June 25, 2015 • Seattle Daily Journal of Commerce

HERE'S HOW SEATTLE WILL DIGEST 4,000 HOTEL ROOMS The pace of delivery is staggered to a point where new hotels will be added every year over the next five years, versus all at once.

s with all commercial real estate, trends in the lodging space are cyclical in nature. By the end of 2015, the hospitality industry will have experienced unprecedented growth defined by all measures, including a national occupancy level never expe-

rienced before. average

growing at alltime highs and hotel transacvolume

of \$50 billion. surpassing the 2006-07 high-

water mark. Today we are

tion

daily (ADR)

BY CHRIS BURDETT

CBRE HOTELS

looking at an industry that is hitting on all cylinders and experiencing record growth. Admired by Wall Street once again, the hotel space is flush with capital and Seattle is on the verge of adding an astonishing 4,000 new hotel rooms.

To put this into context, for over six years (late 2008 to mid-2015) Seattle added two hotels: the 147-room Four Seasons and the 160-room Hyatt Place.

The 172-room Hyatt House, which debuted in May, is technically the first new hotel to open in this wave of lodging develop-ment. There have been a few new properties outside the core and one apartment conversion in March: the 97-room Palladian on Second and Virginia by Kimpton Hotels. But the tide is quickly changing and Seattle is on pace to open over 1,000 rooms in the next 12 months followed closely by an additional 20-plus projects either in the permitting process or approved and queuing to break

Of the 29 projects CBRE Hotels is tracking in the Seattle CBD, it is interesting to note that only two of these proposed projects are over 300 rooms. This trend is generally the same in all large urban markets with the exception of those projects linked to, or associated with, a convention center expansion or development, such as R.C. Hedreen & Co.'s 1,280-room convention center hotel on the old Greyhound bus barn site.

Driving this trend of smaller developments is the prolific expansion of hotel brands that now number over 300. Marriott alone offers 19 different brands, and both Starwood and Hilton have added two new brands in the last six months.

Branding is just one of the reasons for new development opportunities. There are many others, including but not limited to, flow of institutional capital, low interest rates, and construction financing that includes EB-5 money and a relatively new num-

OPEN 🔴 UNDER CONSTRUCTION Developer (Brand) Developer (Brand) Cohenim (Kimpton) Stonebridge (Maxy) Unknown Hotel Concepts (Staybridge Suites) Kasri Investments (Hyatt House) Widewaters (Unknown) Wright Runsted & Co. Unknows Unknown Pang Development (Residence Inn) Touchstone (Hilton Garden Inn) IHG (Even Hotel & Staybridge Suites) Stonebridge Hotels (Residence Inn) Unknown 222 Unknown Touchstone (Thompson/Commune Hotel) Daniels Real Estate and Stockbridge Capital (SLS Hotel) Stanford Hotels Corp. (Marriott) Hotel Concepts (Fairfield Inn & Suites) 283 135 2017 Unknown American Life In. (Embassy Suites) Hotel Concepts (Courtyard) Unknown Path America (Indigo) Stanford Hotels Corp. (Unknown) Columbia West Properties (Independent, Hotel Clare) Unknown Hotel Concepts (Springhill Suites) Unknown Elliott Bay 2018 WPM Construction, LLC (Marriott AC) Midby Cos. (Unknown) R.C. Hedreen (Unknown) RBF Progerty Group (Independent, Doola Hotel) Unknown Douglaston Development (Unknown)

A few more projects have come about since this map was put together, including a conversion of the Lusty Lady on First Avenue into a 43-room boutique hotel.

ber of overseas investors and sovereign funds.

The Federal Reserve recently noted that while the economy is still growing, the pace is mod-

The housing market nationally and throughout the Northwest is strong with record volumes and pricing similar to those historic 2005-06 levels.

Post-recession economic growth continues to improve with stable GDP, a healthy labor market and steady growth in wages all supporting improved occupancy and revenue in consumerdriven property sectors such as

Institutional capital continues to increase allocations across all real estate assets with both REITs and private equity reaching for higher returns and yields.

Foreign capital continues to look for safe harbors stateside, notably Asian capital looking for opportunities up and down the West Coast and in major metropolitan markets throughout the . United States.

All these factors bode well for

continued growth and strong yields in the lodging sector, specifically in Seattle.

How does this affect us?

As with any prolific development environment there is always a risk of oversupply. Looking solely at the amount of new supply in the Seattle CBD doesn't take into account the roughly 45 additional projects we are tracking in Pierce, King and Snohomish counties, including eight in Bellevue with over 1,500 new rooms. You can look at just about any secondary or tertiary city around the Puget Sound and find a hotel project being developed.

Unfortunately, no one knows where we are in the current economic cycle or how much longer we have to enjoy the exuberance. But we do know that all good times come to an end and although we project continued RevPAR (revenue per available room) growth over the next 24 months, at some point there will be a downturn in this

robust cycle.

Right now an improving macroeconomic outlook is a good sign for lodging fundamentals, with continued growth in the labor market and accelerating personal incomes. We do see some headwinds including a strong U.S. dollar (less foreign travelers), weaker BRIC markets, continued Middle East turmoil, and pending interest rate increases the Fed has been debating.

These will surely have an impact on capital flows that in turn will hit the lodging market from several different angles.

Timing is everything in the development world and all of these projects will not be successful. Just like the last two cycles, there will be a few lodging developments that will not get the traction in the capital mar-kets (debt) and will not be built.

Will they all get built?

Seattle needs new hotel rooms urgently for many different rea-

Seattle is effectively sold out

Monday through Thursday and ADRs continue to rise year-overyear, making it more difficult for the consumer to not only find a room but to afford a room. This leads to compression, where the consumer is forced to look outside the Seattle CBD in secondary and tertiary markets to find both availability and an affordable rate

Summer creates an even greater challenge as the tourism season and increased cruise line business drives both occupancy and ADR, making weekend business as strong as mid-week busi-

Continued expansion of the convention center will contribute to some very difficult challenges to accommodate not only the business traveler, but leisure, groups, sporting events and the ever expanding convention busi-

Couple all this with 5 million square feet of office for one company (Amazon), over 40,000 apartments and all the ancillary

HOTEL ROOMS — PAGE 6

A SEATTLE FIRST: LUXURY HOTEL COUPLED WITH OFFICES

Daniels Real Estate added a hotel to its office project after realizing the building had many features sought by luxury hotels.

n Seattle, we have hotels coupled with luxury private homes but we don't have a luxury hotel coupled with Class A office space. In fact, it's a rare

BY KEVIN DANIELS **DANIELS REAL ESTATE**

coupling in the world of design and at Daniels Real Estate, we believe that Seattle is the place to make the mark.

In 2017, we will open The Mark, an allencompassing, mixed-use tower that will blend the

sophistication, decor and amenities of a hospitality platform with Class A view office space.

