</sup> (the R/UDAT "missing teeth" study area).

**Shopping and Services:** Very little exists. Can go to the Mall easily via public transportation. Few services such as cleaners and shoe repair, no grocers. 1300 new retail jobs should be created in the next 10 years for additional retail services. There has been \$400 million in new investment in the City in the past few years, in projects such as Union Station, History Museum, UWT, etc.

**A lot is going on;** Tacoma needs to take advantage of it. In the next 10 years 4,000 multi family units are expected to be built. 2,000 will be for low income people; about 1,000 for incomes \$26 to 45,000; 500 units for \$45 to \$72,000; about 500 for over \$72,000. Developers will focus on upper income levels at the rate of about 50 to 100 units per year. 1/2 for rent, 1/2 for sale.

He called attention to a Cornerstone mixed use project in downtown Seattle in the early '80's on Western Avenue near the Pike Place Market. The building has three floors of residences, nine of office space with first floor commercial and two levels of parking. Penthouse units are now selling for \$1 million and up. Residential units sold out right away although the area was seedy with few serv-

ices and "quaint" shops nearby. Offices languished, but now there is a waiting list for space. Average income of housing unit owners is \$200,000.

Waterford Tower, built around 1983, at 1st and Spring in Seattle has 22 floors of residential. They were slow to sell at first but it is now full. Income level of owners is \$55,00 to \$60,000. Waterfront Landing, a part of Port of Seattle revitalization, has about 234 units ranging from 650 square feet to 2000+ with prices from about \$120,000 to \$500,000. Persons living there have average income of \$70 to \$80,000. Its sales manager said the single most important thing is location, the water view, near the Marina, Aquarium, shopping, and the Art Museum.

#### **1,900 units for Seattle non-profit**

**Nancy Smith**, Recently retired Executive Director, Seattle Housing Research Group. The group, a non-profit corporation, was started in 1980 to raise seed money to work for affordable housing for downtown workers who make between \$6.00 and \$9.00 per hour. They have renovated old buildings and built new ones, to provide more than 1900 housing units in downtown Seattle. A study to determine where the people worked who needed their help, it was found that 26 per cent were in service, 19 per cent in retail and 13 per cent in restaurants.

A recent project is the Eagles Building at 7th and Union a happy combination of a joint venture with the ACT theatre and 4 floors of housing. The theatre is on the inside with 44 studio and one bedroom apartments on the windowed outsides. Tenants live within six blocks and walk to their jobs where they make \$8.50 to \$9.00 an hour; they pay \$400 and \$450 a month rent.

#### **Creative financing for affordable rents**

Projects use combinations of creative financing. Affordable rent levels determine mortgage payments. A combination of corporate investors, tax credits and bank loans are used. Because there is always a gap, they get creative. The Seattle Convention Center put money in housing as mitigation for demolishing housing. They look for other low interest loans. Section 8 money is not used as tenants can afford to pay their own rent. Funding also comes from a voter supported levy, financed through increased property taxes (about \$100+ per year average). Since Tacoma has a higher property tax than Seattle, highest in the State, this kind of creative financing might not be popular here.

Units average about 600 square feet and rent at 75 cents a foot. Where they have been the first housing units in a neighborhood, higher priced units have always followed. They have been pioneers but now property values have increased, partly due to their construction in marginal areas, to the point where they are having to move farther away from the core area. Their organization has 70 employees, most in building management. They feel very strongly about managing all their own units with resident management that is strict and always there. All units are rented in top condition, the renters are made well aware of their obligation to keep their units in good shape, and their

organization does all maintenance to keep all appearances at top grade level.

Q. What about architectural costs? A. Have found that teams they developed generally performed well. They use the same architects and contractors over and over. Even though bids are called for, their 'team' wants to maintain a relationship and gives them the best possible price and quality. The business community through the Down Town Association (DTA) originally raised \$750,000 for seed money for administrative costs, and have repeated that performance since, having raised \$3.7 million, about 3 per cent or so of total spending. They incorporate commercial on the ground floor where there is a market for it. They find people rent whether there are services close by or not. The services come when the mass is there. They do not provide parking because tenants use public transportation.

