



The City of Seattle

## Landmarks Preservation Board

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LPB 302/08

### MINUTES

**Landmarks Preservation Board Meeting**  
**Seattle Municipal Tower**  
**700 5<sup>th</sup> Avenue, 40th Floor**  
**Room 4060**  
**Wednesday, May 21, 2008 – 3:30 p.m.**

#### Board Members Present

Vernon Abelsen  
Mollie Tremaine  
Marie Strong  
Tom Veith  
Stephen Lee  
Ron Martinson  
Henry Matthews  
Christine Howard  
Mark Hannum

#### Staff

Elizabeth Chave  
Sarah Sodt  
Melinda Bloom  
Karen Gordon

#### Absent

Czarina Nicolas  
Jerry Finrow

Chair Stephen Lee called the meeting to order at 3:33 PM.

#### **052108.1 APPROVAL OF MINUTES**

Meeting of April 2, 2008

MM/SC/HM/MH

8:0:0 Minutes approved as corrected.

#### **052108.2 CERTIFICATES OF APPROVAL**

052108.21 Volunteer Park Conservatory  
1400 E Prospect St

Ms. Chave introduced the proposed changes for replacement of the glazing system for the Seasonal House and the Cactus House; and the replacement of the greenhouse glazing system for the east end of the Upper Greenhouse/Potting Shed

**Administered by The Historic Preservation Program**  
**The Seattle Department of Neighborhoods**

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Applicant Comment:

Virginia Hassinger, Seattle Parks, explained the project which is the fifth phase in renovation of Volunteer Park Conservatory to replace the glazing system. The building was landmarked in 2002 during the 3<sup>rd</sup> phase of the project. She said this is the final phase which will complete the symmetry of the building. She said it follows the previous project where they are replacing the glazing system which was wood mullion and munions with aluminum. She said hey will also replace the upper east greenhouse behind the Conservatory.

Adam Young, Kumata Architects, showed photos and provided a site plan of the Conservatory. He said previous work has taken place in the Central Palm House, Bromeliad House and the Fern House. This project will focus on the Seasonal House and the Cactus House and will include minor seismic improvements, and the replacement of glazing system from wood to laminated safety glazing system with aluminum mullions and munions. Previously the west greenhouse was approved by this Board and constructed; they serve as propagation houses and are not accessible to the public. He said the existing structures are in poor shape and unusable; they have chosen to replace them with pre-manufactured house which matches one already present.

Ms. Chave informed the Board that at the time of designation the back greenhouses were included for their historical function and not necessarily for their architecture. She said historically these support greenhouses told a story of how these kinds of Conservatories operated. The support greenhouse function will continue. The wood potting shed still remains.

Mr. Young said the potting sheds shall remain. They tried to match as close as possible the shape, scale and rhythm of the existing structure. They took a pre-manufactured system and modified it compared to what they typically area to achieve some of the same character. He said it features lapped glazing which was there before.

Ms. Chave said the Conservatory's wood window mullions are not original.

Mr. Young said the building was constructed in 1910 – 1912; it had been severely deteriorated and in 1980 all wood mullions were replaced. The only original remaining piece is the starburst window. Mr. Young provided samples of the proposed materials. The brackets will attach members to the existing steel structure, which is original; it will be cleaned up and repainted. The aluminum system is designed to fit inside the existing cast iron brackets so it will be held in place in a similar way. They have made a few modifications for thicker laminated glass and glazing requirements and for how glass is supported from underneath.

Board Questions:

Mr. Abelsen asked if the back greenhouses were pre-fab.

Mr. Young said they were.

Ms. Hassinger added the original greenhouse came in a kit.

Mr. Matthews asked if the replacement made previously is exactly the pattern being followed now and what the applicant is asking for is a continuation of work that has already been approved.

Mr. Young concurred and said there were no departures from that.

Public Comments: There was no public comment.

Mr. Lee agreed with Mr. Matthews, that this has been reviewed before a number of times. It is a good idea.

Action: I move that the Seattle Landmarks Preservation Board approve the application for the replacement of the glazing system for the Seasonal House and the Cactus House; and replacement of the greenhouse glazing system for the east end of the Upper Greenhouse/Potting Shed.

The glazing system for the Seasonal House and the Cactus House is to match the replacement glazing system installed in the Palm House, the Bromeliad House and the Fern House. The replacement greenhouse glazing system proposed for the east end of the Upper Greenhouse/Potting Shed is to match the replacement greenhouse glazing system installed in the west end of the Upper Greenhouse/Potting Shed.

This action is based on the following:

The proposed alterations to the glazing systems affect the features or characteristics specified in the Designation Report, but the replacement of the glazing systems are warranted because of the special environmental requirements of the conservatory and the greenhouse, and the new glazing systems closely match those of the existing deteriorated glazing systems.

The Board considered the following Standard of the Secretary of Interior's Standards for Rehabilitation:

*Standard # 6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical or pictorial evidence.*

The other factors in SMC 25.12.750 are not applicable to this application.

MM/SC/VA/CH 9:0:0 Motion approved.

3:44 PM Mr. Veith arrived.

052108.22

The Rainier Club  
820 Fourth Avenue

Ron Wright showed the context of the Rainier Club in relation to the proposed new tower. Mr. Wright explained that as a part of the Master Use Permit for the new tower it is also proposed to add five stories of parking below the Rainier Club's

existing courtyard which will be tied to the garage in the tower; they are asking approval to remove the courtyard to allow for excavation and shoring for the new tower and underground garage. The Rainier Club is working on a separate proposal for an addition to the club building that will be for the courtyard area, which is still in the planning stages. In case the new club addition proposal does not go through, they will put the courtyard back to its original condition upon completion of the adjacent tower; they will save the brick wall, limestone and will temporarily remove the canopy on the Rainier Club.

Mr. Lee clarified the courtyard would go back either to its original condition, or if an addition is proposed to the landmark building, then the Rainier Club will propose alterations to the courtyard.

Mr. Wright agreed and said they are asking for approval of the subject proposal as the base line and then as Rainier Club comes in with their proposed addition, the Board would approve changes to this base line.

Ms. Sodt stated this work is under the MUP for the tower; the Rainier Club may require additional environmental review depending on their addition and that addition would be under a separate permit.

Mr. Abelson clarified that one project is the Rainier Club project and the second is the new tower being constructed by Daniels Development. In both scenarios the below ground parking garage for the new tower structure would be built.

Mr. Wright said that is an absolute.

Mr. Wright said if the Rainier Club decides not to pursue anything, the plan presented is what will be built. The access to the 5 stories of parking and will be skinned in the same building sheathing which is a limestone. There will be limestone boxes that project from the plaza level that will be in the area where the parking entrance is. At ARC they didn't have yet have the west façade wall design from the ZGF and they just got it; ZGF stopped designing this elevation because they knew the Rainier Club would be coming before the Board asking for a different design.

Mr. Abelson said it was confusing and unusual, and that he appreciated the explanation.

Mr. Wright said what is being asked for here will be superceded by another proposal from the Rainier Club at a later date. The difficulty was, the excavation and shoring is under the tower MUP; he said they are ready and need to be able to get started.

Public Comment: There was no public comment.

Board Discussion:

Ms. Tremaine asked about the timing and if NBBJ was ready to present to the Board.

Ms. Sodt didn't know as they haven't submitted an application yet. Because this is demolition the current applicant needed to plan for a replacement, so that is why this application is before the Board.

Mr. Abelson said ARC thought it reasonable.

Mr. Veith said they would preserve the bricks as much as feasible; we don't know what is going back but the material will be available so it seemed reasonable.

Action: I move that the Seattle Landmarks Preservation Board approve the application for the proposed site alterations.

This action is based on the following:

1. The proposed site alterations do affect the features or characteristics specified in Ordinance # 113459, but the majority of proposed work is temporary and does not destroy historic materials that characterize the property, and the permanent alterations are compatible with the massing, size and scale and architectural features of the landmark, as per Standard #9 of the *Secretary of Interior's Standards for Rehabilitation*.
2. The other factors in SMC 25.12.750 are not applicable to this application.