Originally designed as a singleuse office tower, we realized early on that the building's physical features meet many of the "must haves" for a luxury hotel. Although there was a lot to bring together, savvy internal design focused on form and function with more shared physical features than we originally thought.

Shared lifestyle amenities

To successfully incorporate a luxury hotel atmosphere with both exclusive and shared spaces, the office space had to be designed as a lifestyle tower. Form and function were important throughout the entire design

an environment that supports a luxury hotel experience while providing the professional quality environment and productivity that businesses are looking for in today's office space.

As we are all spending longer hours in the office, easy access to amenities matters. A luxury hotel offers many amenities that both visitors and employees can

Once you reposition your notion of an office tower, the combination of a hotel and office tower have many shared lifestyle attributes: cafes that serve breakfast, lunch and dinner in sophisticated and niche settings for private meetings; and easy access to spa and fitness facilities, evening fine dining and nightlife. The office tower will have an elevated sense of style that will make it feel more like a second home.

And, while hotel guests will have some exclusive spaces and services, so will the office tower. Why not? For example, we will have a dedicated office amenity floor featuring a tenant lounge with couches, televisions and a library; a fitness facility; conference rooms; and a concierge (borrowing from the hotel indus-

Shared physical features

Open, creative floor plans. The exterior seismic bracing that was designed to enhance structural

to blend the two uses and curate safety also provides column-free floor plates. With a floor-to-floor height of 13.5 feet (the highest in Seattle) and no columns or obstructive bracing within the spaces, the architecture provides open, dynamic spaces that hotels seek in their creative plans and heavy build-outs. This also provides greater build-out flexibility for the office floors.

Light. No one wants to stay at a dark, dim hotel. For many of us the first thing we do is open the curtains, take in the view and let in the light. The architecture of The Mark allows for 9.5-foot win- dows — one and a half times the height of typical office spaces. Just as every room in the hotel will be flooded with natural light so will the office spaces, delivering a healthier work environment and productivity.

Technology. We know that in order to attract tenants in Seattle, you must provide the latest in technology. But this is also true for hotels when competing for clientele. For example, as hotel visitors shift from laptops to tablets, they must have the ability to stay mobile with highspeed Wi-Fi throughout the hotel and even beyond the hotel's boarders. Employers are looking for the same flexibility for their employees. Just like hotel guests, employees will be able to take their laptops or tablets to any part of the tower to collaborate and work.

Sustainability and beyond

More and more hotels are leaders in the conservation movement with marketing campaigns geared toward using less energy and water. In addition, hotel visitors often want to be located midtown in order to walk to cultural destinations or use alternative forms of transportation. These are the same attributes that millennials are seeking in office spaces.

The Mark is environmentally conscious top to bottom - from the solar glass panels that crown the architecturally stunning design to the living wall at its base - and will offer one of the greenest office and hotel spaces in the city

The most notable and sustainable feature of the project is the preservation of the former First United Methodist Church sanctuary. Founded over 100

years ago as the First United Episcopal Methodist Church, the sanctuary reflects our commitment to preserving Seattle's rich past while also drawing inspiration from it. In its next incarnation, the hall will be home to a Jose Andres inspired events venue — a historic place of communion reimagined and reinvigorated for new generations of Seattleites.

From a sustainability perspective, I am a firm believer that the more mixed-use buildings we design, the more vitality we bring to our local downtowns or urban cores.

The days of a "business district" or a single-use building should be seen as an antiquated planning notion. It kept parts of our city dark and quiet at night, others sleepy during the day, undervaluing the city's real estate and physical spaces. By mixing the uses and sharing spaces with untraditional uses, we are creating more social interaction and new economic opportunities.

Kevin Daniels is president and a majority stockholder of Daniels Real Estate.

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Alley 111 is opening this summer in downtown Bellevue with 260 apartments geared toward millennials. Find out what the development team is using to attract the younger crowd on page 7.

IMAGE COURTESY OF BLANTON TURNER

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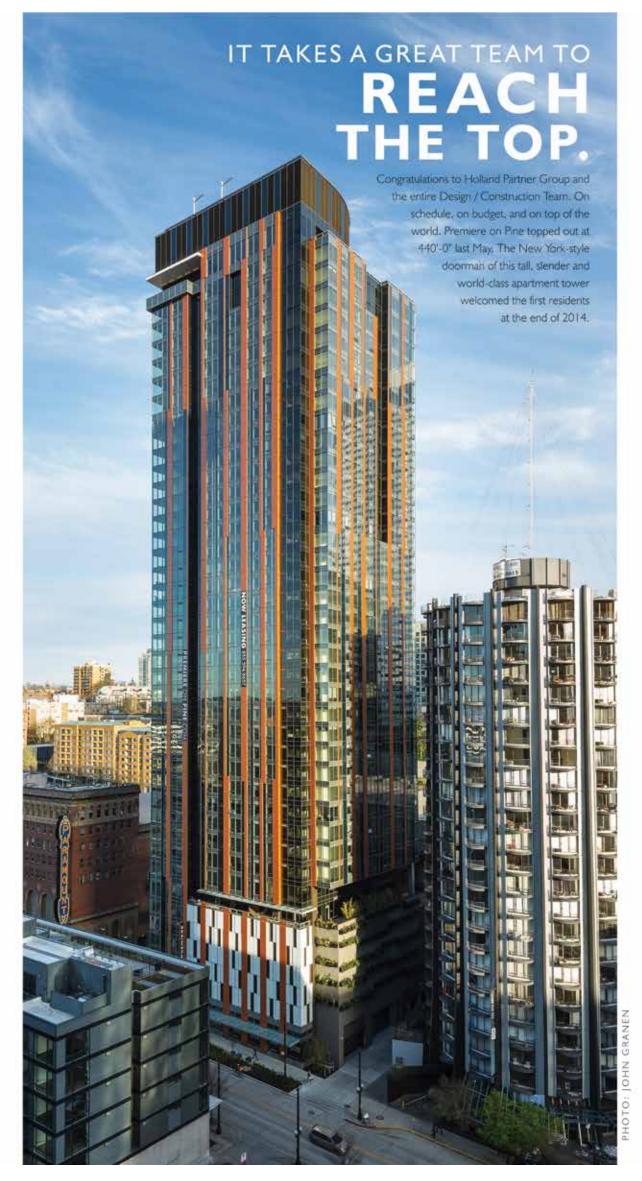
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NO FISH TALE: SALMON CAN BE GOOD FOR DEVELOPERS

sions about the health of Puget Sound and regional water quality are framed as environmental issues. Although a common enough term and apparently self-explanatory, what is an environmental issue really?

The problem is not exclusively the environment. Nature has



BY JILL JAGO **GLY CONSTRUCTION**

and happiness.

been doing its thing for billions of years. The real issue is the impact οf human development on the environment and its consequences for us, the people who rely on those resources for our health, wealth

A question of competitiveness?