Q. Do lenders come to you? A. It takes a "right project" to match funding sources. Some funding sources work in some areas and not in others. They were early investors in the Denny Regrade - it is now "the most hip place in the USA" - all upscale.

Q. Demand? A. They have waiting lists.

Q. Do you generate money from your projects? A. No. The goal is to make them pay for themselves.

Q. Any private partnerships? A. All tax credits are partnered with banks or businesses.

Q. How do you screen tenants? A. They have to show 18 months of a good tenant history. They use tenant screening services. Evenhandedness is the key. They need to earn three times the rent. Managers watch the comings and goings. Of all 1500 units managed, they have no uncollectible rents.

#### **A full waiting list**

Q. How do you keep out the kind of people who never had anything and don't take care of anything? A. We are just full with a waiting list. New creative financing will be called for because Seattle is getting so high priced. Virginia Mason Hospital that wanted more parking gave them their parking lot and they built several stories of parking with apartments on upper floors for 55s and older, charging \$450 to \$550 for 1 bedroom units.

Q. What are major obstacles? A. Finding enough money. Rehabing to seismic codes was not so expensive in the beginning. They do all the seismic upgrades that are required, but have moved away from older buildings. They build quality up front, it cuts down costs in the long run. It is more cost effective and energy efficient to build from scratch.

Q. The Tacoma market is different. Your rental costs are LOW compared to anything available in Tacoma. Any ideas for us? Should we develop a team to do financing? A. My job is to be aware of different financing options. Look at tax credits - there is a 9 per cent and a 4 per cent. Tax exempt bonds can be issued on the open market and investors get 4 per cent tax credit. Go back to the same lenders. We have regulars who are satisfied with our ongoing performance.

#### **Interest in Foss/Pacific area**

**Robert Camp**, Camp Corporation, stated he is a single family builder and developer and has built both 'affordable homes' and custom construction in many nearby areas. From Pacific Avenue to the Thea Foss, he sees private sector developer interest in building upper income condos with commerce below on the water side. He doesn't see much private sector interest in providing low income housing in the area above Pacific Ave. without significant public assistance.

Current low income programs just replace the same people in different housing in the same neighborhood. The challenge is to keep the neighborhoods and raise housing opportunities to different levels. A very poor job has been done in this arena. His company has looked at possibilities but can't put the parcels together. In view of land costs, the profit margin is not there.

He would like the City to develop one block at a time and turn tenant activity to the inner core of the block. to provide parking and open space amenities for owners and renters, but there may be code problems. The concept sees housing that will start at \$130,000 to \$140,000, six-plex, eight-plexes, etc. (The concept, known as the Baltimore Plan, was first applied successfully to row house areas with junk-filled back yards. The back yards were cleaned up, fences removed, creating usable playground and parking space.)

**Dennis Thompson**, who recently left the City Planning Department, commented briefly following Camp's remarks. City codes are now open to the kind of development advocated by Camp. He insists that current plans are more flexible than they are given credit for.

#### **Permit process stifles creativity**

**John Doan**, City of Sumner official, a civil engineer who worked for Seattle for six years commented that the typical permit approval process and the way professional planners approach their tasks stifle creativity. Too often, planning departments are relatively inflexible. *Let us regulate you* is the approach of government in many cases. *You propose and we will look for consistency according to our regulations*, an easy and safe system. Some developers say they like the predictability, but, it kills flexibility and creativity. What happens when someone wants to think outside the box? The greater the predictability, the less the flexibility. This means creative projects seldom happen.