MM/SC/MS/MT 10:0:0 Motion approved.

**052108.3 DESIGNATION**

052108.31 Seattle Japanese Garden  
1075 Lake Washington Blvd. E.

Kathleen Conner, Seattle Parks, introduced Cathy Wickwire, project consultant and Kelly Goold, Seattle Parks project manager.

Ms. Wickwire provided an overview of how the concept of having the garden came into being. One of the earliest Japanese Gardens in Seattle was at Madison Park around 1900. One of the first was in 1909 at Alaskan Yukon Pacific Exposition, the Japanese Pay Streak which sparked the idea for many. At the same time a Torii gate near the Arboretum which may have started the idea of putting a Japanese Garden on Foster Island. They even started to solicit the Japanese Government in Japan but it is believed that anti-Japanese sentiment and impending war cooled the fervor for getting support from the Japanese Government.

Ms. Wickwire said that Fujitaro Kubota went into landscape business before and after internment but did much work on his own property. Another early example is the Maneki Café in Japantown. During WWII Japanese were taken to internment camps; even in the camps they kept up the gardens; much of the work was done by men who had worked as landscapers. This was their effort to beautify their environment. After the war the idea of the Japanese Garden came back into mind and in 1957 the idea was really resurrected. The location chosen was just north of the Washington Park Playfield; it had a concentration of maples, water features so it was a suitable location. The stone bridge was built by Works Progress Administration.

In 1959 groundbreaking for the tea-house occurred; the tea-house was a gift from the Tokyo Government and was first displayed at a Washington State Trade Fair and was

disassembled and reassembled in the garden. The garden design was developed in Japan with the collaboration of famous Japanese landscape architects. What was referred to as the “front yard” and “clubhouse” were never realized. Gardens in Japan are associated with the built environment – perhaps being in the building to look out at the garden, or being in the garden and looking at the building. The tea house was incorporated into the design to create a “garden within a garden”.

Ms. Wickwire said that Juki Iida was the landscape architect who worked on the original design in Japan and came over to execute the design onsite and direct the placement of every rock, stone etc. William Yorozu was the Japanese American contractor. The work on the garden was collaboration between the Japanese designer and the Japanese American contractors and craftsmen who actually executed the design and then over the years as it was completed and cared for. Richard Yamasaki did the stone work and later played a significant role over the years in designing other portions and making sure it was maintained properly. Sad Ishimitsu completed the wood construction. During construction of the tea house the area had to be surrounding by chain link fence to protect from vandalism. She said the opening day of the Garden was June 5, 1960; those who wore a kimono got in free. The original tea house burned in an arson fire in 1973; it was rebuilt using the original plans.

Ms. Conner said Masa Consulting has been under contract almost from the beginning to advise on pruning and maintenance of the garden. In looking toward the Controls and Incentives, she is concerned that the plant collection not be included since it is a living, growing and changing thing. She said when Masa comes up they don't have specific plans as he will advise what needs to be done. She will work closely with Board staff on the Controls and Incentives to allow for their ongoing management needs. They need the flexibility to do “tweaking” to the garden as needed and there may be a time when some of the larger plants go and need replacement. Other than that the Parks Department is pleased with the designation. She said to discuss the character to lay the groundwork for Controls and Incentives.

Ms. Chave said she and Ms. Conner will work on a plan that does not require them bringing every plant and stone in for approval.

Mr. Abelsen said there are some plants and plant types that are specific to the garden and we want to be clear about those.

Mr. Veith asked if “outstanding work of a designer” refers to Mr. Iida.

Ms. Wickwire said the other three gentlemen should be included as well.

Mr. Veith asked if they have a body of work to compare to.

Ms. Wickwire said the work they did was more landscaping on private homes; they weren't doing other Japanese Gardens. Fujitaro Kubota is an example of someone who actually did but he was unique in that way. As an example of anyone's craftsmanship this would be an outstanding example for all three. Mr. Yamasaki was involved until the end of his life.

Ms. Chave said the intent of Criterion E is acknowledging all the individuals who were instrumental in the design and construction of the garden.

Ms. Wickwire said regarding Criterion F it is a visual landmark. If security wasn't an issue it would be much more open. There is nothing like it around; it is unique even in the context of the Arboretum; especially how intensely managed it is.

Public Comment:

Christine Palmer of Historic Seattle acknowledged Ms. Wickwire's work on the research and writing of this nomination report; Ms. Wickwire's name is not on the report but she was the one who did the research and writing.

Board Discussion:

Mr. Abelsen understands the applicant's concern about the constraints specific to the plantings but believes that will be worked out in Controls and Incentives and will be fully amenable to all.

Mr. Abelsen said yes on each of the four Criteria. He understands the comment about the garden being hidden but it does have certain visibility from the roadway. He thinks this is with maybe the exception of Kubota Gardens, the premium Japanese Garden in this area. He fully supports designation and called the garden a wonderful treasure.

Ms. Tremaine supported the designation based on C, D, E and F; she said it is a wonderful landmark. She recommended adding to the motion the sentence: "plant material located within the site boundaries. Preservation of plant material to be based on further agreements arrived at during the Controls and Incentives process.

Mr. Hannum agreed with the Staff Report C, D, E and F. F even thought it is not visible; its prominence and its location in the arboretum is very well known throughout the community where it is.

Ms. Howard said it is very clearly a landmark and she supports designation based on the Staff Report; yes on C, D, E, and F.

Ms. Strong said yes on C, D, E, and F.

Ms. Conti said yes on C, D, E, and F.

Mr. Matthews agreed and said on E, this garden proves the designers were outstanding and we don't have to have a list of their other projects to establish their excellence. This is their major work. Yes on C, D, E and F.

Mr. Veith supports C, D, E, and F. He acknowledged the association with the local Japanese American community and immigrant community and the work overseas to help make it happen. It is part of a larger group of such types of interaction and it is significant of those interactions. It is a distinctive style of garden. He agreed with Mr. Matthew's analysis of the degree to which it is outstanding work of the designer and builders. When you think about the Arboretum as if you were thinking about any other buildings, structures and spaces we typically apply this criteria for you have a clear idea of where it is, what it's doing and what its function is; it becomes a point of

reference. He thinks it meets that requirement; we all know where it is, it is prominent because of its distinctive character to its surroundings and also its comparative scale with other gardens of this type. He said it meets all four Criteria mentioned in the Staff Report.

Mr. Martinson agreed with all four Criteria cited in the Staff Report.

Mr. Lee agreed. He said it is a fantastic candidate for designation. Under C it represents a reconciliation after WWII. He supports designation on C, D, E, and F.

Action: I move that the Board approve the designation of the Seattle Japanese Garden at 1075 Lake Washington Boulevard E. a Seattle Landmark; noting the legal description above; that the designation is based upon satisfaction of Designation Standards C, D, E and F; that the features and characteristics of the property identified for preservation include entire site, including structures, site elements and plant material located within the site boundaries, preservation of the plant material to be based on further agreements arrived at during the Controls and Incentives process; not included in designation is the existing south entry gate and ticket booth, the service area structures, the pump house, the existing electric light standards, and the chain link fencing.

MM/SC/MT/MH 10:0:0 Motion approved.

**052108.4 NOMINATIONS**

052108.41 Mayflower Park Hotel  
405 Olive Way

Kate Krafft provided background on hotel development in Seattle. The concept of the modern hotel designed to include private rooms, toilet and bathing facilities, public spaces and related guest services, originated in the early nineteenth century. By 1853, Seattle's settlement community included its first hotel, the Felker House. By the later part of the nineteenth century, Seattle - like cities throughout the United States - included a significant number of hotels that served a wide variety of business travelers, tourists and both permanent and semi-permanent residents. By the late 1880s, several elegant hotels and workingmen's hotels were clustered along the west side of First Avenue between Cherry and Columbia Streets, in proximity to the original railway passenger depot. Urban hotels, lodging and apartment buildings all closely resembled commercial office buildings in the 1880s and 1890s; it was not until the 1920s that hotel design became truly differentiated in exterior appearance.