When you think about the importance of clean water to our regional economy, our recreational pursuits and above all, our health, it becomes clear that we have a choice: act now to preserve the resources we rely on, or risk ending up the victims of our own success. The downside is diminished water supplies, degraded recreational opportunities and people leaving to seek their fortunes elsewhere. Remember the famous "Will the last person leaving Seattle turn out the lights" sign?

The construction industry is energy and waste intensive and can have a tremendous impact natural processes.

As GLY Construction vice president Mark Kane points out, "Everything we do leaves a footprint — either positive or negative. We get to choose which it will be."

With this in mind, GLY is teaming with Stewardship Partners to help roll out the group's Salmon-Safe initiative. As a company full of fishermen and women and outdoor enthusiasts it was pretty easy for us to make the connection between what we do at work and the impact it might have on what we do at play. But not even we had realized the full scope of the issue until we invited in some experts, colleagues and partners to further explore what we can do to safeguard our region's future.

By the numbers

To put it in context, here are some facts about the "environmental" quality of Puget Sound:

- Millions of pounds of toxic pollution flow into the sound each year.
- A major source of pollution is stormwater runoff from paved, developed land.
- Transient and southern resident orcas are considered to be among the most PCBcontaminated mammals on the planet and our harbor seals are seven times more contaminated than their neighbors in Canada's Strait of Georgia.

And here's the value of the economy that relies on a healthy

was worth \$100 million and provided 1,400 jobs. It is in steep decline and has lost \$11 million a year since 2010.

- The regional fishing industry provides 16,374 jobs, \$540 million in personal income for regional fishermen and women and \$1.6 billion in state revenue from fishing, processing and distribution. It is also in rapid decline.
- The Puget Sound tourism industry is valued at \$9.5 billion a year, with hundreds of thousands of people drawn to its waters and shorelines.
- There are 2.2 million private sector jobs in the region accounting for an annual payroll \$102 billion. Many of the region's employers locate here because our regional lifestyle is a top draw for recruitment and retention.

Cause for alarm; not despair

The state Office of Financial Management anticipates that 5.1 million people will live and work in our region by 2020, a net increase of 700,000 people. That means a whole lot of new development and, if we don't change our ways, millions and millions more pounds of toxins flowing into the sound.

But there is good news. Transforming our urban hardscapes into more permeable, fish-friendly, climate-resilient systems is not rocket science. Nor is it expensive. And, the best news of all, it creates far healthier, more attractive and livable environments for the region's residents.

Back to the future

The Pacific Northwest's old growth forests were the perfect engines for intercepting, storing, infiltrating and evapotranspiring (fancy word for losing water from the soil) almost all the rain that fell in the region. Stormwaslow and clean. Stream habitats offered diverse spawning, feeding, resting and migrating opportunities for native salmon populations.

The urbanization practices of the past decade turned that picture on its head, but setting it right is a simple question of integrating these highly efficient ecosystem services with the design and development of our future cityscape.

A fish tale

Vulcan Inc.'s "Vulcan Blue" program is a company-wide initiative that aims to reduce the company's impact on local watersheds and ocean habitats.

For Jim Broadlick, senior director of design and construction at Vulcan, Salmon-Safe is the most powerful way the real estate group can contribute to the initiative. It has pushed the group to think beyond LEED and continues to shape best-practice thinking.

The development of the Allen Institute was an opportunity for GLY and Vulcan to explore the possibilities of the program and it yielded some unexpected financial benefits.

Employing electrocoagulation processes, GLY treated water on site and achieved zero sediment runoff from this formerly contaminated, urban site, About 113 million gallons of water, cleaner than the existing lake water, were discharged directly into Lake Union instead of the sanitary sewer system.

As an unanticipated benefit, Vulcan realized a \$1.7 million savings in project costs.

Water, energy, salmon, urban development, health and economy are inextricably linked. These big, complex issues require an equally intricate combination of skills and approaches to solve them. More than anything, the Salmon-Safe initiative is about working together to create conwhich salmon evolved.

The prospect of collaborating with many different people from many different sectors to solve a common problem with the greater good in mind is one of those opportunities that give our work real meaning and purpose and the benefits accrue across the board.

Follow the salmon

There is still much to learn and companies like Vulcan are investing time and energy in understanding the science better. Considering the built environment's impact on water quality requires that we improve things like material selection (certain cladding materials permitted under LEED standards transform into pollutants when they leach into the groundwater) and building performance (how can a building provide an ecosystem service? and create more responsible development practices.

At Vulcan's urging, GLY became a Salmon-Safe certified contractor, one of just three in the Puget Sound region. Now Vulcan is piloting a similar program for Salmon-Safe developer certification.

About 40 percent of the existing city space in both Portland and Seattle will either be developed or redeveloped in the next 20 years. Could all this development actually go beyond net zero impact and have a positive, regenerative impact on our cities?

Portland Mayor Charlie Hales has challenged every city bureau to achieve Salmon-Safe certification, transforming how Portland impacts its watershed. Will Seattle follow suit to ensure we get the future we want - not the one we risk being handed by default?

Jill Jago is an independent communications strategist and "embedded" consultant at GLY Construction.

HOTEL ROOMS

CONTINUED FROM PAGE 2

amenities that go with those developments including restaurants, retail and transportation, and suddenly 4,000 new lodging units does not look that daunting. The Seattle CBD has the ability to absorb these rooms. but just as important the pace of delivery is staggered to a point where new facilities will be added every year over the next five years, versus all at once.

We continue to be moderately bullish on lodging development and expect continued mergerand-acquisition activity surrounding hotel brands, as well as growth in the hotel transaction market.

All of this activity bodes well for Seattle and the associated lodging markets.

In the end, no one can say with certainty where we are in the current economic cycle and how long the good times will last. Perhaps we will look back to recognize the inflection point where new supply of lodging rooms throughout the region helped facilitate the next downturn in the Seattle lodging market. But then again, maybe it won't be supply that derails the current economic boom, but something more subtle and prolonged, or simply an unforeseen event that brings about the next general economic down cycle.

Until then, the Northwest and more specifically the Seattle hotel development market, is robust, if not downright interesting to watch. Consumers will soon find Seattle offering many new hotel brands with cuttingedge technology and engaging amenities while seasoned hotel owners, operators and developers should enjoy continued success for years to come.

Chris Burdett is senior vice president of investment properties for CBRE Hotels.



NEXT GEN APARTMENTS FOR NEXT GEN DWELLERS

Apartments are popping up in downtown Bellevue that target millennials with things like rooftop party decks, Nest thermostats and bike storage.

illennials, from both U.S. and international cities, are recruitment targets for booming tech companies in the Puget Sound region. The larg-



BY HEIDI TURNER **BLANTON TURNER**

est population bulge since the baby boomers, millennials like cities and apartments that provide a superior live, work and play environment.

Seattle's South Lake Union is usually top of mind;

however, downtown Bellevue's booming apartment scene is also a hot spot.

