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A Development Strategy Study for the Rainier Beach Innovation District

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The Department of Planning and Development

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A DEVELOPMENT STRATEGY STUDY FOR THE RAINIER BEACH INNOVATION DISTRICT

In 2012, the City of Seattle’s Department of Planning and Development (“DPD”), as part of the Comprehensive Plan Update Process, completed the Rainier Beach Neighborhood Plan Update through extensive community engagement and organizational development in the community. The Plan update sought to address critical community and economic development issues in the Rainier Beach neighborhood through the development of an Innovation District focused at the light rail station area (the transit-oriented development or “TOD area”.) The Rainier Beach neighborhood has many of the of the key components for a successful redevelopment area: a clear vision for the redevelopment, active community engagement, political and agency support, significant land owner participants, transit accessibility, and a geographic location that fully supports the vision. However, in order to create a vibrant Innovation District at the station area, it is necessary to identify key partners who will help develop the District, and encourage these partners to locate in the area in order to act as catalysts to spur the redevelopment.

Jonathan Rose Companies (“JRCo”) was engaged to identify and analyze potential partners who might locate in the TOD area and help develop the area as a new model of transit-oriented development focused on employment, education and entrepreneurial activity. Initial discussions with community members and an evaluation of the site characteristics led these conversations to be focused on the following four categories:

1. Businesses that require access to light manufacturing or warehouse space or proximity to the airport
2. Maker spaces geared toward sharing technical and intellectual resources
3. Educational/training institutions
4. Food oriented businesses

For each category, the report reviews the potential partners that were engaged in discussions of the site, outlines constraints due to physical space requirements, business requirements or financing viability, and presents some opportunities for further exploration.

As the discussions deepened, it became clear that the broadest base of interest was around combining the educational and training facilities with food oriented businesses. There were champions within the community and within potential partner organizations who supported a deeper investigation into a facility that could house these endeavors. Since this is a new model of transit-oriented development, different creative tools will be required to support the community leaders in these efforts. As the current market conditions in the TOD area are challenging for new development, it is important to develop a strategy that can be flexible in its capacity to respond to the needs of the community and tenant partners as they evolve.

The report outlines the next steps to further pursue this Food Innovation Center option.



A listing of the individuals interviewed for this study is included as Appendix A.

BUSINESSES REQUIRING ACCESS TO LIGHT MANUFACTURING OR WAREHOUSE SPACE, OR PROXIMITY TO THE AIRPORT

Situated between a residential and commercial district and a light industrial district, the Rainier Beach TOD area seems to provide a unique opportunity to draw businesses who might require access to this industrial building stock but who also need an adjacent retail outlet, and access to the light rail for customers, clients or its workforce. The site may provide a lower cost of land or occupancy than sites in other manufacturing districts in the City. An office user or industrial user who prioritizes this location may also require access to the transportation and distribution network of the light rail/interstate/airport. That said, this same access to the distribution network is available in Renton, Tukwila and other adjacent municipalities, typically with a lower cost of land, ownership or tenancy, so the location within the City limits, and the access to the Rainier Beach community must be critical components to such a business.

POTENTIAL PARTNERS

Neither the Office of Economic Development (“OED”) nor the Economic Development Council of Seattle and King County (“EDC”) were able to identify specific businesses at this time whose need for space matched these parameters. EDC noted that several Chinese businesses have contacted EDC in search of space in Seattle, and such firms may benefit from the airport proximity, but this pool is small, and their space needs may be more suited to existing stock in the other municipalities. OED noted that Seattle has developed a niche in the outdoor gear industry, and given the opportunities for a combined retail outlet and manufacturing facility in this location, this is an industry area that might be pursued further.

There are also efforts on the part of private landowners in the TOD area to identify and attract new businesses to the area. Since the likelihood of attracting new businesses to the area is significantly increased when solicited from an owner with site control who can offer a site or a development to a potential user, these private landowners may prove to be the community’s greatest asset in attracting new businesses of this scale.

CONSTRAINTS

According to OED, the City is already challenged to keep businesses that are utilizing light manufacturing and warehouse space in SODO, as communities like Renton and Tukwila are able to offer even lower land costs while providing essentially the same access to transportation and distribution networks. For most manufacturing businesses, cost is the primary driver in space selection.

Transforming the manufacturing/warehouse district on the south end of the light rail station will require clarity and intention. Chicago has been very successful in activating its industrial district through targeted planning efforts that include spot zoning initiatives and other tools. Such efforts might support the development of a green industrial park in the area, or an innovation manufacturing hub, however the current building stock is not coherent or consolidated, has multiple ownership entities, and has topographical constraints to expansion.



