



City of Seattle
Edward B. Murray, Mayor

Office of Economic Development
Stephen H. Johnson, Director

Memorandum

Date: June 5, 2014

To: Councilmember Sally Clark, Chair
Councilmember Tom Rasmussen
Councilmember Kshama Sawant
Councilmember Mike O'Brien

CC: Jesse Gilliam, Legislative Aide to Councilmember Clark

From: Steve Johnson, Office of Economic Development
Heidi Hall, Office of Economic Development

Subject: Update on Little Saigon Landmark Project Feasibility Study

The Little Saigon Landmark Project will establish a physical centerpiece for the Vietnamese community in the neighborhood, in part by bringing together under one roof several key components including retail and food, cultural center and services, and housing. The project would strengthen the sense of place in Little Saigon and serve as a social, cultural, and economic anchor for the community. This is particularly relevant in Little Saigon which serves as a center of commerce and culture for the broader Vietnamese community dispersed around the region. Its presence is also intended to lessen economic displacement by further anchoring the physical and cultural identity of the specific place deeply within the Vietnamese community.

BACKGROUND

In September 2012, the Seattle City Council unanimously adopted Resolution 31403 stating the City of Seattle's intent to assist the Little Saigon neighborhood to explore the feasibility of a mixed-use "landmark" project that would serve as a catalyst to preserve and enhance Little Saigon as a social, cultural, and economic hub.

The Seattle City Council's Statement of Legislative Intent 125-2-A-1 requested the Office of Economic Development (OED), the Department of Planning and Development (DPD), the Office of Housing (OH), Friends of Little Saigon (FLS), the Seattle Chinatown International District PDA (SCIDPDA) and other community partners to develop a feasibility study for a landmark Little Saigon development. \$40,000 was allocated to OED in the 2013 Adopted Budget to support this feasibility study.

FEASIBILITY STUDY

The Little Saigon Landmark Project brings together various components including a cultural center, a night market, an Asian market, a restaurant and housing. These components were identified through community input from the Little Saigon Action Plan and several focus groups. Each of these components requires a thorough understanding of the demand, potential ownership, functionality, and associated cost. SCIDPDA is the lead organization for the management of the feasibility study, working closely with the Friends of Little Saigon Board which is providing oversight and direction for the project. Analysis of these components and key recommendations are outlined in greater detail in the attached report.

Friends of Little Saigon is a community development organization launched in January 2011 and composed of individuals, community groups, and small businesses. Their mission is to promote, enhance, and showcase the cultural and economic vitality of Seattle's Little Saigon. The Friends of Little Saigon Board is Tam Nguyen (Tamarind Tree), Theresa Reyna (Interpret This), James Hong (Vietnamese Friendship Association), Yen Lam-Steward (Lam's Seafood Market), Sue Taoka (Craft3), Thach Nguyen (Thach Real Estate Group), and Tyler DuLam (ICHS Board).

Results of the economic analysis of the Landmark Project components are below. In addition to massing, analysis looked at development cost and high level demand estimates:

- **Emerald Market:** An indoor Southeast Asian-style market housing kiosk and booth vendors. The market will be activated by 30-50 vendors offering a range of culinary as well as retail products. Early analysis showed there appears to be sufficient vendor demand and rental rates to sustain financially.
- **Southeast Asian Grocery:** This might be an existing grocery seeking to relocate or expand, or a new grocery. There is sufficient preliminary demand to sustain financially.
- **Southeast Asian Restaurant:** There is sufficient demand to sustain financially.
- **Vietnamese Cultural Center:** A community center would fill a cultural niche that is not currently met in the region and designing it with flexibility in mind will allow multiple uses. The types of programs and services currently identified as priorities include: senior services, arts and cultural programs, educational and training programs, and culturally specific community events and celebrations. Will require a capital campaign and funding mechanisms but can be sustained financially.
- **Housing:** A multifamily housing component for the project will add residents who can support local businesses, visit the night market, and participate in events at the community center. At this time, Little Saigon is primarily composed of businesses and property owners and fewer than 300 people call the area home. There is sufficient demand and upfront funding to sustain it financially.
- **Parking:** Parking is a consideration for the project since Little Saigon serves a broader regional community. This is also a consideration for larger events that are anticipated for the space. User fees and financing mechanisms will sustain it financially.

There has been preliminary market and construction cost analysis to indicate that the landmark project will present financial challenges but is all the same feasible. One of the most significant and also challenging elements of the project is the cultural center.

Feasibility studies concluded that, while complex and challenging, Landmark Project will be feasible if we can successfully establish the following elements:

- Robust capital campaign – both public and private funding,
- Creative funding mechanisms – to support cultural center programs (rental income, etc),
- Compatible housing clientele,
- Knowledgeable and skilled operators of the various commercial, cultural, and residential, elements of the proposal, and
- Broad-based community support.

NEXT STEPS

- Obtain City of Seattle and Seattle Housing Authority concurrence on the findings of the feasibility study.
- Complete the Feasibility Study final report.
- Complete community/ focus group outreach.
- Proceed to pre-development phase, including detailed financial analysis.