Ms. Krafft said that early hotel development in Seattle was clearly stimulated by improvements in railroad service that helped to facilitate migration and drew tourists and entrepreneurs. Prior to the fire of 1889, the Occidental/Seattle Hotel (1864, 1887 & 1889, destroyed), was the city's premier tourist-oriented hotel, although there were numerous other hotels located within the commercial district. At least a dozen hotels were destroyed in the great fire of 1889; however, within four years of the fire some 63 hotels were reported to be in operation.

After the fire, both the Rainier Hotel (1889, destroyed) located above Fifth Avenue between Columbia and Marion Streets and the Rainier-Grand Hotel (c.1889,

destroyed) at First Avenue and Marion Street functioned as the major tourist hotels. The Rainier Hotel had been planned initially to serve as a resort hotel, as was The Denny Hotel (1890-1892, destroyed) located at the south slope of Denny Hill. Both were large wood-frame buildings located above the commercial and residential districts with panoramic views out to the harbor. Other major post-fire, tourist-oriented hotels included the Butler Hotel (1893, partly destroyed) and the Lincoln Hotel (1900, destroyed by fire in 1920), which was located at Fourth Avenue and Madison Street. The Lincoln Hotel was promoted as an elegant “residential hotel” with family-style living quarters.

By the turn of the century, tourist and workingmen’s hotels lined the west side of First Avenue to Pike Street. Based on the number of hotels that were operating in Seattle by 1900, it is certain that they mostly catered to long-term residents rather than temporary visitors. Many buildings that were identified as hotels actually functioned as lodging houses or apartment hotels. During the late nineteenth and early twentieth centuries, hotel living was particularly common especially in the rapidly growing cities of the American West. Hotels varied significantly in size, scale and accommodations, and served every economic level from those of wealth to recent immigrants, transient salesmen and laborers. Family-style hotels were designed to include suites of rooms that would be used by individuals who needed comfortable long-term accommodations for their relocated families or those who traveled regularly but maintained a principal residence elsewhere. Apartment hotels differed from apartment living in that regular household help and meals were provided as part of the hotel services.

Ms. Krafft continued, given the tremendous population growth in Seattle after 1902, hotels and lodging houses played an important role in absorbing a new and largely transient populace. While large resort or tourist-oriented hotels like the Rainier-Grande Hotel and the Denny Hotel are noteworthy, the great majority of hotel buildings built after 1900 and prior to the 1920s were much more modest operations. A particularly significant boom in hotel development occurred between 1906 and 1910 in conjunction with local economic opportunities and population growth that occurred in conjunction with the opening of the Alaska-Yukon-Pacific (AYP) Exposition of 1909. The exposition drew some 3.7 million visitors, many of whom remained or later settled in Seattle. By 1910, Polk’s Directory included over 475 hotel listings.

During the 1920s, a second boom in major hotel development occurred at which time several large luxury hotels and apartment hotels were constructed in the downtown commercial district. These enterprises contrasted sharply with earlier hotel development; as earlier hotels were rarely taller than six-stories. Like their neighboring office buildings, these new hotels were significantly larger and taller multi-story buildings that could accommodate hundreds of guest rooms and a wider range of guest facilities. Several of these new hotel buildings were designed to include kitchen facilities and were promoted for both tourist-hotel and apartment hotel purposes, including: the Spring Apartment Hotel (Kennedy, Vintage Park, 1922); Claremont Apartment Hotel (Hotel Andre, 1925); and the Camlin Apartment Hotel (1926).

The construction in 1923 of the exceedingly luxurious Olympic Hotel at a pivotal central downtown location in the Metropolitan Tract appears to have spurred other

major hotel construction at nearby site, including: the Continental Hotel (Hotel Seattle, 1926) and the Hungerford Hotel (Pacific Plaza, 1928). Simultaneously, numerous major hotels were developed nearer the retail core, which had shifted to the north end of the commercial district, including: the Vance Hotel (1926); the Benjamin Franklin Hotel (1928, destroyed) and the Bergonian Hotel (Mayflower Park Hotel, 1927). The design for most – but not all – of these hotels included large formal lobbies, restaurants and cafes, banquet and meeting rooms, barber shops and storefront level retail shops. They were typically at least ten stories in height and executed in a modest neoclassical or Beaux-Arts mode with brick cladding and distinctive terra cotta ornament at the base and building cap. The 17-story Roosevelt Hotel, designed in the Art Deco mode was completed in 1930. It was the last major downtown hotel to be constructed during this era and the tallest to be built until the late 1960s. In 1969, the 13-story Benjamin-Franklin Hotel was interconnected to a modern 40-story tower and renamed the Washington Plaza Hotel. In 1980, the old Benjamin Franklin Hotel building was demolished in order to construct a second (44-story) tower; the two towers are currently known as the Westin Hotel.

The Bergonian Hotel, now commonly known as the Mayflower Park Hotel, is prominently located on the southeast corner of the intersection of Olive Way and Fourth Avenue. The building is formally oriented toward both side streets and occupies two full lots at the north end of the half-block along Fourth Avenue. The much-altered historic Sherman and Clay Company piano store (1926) is located immediately adjacent and the remainder of the entire block is occupied by Westlake Center, which was constructed in 1986-88.

The Bergonian Hotel is a 12-story tourist hotel that was designed and constructed in 1926-1927 to include 240 guest rooms, several retail shops including a barber shop, a café/coffee shop and formal dining facilities. The building exhibits a three-part vertical block façade composition with distinctive terra cotta materials, understated architectural elements, and ornament drawn from Italian Renaissance architecture. The regular north-south street grid that typifies the downtown commercial core is broken along Fourth Avenue at Olive Street where Stewart Street and Olive Way intersect at an acute angle to Fourth Avenue; thus, creating a distinctive angular street intersection within the overall regular street grids to the north and to the south. Due to the westward angle of Fourth Avenue at this intersection, the Mayflower Park Hotel is very visible from various northern view points along the street. This unique street intersection and urban space is distinguished by prominent and architecturally distinctive buildings at each of its five corners. In addition to the Mayflower Park Hotel, the intersection includes: the Times Square Building (designed by Bebb & Gould, 1913-15); the Bon Marche (designed by John Graham Sr. 1929, 1953); the Securities Building (designed by Frank P. Allen, 1913 and Henry Bittman, 1924 and 1947) and the Tyee Building (designed by Henry Bittman, 1925).

It measures 70' x 108 ft. with the principal elevation oriented toward Olive Way. The building site slopes gently downhill to the south along Fourth Avenue and significantly downhill to the east along Olive Way.

The Mayflower Park Hotel appears to meet designation standard C. The hotel is directly associated with the period between 1920 and 1930 when a significant number of major downtown commercial buildings were constructed and the downtown commercial district was fully established. The economic prosperity of

the 1920s stimulated the development of not only high rise commercial buildings but several high rise hotels including apartment/hotels, club buildings and theaters. The post fire era saw the construction of numerous new hotels.

On October 30, 1926 the *Hotel News of the West* enthusiastically announced that Stephen Berg would build a new twelve-story hotel. Mr. Berg was born in Trujheim, Norway where he was trained as a carpenter by his father. He immigrated to the United States in 1905 and initially settled in Boston before migrating to Seattle in 1907. In 1909, he established his own building and contracting business. By 1916, Berg was credited with having built and sold some 125 buildings – primarily family homes. The Seattle Times reported in 1924 that Berg had constructed nearly 500 homes since 1909 including 75 “Colonials, Bungalows and English style houses” built in Wallingford that year. He also developed the Biltmore Apartments and the Stephen Berg Apartments in 1924. By 1926 he was well known as a hotel developer. By 1927, Berg is reported to have developed seven large buildings downtown and was referred to in the local press as a “pioneer uptown hotel builder” possibly in reference to the Claremont Apartment Hotel that he developed in 1925 and the Continental Hotel (Hotel Seattle) constructed in 1926. The Biltmore Apartments, the Continental Hotel and the Claremont Apartment Hotel had all been designed for Berg by the architectural firm of Stewart and Wheatly who designed the Bergonian.