Bellevue provides a desirable 18-hour experience for its residents, which is an attractive alter- ner of 112th Avenue Northeast core, across the street from the native to 24-hour cities like New York or Chicago, according to the Urban Land Institute/PricewaterhouseCoopers 2015 Emerging Trends in Real Estate report.

Bellevue residents opt to live in vibrant neighborhoods even if it means a smaller place. Being able to walk or quickly commute to work is one of the most important factors in choosing a place Let's get physical, and digital to live on the Eastside, as it is in many core Seattle neighborhoods, according to the Puget Sound Regional Council's 2014 Travel Study.

Driven by the influx of companies like InfoSpace, Concur, Bungi, Valve and of course Microsoft, there are more than 10 major multifamily projects either under construction or in the pipeline in downtown Bellevue.

Augusta DeVries, transportation program director for the Bellevue Downtown Association, said in a recent article: "Downtown Bellevue's proximity to opportunity and innovation is no exception; we will continue to see the density around here that resembles a energy costs than residents of bustling community and less of a business-only district."

While Bellevue may provide the environment millennials crave, that experience must also carry over to the apartment building. With supply growing, the success of a multifamily investment will be determined by building amenities and features that millennial residents desire.

Beyond the building features, authenticity in their living options and community placemaking. Buildings and events featuring local craft breweries, home-grown retailers with "pop-up shops," renowned local food trucks, and art by local up-and-coming artists build this sense of community and authenticity.



IMAGE COURTESY OF BLANTON TURNER

and Northeast Eighth Street, Skanska's Alley 111 is an example of multifamily development designed to appeal to the millennial urbanite east of Lake Washington. Set to open this summer, Alley 111 will provide 260 apartments, guest suites and ground floor retail.

Convenience means access to grocery stores and transportation, but it also means integrating the physical and the digital. Alley 111 residents will have the ease of paying rent and submitting maintenance requests online. When a package comes for a resident, management will notify them with a text message. They will also have a private resident social network.

Every unit will have energyefficient appliances and a Nest smart thermostat. That's meaningful to future residents because they will pay 45 percent less in water and 20 percent less in comparable buildings.

Living downtown means easy walking, biking or even driving to Bellevue companies. Alley 111 is two blocks away from the downtown Bellevue Transit Center that provides frequent bus trips to downtown Seattle.

More than that, millennials crave the flexibility to telework. Alley 111 will provide work-fromhome built-ins including wall ports millennials crave creativity and and meeting spaces. Residents can change scenery and work from the coffee shop, lunch joint or bar planned for the ground floor. Creativity in working and living environments is important for millennials.

A millennial home base must double as a playground. Alley 111 is also near Bellevue's bus-Under construction on the cor-tling shopping and entertainment

luxury shops at The Bravern. However, an apartment building should provide entertainment options. Alley 111 residents will be able to entertain from the rooftop lounge outfitted with a full kitchen and bar, large televisions and a fireplace.

But fun also means function. Bellevue is close to nature in every direction. Alley 111 will provide storage lockers for skis, snowboards, kayaks and more. There will also be ample bike storage and maintenance areas.

While Alley 111 is just one of many multifamily options in downtown Bellevue, it is an example of the thought and detail put into amenities and features of a new apartment building with the goal of attracting the millennial renter.

Heidi Turner has nearly 20 years of property management experience with mixed-use residential and student housing. She is a principal of Blanton Turner, a Seattle-based property management and development consulting firm.



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WHAT'S GOING ON WITH HOTELS, RESTAURANTS?

WSU recently expanded its hospitality programs to urban campuses in Everett, Vancouver and the Tri-Cities.

s a manager and owner of several restaurants, I originally planned on a career in the quick-serve restaurant business. I recognized the importance of hospitality training, but

BY DR. NANCY **SWANGER**

I didn't have influmuch ence over it.

That

changed over 20 years ago when I met Don Smith, a Washington State University hospitality professor who brought multi-unit restaurant man-

agement class into the TacoTime I was managing.

The students referred to him as "coach," and his unique way of developing hospitality students intrigued me. He invited me to speak to his class, and through later conversations, convinced me to consider teaching. I decided to switch careers and enter academia so I could be a part of preparing future business leaders who can positively impact one of the world's largest industries.

I joined the WSU faculty in 2000 and have never looked

The WSU School of Hospitality Business Management (SHBM) program resides in the Carson College of Business. If I had to pick one thing that best defines all of our programs, it would be a deep commitment to students and communities.

Since the SHBM opened in 1932, we have focused on adapting curriculum to keep pace with industry trends and growth. During the first 20 years, men were trained in hotel operations and women were trained in dining services to meet the demand of the era. As the nation's hospitality industry evolved, we expanded our programs beyond management and food service al in 1986 when a relationship coursework to offer training in hotel development, senior living management, consumer behavior, and international business and hotel/tourism management.

Going global

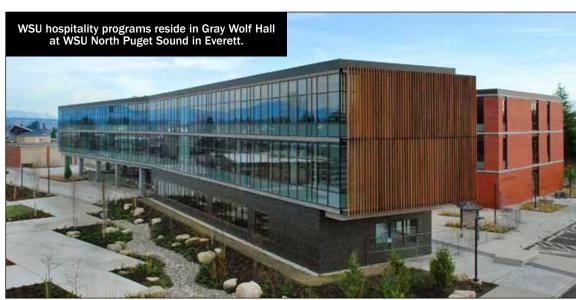


IMAGE FROM WSU

developed between WSU hospitality professor Lothar Kreck and Cesar Ritz Colleges Switzerland professor Wolfgang Petri. Their combined vision led to an academic partnership that has lasted nearly 30 years, benefiting students and the hospital-The program became truly globity industry on an international

scale. Today, a joint degree program allows Cesar Ritz Colleges students to earn both a WSU bachelor of arts in hospitality business management and a Cesar Ritz Colleges bachelor of arts in international business.

The Carson College has an international learning requirement that may be satisfied by study abroad. Hospitality students studying at any WSU location have the opportunity to study abroad in a wide choice of destinations, including facultyled programs focused specifically on hospitality in Italy and Thailand.

WSU --- PAGE 15

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ART CAN TIE A BUILDING INTO THE NEIGHBORHOOD VIBE

Conceptualized and curated artwork can lend a new level of personality and placemaking to a building.

n the great Seattle boom of this decade - after a bust so dramatic that it caused developers and designers to rethink their place in the building universe — it seems like we have more cranes

dotting our city than residents.

with

this,

how do we, the design profes-

sionals and the



SMITH

WEBER THOMPSON

development thinkers, move to create something that is not just another box of air, another kitchen-and-bath with a sky lounge and a dog run for \$3.65 per square foot?

