

## C. QUALITATIVE ASSESSMENT OF RETAIL USES

Considering the *quality* and *condition* of existing stores and restaurants is critical to understanding an area's retail environment and how to, if warranted, transform it. Downtown Works conducted a Qualitative Assessment of retail operations within the initial target blocks that evaluated operations in 5 categories:

- facade
- signage
- exterior maintenance
- window display
- interior

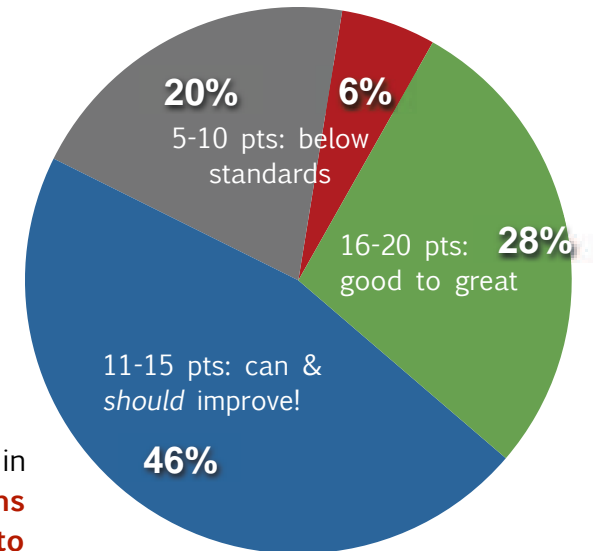
In each of the 5 categories, operations were scored on a 4-point scale: (1=poor, 2=fair, 3=good, 4=excellent)

- **maximum** possible score: **20**
- **minimum** possible score: **5**

Our Qualitative Assessment of 89 retail uses within the initial target blocks resulted in an average score of 13 (out of a possible 20) points—**collectively the operations are a few points BELOW “good” in terms of the experience they offer to consumers.** On average, operations scored best for their facades and worst for signage. Average scores in each of the 5 categories (from highest to lowest):

- facade: many are beautiful (avg 2.9)
- exterior maintenance: many were unkempt (dirty entries and windows, chipped paint) (avg 2.6)
- interior: some were great—fairly well designed, organized, and stocked—but many were ho-hum (avg 2.6)
- window display: many are poorly lit, have unintentional displays (avg 2.3)
- signage: often poor quality materials/design, few blade signs (avg 2.4)

The following pages provide recommendations for improving the issues identified above.



**Qualitative Assessment**  
scores for 89 retail uses

5 = 5 pts  
18 = 6-10 pts  
41 = 11-15 pts  
25 = 16-20 pts

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## PIONEER SQUARE RETAIL STUDY & STRATEGY

While individually **facades** overall scored well, a concern is that there is very little differentiation/distinctive branding among storefronts within the district. One way to address this is through the use of color, encouraging operators to employ shades that make them stand out from one another; this creates a visually more exciting area, which is important to attracting people and *having them return*.



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**Exterior maintenance** issues—cleanliness, facade condition—can and should be jointly addressed with operators and their landlords. Tidy exteriors with sparkling windows have a big impact on the overall feel of a district!

Well-designed, maintained, stocked and organized **interiors** are a hallmark of quality operators, as are eye-catching, frequently changed **window displays**. Merchants can be provided with guidance—via experts, workshops, identification of resources—on enhancing the experience they deliver to their customers via these critical aspects of retail.

**Signage** that is well-branded, clear and appropriately placed is another all-important aspect of communicating to and attracting customers. Many buildings in Pioneer Square have overly-high sign bands; these should be lowered whenever possible, otherwise signage at eye-level—directly on storefronts—must be used. Further, a significant number of operations lack blade signs; readily visible to pedestrians or drivers passing by, operators should be encouraged to add these to their storefronts. Finally, controlling visual clutter by enforcing signage regulations (i.e., on sandwich board signs, neon “open” signs, or flyers in windows) should be a priority.



