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Developers work together to build a neighborhood at 12th & Madison

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Rendering courtesy GTS Development

Ted Schroth will renovate the Trace Building, at Madison and 12th, with retail and four floors of condos. A new structure to the north will have 100 apartments and retail.

On the east side of 12th Avenue on Capitol Hill, Ted Schroth is gearing up for a $30 million residential/retail project.

On the west side of the street, Liz Dunn has begun converting property she owns into a $10 million residential/retail project. She expects the bulk of her project to begin taking shape later this year.

It may look like a classic contest between rival developers racing to get started while vying for the most alluring, revenue-producing tenants, but it's not. Dunn and Schroth are working together to build a neighborhood on Capitol Hill.

They've hired the same retail consultant, Maestri Design, and the same retail leasing agent, Laura Miller of Windermere Commercial. If you go to one project's Web site (12thandmadison.com), you're automatically directed to the other (www.12thandpike.com).

Today the stretch of 12th between East Pike and Madison streets is fairly non-descript. The addition of Retrofit Home and its colorful storefront has jazzed things up, but generally speaking 12th is a busy arterial where speeding cars are king.

Dunn and Schroth have a very different vision for their block. They see two similar but distinct projects tied together by street lighting, bicycle racks, trees and artwork.

"Ted and I are going to do whatever we can to get pedestrians to feel like they own this block," says

Dunn, a former Microsoft employee who now heads the development company Dunn & Hobbes LLC.

Schroth

Dunn

While merchants in the nearby Broadway district struggle to bring shoppers and life back to their sidewalks, Schroth and Dunn have a plan in place. It starts with retail, which Dunn says "is a big deal for both of our projects."

They're taking a page out of the playbook of one of the Puget Sound region's most prominent developers: Kemper Freeman Jr. Several years ago when his Kemper Development acquired the stalled Lincoln Square, a 1.4-million-square-foot project in downtown Bellevue, Freeman made several changes, starting with the retail.

The previous developer treated Lincoln Square as two high-rises, with the retail as an afterthought, according to Freeman. "(That's) backwards. Retail is the catalyst."

It's something Dunn and Schroth have known all along.

"We're trying to brand our project with retail," says Schroth, manager of GTS Development, which has done mostly multi-family, as well as office/retail projects.

Retail is what brings residents to a neighborhood, Dunn says.

She and Schroth scored a coup when they landed Maestri Design, a nationally known retail consulting company. Maestri President Paula Rees agreed to take the assignment even though it's smaller than what her firm typically does.

Two factors motivated Rees. First, she likes the developers. "Both of them are super charming and super energetic," she says.

Second, the project is between her home in Washington Park and her downtown office. Rees says she wants to occasionally be diverted off her normal path "and be charmed on my way home. I think this block is an obvious opportunity."

The trick to creating charm is "making a really dynamic retail base so the housing is delighted to be above it," Rees says. The developers will need to remember

the pedestrian scale and make "every square inch matter."

Rendering courtesy Dunn & Hobbes LLC

Liz Dunn will turn the old Piston & Ring Building, shown above on the left, into retail. To the north, she plans 24 loft apartments above retail.

Once Dunn and Schroth realized their similar approaches, they decided to interview leasing agents together. They picked Miller, who at first was surprised by the cooperation. "It is a unique situation in that regard, but I have to say that in all of the conversations we've had there's reasoning behind it.

"They are trying to create more of a neighborhood versus two separate projects," Miller says. "They really see it as a collaboration and a shared common vision."

Their goal is to create a mix of day and nighttime tenants. They want to draw local or regional stores, not national chains, to create a neighborhood feel similar to Portland's Pearl District, according to Miller. The price points, the looks and the timing of both projects are different, she says, which means they can collaborate without competing.

Schroth's project is at 12th and Madison. He will renovate the Trace Building, a turn-of-the-century post-and-beam warehouse at a busy six-point intersection where East Union Street meets Madison and 12th. On the first floor will be nearly 10,000 square feet of retail with 21-foot ceilings. GTS Development will convert the next two floors into 24 condos and add two floors with another 18 condos.

North of the Trace Building will be a new structure with 100 apartments above 7,500 square feet of retail that will wrap around a courtyard. Johnson Architecture & Planning designed it to complement the neighborhood's loft-warehouse style. Johnson also designed the Trace renovation.

"The goal is to fit the vernacular of the neighborhood without trying to mimic it," says Schroth. He hopes to begin work on the Trace in September and on the new building several months later.

Dunn, meanwhile, will turn the old Piston & Ring Building across the street into almost 7,000 square feet of retail. A neighborhood Italian restaurant, which she wouldn't name, will lease 6,000 square feet. While the building faces east, a key component is a massive west window wall above 4,000 square feet of retail and an outdoor space that eventually will provide a pathway between 11th and 12th avenues.

Due north of the Piston & Ring, she plans to build 24 double high loft apartments above another 10,000 square feet of retail. Dunn, who has hired Seattle architect Ed Weinstein, to design the project, says it will be a "pretty edgy contemporary building."

Initially, the units will be for rent, but the construction will be condo quality so the units can be converted.

Dunn plans to begin the Piston & Ring renovation in September and construction of the new building in January.

Neither developer has selected a contractor, but they say they think they'll use the same one: Compass General Construction.

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