The Bergonian opened in 1927 and was named in Mr. Berg’s honor. It was a 240 room tourist hotel that featured a luxurious lobby, plush upholstered furniture, oriental carpets, tapestries, stained glass windows, ornate chandeliers. The walls were finished with a faux coarse stone treatment and ceiling beams which were stenciled and included rustic mahogany members. Marble and terrazzo stairwells led up to the mezzanine level and down to dining and banquet levels and included mahogany handrails with decorative and ornate wrought iron ballasters. The large dining hall and banquet room were located at the basement level and a club dining room was located at the mezzanine lobby level. A café and coffee shop and barber shop were located at the basement level. Some of the upper level rooms included kitchens and appear to have served as apartments with several rooms were said to be “reserved as permanent residences”. There were three storefronts with recessed entries.

Ms. Krafft said the the Bergonian Hotel was rescued from foreclosure in 1933. In 1934 the hotel building was remodeled and its name was changed to Mayflower Hotel. By 1937 and for many years thereafter a large double-faced “Mayflower Hotel” neon sign was located on the rooftop and a Bartell Drug Store and Fidelity Savings Bank occupied the Fourth Avenue storefronts. By the early 1950s, these storefronts had been extensively altered and enclosed in order to convert the spaces to a festive cocktail lounge, known as the Carousel Room, which was designed by George Wellington Stoddard. State regulations imposed by the State Liquor Board prohibited minors from viewing the preparation of alcoholic drinks, so all such establishments were typically walled off from the street - in this case by the removal of original storefronts and the construction of walls. By the early 1970s, the hotel had declined into a fairly “seedy” operation.

An initial renovation effort was undertaken in 1974-76 with improvements designed by Fred Bassetti & Company. The hotel was again renamed, as the Mayflower Park Hotel, in order to strengthen its physical relationship to the redevelopment of nearby

Westlake Plaza and the planned construction of Westlake Center and park. During the mid-1980s major interior upgrades were made and all of the guestrooms and the hotel lobbies were completely renovated. In 1988 the hotel was interconnected at the former east elevation to the newly completed Westlake Center.

The Mayflower Park Hotel appears to meet designation standard D. The Bergonian Hotel is a noteworthy example of hotel design exhibiting distinctive terra cotta materials and understated handsomely detailed architectural elements drawn from Italian Renaissance architecture. Despite storefront level alterations and reconstruction, the Bergonian Hotel is generally well- preserved and is an illustrative example of a key downtown commercial property type, a 1920s era tourist-oriented hotel.

The Mayflower Park Hotel appears to meet designation standard E. The hotel was designed by the prolific firm of Stuart and Wheatley and is an excellent example of their work. The firm was also responsible for the design and furnishings of the original public spaces, lobbies and foyers. B. Dudley Stuart (1885-1977) was born in London. He practiced architecture for a period in Edmonton, Alberta and Vancouver B.C. prior moving to Seattle in 1918. He initially practiced architecture independently in Seattle. He appears to have established a partnership with Arthur Wheatley in the early-1920s after which the firm is credited with the design of several distinctive hotels and apartment houses that were constructed between 1923 and 1930.

Stuart and Wheatley was responsible for the design of numerous large and medium size apartment houses including the Exeter Apartment House (1927), a 14- story apartment building that included 32 “bachelor” apartments and a 150 car garage. This apartment building appears to have been developed by their former client, the Exeter Company. They also designed the distinctive Marlborough Apartments (1926-27), as well as the Biltmore Apartments, Levere Apartments, Shelby Apartments, Kenneth Apartments, Casa Nita Apartments and Roundsccliffe Apartments, to name a few. Their residential and hotel designs were typically reinforced concrete structures clad with face brick and terra cotta ornament and executed in a reserved Italian Renaissance or English Tudor design mode. The architects were also generally responsible for the design and furnishing of the public spaces, lobbies and foyers.

Stuart and Wheatley are also known to have designed at least three other buildings for Stephen Berg, including the Biltmore Apartments (1925), the nearby Claremont Apartment Hotel (1925) and the Continental/Earl Hotel (1926). It is highly likely that Stuart and Wheatley and Mr. Berg were associated on other yet to be identified projects.

Biographical information regarding Arthur Wheatley has not been uncovered. He may have primarily served as a structural engineer for the firm. B. Dudley Stuart practiced in partnership with Robert L. Durham for 1941 until 1977. With Durham, he continued to design noteworthy Seattle area buildings, including the Shorewood Apartments on Mercer Island.

Board Questions:

Mr. Hannum asked about the Hotel's significance specifically with regard to Criterion C.

Ms. Krafft said the development of downtown Seattle, one of the major property types that was developed at that time were the high rise hotels. There was a tradition of hotel construction and hotel living in downtown Seattle; there are luxury hotels from this era that are still operating as hotels and this is one of the more intact.

Mr. Veith said he noticed the brick bond is English bond which is rarely seen around here; he asked if there was a particular reason it was used.

Ms. Krafft said that the architects were inclined to use various bonds; there is a lot of brick used in their buildings and if you look at their other buildings you'll see use of more ornamental bond, however there is nothing that explains the rationale for the use of English bond.

Mr. Veith asked if it was used a lot because often one sees Flemish bond but rarely English bond.

Mr. Abelsen asked how the collaborative effort between the architect and the builder compared with other relationships of that period.

Ms. Krafft said she was surprised to find that Mr. Berg had built a lot of houses during an important period of home ownership; he then moved on to the development of apartment houses and hotels so it is a logical path. She hasn't seen the kind of nexus between apartment developers, hotel developers and single family housing developers.

Mr. Veith asked if this small group being responsible for a lot of hotels common or unusual.

Ms. Krafft said in the 1920s there was the transportation system (automobile), tourism, a degree of wealth and these hotels were viable. Apartment living became more common, particularly for men, and they needed hotel living for the services hotels provide.

Owner representative comments:

Bernie Dempcy, said The Mayflower Park Hotel holds the 99 year ground lease.

Jeff Atkin introduced himself as a fiduciary to Temple De Hirsch Sinai who owns the property now. The property was held in a "tenant in common" basis until recently when the current owner bought out the other two tenants in common. As a non-profit organization they are concerned about flexibility in the future should they want to remodel; landmark status will make it prohibitive to modernize.

Mr. Lee said there are incentives both from a building code point of view and energy code point of view that are very beneficial to owners. The Medical Dental building down the street sought designation for those reasons.

Mr. Atkin said the official line is that they are not in opposition to the nomination.

Mr. Dempcy said it is a bad idea to landmark old hotels because most of them are economic dinosaurs and have a bad economic effect on the City. The hotel has never been economically profitable. He used to represent twenty-two hotels legally. He said landmarking old hotels prevents other development that is better for the City.

Public Comment: There was no public comment.

Board Discussion:

Mr. Matthews said on the basis of the nomination it does meet the criteria but what the Board was just told is interesting and needs to be taken into account but he recommended nomination based on C, D, and E for the reasons Ms. Krafft stated. He has heard so many stories of historic hotels that have been revived and have done extremely well and have been very much appreciated and helped to revitalize the areas of cities that they are in. He supports nomination particularly because so many hotels from that era have disappeared.

Ms. Conti said there is more than enough information to nominate based on D and E.

Ms. Strong agreed and supported nomination based on D and E; C could potentially be less a factor than the others.

Ms. Howard supported nomination based on D and E; she recommended nominating broadly in terms of the interior spaces as stated in the Staff Report.

Mr. Hannum agreed with the Staff Report and supports based on D and E; the interior features could be narrowed down later. He would like to explore C more.

Ms. Tremaine supported nomination based on D and E and possibly C.

Mr. Abelsen said hotel industry has a fascinating history. This building, amongst others, was done in collaboration between builder and designer is significant. He supports the nomination primarily on D with support to E. There is significance to Criteria C as well.

Mr. Martinson supported the nomination and said it is worth noting that two buildings with odd floor plates are currently being converted to boutique hotels: the Artic Building and the Alaska Building.