Given that all of us paint with pretty much the same brush there is only so much you can do in plate after plate of 700-square-foot apartments — where can projects look to set themselves apart in a market that is increasingly catering to the same top-end

While it may seem an afterthought, nothing lends more of an attitude or reinforces the feeling of "this is who we are" than artwork, whether graphic murals, commissioned paintings or public sculpture. Done as an afterthought, art is often nothing more than the uninspired, inoffensive landscapes and abstracts of the last just-OK hotel you stayed in. But conceptualized and curated, artwork can lend a new level of personality and placemaking to your next box of air.

Sunset Electric, a 92-unit midrise at 11th and Pine on Capitol Hill, is a great example of how an opportunity for artwork can create a vibe that influences the community itself. In its previous incarnation, the former autorow structure on a prime corner across from Cal Anderson Park was for years a true blank canvas for gig posters, political activism, the street art itself, and a drink and all manner of street art.

When Weber Thompson first started the project with The Wolff Co., we strategized about how to keep that street art vibe in artist on the walls of the old place and visible while keeping it relevant to the community. All manner of ideas were discussed. We even tried to figure out how to salvage the sedimentary-rocklike poster layers, some 4 inches thick, that were pulled from the building's exterior before work started. (Sadly, it crumpled like so much moldy paper.)

In the end, we were inspired by



PHOTO COURTESY OF WEBER THOMPSON

at a local bar called Liberty led us to the work of a young painter named Claudius Phaedrus.

poster building, Phaedrus was inspired on a trip to the construction site one day, where he found the central core of Sunset Electric open to the sky. In his concept sketch, Phaedrus said that being in the building's atrium had felt like walking in the forest, under the canopy of tall trees.

The resulting commissioned

piece - formed in his signature style from cut newspaper shapes, traced in paint and ink - features a small herd of caribou, who now watch through the lobby gate to the denizens of Pine Street, from their spot on the forest floor.

Pitching a custom art piece featuring caribou to sophisticated developer clients was a first for us. Measuring some 15 feet high by 20 feet wide, the piece was installed over several days, and in true street art vibe is open to the sidewalk via Sunset's open-steel lobby gate, creating a sense of place in a revitalized historic building.

Art consultants

Aside from finding artists on our own while drinking at a local haunt, design teams are often inspired by collaborating with art consultants. Not just hired to pick pieces out of a catalog, art consultants are creative professionals who are deeply rooted in the local and regional artistic communities they work in.

Both Sara Everett, a project manager with Maria Barrientos, and Stacie Feinstein, an independent art consultant, have cultivated their expertise in sourcing curated and custom installations from local artists.

Everett has sourced artwork for several significant multifamily projects, including Youngstown Flats, which was notable for including artist housing and studio space in a city where rents are climbing faster than proformas can adjust. She worked with 14 local artists to commission everything from mixed media installations to metal sculpture and wood panels.

Everett's most recent installation was for Equity Residential, which hired her to curate a collection for its Junction 47 project at Alaska and California.

West Seattle is justly proud of its strong art and artisan community, featured in the popular monthly open-studio West Seattle Art Walk, which inspired the development team to make artwork an integral part of the building's identity. By working directly with the client and artists early in the process, Everett was able to bring artwork into the building that reflects the design, brand and marketing far more uniquely than off-the-shelf art, and at a great value.

In addition to custom pieces for the interior public spaces including a sprawling, two-wall installation in the California Avenue lobby inspired by the notion of 'junction" — Everett put out a call for artists to create installations for architectural niches at the street level building exterior. She received 37 proposals for three different locations. The development team created a short list of submissions, which were then voted on by the community.

Similarly, art consultant Stacie Feinstein works with numerous development teams and designers across Seattle, but her focus is on helping to develop an identity for each project. In 2010, she worked with Urban Partners to create the art installations and lobby gallery at Aspira, which served to activate underused retail space during the recession, but also helped create a strong identity for the apartment community.

Since then, Feinstein has worked on commissions for projects including Viktoria, Art House, Soren, Insignia, The Martin and Cirrus.

Her latest collaboration with the Weber Thompson team is for condo tower Luma, from Lowe Enterprises, at the nexus of First Hill and Capitol Hill. The project's feet long, the finished piece will name, which refers to the quality of light passing through blackand-white film, came earlier than and to find artists or pieces that most, inspired by the building's exterior black-and-white palette of terra-cotta and steel.

Feinstein is working with photographers Seattle-area Jules Frazier and Brent Smith to capture a series of whimsical, vintage-inspired photographs to be installed at each residential elevator lobby with illuminated light boxes. At Luma, the artwork is integral to both the architecture and the identity, to carry the concept from image to final space in ways that artwork usually can't.

Making connections

Art, of course, is not limited to a building's interior. In the upcoming Pike Motorworks project, also by Wolff on Capitol Hill, an opportunity was created for a pair of mid-block connectors and a public interior courtyard.

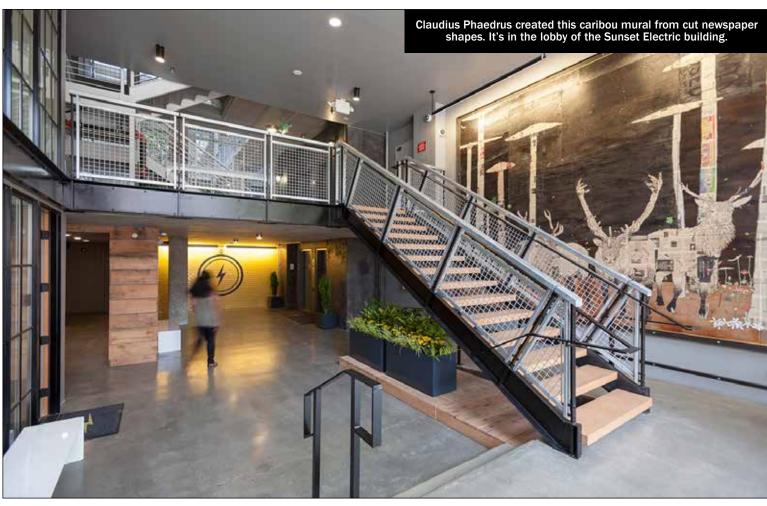


PHOTO BY ERIN HATCH

the landscape studio at Hewitt, commissioned an installation from sculptor DeWitt Godfrey to be made of stacked Cor-Ten steel cylinders, to create a focal point at the crossing of the future pedestrian paths. The installation, titled "Capital," is a sitespecific piece that emphasizes the relation of the form within its context, "tumbling up onto the building.

The sculpture will help reduce the impact of these tall buildings, especially in a small interior courtyard, to a more human scale. About 18 feet tall and 20

align (with a project) but they often surprise me, too, with their vision. They come to a project with a different set of parameters.

This collaborative approach between artist, consultant, architect, interior designer and landscape architect strengthens the project on all scales and adds new layers to the design story. It's a method that works especially well for urban projects as it provides a perfect opportunity for community input.

Artwork, when integrated into a multifamily environment, can be a way to build out a brand and integrate an authentic sense of identity rooted in the community. As Feinstein puts it, "a collection of art and ideas brings a soul into the community spaces of urban living.