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## IV. STRATEGY

### A. OPPORTUNITY

Our retail-focused assessment of Pioneer Square informed the strategy and merchandise mix plan outlined on the following pages. Several things support this strategy:

- Despite the issues facing the district, a number of existing operators are performing very well, patronized not solely by those who live and/or work in Pioneer Square but by residents of the greater Seattle area. These operators show that people will come to the district if given a quality product.
- The Target Market for Pioneer Square represents a robust number of people who are eager for shopping and dining experiences that can only be found in urban places.
- As discussed earlier in this report, major developments like Stadium Place and the waterfront transformation are bringing energy and excitement to the area (in addition to people in the form of workers and residents); more and more, eyes will be on Pioneer Square in the coming years, and savvy developers as well as retail and restaurant operators are taking notice of the opportunity this presents.
- Many of the challenges facing the district are being addressed by the City, the Alliance for Pioneer Square, the International Sustainability Institute, and other neighborhood organizations and champions.

Downtown Works is convinced that to be sustainable urban retail offerings must be entirely distinct from what can be found outside of downtowns. In addition to traditional malls, suburbs are now marked by lifestyle centers that physically try to mimic street-oriented retail; however, they follow the mall model in terms of their tenant mixes, leasing primarily to national retailers—they can't replicate the feel of a place that develops more organically over time. Urban districts with unique, clustered collections of shops and restaurants are able to get people to bypass the centers (at least some of the time) that are close to where they live.

Over time, Pioneer Square will be active 7-days a week from the morning and into the evening. To achieve this, the mix of shops and restaurants in the initial target blocks must be a balance of high-quality daytime and nighttime shopping and dining uses—it must emphasize independent operators; any nationals should be solely those not over-represented in the market. Services—such as dry cleaners or copy shops—are important as they serve district workers and residents; whenever possible, these should be located off of the primary retail blocks.

## B. MERCHANDISE MIX PLAN

home decor  
tabletop  
gifts/floral  
furniture  
art  
specialty

**HOME-FOCUSED OPERATORS—45%** *The district has historically been home to highly-regarded galleries and quality furniture, antique and rug stores. A number of these remain today, along with some specialty home/gift stores (i.e., Fireworks, Cuttysark, Laguna Pottery). It's logical to build on this with additional unique, quality operators across a range of specialties and price-points to create a once-again robust cluster of these uses. Many of the district's deep spaces lend themselves to furniture stores; new ones should be hip and trendy, reflective of urban lifestyles. Often, niche stores serve a limited clientele (and must buttress their business with a strong online presence) while other home-focused stores can easily serve both the district's workers and residents and other customers. Consider, for example, a mercantile-type retailer such as City People's; with its significant amount of basic household goods as well as gift offerings, this kind of store would undoubtedly do well in the district.*

chef-driven restaurants  
neighborhood restaurants  
cafes  
market/deli/cafe  
wine/spirits bars

**FOOD+BEVERAGE—35%** *Today, a good deal of the U.S. population is knowledgeable of and sophisticated about food, demanding high-quality and an experience not just for special occasion dining but from their oft-visited sandwich counter or pizza joint. To capitalize on this, Pioneer Square should work to attract full-service, chef-driven restaurants that bring buzz along with their great food; small, neighborhood cafes offering varied cuisine; and wine and spirits operators that serve quality drinks and food—in all cases, it's best to have restaurants that are open both day and night. Today's residential population can't support a typical grocery store, but a smaller market/deli/cafe (think Portland's Elephant's Delicatessen) would be right for the district, and would serve each customer segment.*