No traditional office users have been identified at this time, and the specific space requirements will be distinct to the potential users. The existing building stock could be repurposed for some users, but does not provide significant potential for expansion of larger scale businesses as the buildings are currently configured. Given market office rents in the area, the cost of new construction will prohibit a speculative office development.

OPPORTUNITIES

Gigabit Seattle has already identified Rainier Beach as one of the 14 demonstration neighborhoods for its fiber-to-the-home (FTTH) and fiber-to-the-business (FTTB) buildouts, however the light rail station area is not currently captured in the area identified by Gigabit. If there is an opportunity to expand this area, then businesses that require these data speeds, for example, sound and video graphics production and post-production, could perhaps be incentivized to locate in this area to take advantage of the internet capacity, the light rail station access, and a local resident base that includes a strong creative class.

Seattle Office of Economic Development has noted that health care services are also underrepresented in South Seattle and there are currently some federal funding resources available to support community health clinics. A study could be pursued to understand if Rainier Beach could support a second clinic in addition to Neighborcare Health, and a partnership with University of Washington for such a clinic might be pursued.

The not-for-profit SF Made, headquartered in San Francisco, provides a model that could be used to further develop the manufacturing sector in the City. “SFMade’s mission is to build and support a vibrant manufacturing sector in San Francisco, that sustains companies producing locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce.” Given that this mission aligns closely with the objectives for the TOD area, Rainier Beach could be the headquarters location for such an organization, if it were to be developed in Seattle.

MAKER SPACES

Several residents of Rainier Beach expressed interest in Maker spaces to serve the creative class and Do-It-Yourself population that exists in Rainier Beach. Models that focus on fabrication are able to meet some of the training/education goals of the community, as well as provide a resource to local entrepreneurs for the fabrication of products (“Made in RB” was proposed as a branding for such products.) These spaces also serve an important purpose as a place that brings together innovators and creators for the sharing of ideas and inspiration.

The business model of the maker spaces is really an operating model more than a real estate model. The space itself is typically rented at reasonably low cost, in physical space that has limited infrastructure. Some meeting room space is carved out as are classrooms, but often the balance of the space is more open and flexible.

Pratt Fine Arts Center is oversubscribed in its classes and is now working with a consultant to look at ways to expand its existing facility in the Central District. Many of the students in classes at Pratt are



home-based businesses utilizing the class as an opportunity to have access to the facility. This suggests that providing a facility in South Seattle that offers resources for woodworkers, metal workers, etc. could help fulfill an existing demand.

POTENTIAL PARTNERS

There are many models of Maker spaces from around the country that could be looked at as examples or contacted regarding expansion possibilities. Third Ward utilized an old loft warehouse in Brooklyn, NY to provide a collaborative space for woodworking, metal work and photography for seven years prior to shutting down in October 2013. Mt. Elliot Makerspace in Detroit provides bike, computer, and electronics repair, in addition to clothing, design, food and art concentrations. FabLabs, which originated at MIT, provide widespread access to fabrication equipment. Locally, there are several models, ranging from larger facilities like MakerHaus in Fremont, to Jigsaw Renaissance in the International District or MetrixCreate:Space in Capitol Hill.

Makerhaus targeted educated design and creative professionals who were looking for community to share ideas with, space to model new innovations, and space to produce start up models. The opening of the space responded to a pent up demand from this population identified by the founders; accordingly there were 100 members the day they opened their doors, and membership has now grown to 200. It is unclear if this demand exists in the Rainier Beach area, and further study would be required to understand if the same business model could work in the TOD. Selected survey results from the local community suggest that a space that provided large format printing and 3D printing capabilities would be utilized. A shared tools facility has also been identified as a desired service, though there may be opportunities to leverage the Rainier Beach High School shop for such a facility.

Makerhaus has partnered with MaterialConneXion, based in NYC, to create a materials library and with Inventables, based in Chicago, to provide inventory of the goods found in the library. A company like Inventables, which stocks new products in the marketplace so that they are accessible for purchase in small quantities by innovators/creators could be an interesting use to be pursued for the TOD area if there was a significant Maker presence established. Inventables typically partners with a design shop in its other locations, so such a partner would also need to be enticed to locate in the TOD Area.

CONSTRAINTS

The challenge with enticing some of the entities like TechShop that have already established a brand elsewhere in the country but are seeking new locations is a desire on the part of those organizations to locate in settings that are already at the intersection of idea makers and generators. From their perspective, a location like the TOD area is too removed from the center of activity. The second challenge is that these national organizations often like to find buildings that have some “historic character” and Rainier Beach is devoid of this type of building stock at the TOD area.