For most projects, custom local Kris Snider, design principal for art is the extra twist that differ-

entiates, attracts tenants, draws community support, commands higher leases and creates a place people want to come home to.

Carrie A. Smith is the interior design principal at Weber Thompson. She has more than 20 years of experience working

across many disciplines, creating memorable interior environments that meet the unique needs of each project.



PRESERVING THE SOUL OF A SEATTLE NEIGHBORHOOD

Bryant Heights pays homage to Ravenna-Bryant's old-growth forest past by saving exceptional trees and using sustainable construction practices.

or better or worse, Seattle residents are famous for their sensitivity to changes in their neighborhoods. When the old Laundromat down the street gets torn down, we want to know



BY SAM HART SPECIAL TO THE **JOURNAL**

what's going up in its place. We demand information: meetings; participation. And with each new project there's an almost palpable anxiety in the community, often in the form of the

hanging question: How will this change the character of the neighborhood?

This question of preserving neighborhood character comes up again and again in Seattle's many single-family dominated residential neighborhoods and more so now as the city continues its boom of incoming residents and rising construction cranes. While the sentiment usually comes from good intentions, the phrase "neighborhood character" often gets misused as an argument for fighting any new development whatsoever. What we have here is special, goes the argument, please don't take that away from us.

This argument often proves problematic for two reasons. First, it treats a given neighborhood as if it is monolithic and should be cast in bronze — which is a surefire way to fast-track a community towards inflexibility, exclusivity, and, ultimately, a loss of the spirit that was trying to be preserved in the first place.

Second, the argument ignores the fact that Seattle has undergone massive changes over the past hundred years alone which is not very long when you look at the lifespan of a city. If anything, the character of Seat-tle's neighborhoods is rooted in their consistent evolution.

But putting these issues aside, there's still a lot that's worth considering when the conversation turns to the idea of "neighborhood character." At our best, we use these words to talk about and architecture, this brings us how we understand that there's something special about where tion: How can we design projects we live. We know that Seattle is that both expand and improve a exceptional not because of its neighborhood while still paying



RENDERING BY TARYN REHN FOR JOHNSTON ARCHITECTS

mere merit of being a city alone, but because it has a culture and soul unique to itself.

In the fields of development to a tough and important queshomage to the spirit of the community?

One of our latest projects has given us a great chance to engage with that question. Located in the Ravenna-Bryant neighborhood in Northeast Seattle, developer Polygon Northwest has teamed with Johnston Archi-

tects to create Bryant Heights: a 165,000-square-foot site that will ultimately include 14 houses, 39 townhomes, 28 condos, eight live-work units, and 6,500 square feet of commercial space.

As a large project in one of the city's smaller, mostly residential neighborhoods, this is an impor-



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tant development to get right. Doing so means understanding the context of the site and the character of the neighborhood that goes with it.

Historically, Ravenna-Bryant has seen as much change over the past century as any neighborhood in the city of Seattle. Before it was annexed by Seattle in 1907, the town of Ravenna was not much more than a rail depot and a smattering of houses on the outskirts of the recently relocated University of Washington. A sizable portion of what would become Ravenna-Bryant was still covered in old-growth forests.

As the neighborhood evolved over the years, the community never completely lost an element of that backwoods spirit. Ravenna Park was maintained as a small wilderness in the heart of the urban landscape, and neighborhood activists repeatedly stepped up to ensure that the wooded space was not only preserved but improved upon. And the old railway, although now long gone, is being brought back in spirit by the soon-to-open light rail station in nearby Roosevelt.

These are only a couple examples of the ways that Ravenna-Bryant has gracefully embodied a tradition of change that simultaneously carries a spark of the past along with it. Bryant Heights was designed to continue that tradition.

The development saves several exceptional trees for the layout, which is a straightforward way of preserving part of the community. But the project also employs new methods of sustainable and environmentally focused design, including a rain garden, green roof, recycled content and an emphasis on environmentally friendly building materials.

All of these design elements come with new construction, and yet they are integral to the idea of preservation. Aesthetically, they blend the buildings in with the regional flora, eschewing standard modernism for a feel that explicitly resonates with the Pacific Northwest. And on the practical side, these elements help us preserve and maximize useful resources.

Perhaps one of Bryant Height's most important aspects is its layout as a complete community. By increasing density and incorporating both residential and commercial development on the same site, Bryant Heights takes a strong first step in transitioning the neighborhood into a true urban village — enhanced in part by the adjacent commercial zone on 35th Avenue Northeast, good access to transit, and several schools within walking distance.

While it can seem like a difficult task to mix all of these different elements together, Bryant Heights excels in its use of current zoning to gracefully transition from its higher density segments along Northeast 65th Street to the single-family housing along the other side of the site. As each building responds to one another through similar textures and design elements, the underlying spirit of the development becomes apparent: this is a community that is designed to aesthetically and functionally translate across itself and into the surrounding neighborhood.

In these ways the newest, biggest changes to Ravenna-Bryant may actually be bringing the neighborhood closer to its true character than it has been in the past several decades. With the proper mix of density, residential, commercial, and open

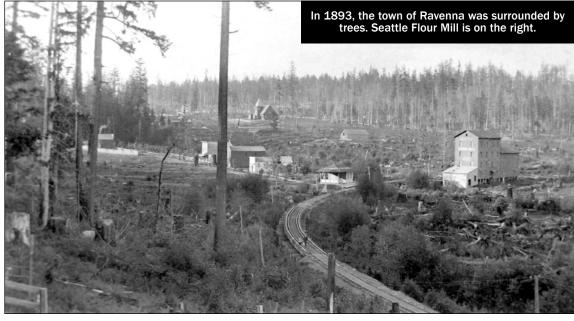


IMAGE COURTESY OF HISTORYLINK.ORG

spaces, the community can only become more alive — and perhaps harken back to the days before Ravenna-Bryant was even the town of Ravenna.

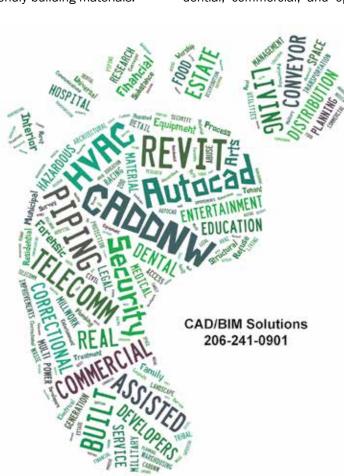
In truth, the neighborhood has been inhabited between 8,000 and 10,000 years, almost exclusively by members of the Duwamish tribe. Long before the days of mid-20th century suburban sprawl and exclusionary zoning, people lived here in complete communities; places whose layouts may have resonated more with mixed-use and

live-work developments like Bryant Heights than long rows of single-family housing that have recently dominated many of Seattle's neighborhoods.

