



The City of Seattle

Pike Place Market Historical Commission

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MINUTES

Wednesday, February 27, 2008

4:30 p.m.

PDA Meeting Room, 85 Pike Street, Room 500

MHC 22/08

COMMISSIONERS

Joanne Herron

Howard Aller, Vice Chair

Karin Link, Chair

Alfred Collins

Valerie Bystrom

Alex Rolluda

Sara Patton

Spencer Howard

Allyn Stellmacher

STAFF

Heather McAuliffe

Melinda Bloom

Absent:

Marilyn Bierman

Kamyar Khoshdel

Susan Lane

Commission Chair, Karin Link, called the meeting to order at 4:38 pm.

022708.1 APPLICATIONS FOR CERTIFICATES OF USE/DESIGN APPROVAL

022708.11 Hotwire Online Coffeehouse (currently Caffé Lieto)

1909 First Avenue, Fairmount Building

Rena & Brian Poppell

Use: Change of ownership and change of use for a coffee shop serving espresso, food items and bakery items; business includes four desktop computers and a printer for customer use.

Street use approval for outdoor seating.

Design: Changes to interior design and awning; installation of business signage. No change in design of outdoor seating area.

Staff Report: Heather McAuliffe reviewed the relevant background said the space is Zone 3, street level, all uses permitted. The former use (Caffe Lieto) was Food e; new use would be Food e; other Uses b. The space is 620 square feet. Proposed ownership structure: LLC. Rena & Brian Poppell each own 50% of the LLC. Neither has a financial affiliation with another business. Rena Poppell will be the primary owner operator of the business. She is responsible for the daily operations of the business and will be onsite every day. Brian Poppell, her husband, will be on the premises during the weekends. The owners are using the name Hotwire Online Coffeehouse in relation to another location in West Seattle. The applicant states in the application materials that the two businesses use the same logo identifiers but are separately owned and operated businesses. There is also a Hotwire Online Coffeehouse in Shoreline, WA. The application includes street use approval for outdoor seating. The Committee determined that written consent from the adjacent businesses would not be needed for the outdoor seating area because those are already on file and nothing would be changing except for ownership of café. The business will offer a discount on computer use fee to local residents and business owners at certain times of the day.

The following exhibits were presented for the Commission's review: a site plan, written description of ownership interest and role in the business operation, copy of state business license application; supplemental written information from the applicant, menu, signage exhibits showing Hotwire Online Coffeehouse logo, information from Hotwire Online Coffeehouse Website and additional background information about Hotwire Online Coffeehouse, and the dictionary definitions of "franchise" from www.dictionary.com and industry definition of "franchise" from www.franchise.com. The relevant guidelines would be 2.10.1, 2.10.2, 2.10.3, 2.10.4, 2.1, 2.4, 2.5.1 e, 2.5.5 b, 2.6.1, 2.6.2, 2.6.3, 2.6.4, 2.6.5, and 2.6.6.

Use Review Committee Report:

Ms. McAuliffe reported that the URC recommended discussion of the application by the full Commission. The Committee cited Guidelines 2.10.1, 2.10.2, 2.10.3; 2.10.3 talks about the Commission taking note that an existing business transferring is in conformance with Certificates of Approval; staff review determined there is a neon espresso sign that is not approved and the applicant confirmed that it would be removed. The Committee also cited 2.10.4, 2.1 and then confirmed that it is in Zone 3 where all used are permitted and confirmed that the uses under priority of market uses would be 2.5.1 e, which is food e and that is food and drink being consumed on site; 2.5.5 b also describes the use of computer stations. The Committee reviewed the application per guidelines 2.6.1, 2.6.2, 2.6.3, 2.6.4, and 2.6.5, and did not raise any concerns. Citing 2.6.6 the Committee determined that using the Hotwire Online Coffeehouse logo and name the business would be an expansion of an existing business because there are already two others. 2.6.7 did not apply. The Committee reviewed the application

per 2.6.8, which states that chain operations and franchises are not permitted in the Market. The Committee recommended discussion by the full Commission of the application per Guideline 2.6.8.