specialty apparel  
shoes & accessories

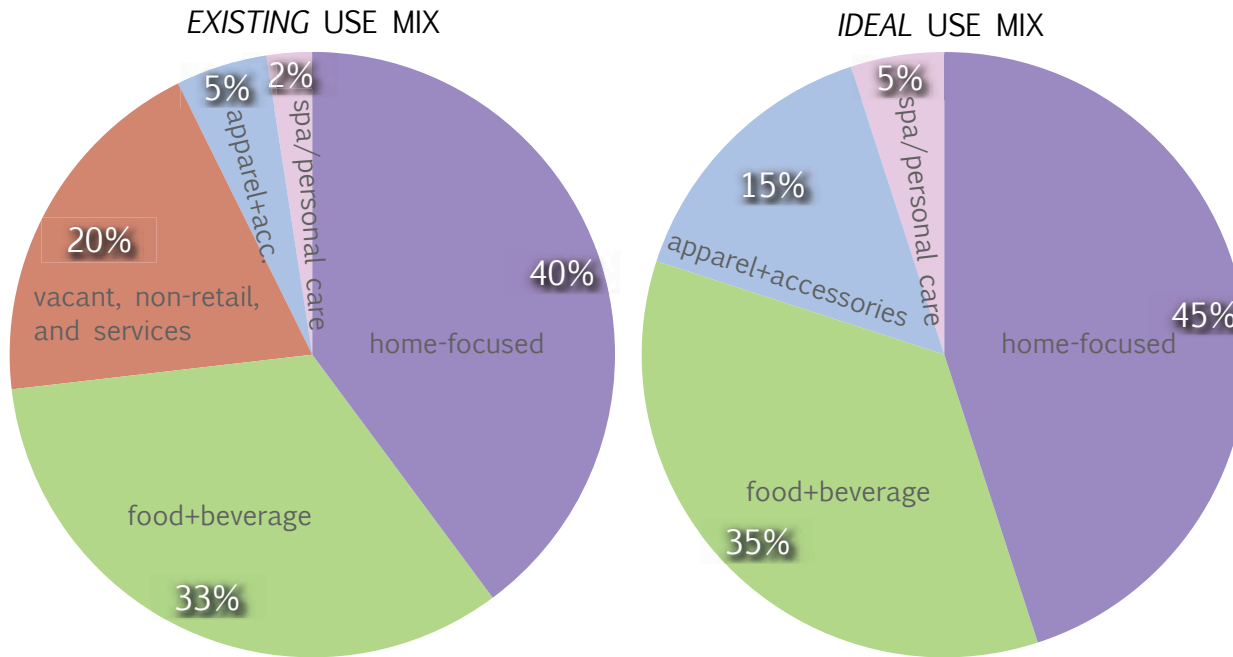
**APPAREL+ACCESSORIES—15%** *Some apparel and/or accessory shops are today operating in Pioneer Square; a number of these are highly unique operations, such as Utilikilts (hawking its men's kilts) and Diva Dolls (purveyors of vintage and vintage-inspired apparel and accessories). While we do not recommend a heavy emphasis on this category, additional unique operators would complement the mix.*

spa/personal care

**SPA/PERSONAL CARE—5%** *These types of operations serve all customer segments; a few currently exist, but the district could support some additional ones.*

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## MERCHANDISE MIX PLAN



In terms of quantities of types of uses, the *Ideal Use Mix* does not significantly differ from the existing mix, with the notable exception of vacant/non-retail and service uses—ideally, none of these would be found within the Initial Target Blocks. Critically, however, the *quality* of uses must be a focus, together with the sub-categories of uses. For example, while the food and beverage offerings today are nearly at the recommended percentage, many of them are fast/quick food establishments; we recommend a greater emphasis be placed on full-service restaurants and cafes.

Over time, as projects advance and come online and new operators have been added to the district, the merchandise mix plan should be revisited and updated; this will help Pioneer Square maintain a competitive edge and proactively respond to changes within the district, trends in consumer habits, and the evolution of other parts of the City.



*Initial Target Blocks for recruiting —1st Ave, from Cherry to King Streets, and cross streets up to 2nd Ave.*

*Focusing initially on a relatively tight segment of Pioneer Square enables the clustering of shops and restaurants, which is a hallmark of highly successful shopping and dining districts.*

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## C. LOCATION FACTORS

Pioneer Square is marked by beautiful, human-scaled buildings unrivaled elsewhere in the city. With new developments, retail space should be a critical focus, as buildings designed with ground level facades that relate to the street and that are differentiated from upper levels—and with a mix of historic and contemporary styles—play a critical role in creating a vibrant urban district that is attractive to both operators and consumers. To achieve this in Pioneer Square, ground floors of new buildings and of some existing ones must be designed or redesigned by retail architects working in concert with those who are experienced in developing urban-centric residential and office spaces on upper floors.