OPPORTUNITIES

Since this type of use does not require significant buildout, repurposing some of the existing building stock at the TOD area for Maker space is not a difficult task. The greater challenge is locating an operator; however if there is a community member in Rainier Beach interested and willing to take this on, and future study shows there is sufficient demand, then there is local knowledge to help replicate the business model.



EDUCATIONAL/TRAINING INSTITUTIONS

The community had already engaged South Seattle Community College and Renton Technical College to discuss bringing post-secondary education to the Rainier Beach area. The rationale behind these efforts has been summarized in a concept paper drafted by Lance Matteson, Executive Director of SouthEast Effective Development (“SEED”.) Further discussions with both of these institutions revealed that the institutions were willing to provide some educational programming if the need was clearly outlined and there was teaching space made available to vet the need.

There are several other groups that have expressed interest in offering training to high school students, higher education students, continuing education students and general job seekers if there is a facility available in Rainier Beach. None of these groups are able to access capital resources to build their own facilities in the TOD area, but they do recognize that the demographic of the neighborhood aligns with their student base and that there would be demand for their services in this location.

POTENTIAL PARTNERS

Renton Technical College acknowledged that they were willing to provide programming to test various concepts if they could be provided with teaching space at low or no cost. They were referred to the education task force from Rainier Beach Moving Forward, and the Southeast Seattle Education Coalition to discuss opportunities to partner with the Rainier Beach schools or the new Parks Department Community Center for use of facilities, since there is no existing classroom space in the TOD area.

South Seattle Community College already has a robust technical training campus in Georgetown that provides a home for the Puget Sound Industrial Excellence Center and the Apprenticeship and Education Center. The College is reluctant to replicate these programs in a location as close as Rainier Beach, preferring that students interested in these programs utilize the existing facility. There is a greater support for providing basic skills classes like ESL, business readiness/workforce development classes such as accounting, writing a business plan, or marketing, and entry level training like basic computer programming. Once demand is established, feeder programs for the Georgetown campus offerings would also be feasible. If higher level technical training is pursued at Rainier Beach, it would be focused on a field that does not already have a dedicated facility in close proximity for the college. Options to be considered could include food production, hospitality, or customized corporate training.

A group of advocates are currently undergoing a feasibility study through Impact Capital and Skillup Washington to create a Southeast Seattle version of the Opportunity Center for Employment and Education (“OCFEE”), located on the campus of North Seattle Community College. This Center provides integrated educational, vocational, employment and supportive services through a partnership of agencies and community colleges. The North Seattle model is a partnership of the Department of Social and Human Services, Employment Security Agency and North Seattle Community College, who collaborate through a shared reception to provide “one-stop shopping” for those receiving services and education from the agencies. It is modeled off the Center for Working Families and is run by a Partners Committee of the lead agencies. (There are only two staff members of the Center itself.) The feasibility study is identifying: 1) possible locations for the Opportunity Center in South Seattle, 2) agency partners, and 3) other partners committed to the building and 3), in order to submit a proposal for



legislative funding by November 2013. This group has been advised of the development efforts to create an Innovation District at the TOD area, and have been encouraged to add the area as a potential location for the Opportunity Center. While this is clearly a key opportunity to encourage post-secondary education in the TOD area, there is concern amongst community members that the Opportunity Center, depending on the agency members, might be predominantly focused on social services provision, which is not in line with the vision for the Innovation District.

Other groups that would be interested in delivering program offerings in the area include the following:

- The Apprenticeship Opportunities Program (AOP) and Apprenticeship and Non-Traditional Employment for Women (ANEW) are looking to expand their Trades Rotation Program and consider Rainier Beach a preferred location to the current construction industry training facility they utilize in Bellevue. However, neither program has funding in place to allow it to expand at this time. The programs can tie in with the efforts both at the college level and at the high school level. While ANEW is focused on 18-20 year olds, AOP targets a broader age range, and is specifically targeted towards women. One issue the AOP/ANEW staff noted is that while the light rail accessibility is helpful for getting to the training site, access to a vehicle is critical for success in the trades (as a reliable way to get to job sites) and is a requirement of participation in the ANEW/AOP program.
- Port Jobs and the Manufacturing Industrial Council are focused on workforce development as the Port's Century Agenda includes plans to triple the volume of air cargo through SeaTac.
- Project Lead the Way provides training for middle school and high school students to prepare them to be innovative leaders in the Science, Technology, Engineering and Math fields and expressed a desire to provide access to this training in Rainier Beach.
- Bainbridge Graduate Institute (BGI) has a grant funded program – the Center for Inclusive Entrepreneurship – that is reaching out to communities to use entrepreneurship as a path to economic development. BGI has rolled out the StartZone program at the New Holly community college campus in 2013, and could expand to Rainier Beach.
- There is a training program for the Washington Association of Building Officials for code officials along with an associated apprenticeship program that was offered through Pierce College but is likely moving to the Seattle Community College system. This program is seeking applicants and could be located in the District.

