



September 22, 2017

Nicole Floyd, AICP, Senior Planner
City of Olympia
Community Planning & Development
PO Box 1967
Olympia, WA 98507-1967

RE: Views on 5th
Response to Substantive Review Comments
Viability of Live/Work Spaces

Ms. Floyd;

The purpose of this letter is to address the need for live/work spaces in Downtown Olympia, specifically as that need relates to the proposed development of live/work units at Views on 5th.

My company, Prime Locations, manages over one million square feet of commercial property and more than 1,400 apartment units in Thurston and the surrounding counties. We also sell, lease, own and develop commercial and multi-family property throughout the region.

Furthermore, as you likely know, we have been managing 123 4th Apartments since they opened. Seeing as 123 4th Apartments are really the only comparable property to what's being proposed at Views on 5th, I feel we understand the market demand for this type of product in Olympia as well as anyone.

Additionally, we deal with residents and tenants every day who are telling us what they want and what they wish they had access to in our area.

With that being said, I believe Views on 5th will be a fantastic development for the city and the community at large. As has been proven, our community does have adequate demand for downtown living in a true mixed-use, urban environment.

At the same time, we still need more people living downtown (as well as a few other things) before we are going to attract the type of companies and industry that's necessary to truly have that "urban" environment so many of our citizens want.

When you look at 123 4th Apartments, you can see exactly what I mean. The developer has yet to lease out a single space other than the restaurant, which the developer is a part of. Why is that? The rent in these type of buildings is higher than current downtown businesses can afford to pay. Why is that? Because we don't have enough people in downtown daily to spend money in those businesses, thus making it worthwhile for them to move into a nicer, newer building.

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So, what do we do in the meantime? Instead of having several empty ground floors of new buildings, which emboldens certain residents in our area to point out that the “urban” lifestyle is a fad (which it’s not), we should have some type of transitional use that allows for us to fill the ground floors in a way that, when there are enough people downtown and businesses do want to move into nicer, newer buildings, we have places for them to go.

I can’t think of a better way to do this than a live/work concept. Many people don’t realize that 76% of businesses in the United States are still home-based. What better way to introduce new businesses to downtown than to allow them to run their company from a beautiful storefront, meanwhile, living upstairs? If the businesses are successful, some of the tenants may have their business take over the entire space and then move into an apartment in the main building or somewhere else in downtown.

This kills multiple birds with one stone.

Most of the people who would lease these already want to have an apartment in downtown and are already going to pay rent to the tune of \$1,500-3,000. If they can pay the same, or a little more and be able to run their company from there, that’s a huge bonus.

We have such a diverse small business community in our area and many of them have inquired about live/work locations and we simply don’t have any. That’s a shame. Just about every budding urban core offers live/work spaces and almost without exception, they’ve been a hit. I believe this type of use will go a long way in supporting the entrepreneurial culture, the arts culture and the small business community as a whole in Olympia. I strongly support and encourage you to accept the proposed use for these units at Views on 5th.

If we want downtown to continue its revitalization, we need to ensure that developers who build new buildings and renovate old ones can fill them. This is a very innovative way to do just that.

We also need businesses to start, move and thrive in downtown and again, this helps to accomplish that.

This concept also helps to build the vibrant community of residents in the downtown core we all want.

Lastly, when the people who make up our community see what’s truly possible in Downtown Olympia, they get excited. I can’t tell you how many people have come to Prime Locations in person, on the phone or via the web just to tell us how happy they are to see what 123 4th Apartments and Walker John’s projects have done for our city. Views on 5th will, in my opinion, continue to embolden and excite the majority of our citizens who are supportive of a clean, vibrant, diverse, fun and safe Downtown Olympia.

Sincerely,



Zach Kosturos
President
Prime Locations, Inc.