Applicant/Landlord Comment: Rena Poppell told the Commission of the many attributes that she and her husband would bring to the Market: a high degree of service, intern opportunities for low-income youth, discounted computer use, gallery space for local artists, and the desire to work with other businesses to put together an art walk in the neighborhood. There will be four computers on site which would be a specialty service offered to residents and tourists. She said that in the spirit of the Market, the business would have an independent owner and would be family run; she or her husband would be onsite at all times. The business would have a focus on local community events, dedicated customer service while working with other Pike Place Market shops as a cooperative member of the business community. She said there was no financial affiliation with any store outside the market.

Ms. Poppell said she brought the owner of Hotwire Online Coffee house in West Seattle Lora Lewis to speak on her behalf. Ms. Lewis said that Ms. Poppell worked for her for two and a half years and said she has many positive qualities that she would bring to this business. She said that Ms. Poppell has seen how exciting it is to be a business owner. She said at the West Seattle location, they are really involved and in 2007 they received an award for the best coffee shop in the area and that Ms. Poppell will take those qualities that they strive for in the West Seattle location and continue those in the Pike Place Market. Ms. Lewis said she is the originator of the West Seattle Art Walk and the outdoor cinema. All the qualities that she started in West Seattle will be continued by Ms. Poppell in the Pike Place Market.

The landlord was not present.

Public Comment:

Paul Dunn, President of Friends of the Market, said he had served two terms on the Commission and that he felt the Historical Commission was the principal key to keeping the Market what it is. The guidelines the Commission follows are applied to the facts; a business can start here can expand outside the Market; a business that has an interest in the Market from outside could start a business here if it were different from the original business. He said this application confused him considerably because there are a couple other sites. He asked that if this were to be a separate shop with no connection why not choose a different name. It says explicitly in the guidelines "no chains or franchises". He said that Kress Building is an IGA shop and they are a loose association of businesses; he said he doubted they could open here as an IGA identified operation, so if Hotwire has loose associations, the guidelines would apply to them similarly.

Commission Discussion:

Alf Collins said the graphics on the Web site shows there is a loose association of computer owners, however, the coffee shop is owned by the Poppells, and they are not obliged to talk to either of the existing Hotwire Online Coffeehouse businesses. He said that if the name was changed and they had new logos he could support it. He likened it to a newspaper wire service and that no newspaper would call itself The Associated Press.

Howard Aller spoke against the application. He pointed out that on the business application where it says "Is this business owned, controlled or affiliated with any business entity, the applicant answered "Yes, Hotline Online Coffeehouse." He cited 2.6.8 and said franchise ownership is not allowed in the Market. He said he ran some definitions on franchise: "*Authorization granted to someone to sell or distribute a company's goods or services in a given area; business or group of businesses established under such authorization and a brand name under which a series of products is released.*" He said it is a franchise and there are specific rules forbidding this. He said he agrees with Mr. Collins about changing the name would make a difference. He also cited the fact that that Hotwire had been promoting publicly the fact that they would be opening a new branch in Pike Place Market as further proof that it was a franchise.

Ms. McAuliffe said the Commission might want to ask the applicant about that for clarification.

Mr. Aller said that the applicant says that because they aren't paying any money they aren't a franchise.

Ms. Poppell said the business opportunity is different; it is a separate operation. She said there is no business connection, no royalties paid to Hotwire. She said that you could take a franchise definition out of different sources that would say different things.

Mr. Aller said the Commission's job is to protect the Market against franchises.

Sara Patton said the basic legal definition from the Federal Trade Commission and most of the Webster's definitions are quite clear. She said it is clear that franchise is used, and in 2.6.8, the definition includes the situation here in which a new business is using the brand and logo from a previous business and cannot be allowed. She said she cannot approve as presented and said if name and brand are changed the brand it could fit under guidelines and she could support it.