Given the diverse potential users, any space developed for educational purposes would benefit from a flexible layout that provided the opportunity to use it either as a lecture hall or a workshop space. Access to a larger venue that could accommodate bigger audiences would allow for ancillary programs arranged by the institutions or organizations. There was strong preference from the institutions and training organizations to ensure that students would also have access to a computer lab. Computer labs no longer need to be separate rooms; the college uses computer carts for laptops, netbook and tablets, and only requires a lockable storage facility, Internet connectivity and furniture appropriate for using the computers. However, someone with skills to be the tech administrator does need to staff the facility.



CONSTRAINTS

While many educational institutions are willing to provide training and classes in the TOD area, no one to date has been willing to commit to establishing permanent space for their own facility. Neither Renton Tech nor South Seattle Community College is able to commit capital funding at this time to dedicate to new classrooms or training facilities without a better understanding of the specifics of the demand from the area.

If a training space was made available for these organizations, staff resource would still be required to program the space for full utilization by the range of training organizations that have expressed interest.

OPPORTUNITIES

There are a number of existing classroom and training facilities in the Rainier Beach TOD area, including the new Parks Department Community Center, Rainier Beach High School, and other community centers. These spaces could be leveraged to garner the interest in programs offered by the colleges, which might provide the proof of demand needed to commit the resources to invest in more permanent space. This would require a commitment on the part of the institutions to independently develop the relationships with these facilities.

The basic space requirements for any of these institutions or organizations is similar enough that if classroom space was designed on a speculative basis, the majority of the users would be able to effectively program in the space.

According to the institutions interviewed, the following reflects a basic classroom spec:

- Accommodates 25-30 students
- Acoustically sound
- Provides controllable lighting to allow for projection devices
- Offers audiovisual capability, i.e. wall space or screens for projection, whiteboards, and a microphone hookup
- Internet connectivity provided
- Adequate power outlets for charging multiple devices
- Provides storage space for supplies
- Handicapped accessible
- Access to restrooms
- Ideally provides an area with a file cabinet, telephone and desk that faculty can use to meet with students

The not-for-profit SEED Collaborative has developed a prototype portable classroom that also meets all the requirements of the Living Building Challenge. Based on initial conversations, SEED would be interested in partnering with a private land owner or an existing business to figure out how to provide a “temporary” classroom to the TOD area to serve as training space or other desired use. The classroom could be utilized in a number of ways – as a classroom, a resource center, a welcome center and/or a Made in RB retail outlet. The building could even be designed in a way that allowed RB residents and students to participate in its construction, furthering the teaching opportunity.



FOOD RELATED BUSINESSES

Businesses and organizations centered on the production or distribution of food garnered the most interest in discussions by far of all the categories. There is momentum with the Rainier Beach Urban Farm & Wetlands Project - a community initiated Urban Farm on approximately 10 acres of the former Seattle Parks' Atlantic City Nursery site in Rainier Beach. The Urban Farm has partnered with Seattle Tilth, and is actively engaged in providing multiple opportunities for food production, classes on organic gardening, cross-cultural food experiences, youth education and employment training.

In addition, "Growing Food to Develop Health Industry" is one of the four focus areas in the Rainier Beach Moving Forward A Call to Action Plan. The objective is to turn Rainier Beach into an employment center for the agricultural products grown in the valley. Residents feel food is a natural connection in the community; it is an expression of the community's diverse heritage that is easily shared and appreciated, cross-generationally and cross-culturally.

There are specialty food manufacturers and microbreweries in other neighborhoods in the city - utilizing spaces up to 25,000-40,000sf - that act as a buffer between traditional retail and light to mid industrial areas. Ballard has become the hub for microbreweries, but specialty foods have not been similarly concentrated. There is no neighborhood currently representing a hub of specialty food. The many ethnicities in Rainier Beach and South Seattle provide a valuable and untapped resource to establish an international food culture and trade in the neighborhood. A range of products could be designed in concert with and to support Seattle's vibrant restaurant trade and food truck owners. Rainier Beach has a unique opportunity to combine its urban farms and light industrial zone to become a hub of food delivery and food production.