As we enter a new stage of growth for our city — and with it a new update to the city's comprehensive plan for new development — Bryant Heights might be used as a microcosm for changes that must happen city-wide. By retooling our neighborhoods to increase urban density and implement sustainable architectural practices, we stand

a better chance at preserving the parts of a community that are worth preserving. This is how you keep neighborhood character alive and well.

Sam Hart is a freelance writer and editor based in Seattle. As a former communications specialist for the city of Seattle and the son of Mary and Ray Johnston of Johnston Architects, Sam enjoys researching and writing about the various intersections between urban design, development, architecture and culture.





LAST FULL SLU BLOCK AWAITS TRANSFORMATION

Kilroy Realty is developing office and commercial space designed to attract millennials.





BY MIKE **SHIELDS**

WOLF

SPECIAL TO THE JOURNAL

t's no secret that South Lake Union is in the midst of an unprecedented transformation. Underdeveloped properties are giving way to new buildings, which in turn are creating vibrant streetscapes and bringing quality jobs, throngs of people and new life to a neighborhood long awaiting its rebirth.

Once tunneling machine Bertha finds her groove again and makes her way north, the gash through the city created by SR 99/Aurora Avenue will begin to heal. South Lake Union will finally be connected via pedestrian and bike-friendly streets to the Seattle Center, the Uptown neighborhood and the Elliott Bay waterfront.

333 Dexter — the last remaining full block site in South Lake Union office building that will provide an in what has been one of the and currently occupied by King 5 News — lies between Thomas and Harrison streets. The site will able street edges and generous soon be transformed by a new open spaces to create a vibrant,

Kilroy Realty will build this 580,000-square-foot office building where King 5 News currently operates.

IMAGE FROM THE MILLER HULL PARTNERSHIP

estimated 5,000 high-tech and retail jobs, and establish perme-580,000-square-foot mixed-use pedestrian-oriented streetscape

city's most heavily used vehicular corridors.

333 Dexter

Kilroy Realty Corp., a 68-yearold development company with long-term ownership in a number of Seattle-area commercial properties, will be undertaking its first ground-up development in the Puget Sound region with its 333 Dexter project.

Technology

Landscape: Hewitt

Geotech: Hart Crowser

Kilroy has a portfolio of 13 million square feet of commercial properties in West Coast gateway markets valued at about \$9 billion. Additionally, Kilroy has about 1.7 million square feet of office projects under construction valued at \$1.1 billion, and a pipeline of projects valued at about \$3 billion.

In the Puget Sound region, Kilroy owns and manages about 2.1 million square feet of Class A office space that houses some of

the region's most dynamic and innovative technology companies, including Concur, Tableau and Microsoft.

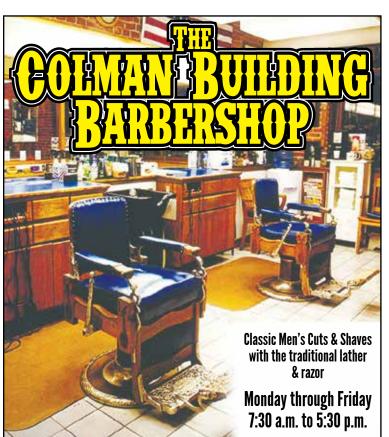
Kilroy's projects provide collaborative workspaces for many of the world's most significant creative and tech companies.

When asked about the decision to undertake this project, Kilroy Realty President and CEO John Kilroy said, "Many of our Bay Area creative and tech tenants have been planning a strategic expansion into the Pacific Northwest. We'd like to create an innovative, forward-thinking office project in Seattle that will provide these types of companies with the opportunity to attract top tal-ent and expand their services in this amazingly beautiful place."

Kilroy's projects are recognized by tenants and neighbors as enhancing the quality of life in the surrounding community.

"Our projects go beyond being individual residential, retail and commercial properties, as they are more about creating neighborhoods and communities with walkable streets and active ground planes that provide easy access to services and amenities such as parks, shops and restaurants," John Kilroy said.

"We understand how environments shape human creativity and productivity, and South Lake Union is our kind of area," he said. "We embrace Seattle's focus on walkability and sustain-



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• Preconstruction: GLY Construction

• Elevator consultant: Lerch Bates

Survey: Bush, Roed & Hitchings

• Traffic: Heffron Transportation Costing: JMB Consulting Group

Architect: The Miller Hull Partnership

333 DEXTER TEAM

Land use and permitting: McCullough Hill Leary

• Environmental permitting: EA Engineering, Science and

Exterior envelope/waterproofing: Morrison Hershfield
 Code consultant: Pielow Consulting

Permitting consulting: Permit Consultants NW

Structural engineer: MKA
MEP/IT/fire: Glumac
Lighting: Birkenstock Lighting Design

Civil engineer: Coughlin Porter Lundeen

Beyond the property line

The Aurora/Dexter corridor represents a significant opportunity as a next-generation work location that has been hidden for decades. After years of planning and concerted involvement from developers, organizations, planners, and state and local agencies, the South Lake Union area is now emerging as a vibrant community.

Following the completion of the new SR 99 tunnel, surface street improvements will stitch several of South Lake Union's primary east-west streets across the revamped Aurora Avenue, which is expected to have more of the character of a slowerpaced downtown city surface street such as Fifth Avenue.

Two of those east-west arterials that will continue through SR 99/Aurora are the streets that border Kilroy's site on both the north (Harrison Street) and south (Thomas Street). Signalized intersections will slow traffic, wellplaced transit stops will encourage use of public transportation, and improved rights of way will create a better pedestrian and bicycle environment.

Within this context, and by capitalizing on the larger urban design goals for the area around the site, the project will not only create new office and retail space but help to make the connection from South Lake Union to the Seattle Center along Thomas Street, a designated Green Street and an important link on the emerging Lake-to-Bay Trail.

333 Dexter will provide streetlevel retail and food services targeting small businesses, as well as interior and exterior open spaces that will encourage collaboration between diverse inhabitants and the rapidly densifying neighborhood.

A through-block connector will link Dexter with a new RapidRide bus stop on Aurora Avenue at Harrison Street — the last in-city stop for buses departing downtown to points north, including communities in King and Snohomish counties.

Office of the future

Kilroy recognizes that the workplace of tomorrow differs significantly from the workplace of the past. A company's need for workspaces that create opportunities for interaction and collaboration are becoming increasingly important. To translate these goals into design, Kilroy retained an experienced design team led by The Miller Hull Partnership.

The team recognizes that a large percentage of high-tech employees are millennials who expect well-executed, large-scale, flexible and daylit spaces to accommodate a range of needs over the course of 10- to 12-hour workdays. Offices are being designed

ability — it is a natural project to favor collaboration areas over individual offices in response to tenant demands. Raw, creative and reconfigurable space capable of serving a single or multiple tenants with large open bays and generous windows will allow maximum daylight and flexibility.