Properly locating shops and restaurants is essential in the effort to create dynamic retail districts:

### Location

- Concentrated, clustered retail creates anchors and destinations and allows people to immediately grasp “Shop Here”
- Stores should be contiguous—literally side-by-side—and uninterrupted by non-retail uses

*Pedestrians speed up when walking past a bank or office as their windows don't offer anything interesting to look at; aware of this, savvy retailers choose not to locate next to these uses.*



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## D. RECRUITING

For Pioneer Square’s retail transformation to materialize, the Merchandise Mix Plan must be stewarded by a *retail recruiter*, an individual dedicated to identifying and developing relationships with quality, compelling retailers, acting as a matchmaker between them and the district’s property owners. Early on, the recruiter will meet with landlords to describe the strategy and learn about their properties; armed with knowledge of the spaces, the recruiter will seek out the ideal tenants—retail “**magnets**” that fit with the Merchandise Mix Plan—to fill each spot. The recruiter must be an expert at recognizing quality store and restaurant operators, enthusiastic about the district, have good taste, and be tenacious yet engaging.

In cases where landlords simply cannot reject a tenant that does not adhere to the Merchandise Mix Plan, the recruiter should encourage shorter-term deals and performance clauses that allow the space to be recaptured when more fitting tenants are found. Some landlords may not be well-versed in recapture and relocation strategies, but these will become commonplace as the area improves as a retail district.

### *Retail Recruiter Role*

- Stewards the Merchandise Mix Plan
- Salaried (not commission-based)
- Develops relationships with potential operators
- “Match Maker”—brings viable prospects to landlords and/or their real estate representative
- Identifies key vacancies, short-term leases, lease expirations; helps recapture ground level space for retail
- Ensures that great prospects are not lost
- Works with relevant parties to facilitate the opening of shops and restaurants

*retail*

**MAGNETS, NEUTRALS & INHIBITORS**

*Every store and restaurant deal is critical.*

*\*ideal\* = each deal leverages the next*

*minimum = no deals that inhibit the next*

- **magnets** draw other quality operators to the area
  - *well-executed independent concepts*
  - *nationals that put just one store in a market*
- **neutrals** neither leverage nor discourage quality operators from locating nearby
  - *local operators that are of reasonable quality*
  - *national stores that already exist in the market but with few locations*
- **inhibitors** prevent quality operators from locating in a given area
  - *poor quality local operators*
  - *fast food outlets*
  - *too many banks*
  - *low-end outlet/discount stores*

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### *Retail Recruiting Process*

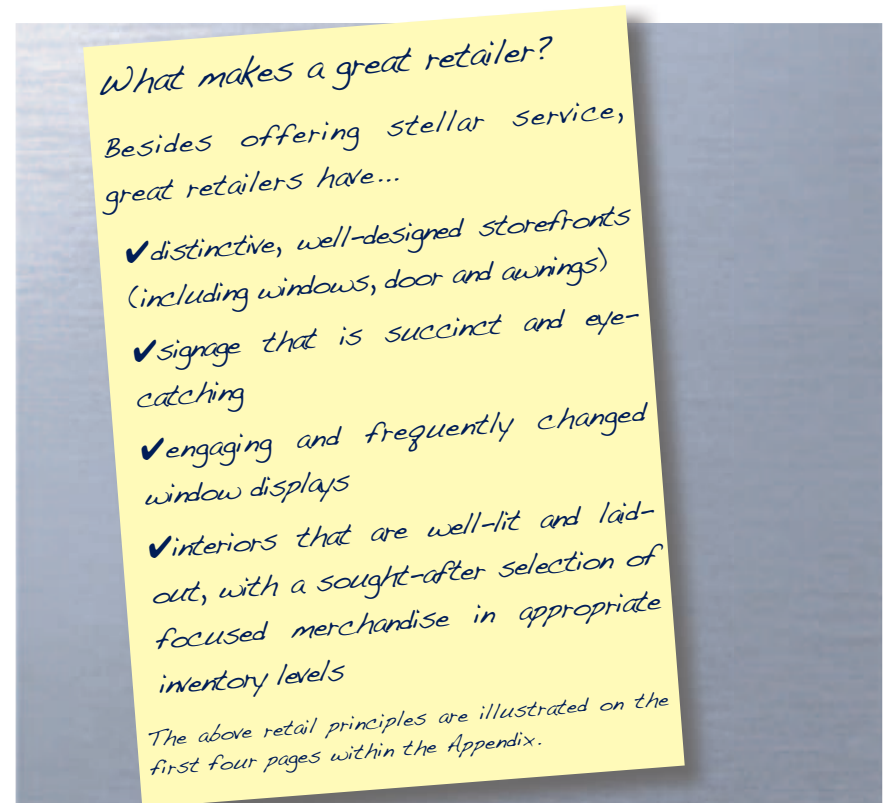
The retail recruiter is tasked with bringing quality, compelling retailers that fit with the Merchandise Mix Plan to Pioneer Square. The recruiting effort is time-consuming, ongoing (operators come and go over time, making prospecting for shops and restaurants a continuous process), and personal—most of the prospecting is conducted face-to-face, not by phone or e-mail.