There are several national and local models of multi-tenant food facilities that can be looked to as examples. These facilities provide kitchen space for small batch production, production space for food trucks, training space for culinary arts and hospitality, on-site retail space and even marketplace centers. A list of other models and resources is included as Appendix B.

POTENTIAL PARTNERS

Seattle Tilth and the Rainier Beach Urban Farm view the location of the TOD area as an opportunity to expand upon the programming at the Farm, which will ultimately be space constrained for further development of training facilities.

Office of Economic Development convened a food processors roundtable last year and determined that the biggest concern was the lack of affordable space as these businesses experienced growth. One participant was a brittle candy manufacturer who retrofitted his home in Rainier Beach to satisfy Department of Health requirements for preparation of food for sale, as this was the least expensive strategy for his production. Users like this will likely outgrow their "at home" facilities and require access to commercial kitchen space for their businesses.

The Emergency Feeding Program is looking for space and will need to relocate out of its current facility in Renton by April 2014. The organization needs approximately 12,000-15,000 sf, comprised of 3,200 sf for office and 10,000-12,000 sf of warehouse space.



The Rainier Valley Food Bank is looking for a new location where it can significantly expand their current offering to become a “Community Food Center.” The Center would include not just the food bank but also a commercial kitchen to provide catering, job opportunities, job training a teaching garden. Ideally the Food Bank is looking for a 15,000-20,000 square foot building to house the food facilities and the offices.

FareStart is quickly outgrowing its downtown location as it increases its institutional production output and has been contemplating other locations as part of the strategic planning for this growth.

Project Feast is a startup business focused on teaching catering skills to immigrant women. The program offers two tracks of training, 5-6 weeks each: 1) basics of catering and 2) teaching cooking classes. Once the training is complete, participants are qualified to get food handling permits and are hired to work the catering businesses. The Project is looking for permanent space closer to transit as transportation to the current commercial kitchen facilities used by the program has been one of the primary barriers to participation. The Rainier Beach TOD area would be an optimal site for the Project given the neighborhood demographics and the fact that most of the current participants live south of Seattle.

The Department of Immigrant and Refugee Affairs is focused on connecting the immigrant and refugee community to certificate programs, as the lack of proof of education or qualifications from their home country is one of the biggest barriers to employment. Programs at the Center could offer certificates for food handlers, food preservers, or nutrition. Outreach for the Center should bring in the elders of the immigrant communities, as these members often hold the knowledge base of ethnic recipes and food preparation techniques. There are many home day care services in the immigrant community who might benefit from a program focused on preparing healthy food for day care sites.

A group of consultants from Global to Local, Urban Food Link, and Bainbridge Graduate Institute have been working with the cities of Seatac and Tukwilla on the development of a Food Innovation Zone that can provide large scale institutional meal production capacity for a partnership with Lifelong AIDS Alliance and Swedish Medical. This facility would be focused on delivering nutritious meals suited to the specific medical needs of the partner groups, and on using food that is locally sourced from the neighboring agricultural communities. The work that has gone into this project can serve as a model for a complimentary facility in Rainier Beach.

CONSTRAINTS

The majority of the national models of these food centers are sited in existing space that had historically been utilized for food production of one sort or another. For example, the Bornstein & Pearl Food Production Small Business Center in Dorchester, MA is the redevelopment of a 2 acre meat factory that has been underutilized for years, and is being repositioned as part of an economic development strategy. There is no existing building stock of this nature in the TOD area, and the not-for-profit organizations identified as potential partners in Rainier Beach do not currently have the funding to build a new facility, so other locations may be seen as more appealing for the expansion plans of these partners if there is existing building stock that could be repurposed.



OPPORTUNITIES

The momentum and support around a vision of a multi-purpose Food Innovation Center is strong, and there is the potential to leverage greater resources if the partners can come together to pursue a common goal. A facility that combines commercial and training kitchen facilities, classroom space, office space, meeting areas, computer lab, and community gathering space would benefit the partners, the users and the Rainier Beach community at large. The kitchen space would serve a food incubator program for catering or value-add food production, training space for culinary arts programs, and community cooking space for community members or not-for-profit agencies like the Food Bank. The educational spaces would be programmed by the Community College system or other post-secondary educational partners to provide classes in the technical aspects of food delivery, preparation, production and nutrition, ESL and business skills classes, and other post-secondary degree offerings. Services agencies supporting immigrant services, resume writing, job skills, small business development, and child care would be co-located in order to provide a comprehensive program offering at the site.