> 333 Dexter is characterized by two distinct towers: an 11-story "active" tower to the south and a 12-story "quiet" tower to the north, each with 24,000-squarefoot floor plates. The towers will be joined on three floors at the podium level across the east-towest through-block connector, providing an opportunity for a tenant to occupy 60,000 square feet on a single floor.

> Setting back from the allowable building lines on both Thomas and Dexter enables generous and sunny open spaces that support street-level uses and retail shops.

> The site's proximity to the Space Needle and its water and mountain views quickly emerged as a primary driver of design with regard to orientation and massing. With a glazing ratio in excess of 40 percent and generous openair roof decks, tenants will be visually connected to the water, mountains and neighborhood from all points in the building.

Uutcomes

While the fact that many large high-tech companies are migrating outside the central business district is no longer surprising, developing Class A office space in a new sector must address the needs of a contemporary workforce and provide a place that will be full of life to attract forwardthinking companies.

Kilroy expects 333 Dexter to provide a model workplace that promotes productivity for worldclass tenants, and contribute to the revitalization of the South Lake Union neighborhood.

Miller Hull founding partner David Miller said, "The quantity and scale of development in South Lake Union is changing the face of our city, and we commend Kilroy for placing high-quality design, advanced sustainable design strategies and a commitment to improving urban connections among its top priorities for this project.

The project is in the city pipeline for early design guidance and is in the purview of the West Design Review Board. Kilroy expects to begin construction in 2016, with occupancy in 2018.

Mike Shields is Pacific Northwest senior vice president at Kilroy Realty Corp. Scott Wolf is a partner at The Miller Hull Partnership.

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IMAGE COURTESY OF KILROY REALTY CORP

WSU

CONTINUED FROM PAGE 9

For example, students in the Italy Food and Wine Program are immersed in Italian culture for 11 weeks. They train at the Apicius International School of Hospitality in Florence, learning front and back operations of an authentic Tuscan kitchen. We also engaged WSU alumni and industry partners through a program in which they not only contribute to a scholarship fund to support students studying abroad, but travel with students to Italy to experience first-hand everything they are learning.

Additionally, we require 1,000 hours of paid industry experience at a hospitality company. Combined with international experience, industry experience helps ensure our students are ready to jump into a hospitality career as soon as they graduate. As a result, we are able to place approximately 90 percent of our graduates in high-profile hospitality companies around the globe.

Expanding WSU's footprint

Given that tourism is the fourth largest industry in Washington and growing, we recently expanded hospitality programs across the state at urban campuses in Everett, Vancouver and the Tri-Cities.

The decision to launch a hospitality program at WSU North Puget Sound was based on years of study chronicling the needs of Snohomish, Island and Skagit counties, and research that revealed a significant demand for an advanced degree with an emphasis in HBM in Washington.

Snohomish County is a growing tourist destination and attracts business travelers. According to the Washington Tourism Alliance, visitors to Snohomish County spend \$930 million annually at more than 300 restaurants, 24 lodging establishments and other nearby businesses, contributing more than \$67.3 million in state and local taxes.

It's easy to see why expanding WSU's hospitality presence to Everett made good sense.

The expansion provides higher education

opportunities to hospitality professionals who want to advance to the next stage of their careers. We offer cost-effective bachelor degree completion for transfer students seeking WSU hospitality business management. In addition to on-campus delivery, courses are offered online, through videostream, and a combination of the two. Hospitality coursework is complemented with core business courses provided through the WSU Global Campus.

The HBM program also offers a specialization in senior living due to the proximity of several major senior living communities in Snohomish County and the greater Puget Sound area. We are able to provide greater access to guest speakers and community leaders in these areas, which aligns with the North Puget Sound location.

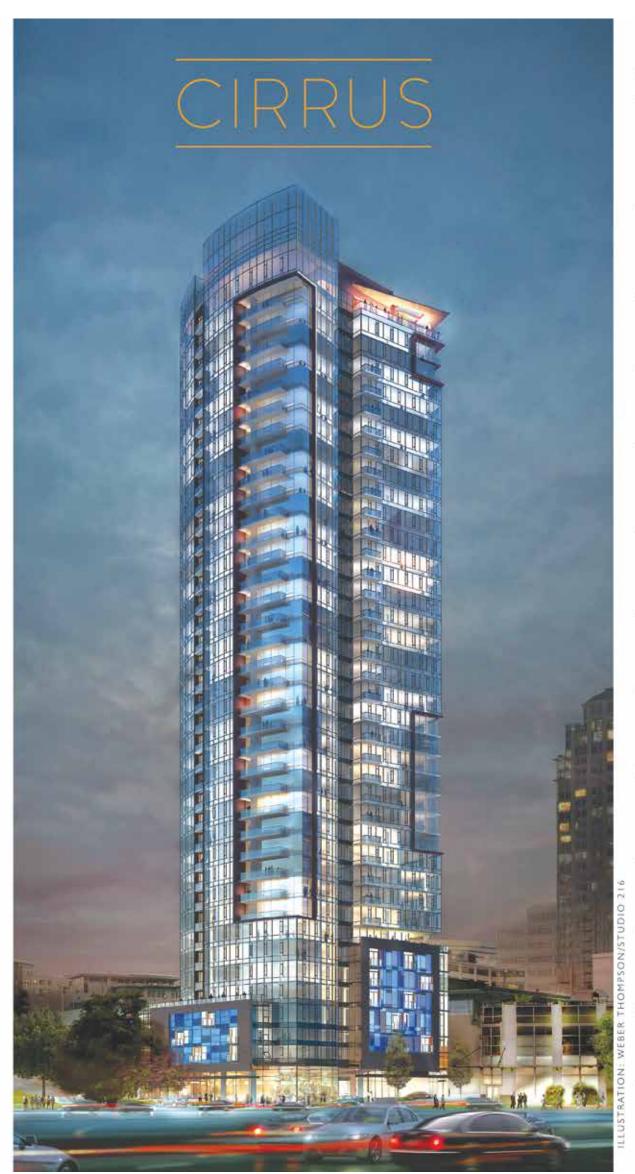
The hospitality program accepts 20 students each fall, and I'm pleased to say that we have more applications than openings for fall 2015.

Moving forward

Students at all of our urban campuses have access to courses and special learning opportunities across the state, thanks to live video streaming of classroom instruction and dialogue. While many students will choose the campus-based experience in Pullman or one of our urban campuses, the online undergraduate program offered through WSU's Global Campus is advantageous for individuals who already started their career in the hospitality industry or need additional certification.

The goal of WSU's Carson College is to enable best-in-class learning to all HBM students, regardless of their physical location. As the HBM program continues to expand to WSU's urban campuses, our hope is that each campus will develop its own specialty of excellence within the program.

Dr. Nancy Swanger is the director of the Washington State University School of Hospitality Business Management, in the Carson College of Business.



EXTRAORDINARY PROJECT; EXCEPTIONAL DESIGN TEAM

