Mr. Veith supported the nomination; D is the strongest of the Criteria cited. He needs to talk more about C and detail about how it becomes significant. If it is because it is the only remaining building or one of two or three remaining from this era then that might be important but that argument has to be fine tuned. He wants to go look at the building to think more about D and E. He is familiar with other buildings by this firm and would like to compare it. This is a building that becomes more prominent because of its position at the odd 5-way intersection. He thinks F is stronger for this building than other buildings that have recently been looked at. However, he said there are stronger buildings in the City and he doesn't think this is a slam dunk.

Mr. Lee supported the nomination based on D; he isn't sure about C. F is interesting.

Mr. Veith asked about the interior spaces.

Ms. Sodt said the main lobby and mezzanine are the only spaces that have at least some intact features and they need to be looked at a little more closely to possibly narrow it down.

Action: I move approval of the Mayflower Park Hotel at 405 Olive Way for consideration as a Seattle Landmark; noting the legal description in the Nomination Form; that the features and characteristics proposed for preservation include the exterior of the building, and the interior main and mezzanine lobby areas; that the public meeting for Board consideration of designation is scheduled for July 16, 2008; that this action conforms to the known comprehensive and development plans of the City of Seattle.

MM/SC/MH/MS

10:0:0 Motion approved.

052108.42

Sorrento Hotel  
900 Madison St.

Debby Gibby, Chair of the First Hill Community Council which sponsored the nomination. She said the Sorrento Hotel is one of a number of apartment/hotels that currently existing in First Hill and is a prominent feature on a prominent intersection within the community. It is one of the earliest examples of the apartment/hotels; this type of building has promoted a social atmosphere where people could interact with each other and also a lot of early feminists stayed in this building because there weren't that many places where a woman could stay and feel safe. There was a Navy Convention based out of the Peary Hotel on the other side of the street and the Sorrento; out of that convention came the creation of the Sandpoint Naval Base which is now is Magnuson Park. Samuel Hill was known to have stayed across the street at the Peary Hotel. This Hotel has been important in the development of an urban neighborhood; since 1890 people have continuously lived in this urban neighborhood.

Kate Krafft provided the site context of the hotel at the corner of Madison and Terry. It is set back by a 70' x 70' courtyard; it is seven stories including a penthouse level including perpendicular wings that wrap around the courtyard. The building meets several Criteria for designation.

Ms. Krafft addressed Criterion C: It was constructed on First Hill in 1908-09 for Samuel Rosenberg and was subsequently owned by Vernon Pavey another local business entrepreneur and investor. The hotel initially operated as a first class family and residential hotel with semi-permanent and permanent residents, many of them from the "best" families with roots going back to the settlement era and First Hill families. The hotel established a long tradition of housing members of the US Military during WWI, WWII and the Cold War and has an interesting tie to decisions made by the US Navy. It is Seattle's oldest operating tourist hotel remaining in use for tourist purposes. There were other family hotels in this era; the Lincoln Hotel (burned in 1920), the New Washington (now provides low income housing); the Perry Hotel which was uphill at Boren and Madison and demolished in the 1990s.

Ms. Krafft said that Vernon Pavey was the second owner of the hotel but the great promoter of the hotel. He published two brochures promoting the hotel with photos of lobby space showing the Honduran mahogany, cove lights and Rookwood fireplace, and mission style furniture. The upper floor dining room had a panoramic view overlooking downtown Seattle. There were tea rooms and more private dining rooms that looked out onto roof garden and loggia at penthouse level.

Ms. Krafft said that it meets Criterion D. The building is constructed in Italianate style. It was designed to accommodate a steeply sloping site and to take advantage of the then panoramic views over the downtown commercial district, Elliot Bay, Puget Sound as well as the view toward the Cascades and Mt. Rainier. The original hotel design was distinguished by the Italian entrance courtyard and by the 7<sup>th</sup> floor level dining facilities with the belvedere, the Florentine style loggia and roof garden with its arbors. The original entry is intact although the doors have been altered. A 1930s photo shows alterations to the roof gardens and the belvedere had been partially enclosed. The red brick has a double stretcher Flemish bond with white gray bricks in it and a profusion of terracotta ornamentation at the cap and a strong base, arched elements and tower elements.

Ms. Krafft stated the building meets Criterion E. The Sorrento Hotel was designed by Harlan Thomas and is an exceptional example of his work and is indicative of his personal background, his architectural training and his other professional accomplishments. He became the head of UW Architecture department in the mid 1920s. He was one of Seattle's most urbane, versatile and influential architects. His worldly background, Beaux Arts training and artistic skill were demonstrated by his ability to create composite stylistic treatments for distinctive modern buildings. Thomas was an artist who traveled the world drawing and sketching; he did hundreds of watercolors and kept scrapbooks of Italian architecture that he had seen in Italy. At the time the Sorrento was built he was designing the Chelsea Hotel, another family style apartment/hotel on Queen Anne. He designed the Corner Market in Pike Place in 1911. He often worked in collaboration with other architects; he worked on the design of the Douglas Truth and the Columbia Libraries with Mauberry Sommerville. He collaborated with Shack Young and Meyers on the design of the Chamber of Commerce building. After 1924 he went into partnership with his son; in 1929 they designed with Clyde Grainger the first component of the King County General Hospital (Harborview Hospital).

Ms. Krafft said the Sorrento meets Criteria F because of its prominence. In terms of physical integrity high rise commercial development and residential development and the popularity of modern design impacted the panoramic views and diminished some of the architectural charm that made this hotel famous. The 7<sup>th</sup> floor level dining rooms with Florentine style loggia and roof garden were extensively altered and remodeled some as early as 1937, more so in the 1940s and the 1960s. The famous Top of the Town restaurant no longer functions. In 1981 the hotel underwent a major renovation which included the addition of the circular driveway and newly landscaped courtyard. The original guest rooms were renovated to create modern guest rooms and suites and the 7<sup>th</sup> floor dining room is now only used for private banquet and meeting purposes. The exterior is still very well preserved with few alterations made to the shaft and the base of the principle elevations and the greatest alterations are at the 7<sup>th</sup> floor level. The original entrance lobby and main lobby have

been carefully preserved and restored and exhibit highly distinctive Honduran mahogany wood work; the main lobby, now known as the Fireside Room includes an exquisite Rookwood tile fireplace. This is one of the most architecturally unique and significant commercial interior spaces in the City. The mahogany continues into the entry lobby and reception desk area. The Hunt Club space has been through many changes and while there may be some pieces of historic building fabric it does not compare to the main lobby.

Ms. Krafft showed photos of the Top of the Town space with windows that now look out to high rise office buildings and hotels. The lunettes have been enclosed; the structure is still there but they no longer open on to this space and the space has been greatly diminished into a relatively small banquet room.

Board Questions:

Mr. Hannum asked if all the windows are original.

Ms. Krafft said the windows appear to be original; some alterations on east elevation where the entry to the Hunt Club is. The openings are original but the windows are new; the door and entry are an alteration from a 1912 alteration.

Ms. Strong asked if there was information about the hotel being connected to a significant person or event.

Ms. Krafft said a 1940 article said President Taft was there at some point, but it is anecdotal. The hotel served as a gathering place for influential people and continues to. There is more information about its role related to the Military; it was a gathering place during WWI, WWII and the Cold War era.

Mr. Abelsen asked if the building was modeled after a building in Italy.

Ms. Krafft said anecdotally, the same 1940 article mentioned it was modeled on a hotel building in Sorrento and in fact Harlan Thomas convinced Rosenberg to do this design and name it the Sorrento. There is a hotel with a roof garden in Sorrento that it could be modeled after.

Melody McCutcheon, land use attorney representing the property owners, said that the entity name of the ownership is First Hill Investors, but the members of the company are the Burke Family: Gary Burke, Debbie Battiger, John Burke, Mark Burke, Don Burke. The Burke Family bought this building out of foreclosure in 1967. Mike Malone, The Sorrento Hotel Partnership, is the lessee; the lease expires in 2030. The Burke Family is the long term steward of the property and they are interested in participating in this process as the owner. They don't opposed nomination; they want input and have historical information to bring forward. They have retained a consultant to help on a historic building inventory. The Staff Report, specific features of the interior and exterior are called out; they want to study that further to know if those are the appropriate features to be nominated and eventually designated. They will bring that information prior to designation so they have a clear idea of the building's history and the building elements. If they can shed light on any of the factors that have been discussed today they will see what they can do.