Crop Circle Kitchen out of Boston, MA has a kitchen incubator model that features many of the aspects that might be replicated in the Rainier Beach facility. The incubator operates on a member model – but member businesses have to apply and be accepted (it hosts about 40 businesses at a time.) The facility receives 3-5 applications and turns 1-4 new companies a month. The businesses member fees cover the facility operating costs, and the technical assistance, which is critical to the success of the facility, is paid for through foundation grants. Crop Circle Kitchen is the operator of the facility but the facility is owned by the Dorchester Economic Development Corporation. Crop Circle Kitchen has begun offering consulting services to assist others in setting up incubator models, which might be accessed to support a venture in Rainier Beach.

NEXT STEPS FOR A FOOD INNOVATION CENTER

A host of factors must come together to execute on a Food Innovation Center strategy. Partners need to meet to determine if working together is viable, and to organize an operating framework in which to own and manage the facility. The partners need to develop a business plan appropriate to the Center and its offerings that outlines a sustainable revenue stream, whether through a membership incubator model, sale of food product, catering services, educational offerings, or commissary kitchen rental or a combination of all these option. These partners will need to program the space to determine the total space required and develop a concept plan and development budget. A site that can support this plan must be identified and then acquired. This will require a financing strategy that can support the construction of the Center but which works with the revenue model developed so that the project can support lease or mortgage payments. Finally, the building must be constructed, opened and operated.

These many moving pieces will require dedicated project management resource – either by staff of the partner agencies or through solicitation of funding for this purpose. There are also student-consulting resources from the University of Washington Foster School of Business, Evans School of Public Affairs and Bainbridge Graduate Institute that can be leveraged to assist with further research and business plan development. Following is a preliminary outline to support the pursuit of this strategy.



PARTNERSHIP ARRANGEMENTS

A number of potential community and non-profit partners have been identified, but these partners need to be convened to further develop the vision, establish the space needs and outline the operating partnership arrangements.

Preliminary partners include:

- Rainier Beach Urban Farm, Seattle Tilth, Rainier Valley Food Bank, Emergency Feeding Program, FareStart, and Project Feast all who have current needs and/or strategies for expansion that are consistent with the vision of this facility.
- SEED has expressed willingness to be the sponsor / owner of the facility, and would assist in investigating site acquisition opportunities.
- Both Rainier Beach Moving Forward and Rainier Valley Chamber of Commerce will harness community support for the vision
- South Seattle Community College and Renton Technical College both have Culinary programs that might participate in the facility
- If the work to develop an Opportunity Center in South Seattle could be merged with this vision, then ultimately there is the potential to create several buildings or even a campus that provides a broader array of educational opportunities.
- Bainbridge Graduate Institute and Urban Food Link can provide an existing knowledge base and research support for food production and aggregation facilities, and the use of food hubs for economic development.

SPACE PROGRAM

VIA Architecture, under contract with DPD, has worked with these partners to develop preliminary concept plans that frame the facility program, determine the footprint requirements, and address access and logistics issues so that the most appropriate sites can be identified.

A preliminary program concept includes:

- One or more commercial kitchens functioning as a commissary, serving the food trucks or other revenue producing food production activity
- An incubator kitchen and separate teaching kitchens –for shared use by the community colleges, groups like Project Feast, community gatherings, incubator space, and small scale food production.
- Several classrooms for use by Seattle Community College, Renton Technical College or other programs willing to do training.
- A computer lab, for resume writing, computer skills classes
- Drop in child care room.
- Office space and meeting rooms for affiliated program organizations that need space at the Center.
- Large community gathering area.

FINANCING STRATEGIES

Since the TOD area does not have a depth of existing building stock that would be appropriate to house a Food Innovation Center, if this vision is to move forward, it more than likely requires new construction. Several sites around the station have been identified as potential locations to retrofit or



develop the facility, but site control is required. Financing is required to purchase the site, fund predevelopment, fund construction, and likely to support start up of the facility. The ultimate goal of the Center would be to become self-sustainable, based on the revenue stream from the programs at the Center and the food products and services offered by the Center. However, the initial development of the center will require a mix of equity, grants, donations, financing and incentives. Many of the not-for-profit partners can engage in capital campaigns to raise a portion of these funds, but deeper sources will be required to supplement these campaigns. Some possible strategies and sources include:

Potential Public Sector Sources

- Participation in applications for federal funds such as the next round of Choice Neighborhoods Funding and Promise Zones.
- New Markets Tax Credits (“NMTC”): The TOD area is in a qualified area to receive NMTC, and could be viable if the scale of funding is large enough to justify the fees associated with a NMTC transaction. The success of a NMTC financing relies on the other funds that can be leveraged through the structure, so the combination of NMTC with some of the other identified financing sources, and a likely capital campaign increases the feasibility for making NMTC work from an economic standpoint.
- EB5: The EB5 program is designed to use immigrant investor capital to promote economic growth by pooling capital into a project that creates employment for 10 U.S. workers for each \$1 million invested. Projects are typically structured so that foreign nationals take an equity stake or provide a loan at relatively low borrowing costs since the goal for the investor is receipt of a green card, not market returns. The investor pools are organized by Regional Centers in each state, certified by US Citizenship and Immigration Services. There are multiple Regional Centers that serve the Seattle area. EB5 financing has been recently used to finance a year round indoor market and food hub in Everett, so the Center concept is also likely to be eligible.
- The Community Cornerstones Equitable Transit-Oriented Development Loan Program can provide short term financing for land acquisition for the development of commercial uses at the light rail stations.
- The US Department of Agriculture has Farm to School program that offers \$5 million in annual grants to help schools start and develop programs to improve the quality and nutritional value of the food in school cafeterias. This funding might be accessed in some way if there were appropriate partnerships developed with the schools in Rainier Beach. USDA previously had funding for Food Hubs, so there could be other federal resources from this agency in the future if these funds were reinstated.
- The Department of Immigrant and Refugee Services can provide support to small businesses and to training programs through the Seattle JOBS initiative and Washington CASH programs.
- Property tax incentives, infrastructure development incentives, fee waivers, and permitting benefits could be applied to the site.

Potential Private Sources

- If the incubator kitchen is conceived as a facility for startups in the food industry, there is an opportunity to access venture capital, similar to other incubator accelerator models. Funds invest money in the incubator or accelerator facility, in return for a share of the businesses that come out of the facility. In this model, a structure could be developed where the Fund paid for



the technical assistance provided at the facility, rather than relying on foundation or donor support to provide the educational and staffing support.

- Crowdfunding: Match Capital Ventures in Durham/Raleigh, NC has created a new crowdfunding business incubator model that provides entrepreneurs the opportunity to crowdsource funds for their own project, while participating in an incubator setting. Match Capital has a kitchen incubator that could be used as a model.
- Capital campaigns, either collectively for the building or hosted separately by each of the proposed tenants, will likely be a factor in any new construction project.
- For the revenue generating portions of the facility, like the commissary kitchen, which will have an income stream from the rental revenue, community development funders or certain banks might provide low interest loans against these revenue streams.
- Michael Brown at the Seattle Foundation has been the lead for a workforce development project for Yesler Terrace residents that included a partnership with Seattle Central Community College to provide ESL classes as part of the workforce development program; given the similarities to the Food Innovation Center concept, the Foundation could be approached about providing funding, along with other foundation and private funders.

While much further study is required to determine if a viable business plan can be developed and a development strategy can be financed, the Food Innovation Center has all the qualities necessary to become a catalytic project in the TOD area. The Center is a sampling of the ultimate uses in the area. By providing a community resource that trains skilled workers and incubates new small businesses, the goal is to entice additional food related development in the area that can benefit from the proximity to the Center. As businesses outgrow the facility, there is opportunity for them to locate nearby. Increased educational demand could support the development of more classroom space. Other partner agencies may wish to locate in the TOD area to garner the benefits the shared facilities and intellectual resources. All these activities support the overall goal that the TOD area is a place where employment, education and entrepreneurship come together to not only grow the local economy of Rainier Beach but also enable the neighborhood to become a contributor to the city and regional economy.