Q. Isn't there flexibility in the codes? A. Zoning does not encourage imaginative design. Successful land use planning will result in developments that stimulate growth. Economic development people in Pierce County are mainly interested in industrial development, missing all others. They should look for development to take place in the central core. It is difficult to do a plan if you don't have a VISION. A good planner is pro-active, looking for good development and working with developers to make plans better. Most (governmental) plans are not big enough. A developer who wants to do a commercial building should be encouraged to put residential on top and make the best use of their land. *If development is the enemy, you are*

*promoting it in the wrong place.* Single family zones need street grid, alleys, parks, porches, narrow streets, all pedestrian oriented. Multi-family projects need unit identification and opportunities for ownership. Commercial areas need pedestrian orientation, improved visibility, hidden parking. We got away from that in the '70s and installed huge structures but no people.

#### **Goes back to VISION**

Q. Mixed use in commercial? A. Definitely. Do a lot of things to be flexible. Every new planning idea should not go to the Council. Planners and developers need to be able to take greater risks. We need variety of housing types - single family units in the downtown core. People who live in huge complexes are not thought of as part of the community. How do we get there? It goes back to VISION. A City has to know what it wants. If codes discourage development, rewrite your codes. Challenge yourself. Who do you want to live downtown? Families? Recreation, schools and medical facilities will be needed. Seniors? Medical care, safety, lighting, transit, restaurants, activities are needed.

Q. Is rehab economical? A. There are buildings not worth restoring

Q. Some object to agencies forever building low income housing downtown. Why not disburse these structures to other neighborhoods that have commercial services? A. That makes sense but 18% of renters in Sumner, for instance, are low income. They want to be downtown where they perceive the service as better.

#### **Codes drive up costs**

A real estate specialist, who asked for anonymity talked to the Task Force about problems in developing residential properties Downtown.

**Renovating existing buildings:** An old building does not necessarily have value to a developer, particularly if the cost of renovation exceeds new construction. The Landmarks Commission approach to historic buildings may be a stumbling block. Structural and mechanical codes including tight restrictions on older buildings can drive up costs. Sometimes a supporting shell may be required.

**Building patterns:** Tacoma has a habit of building at the ends of Downtown, but concentration of activities convenient to each other is important. The proposed multiplex, for example should be built between the Downtown core at UWT, not near old City Hall at the North end of Downtown. There would be a market (for housing) if the City gave land to a developer with no lease payments for 10 to 15 years and okayed the construction of parking. The Foss would be one place to try this out. The City needs to understand the mechanics of developing a real estate deal. Timing is critical. If decisions cannot be made in reasonable time, developers will go elsewhere.

**Developers and owners:** Owners perceive buildings have value and expect developers to bring them up to code, pay for improvements and then pay rent. A solution might be to let developers bring buildings up to code and charge

rents based on a fixed percentage of business volume, rather than a flat amount.

**Perception of safety:** We live where we live because of quality of life, services, convenience, and safety or perception of safety. As an example, he described an evening in Seattle including dinner Downtown and a visit to the Kingdome. The neighborhoods walked through to reach the sports arena from the restaurant are not frightening, but busy and active. By comparison, think about walking from dinner in the UWT area to Tacoma's theater district, passing many blocks of deserted shops and empty lots. (Task Force note: That would be a long walk, about nine or ten blocks. The walk would go through the "missing teeth" area between Thirteenth and Fifteenth Streets that R/UDAT recommends for major revitalization.)

**EDITOR'S NOTE: All presenters were given an opportunity to review these abstracts of their "on the record" remarks. We failed to reach Ms. Anderson and Mr. Camp prior to printing the report. One other presenter asked that his name be withheld and that was done.**

## **CITY CLUB'S COMMUNITY STUDIES PROGRAM**

The CITY CLUB of Tacoma has an active Community Studies program designed to produce reports focusing on issues of community interest and concern. The studies are done by volunteer member task forces that meet together about twice a month to hear from informed "presenters."

Studies strive to give a balanced picture of task force findings and to make appropriate recommendations. Prospective volunteers are urged to call the CITY CLUB office to indicate their interest. (272-9561)

Studies prepared by club task forces in the last 12 years covered the neon art controversy, Pacific Ave. revitalization, child prostitution, proposed voting systems for the County, waterfront improvement, ASARCO cleanup, Tacoma's port, school violence, Narrows bridge congestion, and City Government. Suggestions for other studies are always welcome.

