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## Historic Hotel or Affordable Housing?

*Tough economy shines  
realistic light on Winthrop  
development plan*

*Posted online Tues., Aug. 4*

**Article and Photo By Todd Matthews, Editor**

A tough economy and an urgency to address decades of deferred maintenance have forced a key question to be answered as it relates to the renovation of the Winthrop building downtown: *Is City Hall ready to give up its hope for a buyer interested in turning it into a four-star historic hotel?*

That question was presented Monday during Tacoma City Council's Neighborhoods and Housing Committee meeting. For many years, different developers have looked at the 12-story, 84-year old building located at the corner of Ninth and Commerce -- which provides low-income and affordable housing to nearly 200 residents -- to see if it could be purchased, its tenants re-located, and restored as an historic hotel. It was a plan supported by several members on City Council, including Tacoma Mayor Bill Baarsma.

In late-May, however, the *Index* was the first to report Tacoma-based Prium Companies, which purchased the building for \$7 million in 2007 with the intent of an historic hotel renovation, asked Tacoma Housing Authority (THA) if it is interested in purchasing the Winthrop ( [i.feedtacoma.com/TDI-Reporters-Notebook/winthrop-saga-continues-tha-weighs/](http://i.feedtacoma.com/TDI-Reporters-Notebook/winthrop-saga-continues-tha-weighs/) and [tacomadailyindex.com/portals-code/list.cgi?paper=88&cat=23&id=1559284&more=0](http://tacomadailyindex.com/portals-code/list.cgi?paper=88&cat=23&id=1559284&more=0) ). Since then, THA has taken a long look at the building, according to THA executive director Michael Mirra. But it has yet to make an offer on the property.

During this week's meeting, Mirra made clear that if THA purchased the building, it would not move in the hotel development direction. Also, because the City of Tacoma has invested \$2 million in the Winthrop through an Urban Development Action Grant -- and THA would need the city's help in order to complete any purchase -- Mirra was looking for some indication the city was amenable to this change of course.

"We're not interested in turning it into a hotel," said Mirra. "We don't know how to do that and it's not in our mission."

If THA does purchase the Winthrop, it would pursue the following development plan:

-- Address decades of deferred maintenance by fixing up the building and completing an historic renovation of the exterior. Mirra estimates the

building needs tens of millions of dollars in deferred maintenance and rehabilitation "or at some point the pigeons will move in."

-- Convert the building into a mixed-use property consisting of low-income housing, market-rate housing, artists space, and commercial office and retail space;

-- Build a third tower that was originally slated for the building, but never completed;

-- Lease the ballroom for community events;

-- Partner with the city and others to complete the financing. One estimate puts the purchase and renovation between \$30 and \$40 million;

-- A possibility exists that THA could move some or all of its administrative operations from the Hilltop to a portion of the Winthrop's commercial space when it is completed. "It's a puzzle because we feel the Hilltop is the right place for us," said Mirra.

"What we want is some assurance that the city would want us to do this," said Mirra. "The city needs to clarify its wishes. We need a statement clear enough that you favor the mixed-use option and want THA to examine if we can pull it off."

If the development dream is still alive, however, THA will get out of the way.

"If someone can [turn it into a hotel], we're happy to step back," said Mirra. But he added that while people discuss and examine that option, the building falls further into disrepair. "Somewhere along in this discussion, that building will give us the schedule."

THA Board Chair Ken Miller echoed that remark.

"We've made it clear to other hotel developers that if they come forward at any time, we would be happy for them to buy us out," said Miller. "But the developers we have talked to have said it can't pencil out." In the meantime, he added, the building is "shedding chunks of masonry" and standing water was discovered last winter in the basement near the electrical box.

Some members of the Neighborhoods and Housing Committee appeared open to THA's plan.

"Having supported the hotel, I am now open to different uses," said Tacoma City Councilmember Jake Fey. "The worst thing that could happen is it continues as it is for the next five to 10 years and we



wind up losing the building because of its condition and the danger involved."

"Right now, the status quo is not acceptable," said Tacoma Mayor Bill Baarsma, referring to the building's state of disrepair.

"The building is in dire need of refurbishment," said Glenn Grigsby, a Winthrop resident for the past 15 years. "It may not be the grand slam idea with the hotel, but this will provide a good fresh start for that neck of the woods downtown. And who better to handle it than Tacoma Housing Authority?"

"You probably have the best player possible," said Connie Brown of the Tacoma-Pierce County Affordable Housing Consortium. "THA has a great track record. I'm relieved they are interested. They need to make some kind of decision soon."

Councilmember Walker also supported THA's plan. She asked Mirra if THA had "the fire in its belly" to tackle this development project.

"This would allow us to further explore what it would mean to be a helpful public development authority," said Mirra. "It would be transformational."