Mr. Abelsen asked Ms. McCutcheon to clarify what she meant by “appropriate”.

Ms. McCutcheon said the may have been further alterations to some of the items of the entry lobby and reception desk. They want to understand that better and also understand better exactly which areas are being talked about. She said the elevators themselves have been greatly altered and asked what is meant by “elevator lobby”.

Mr. Lee said the Board tends to be more general in the nomination and then trim back to what makes sense at designation.

Ms. McCutcheon understood and said she would be going over everything with the building owners about the Controls and Incentives process.

Mr. Hannum asked Ms. McCutcheon if there were additional features she wanted nominated.

Ms. McCutcheon said no.

Public Comment: There was no public comment.

Board Discussion:

Mr. Veith stated the building is a very unusual building and it has always been a characteristic feature on that street; it is a really good example of Thomas’ work. It is very distinctive in its character and architectural style much more than the previously discussed hotel. This is a very good candidate for a landmark and he supported the nomination.

Mr. Martinson supported the nomination.

Mr. Abelsen supported nomination of the building and its site because it is of architectural significance.

Ms. Tremaine supported nomination because the building is architecturally beautiful, historic and it is a wonderful place.

Mr. Hannum agreed and applauded the owners’ stewardship; it is a wonderful amenity to the City. He supported the nomination based the Staff Recommendation, D, E and F. He would like more information on the reception desk alteration.

Ms. Howard agreed with the Staff Report.

Ms. Strong agreed with the Staff Report.

Ms. Conti said it is a gorgeous and distinct building; she supported nominated based on all the points in the Staff Report.

Mr. Matthews agreed; it is a wonderful building. It is a landmark.

Mr. Lee said most people would assume it was...because it is a landmark and a great building. He has admired the building for years.

Mr. Veith asked if the motion should include all 1<sup>st</sup> floor spaces even though the bar had been altered.

Ms. Krafft said the paneling is not the same Honduran Mahogany.

Ms. Chave stated it could be included and then we will likely have more information for the designation.

Mr. Veith didn't want to make a mistake at this point; spaces can be removed.

Mr. Lee said we can't go backward so we have to be broader and then go back; if it isn't included now, it can't be included at the designation.

Mr. Veith said we don't want to control spaces that don't warrant it but doesn't want the Board to miss something.

Action: I move approval of the Sorrento Hotel at 900 Madison St. for consideration as a Seattle Landmark; noting the legal description in the Nomination Form; that the features and characteristics proposed for preservation include the site, the exterior of the building, and the following elements of the interior: the entry lobby and reception desk, the elevator lobby, and the Fireside Room and other first floor public rooms; that the public meeting for Board consideration of designation is scheduled for July 16, 2008; that this action conforms to the known comprehensive and development plans of the City of Seattle.

MM/SC/TV/MH

10:0:0 Motion approved.

## **052108.5**

### **CONTROLS & INCENTIVES**

052108.51

#### Manning's/Denny's Building

5501 15th Ave NW

Karen Gordon explained the memorandum that was received and forwarded to the Board recommending no controls be imposed. She said she will answer any questions the Board might have about the memorandum.

Mr. Veith asked what the reasoning for no controls being recommended is.

Ms. Gordon said the reasoning was based on information submitted by the applicant; it is appropriate to let them make their presentation.

Jack McCullough, attorney representing the owner, went through the process they went through and the results of the package they sent last week. This is a new phase and issue of architecture and historic quality of the building are behind us for the moment; the phase we are in deals under the Landmark Ordinance with a new set of criteria, SMC.25.12.580 and 590, they are economic and financial issues having to do with the Controls and Incentives stage. These criteria are the only focus now. Their job is to apply the information in the record which he says is the only relevant information against the criteria, and determine an answer on controls and incentives.

Mr. McCullough said they started with the understanding that the designation action only designated the structure and not the site; what they looked at in the Controls and Incentives evaluation was the use of the building, not other use of the site or other portions of property owned by this particular landowner, just what could they do with this building because legally that is all they are required to look at and all that the Board can look at. They looked at a range of different uses: offices, retail, and restaurant; they looked at low-end, mid-range and high end restaurant to explore the full gamut of reuse scenarios. They also looked at different site plans and a lot of that turned on how much parking to assume. They started out assuming a restaurant would require a lot of parking; there are 77 stalls there now and the information they had was that new restaurants might require up to 120. They also looked at Ballard as an urban village, it is a walkable neighborhood so they looked other site plan alternatives that would have no parking; that reduced the cost because it reduced the overall land area allocated to the overall project which improved the economics. They looked at 12 options, 3 site plans with 4 different use options. They worked up costs for each one: land costs, the costs of redoing the shell of the building, tenant improvements for specific use, carrying costs for the amount of time that has elapsed since the owner has acquired the property, soft costs which include architectural and engineering and even legal. They looked at the income side and identified potential rent per square foot for each of the uses; the income provided, using a cap rate, what someone would pay for this site based on that income. They applied conservative assumptions at every point, relied on verifiable information from 3<sup>rd</sup> parties and where they had a choice on costs, they assumed the cost would be lower than all probability they would be. They didn't assume any increases in construction costs.

Mr. McCullough said in terms of revenue, they assumed it would be higher in every single case than anyone told them it would be. Their objective was to produce an analysis that they felt would be above any question or reproach in terms of the assumptions that were being made. They generated total costs and compared total costs to the value based on income and calculated return in comparison to the amount that was invested; the best case result was the high end restaurant use in option 3 which is just the building by itself which came to a negative of \$1.3 million.

Mr. McCullough included in the letter submitted information about rate of return; developers are involved in a highly risky business. The people ahead of developers in line like lenders are carefully secured with collateral and they will earn 6% - 7% on a deal; second lenders who may earn 10% - 12%. Developers end up having to earn some fraction above that to recognize the risk for the market, for construction costs, for all the other risks associated for the project. The results here are they never even got to 'even' or zero let alone to a 15% return. With controls the market value of the improvement is going to be at least \$1.3 million less than without controls. To attract capital you need at least 15% return to make a project work. The owner expected at 15% return consistent with the market when it bought the property and now is faced, in every scenario, with a return that is negative even with the rosier of assumptions being implied. The imposition of controls on the structure that has been designated, not the site, will deprive the owner of reasonable economic use in return.

Mr. McCullough said the original scenario where the owner acquired the land for \$12.5 million and was going to sell it for \$15.5, which is a 15.2% return in keeping with what would be expected for the market. The conservative analysis was at - 23.98; they actually noted in their materials that they received a letter from Denny's

who said they would like to come back in and take the space so they ran that as a real market scenario; he was willing to pay \$24/sq. ft. against the \$36 they had assumed. They ran that calculation and it ended up being -82.44% or a loss of \$13 million.

Mr. McCullough spoke about rezone/redevelopment of the site; he said because the site is not involved in the process, those issues are not material to the determination the Board has to make. They did include some information in the materials they sent and tried to identify what would happen in the case of a redevelopment or rezone of the rest of the site. The initial suggestion was this was implausible, that there are no commercial building taller than 85 feet that has been outside the center of Seattle in 20 – 30 years. The response is simple; they have a loss of at least \$1 million just from the Denny's structure portion of the site alone; development on the adjoining site would need to subsidize this loss plus make a 15% return just to get to the benchmark they need to get to. This would mean trying to add the same residential density but on a small footprint which means you have to go taller to get the units in and deeper into the ground to get the parking in. They would incur substantial costs that rise as you go up, and potential square foot cost for parking increases dramatically as you go down. You end up with a \$1 million loss from Denny's; your costs go up and your revenue stays the same because you still have the same number of units. These problems are not addressed in any of the materials provided to the Board and though this is not a relevant issue for Board determination they wanted to point it out.