**CITY CLUB**  
of Tacoma



# Appendix

## A. Area crime data

*A three year comparison*

CRIME DATA FOR DOWNTOWN AREA AND PORT, Police Sector One, 1995-1997 figures			
<i>Offenses by category</i>	1995	1996	1997
Homicide	9	10	7
Rape	40	37	46
Robbery	321	236	221
Aggravated assault	502	489	465
Residential robbery	549	390	391
Commercial burglary	263	248	219
Auto theft	381	395	427
Theft	1,893	1,737	1,574
<b><i>Sector 1 TOTALS</i></b>	<b>3,958</b>	<b>3,542</b>	<b>3,350</b>
<b><i>Citywide TOTALS</i></b>	<b>21,706</b>	<b>20,087</b>	<b>20,597</b>

## B. Downtown denizens

*Housing and population data compiled*

Data on housing and population in Downtown Tacoma gathered for the Foss Waterway project have been examined by the CITY CLUB's Downtown Housing study group. Provided were data for a half-mile circle (one-mile diameter) centered at the key Downtown intersection of 11th Street and Pacific Ave. Census information for 1980 and 1990 was used to estimate 1997 population and housing figures and provide a projection to 2002. That circle covers the "heart of Downtown" and a part of the still unsettled Foss area, a rich trove of information. Principally single adults live in the circled area with a small number of children and few elderly individuals. It is predominantly male, more than half white, largely poor, mostly renters rather than homeowners.

### Only modest growth projected

Given the absence of a program to expand housing Downtown, only modest growth is projected for the five-year period from 1997 to the Year 2002. The total number of households would decline.

#### Here are highlights:

- \* A current (1997) population of 3,699 with 1,274 households but 1,929 actual housing units including 404 vacant units. (A City estimate that covered a larger area placed the Downtown total at 6,000.)
- \* Estimated current population is 56% white, 17% black, 17% Asian and Pacific Islander and 10% other racial groups. The Hispanic total is 9%, a figure that overlaps both black and white groups.
- \* Household income data shows a high proportion of indi-

viduals and families living below the poverty line close to the heart of Downtown Tacoma with nearly 70% having household incomes below \$25,000 and 80% below \$15,000.

\* 94% of occupied units are rented, generally by only one or two persons.

### Predominantly male population

\* 62% of the population is male, 38% female, 20% are married with more than 20% of the whole population group previously married.

\* 47% of the population is in the 25 to 49 year age bracket. Extending the bracket to those from 21 to 59 brings that percentage up to 64%; 19% of the population is under 21 years while 17% is 60 or older.

\* A population increase of 176 persons, less than 10% is projected for the Year 2002. During the same time, the number of households will decline by 170 or less than 9%, suggesting a continued shift to single persons.

\* A further look at 1990 census data for this area showed that 50% of the housing units were built before 1940 while nearly 35% were built between 1969 and 1980. Less than 5% were built between 1980 and 1990.

*NOTE: The National Decision Systems data for the Foss PDA cited above covered a large part of Downtown, but not all of it. It is valuable, however, for its demographic breakdowns. A Planning and Development Department Census study did cover the whole of Downtown and showed a 1990 population of 6,400 with 3,785 housing units. That study, although of greater scope, is out of date. Several presenters used an estimated 6,000 as a current figure for Downtown, probably the best available number for this study.*



## C. Deep natural harbor

*Port and lumbering gave Tacoma its start*

*The following history of Tacoma is condensed from material furnished by Michael Sullivan, former manager of its Cultural Resources Division*

Puget Sound, discovered in 1792 by British explorer, Captain George Vancouver, opened vast markets to the early settlers who moved to its shores and established many towns and villages. Toward the southern end, Tacoma, situated on a deep, natural harbor, Commencement Bay, was an early and prominent port.