Downtown Works has worked with the Alliance for Pioneer Square to select the ideal candidate for the Retail Recruiter position. Following hiring, the process will include:

**Training:** Downtown Works will provide the recruiter with training on leasing terminology; landlord relations; prospecting philosophy, approach, and best practices; and the process for “handholding” a retailer through to the opening of their operation (leasing, permitting, etc.).

**Prospecting:** We will prospect with the recruiter, seeking out and engaging unique operators consistent with the Merchandise Mix Plan, focusing on those who have a track record of success with an existing shop(s) and/or restaurant(s). We will work closely with the recruiter to review prospecting efforts and strategize on key opportunities.

**Landlord Relations:** Together with the recruiter, we will meet one-on-one with landlords to share the vision and strategy for Pioneer Square retail, seeking their support for the plan. We will discuss opportunities with their specific properties,



emphasizing that, as has been the case in other urban districts, rents—not just at the ground level but on upper floors as well—will increase over time as the streetfront retail improves. It can be a challenge to engage and gain support from landlords, yet this is a critical part of the implementation, as with their support the program will have the greatest opportunity for success.

## E. INCENTIVES

Incentives are useful tools for attracting tenants that fit with the Merchandise Mix Plan; they can particularly help catalyze early deals. Incentives can and should come from landlords—they may take the form of interior fit-out, lower initial rent, and tenant allowances. Attracting quality retailers can be expensive. Restaurant spaces, due to equipment and exhaust issues, often cost much more to construct than hard or soft goods stores—it is not unusual for restaurants to command 50-100% of the total cost of the build out.

The Alliance should explore the availability of support from City programs (i.e., matching grants for street-level façade improvements, expertise to help with merchandising) that new as well as existing operators may be able to tap.

## F. DESIGN FACTORS

Both operators and consumers are attracted to districts marked by unique, distinctive storefronts that are differentiated from adjacent ones as well as from uses on upper floors. It is critical that the appropriate atmosphere be created and maintained in Pioneer Square; the set of retail-specific design guidelines currently under development will significantly boost this effort, and developers, landlords, and prospective operators must be encouraged to engage architects and designers with retail expertise.

### DESIGN

#### The importance of corners

- First impression of the street—set the tone via facades, window displays and physical conditions
- Build out to sidewalk (right-of-way)

#### No arcades, plazas, or special features in storefront area

- Consumers are drawn in by quality merchandise display and good storefront design; arcades and plazas hide these

**Avoid generic designs from storefront systems;** these lead to a bland environment that does not interest passersby

- New construction, mixed-use buildings are at high risk
- See examples of what to avoid on page 25

#### Encourage unique, distinctive storefronts

- Storefronts should be differentiated from upper floor uses, and distinct from adjacent ones; operators must express their brand/identity to capture the interest of passersby
- See examples of distinctive storefronts on page 26

**Clear sight-lines**—well-branded storefronts/windows are a retailer's best marketing tool

- In a retail environment, median and sidewalk plantings with trees must be maintained so that visibility to storefronts is unhindered
- Tinted windows must be banned—they block the view into a storefront

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## PIONEER SQUARE RETAIL STUDY & STRATEGY

Generic storefront systems to **AVOID** as they do not capture interest from those passing by on foot or by vehicle, and give retailers little to no opportunity to distinguish their brand.