In conclusion, Mr. McCullough asked the Board to look at the record that is germane to the issue the Board has to decide. The Preservation Ordinance relies on finely wrought balance; he said the Board would hear later comment urging the Board to focus on some issue of historic or architectural quality or prominence that were under your previous set of criteria or asking the Board to go beyond the bounds of the Ordinance; he asked the Board to do the right thing. He said that for any part of the Ordinance to work, every part has to work. He said you can count on the fingers of one hand the number of times the Board has had to come to this determination and has seen a recommendation of no controls; when this happens it is serious. He said a vote to sustain the agreement is a vote to sustain the entirety of the Ordinance. In order for the first part of the Ordinance to work, this part has to work too in cases like this. Staff has recommended the Controls and Incentive Agreement to the Board, which the owner has signed; he asked the Board to approve it.

#### Board Questions:

Mr. Abelsen said in his letter to the Board, Mr. McCullough had characterized the purchase of the properties and the future outlook as speculative; he asked Mr. McCullough to clarify what that meant.

Mr. McCullough said the property was purchase at auction from the Seattle Monorail Project. An auction sale is one of the best ways to determine fair market value; it was speculative in a sense that there was not an actual development plan that the owner had devised in advanced. The owner had an anticipation of what the property could be redeveloped for under the zoning code in which density could be fit on and anticipated at that time a sale of about \$15.5 million, a \$3 million gain would be possible once the project was permitted for redevelopment. It was speculative in a

sense that there wasn't a user ready to go on it and speculative in the sense that there was risk.

Ms. Gordon responded to Mr. Veith's earlier question and provided background on how they got to the alternatives looked at and the process gone through because this is a very rare occurrence. She met with Mr. McCullough and came up with a number of schemes to start looking at which is how they got to their first meeting. From that, it evolved to what is seen today because the uses that were presented in the very first discussion were restaurant, retail and office; they broke out the restaurant to a high-end/mid-end because there was the question about the parking which was becoming an issue in terms of how the numbers worked. A mid-range restaurant often requires more on-site parking; there might be more of an opportunity for a high-end restaurant with valet parking so asked them to talk to operators of certain types of restaurants to find out what their criteria would be for using this. Ms. Gordon said they expanded a bit in terms of what the owner was asked to take a look at and to run those numbers. The assumptions that they were making were looked at and we did ask them to add their carrying costs after consultation with Mr. Hannum, Ms. Strong and Ms. Conti, the finance/real estate experts on the Board. They looked at the depth of the parking that would be needed, whether the soils reports would handle that amount of parking even knowing that we had no authority to deal with a rezone. Because we heard those comments at the designation meeting we wanted to explore those options looking at the depth of the parking, what the geotech reports were like to sustain that. Ms Gordon said they then went through the incentives that are usually available for owners of historic properties and that actually the genesis of this recent letter because she asked them to write in the letter the work they had done in terms of looking at the incentives. For example, if this were a building downtown there are TDR which are not available outside of the downtown area. The Special Tax Valuation is available but would only be available for the landmarked building and even in a larger project, the value of that incentive is negligible because it doesn't really apply to the new construction unless it could be something that could take advantage of multi-family and her understanding is these are condos not rental so the multi-family wouldn't be available for the new construction; it would be just for 1/6 of the site. Federal Tax Incentives are not available because the property is not listed in the National Register and there is also the issue even if it were, because when a new addition is built to a historic building the National Parks Service has the ability to review the new construction as well which is an additional risk to the property owner. The other incentives available, authorization of uses that would not normally be allowed was not really an issue here. The other is Building Energy Code exceptions which really apply to Code and not Zoning Code, so if there were issue with seismic retrofit again that would be an incentive available but given the scale of the project, not one that made a material difference in terms of the numbers.

Mr. Abelsen asked in the discussions about Controls and Incentives if the issue of design feasibility, not building use, is a consideration of discussion; if someone came up with an outlandish engineering architectural design that somehow can be looked at as a possibility, is that part of the discussion.

Ms. Gordon said they didn't look at design options because it is not a separate issue from development possibilities.

Ms. Conti said as the development/finance representative on the Board, she looked at different options in the workgroup. They looked at 10 – 12 different scenarios for potential development. They were brainstorming about all kinds of potential uses – what could possibly go there in order to make this work. As a long time Ballard resident and as someone who used that as a key intersection regardless of whatever happens here, she wanted to see something great. She said they all had their hearts in it to try to come up with something fantastic but there were only so many options out there as to what could potentially work when you try to line up financially and from a development perspective. There are certain limitations in terms of set backs, height, parking and legal restrictions as to looking at the whole site and restrictions based on how much they paid for the land.

Public Comment:

Mr. Lee said the Board can only consider comments related to the Controls and Incentives that are being proposed and we cannot revisit designation or architectural criteria at all; just the facts of if they could have reasonable economic return on this property.

Ralph Allen, said he is an architect and Ballard resident. He said he is responsible for the idea of a contract rezone being a viable avenue. He recognized the owner and residents have a disagreement as to its viability. He supports the importance of finding an economically viable scheme for adaptive reuse. He believes the contract rezone is a viable alternative. He said should the Board choose to place Controls and Incentives on the building he encouraged the broadest possible latitude in interpreting the land use, zoning, building, and Washington State energy codes that will be required to give the owner the flexibility to really maximize a return and the benefit on the site for all stakeholders.

Allen Michaelson said the ownership knew in August 2007 that Mannings might be declared a landmark; in December 2007 before the nomination hearing they sought to meet with owners to craft a compromise that might save the building while also protecting their investment. He said the owners chose the path of conflict and worked to diminish the building's history and landmark status. He preferred an alternative plan that would require a City Government contract rezone that would prevent Manning's demolition while providing ownership with profitable retail space and more desirable condo space. He said he talked to a City official that was open to height variance and said creativity and flexibility will allow a satisfactory compromise. He asked to vote for Controls that would allow time for this process to work.

Anne Forestieri said after hearing evidence the Landmarks Board agreed Manning's is a landmark; the building owner has spent large amounts of money to prove that this will not work economically for them. She said they have selected information to prove their case based on that selected information. With all the money the owner has spent on filing a lawsuit the building could have been rehabilitated. She asked the Board to put Controls and Incentives on the building and to encourage the building owner to work with the stakeholders.

Eugenia Woo, Ballard resident, asked the Board to place Controls on the building and to make Incentives available for the property owner that would actually work.

Placing Controls on the building would protect the building which was the whole point of designating it to begin with. She asked the Board to protect the integrity of the process by not setting a dangerous precedence for designation and placing no controls on a landmark. She said a creative developer with vision and experience with historic buildings will make a project work. Googie style restaurants have been saved from the wrecking ball and restored and function as successful restaurants and are economically viable. Ms. Woo said with all the money the property owner has spent fighting the designation and the Controls and Incentives the building could have been rehabilitated by now and we could all be drinking martinis in a swank bar. The building was operating fine as a restaurant for 40 years until it was forced to close; it wasn't a derelict building.

Harlan Falcon, Ballard resident, supported full development of the site without Controls on the existing building. He said the corner is the gateway of Ballard's commercial and residential neighborhood. It is important to look forward to the future and make sure Ballard has a viable, thriving high density residential area as well as commercial and single family areas as it is currently zoned. He concurs the building and the requirements for parking around it are no longer a viable use for the location. Land values and taxes have grown to the point that renting and renovating such a facility no longer covers the costs of its repairs or its operations on an ongoing basis.

John Teutsch said he looked at the proforma for the project; he believes it comprehensively accurately and fairly depicts the negative return they will experience if they are required to preserve this building.

Tom O'Keefe said he reviewed the proforma and the plan and said most developers look for more than a 15% return. Even without carrying costs or legal and consulting fees, the project would have no economic viability to be redeveloped as it is today; there is no bar that could afford to pay \$100,000 in rent which is what it would take to make it financially viable. As a Ballard business owner he would like to see controlled growth.

Jerry Lee said it is not economically feasible to preserve the building.

Mr. McCullough said the contract rezone is not material; the site was not designated, only the structure. He said the nomination period is the time to think about options, Controls and Incentives is not.