Allyn Stellmacher said there is ambiguity in interpreting the different definitions as well as the guidelines; it would be easier if it had a different name. He cited 2.6.8 and that franchises and chains are not allowed. Whether or not they can bring definitions of chain operations or franchise, there is a question about franchise issues whether or not they pay royalties.

Mr. Collins cautioned the Commission about making a decision based on what the Hotwire Web sites say about this operation; this is still not part of Hotwire. It is going to be an independently owned business as part of loose organization. Joanne Herron said she wanted to reiterate that it sounds like a wonderful business and that she would approve if the name weren't associated with another business.

Spencer Howard said the model is strong but it doesn't make sense why they are using the Hotwire name and brand. He asked where is the benefit of using the Hotwire brand and identity, and said this speaks to licensing of brand identity and falls under the definition of franchise.

Valerie Bystrom said the Commission must stand firm in the broad definition of the term "franchise" and the moment it is parsed there is no stopping.

Ms. Link cited Guideline 2.6.6, which says, "In the interest of maintaining a diverse mix of businesses and because of the importance that owner-operators play in establishing the character of the business, growth through the introduction of new, independent start-up enterprises is strongly preferred over expansion of an existing business." She said that this is expansion of existing business into the Market because they are keeping the name and brand. She said that is a problem and goes against the guidelines.

Action: I move to adopt a resolution approving the application as presented.

MM/SC/SP/AR 0:9:0 (Messrs. Rolluda, Stellmacher, Collins, Howard, Aller, Ms. Herron, Link, Bystrom, Patton opposed)

Staff Note: Since the use application for Hotwire Online Coffeehouse was not approved, the Commission did not review the applicant's design application.

022708.2 APPLICATIONS FOR CERTIFICATES OF DESIGN APPROVAL

022708.21 Japanese Gourmet
82 Stewart Street, Stewart House
Julie Leung

Approval for exterior banner sign.

022708.2 DESIGN

Staff Report: Ms. McAuliffe explained that the banner would be brought out during the daytime and removed at night. Exhibits reviewed were: photos, rendering. She said the relevant guideline would be 3.6.

DRC Recommendation: Ms. McAuliffe said the Committee reviewed the application and cited guidelines 3.6.1 and 3.6.2. The Committee recommended discussion by the full Commission.

Applicant/Landlord Comment: Julie Leung said the banner would not be on a main street and would not very visible from Pike Place. The current sign is a very small neon sign; they thought a larger neon sign would be disruptive to the residents upstairs. They want the banner for better visibility of their business to help advertise their happy hour and that there is a restaurant there. The vinyl banner will go next to the display of the plastic food.

Amy McCallum from the PDA said the PDA supports this request and that the business does a lot of business during the spring and summer months when the cruise ships come in. Since they've taken the banner down, business has dropped. They are willing to adjust the banner based on Commission's recommendations.

Public Comment: There was no public comment.

Commission Discussion: Mr. Collins said doing a banner twice the size of the front entrance is not in the spirit of the Market. He recommended better use of the existing glass block (containing plastic food as example of fare served).

The Commission discussed the size of the sign, that a smaller one might be more appropriate and the concern of precedence having temporary signage as not being in the best interest of the Market. Mr. Aller cited 3.6.2 where it states that, "large exterior sign permitted painted or mounted on the building surface are permitted only for identification of buildings of common name for principal use." He said this can't be allowed; it is a large sign, mounted on exterior of building, which is allowed only for the identification of buildings by their common name or principal use.

Mr. Howard cited 3.2.3, which speaks to the functional quality of the buildings. He said also that the precedent for permanent signs is metal, wood; the use of vinyl, canvas, occurs more for temporary usage.

Ms. McAuliffe said that this is a permanent sign but will be brought in each night, like a sandwich board. Ms. Leung said they used to have a hard board sign that was mounted on the wall but it was damaged, which was why a movable banner is proposed.