APPENDIX A: LIST OF STUDY CONTACTS

Alexa Arena	Forest City
Alice Davis	Community Capital Development
Andrea Dwyer	Seattle Tilth
Andres Mantilla	Seattle Office of Economic Development
Andy Higgins	Department of Planning & Development, City of Seattle
Andy Waxman	Dorchester Bay Economic Development Co
Bob Glatt	South Seattle Culinary Arts Dept.
Branden Born	Puget Sound Food Policy Council
Charlie Cunniff	Seattle Office of Economic Development
Dave Gering	Manufacturing & Industrial Council
David Sauvion	Rainier Beach Moving Forward
Diana Vergis Vinh	Rainer Valley Eats!
Diane Skwiercz	Street Treats
Donna Miller-Parker	South Seattle Community College
Doug Medbury	Renton Technical College
Elsa Croonquist	South Seattle Community College
Gary Oertli	South Seattle Community College
Glenn Turner	Emergency Feeding Program
Gregory Davis	Rainier Beach Moving Forward
Harry Hoffman	Friends of the RB Urban Farm
Holly Moore	South Seattle Community College
Jason Goodman	Third Ward
JD Kemp	Crop Circle Kitchen
John Forsyth	Seattle Housing Authority
Judith Olsen	Impact Capital
Kara Martin	UrbanFood Link
Kate Sofis	SF Made
Kathryn Gardow	Gardow Consulting
Kim Thomas	Catalyst Kitchens
Lance Matteson	SouthEast Effective Development
Lance Randall	Seattle Office of Economic Development
Leno Rose-Avila	Immigrant & Refugee Services
Maia and Daimian Lix	Penniless Projects
Mandy Le	General Assembly
Mark Ward	UrbanAdd
Marvin Linville	National Institute for Automotive Service Excellence
Mary Davison	Seattle Public Schools - Skills Center



Matt Gurney	Fare Start
Matthew Houghton	Seattle Office of Economic Development
Miguel McKelvey	WeWork
Mike Skinner	Bainbridge Graduate Institute
Mohamud Yussuf	Washington CASH
Myrna Muto	Seattle Public Schools Skills Center
Nancy Ahern	Seattle Public Utilities
Nevin Cohen	The New School
Patrice Thomas	Rainier Beach Moving Forward/SEED
Paul Haas	Seattle Tilth
Peggy Moe	Renton Technical College
Rebecca Saldaña	Puget Sound Sage
Ric Cochrane	SEED Collaborative
Rich Nafziger	Seattle Community College District
Robert Gary	Seattle Public Schools Skills Center
Robert Mohn	Columbia City Business Association
Roque Deherrera	Seattle Office of Economic Development
Roz Edison	Marination
Sam Osborne	Rainier Valley Food Bank
Sarah Delmar	Cambridge Innovation Center Partners
Scott Page	Interface Studio
Sharon Lerman	Seattle Office of Sustainability and Environment
Shep Siegel	Project Lead the Way
Steve Gerritson	Economic Development Co of Seattle and King Co.
Susan Crane	SkillUp Washington
Susan Davis	Rainier Valley Chamber of Commerce
Tammy Morales	UrbanFood Link
Tom Byers	Cedar River Group
Veena Prasad	Project Feast
Vicki Orrico	Orrico Consulting



APPENDIX B: MODELS AND RESOURCES FOR THE FOOD INNOVATION CENTER

PROJECTS

- Crop Circle Kitchen <http://www.cropcirclekitchen.org>
- Hotbread Kitchens <http://hotbreadkitchen.org>
- La Cocina <http://www.lacocinasf.org/about-la-cocina/>
- Greyston Bakery <http://www.greystonbakery.com/>
- The Stop <http://thestop.org/mission>
- Oregon Food Bank <http://www.oregonfoodbank.org/News/News-Releases/Articles/Oregon-Food-Bank-wins-national-award-for-innovation-in-food-banking?c=130262650448406397>
- Redwood Food Bank http://www.refb.org/html/simply_supper.html
- Intervale <http://www.intervale.org/what-we-do/intervale-food-hub/> (farm food aggregator and processing)
- 21 Acres <http://21acres.org/>
- Eataly <http://www.eataly.com/>
- Eastern Market in Detroit <http://www.detroiteasternmarket.com>

PROGRAMS

- Community Food Centres Canada http://www.cfccanada.ca/mission_vision
- Catalyst Kitchens www.catalystkitchens.org
- USDA website for Food Hubs <http://www.ams.usda.gov/AMSV1.0/foodhubs>

REPORTS

- Northwest Michigan Council Of Governments Report <http://nwm.org/planning/planning-policy/food-systems-and-food-innovation-districts/>
- ESI Shared Kitchens Report http://www.econsultsolutions.com/wp-content/uploads/2013/08/ESI-SharedKitchenReport_2013.pdf

OTHER RESOURCES

- Portland State University: Food Industry Leadership Center at the Center for Retail Leadership - focused on product development, recipe testing, packaging, nutritional testing, etc. <http://www.pdx.edu/retail-leadership/the-center-for-retail-leadership>
- Match Capital Ventures Kitchen Incubator <http://www.matchcapital.vc/kitchen-incubator/>