### **Lumbering the first "crop"**

Lumber from the shores of Puget Sound, to the Cascades and the Olympics, was the first "crop" of the Northwest and several industries developed around the abundance of this cheap material. Ship building became a major industry in the 19th century, but, perhaps the most important resource in the Northwest is Puget Sound, which provided abundant sea food and also opened vast markets for the settlers who moved to its shores.

Tacoma has 25 miles of waterfront. Nestled on Commencement Bay, it climbs steeply to a plateau 300 feet high, which confined early business activity to within a few blocks of the water. Towering over the area, Mt. Rainier rises out of the Cascades to an elevation of 14,410 feet above sea level. Indians called it "Tahoma - the mountain that was God". When "the mountain is out" it contributes metaphorically and physically to the vast beauty of the entire area.

In 1862, the U. S. Congress authorized a series of charters, land grants and construction subsidies for a transcontinental rail line to extend west to San Francisco. Two years later Congress issued a charter for a northern line to connect the Great Lakes to Puget Sound.

### **Tacoma gets railroad nod**

New towns on the Sound contended for the western terminus. In the summer of 1873, Tacoma, hailed as the "City of Destiny" and predicted by City fathers to rival the wealth and prosperity of San Francisco, was chosen as the western end for the northern branch of the transcontinental railroad. A Nationwide depression of 1873 delayed the completion of the railroad until 10 years later, finally giving Tacoma direct access to the riches of the hinterland stretching east to Montana and creating a boom town, with a population of 36,000 by 1890.

The Tacoma Land Company, a subsidiary of the Northern Pacific Railroad, bought 16,000 acres of land and shaped the developmental pattern of the community. It specified the use of the lots it sold, as well as dictating improvements and building material, generally designating brick to avoid the devastating fires that had ravaged so many early wooden towns.

In 1887, 350 building permits were issued. 3 years later, in 1890, 1,719 were obtained. However, the depres-

sion of the 1890's brought the economic growth to a halt and in 1894 only 253 building permits were issued in Tacoma. Because of the topography, many residences were built in the Downtown area. Tacoma has traditionally had a large population who lived Downtown.

### **Autos and trucks set new patterns**

Automobile and truck transportation in the early 1900's brought about a whole new set of patterns and activities. As the economy recovered, trade and traffic increased and development moved farther and farther away from the Union Station Depot. Residential neighborhoods were developed, many of which are still convenient to Downtown.

Any study of Tacoma's history reveals the critical role played by the Northern Pacific in the economic and architectural development of the City. Although the trade and traffic generated by the railroad was vital to the town's early growth, historical analysis shows that Tacoma's destiny was ultimately dependent on its residents. Today, with a multitude of hillside space in its Downtown core, Tacoma has a unique opportunity to renew its commitment to the "destiny" that was predicted for it over 120 years ago.

## D. List of presenters

*Task Forces hears 20 resource persons*

**Martha Anderson**, Tacoma Economic Development Mgr.  
**Bob Arleth**, Tacoma Planning and Neighborhoods Mgr.  
**William B. Bailey Jr.**, AICP, Planner, City of Tacoma,  
**Robert Camp**, Residential builder, Camp Corporation  
**John Collins**, Manager, Main Branch of Columbia Bank  
**Mike Crowley**, Member at large, Tacoma City Council  
**Jerry Dinndorf**, Government Affairs, Master Builders  
**John Doan**, Development, City of Sumner  
**John Hubbard**, Pierce County Transit and RTA  
**Bruce Mann**, Ph.D., Professor of Economics, UPS  
**James Merritt**, Architect, Merritt and Pardini  
**Robin Meyer**, Urban Planner, City of Tacoma  
**Erling Mork**, Director Economic Development Board  
**Matthew Schwartz**, Director, Foss Waterway PDA  
**Herb Simon**, Simon Johnson Investment Company  
**Valerie Sivinski**, Historic Preservation officer, Tacoma  
**Nancy Smith**, Director, Seattle Housing Research Group  
**Tana Stensing**, City Center, Chamber of Commerce  
**Dennis Thompson**, Planning and Neighborhoods Mgr.  
**Anonymous**, a knowledgeable real estate specialist

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