Mr. Stellmacher cited 3.6.1 which says, "Sign should be simple, clear and modest in size." He said the proposed sign has a lot of menu items pictured on it.

Ms. Leung showed the actual banner to the Commission.

Ms. Patton left at 5:15 pm.

The Commission discussed the two existing signs coupled with the "Open" sign and the issue of effective signage versus the number of signs.

Mr. Howard asked if the section of wall is considered a façade or store front. Mr. Stellmacher said it was a solid brick wall.

Mr. Rolluda said the size proposed is not modest and said the opportunity exists to do signage better.

The Commission took a straw poll to see who would support the application as presented: 0:7-1; Ms. Link abstained.

Ms. Leung said she is open to changing size and design.

Ms. McAuliffe said if the applicant is willing to come back they may withdraw; they can come before the Design Review Committee to get advice.

The applicant withdrew the application.

022708.22

Virginia Inn

1937 First Avenue, Livingston-Baker Building

Patrice Demombynes

Application: Paint storefronts; change to design for bar stools.

Ms. McAuliffe presented the relevant background. Exhibits reviewed were photos, drawing, color sample, catalog cut for bar stools. She said the relevant guideline would be 3.4.

DRC Report: Ms. McAuliffe reported that the DRC found the application in conformance with Guidelines 3.4.1 c and 3.4.3 e. The Committee recommended approval.

Applicant/Landlord Comment:

Mr. Demombynes explained said they were painting the two storefronts to unite them but that they would not change the cast iron posts, which will remain brown.

Matt Holland from the PDA spoke in support of the application.

Public Comment: There was no public comment.

Commission Comment: Mr. Aller said he knew they were able to save one booth but wondered if any existing barstools were saved.

Mr. Demombynes said that part of the remodel required installing an impermeable waterproof membrane in the floor to protect clinic examination rooms below, and that the old bar stools were attached with deep lag bolts, so they had to get rid of them; they were constantly repairing them and there was a lot of rot and water damage in the sub-floor.

I move to adopt a resolution approving the application as presented.

MM/SC/AC/AS

8:0:0 Motion carried.

022708.3 APPROVAL OF MINUTES: January 23, 2008

Mr. Aller requested a change to the minutes.

Moved to adopt the minutes as amended.

MM/SC/AC/AS

7:0:1 Mr. Stellmacher abstained.

022708.4 REPORT OF THE CHAIR There was no report.

022708.5 REPORT OF STANDING COMMITTEES: There was no report.

022708.6 STAFF REPORT

Ms. McAuliffe said that two new commissioners would be coming in to replace Alf Collins and Kamyar Khoshdel, who will be leaving after the next meeting. The new commissioners are Susan Zuege and Sharron Shinbo. They will be starting at the March 26 meeting.

022708.7 NEW BUSINESS There was no new business.

Joe Canavan, owner of World Class Chili, asked if there are established procedures to bring facts and information to the subcommittee that is reviewing the Market capital renovations. Ms. McAuliffe explained that the Commission's Design Review Committee has been receiving briefings about the capital renovations but that public comment is not accepted during the meeting. She said he can write and present anytime at a Commission meeting and that it would be best if he did that when the PDA gives a briefing to the full Commission. Mr. Canavan said he is interested in the infill of the Economy Atrium. Ms. McAuliffe said that he can attend Commission meetings and make a public comment and offered to add him to the agenda mailing list. He asked to be added.

Mr. Canavan also asked if Commission decisions could be appealed. Ms. McAuliffe confirmed that the applicant or any "interested person of record" can appeal. They must file a copy of decision and \$50.00 to City within 14 days of the date the Commission issues its decision. After that there is no appeal.

Moved to Adjourn:

MM/SC/HA/AS

8:0:0

5:46 pm

Heather McAuliffe
Commission Coordinator