#### Board Discussion:

Mr. Hannum said as a numbers guy and someone who had been in the restaurant business before going into real estate finance he thinks the highest and best use of the building is restaurant. The numbers show it doesn't pencil out; he reviewed all the paperwork and the proformas. He thought the property owner is being extremely conservative and their negative loss would be much greater than they are showing. Restaurant/martini bar/food services going in there just doesn't work.

Mr. Abelsen asked Mr. Hannum and Ms. Conti if during the review process they felt the purchase price paid was a reasonable amount.

Ms. Conti said it was for the Ballard area and they only attached an 8% increase over the course of time since they have held it. It results in a 220 price now. The problem is with the cost of parking now which is why they came up with the idea of high end restaurant with a valet and it still didn't work. No lender will lend on this project especially in this environment.

Mr. Hannum said they won't be able to go into any lender and show what they have as a proforma.

Mr. Lee said it is a sad and rare situation for the Board to be in. For the members of the Board who are designers, they are always looking for tangible solutions and in this instance they have to defer to the other colleagues on the Board who have expertise in finance. He said he supported the Staff Report.

Mr. Abelsen agreed with the Staff Report.

Mr. Veith said after spending much time looking at the material he was predisposed to the owner's point of view because of the circumstances of the purchase. There have been other cases where people have presented an economic argument and usually it is hard to understand how they got to their position because they already knew everything there was to know about the landmark before they decided they had a hardship. This is a different case; the owner bought the property feeling pretty strongly, and without any objection to demolition at the time, that they would not be faced with dealing with a landmark so they paid for the development that would have the highest and best use. He said \$12.5 million is greatly in excess of what the restaurant and its parking lot is worth. He wasn't delighted with some of the responses to the Criteria themselves which were in some cases based on what they hoped to get rather than the information specifically asked for which is comparative in nature. They are also not required to respond to every one of these; this is what they are limited to considering not what they have to consider. He said in the first parts they responded with all the data they provided in a good way. Faced with the alternative development plan which includes consideration of the development of the rest of the property, although there wasn't enough information in their documentation for him to push the analysis forward, he also saw the alternative development that was offered by a member of the public. They were assuming that in order to make this work it would need contract rezone which is a pretty good indication that the outside analysis indicated that within the boundaries of the current zoning it was not possible to do this and make it profitable. The Board can recommend exceptions to the Building Code and the Energy Code as an incentive; he doesn't think they are allowed to suggest changes to the Zoning Code, at least not with the same force as with the Building and Energy Codes. The Board could recommend a zoning change but he said he doesn't see any guarantee that would happen.

Ms. Conti interjected that it wouldn't change anything because it would still leave them in a position where the owners would be financially in the hole.

Mr. Veith said he is not trying to make their argument for them, just trying to explain. He said he didn't know if the neighbors would support it if they are against having a condo why would they support a rezone to get a bigger building. He was a proponent of landmarking the building but didn't see how he can force the owner into a Control situation; he didn't like it but didn't see an alternative.

Mr. Martinson agreed with Mr. Veith, especially on the purchase price, that it was fairly determined in a free market way. It is important to not that this is a Board of rules that goes by the Ordinance. He supported the Staff Recommendation.

Mr. Abelsen concurred.

Ms. Howard concurred.

Ms. Strong said she believed the owners, even though they were not in favor of having their building landmarked, once it was designated they put forth a good faith effort to try to make the numbers work for them as opposed to trying to find a way out of the designation. One of the scenarios presented was with the rezone option and even if the rezoning was allowed, according to the scenarios the numbers wouldn't work. She supported the Staff Report.

Action: I move to approve the signed Controls and Incentives Agreement.

MM/SC/TV/MH 10:00 Motion approved.

*Ms. Conti left at 7:08 pm.*

052108.52

Central Waterfront Piers  
Piers 54, 55, 56, 57, and 59

Ms. Sodt worked with the five different ownerships involved in the Piers and came up with the Controls agreement which outlines what is required for a Certificate of Approval and what can be done administratively. With regard to Administrative approval items, if staff feels that what is being requested does need Board review, staff can require an application be submitted for a Certificate of Approval. The proposed design guidelines that were written in conjunction with the owners will replace the Harborfront Character Guidelines that were very difficult to work with.

Ms. Chave added that the Harborfront Character Area Guidelines were not prepared with the cooperation of the Landmarks Board or Landmarks Staff; it came from another entity in the City.

Ms. Sodt said there were portions of the Harborfront Character Area Guidelines that were applicable and those were kept but she rewrote or made changes and some odd requirements were removed.

Mr. Abelson stated that with that it is now a regulatory document and asked if it was considered as Ordinance.

Ms. Sodt said the guidelines are identified in the Controls Agreement as something that the Board would need to approve, and that the reference to guidelines will be codified in the Ordinance.

Mr. Abelson asked if the guidelines as they were previously written could apply to anything along the waterfront.

Ms. Sodt said no, the Harborfront Character Area Guidelines were for the exact same properties.

Ms. Chave stated that according to the previous guidelines the Board was advisory to DPD and most of the applications went to the sign inspector at DPD and he made the call based on the extremely loose guidelines. This now has far more weight and use to everybody.

Mr. Abelsen stated it is very well written.

Mr. Matthews was impressed and said it makes things easier for everybody.

Kathleen Conner, Parks Department, said they were pleased with the process and worked with Ms. Sodt and got all the owners together; there was a lot of give and take and a lot of concerns were discussed early on. She said a lot of the private owners had never gone through this process before and she believes they feel very comfortable with the results. The Parks Department feels it will be much more streamlined and will be helpful.

Ms. Sodt said a lot was learned because of the Pier 59 rehabilitation process.

The Board determined they had enough information to make a decision.

Action: I move to approve the Controls and Incentives Agreement as written.

MM/SC/TV/CH 9:0:0 Motion approved.

052108.53

Washington Athletic Club  
1325 Sixth Avenue

Ms. Sodt stated the Controls and Incentives Agreement signed was standard for the most part. The only unique portion being before that before the building was designated the Washington Athletic Club had plans to build a penthouse atrium addition at the 10<sup>th</sup> floor level, therefore language has been added to streamline the review process for the addition.

Jack McCullough, representing the owner, said the club is continually evolving to meet the needs of its members. With women members now in the majority there is need to expand the women's conditioning and fitness portion of the facility. To accommodate that some shifting is required that would free up other areas so the expansion could happen. The plan is to do some modest penthouse extensions to provide dining areas. They put a mock-up of the proposed wall height and viewed it from rights of way in the area trying to determine if it was visible and, if so, at what height.

Ms. Sodt stated from the mock-up installed that it can't be viewed on from most of the north and northeast sides of the building, but a sliver can be slightly viewed from the northwest corner 5<sup>th</sup> Avenue and Union. The Board would have review of materials and finishes for the addition insomuch as it is not visible from pedestrian level, but would not have purview over the construction details.

Mr. Abelson asked why controls on materials would be added if it isn't visible.

Ms. Sodt said because a small portion would be visible, it was thought that having the Board review materials and finishes it would give the Board assurance that it would fade into the background. There is a height limit in the Controls that the proposed single story would not exceed 11' 1" above the roof deck.

Action: I move to approve the Controls and Incentives Agreement as presented by Staff.

MM/SC/TV/VA 9:0:0 Motion approved.

052108.54

Eitel Building  
1507 Second Avenue

Ms. Sodt said the owner has asked for another 60 day extension; they have submitted some additional materials for Board review regarding economic analysis and their Application for Certificate of Approval. They are still waiting for the SEPA determination or FEIS to be prepared; the Board can't take action on the Certificate of Approval until the FEIS is published.

Mr. Abelsen requested the reason for the delay.

Ms. Sodt said the owner is still in the process of preparing the FEIS.

Action: I move we extend consideration of Controls and Incentives for a period of sixty days.

MM/SC/TV/RM 9:0:0 Motion approved.

Meeting adjourned at 7:30 pm

Respectfully submitted,

Elizabeth Chave, Landmarks Preservation Board Coordinator

Sarah Sodt, Landmarks Preservation Board Coordinator