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## PIONEER SQUARE RETAIL STUDY & STRATEGY

Example storefronts to **EMULATE!** This small sampling shows distinctive storefronts that help create interest-capturing districts. To achieve this, operators should always hire experts experienced with designing shop and/or restaurant exteriors (and interiors!).



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## V. IMPLEMENTATION

### 1. IMMEDIATE STEPS

- ➔ **Identify and hire Retail Recruiter;** include Recruiter in retail workshop and tour held May 1-4.
- ➔ **Communicate the Strategy to landlords and brokers**
  - Hold one-on-one meetings to build consensus for the Strategy and collect data.
- ➔ **Begin media outreach**
- ➔ **Prospect**
  - Identify potential operators consistent with merchandise mix plan.
  - Identify and prioritize retail magnets that leverage additional deals.
- ➔ **Develop database:** Recruiter to enter all data regarding prospecting in tool such as Salesforce for his/her use and to build institutional memory.
- ➔ **Develop a succinct, retail-focused marketing piece** for use by the Recruiter.

### 2. NEXT STEPS

- ➔ **Complete design guidelines** for storefronts and signage throughout the district.
- ➔ **Provide information and guidance** on improving the look/feel/visibility and maintenance of storefronts to prospective and existing operators and landlords (see pages 16, 17, and 24-26, and four-page “Historic Districts & Retail” included in appendix); when complete, share design guidelines with these same parties.
- ➔ **Work to address the issue of Pioneer Square’s light-blocking, visibility-hampering tree canopy;** see “Trees Mean Business: City Streets and the Retail Streetscape” for helpful information.  
[www.naturewithin.info/CityBiz/MainStreetNews\\_Aug09\\_Trees.pdf](http://www.naturewithin.info/CityBiz/MainStreetNews_Aug09_Trees.pdf)
- ➔ **Improve Occidental Park:** Currently the closed blocks disrupt the street grid; explore opening it up to cars (as has been done in more than 200 U.S. cities that found businesses suffered when cars were banned) and redeveloping it with soft surfaces and mobile seating that encourage people to use the park. Program it daily.
- ➔ **Encourage residential development** everywhere you can within the district; residents put activity, eyes and lights on the streets, adding to an area’s vibrance (of course, they also patronize area businesses!).

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3.  
TRACKING  
PROGRESS

YEAR 1

- # of prospects generated by:
  - ✓ *recruiter prospecting*
  - ✓ *intake calls*
- # of prospect visits to Pioneer Square generated by:
  - ✓ *recruiter prospecting*
  - ✓ *intake calls*
- # of deals currently in negotiations as a result of recruiter prospecting

YEAR 2

same as Year 1, *and...*

- # of leases signed as a result of:
  - ✓ *recruiter prospecting*
  - ✓ *intake calls*
- # of operations opened as a result of:
  - ✓ *recruiter prospecting*
  - ✓ *intake calls*

YEARS 3 & 4

same as previous years, *and...*

- growth in rental rates
- growth in sales tax

YEAR 5

same as previous years, *and...*

- growth in property tax

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# APPENDIX

## **Attached Documents & Spreadsheets:**

1. What makes a great retailer?
2. Historic Districts & Retail
3. Pioneer Square Trade Area Documents and Tables

## **Key Sources:**

1. ESRI 2011
2. Downtown Seattle Association
3. Seattle's Convention and Visitors Bureau

## PIONEER SQUARE RETAIL STUDY & STRATEGY



What  
makes a  
great  
retailer?

Distinctive storefronts (can be designed in old and new buildings):

- Distinguish from upper floors
- Encourage professional, retail-specific designs
- Institute design review guidelines



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