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Real Estate Buzz: City, port in a storm over Hanjin story

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To concoct something that will set people's hair on fire:

- take the visions of a big-name developer (preferably **Frank Stagen**);
- blend with inaccurate reporting by a newspaper giant (The New York Times works just fine);
- take cover.

Such a maelstrom began whirling Saturday in Seattle when the Times reported Mayor "**Gregory J. Nickels**" (note to New York: he's just Greg in these parts) is "battling" the Port of Seattle to close Terminal 37/46, a deep-water port, in a few years to make way for a mixed-use development that a group of developers, including Stagen, envisions.

Seattle officials have responded by concocting their own recipe for damage control. On Tuesday, port commissioners unanimously approved a statement that their "top priority" on the waterfront is to retain existing maritime customers, such as Hanjin, which leases T-37/46.

That's tough to do when developers have been shopping around their idea for a mega development on the waterfront. A year ago this month, **William Justen**, head of Samis Land Co., presented ideas that he, Stagen and other developers have for south downtown.

Instead of cargo cranes, T-37/46 would be home to 4,000 housing units, 1.3 million square feet of office space, and another 1.3-million-foot campus for a large user, such as the University of Washington. In the middle would be a park.

Justen's presentation was complete with renderings, which local newspapers published. "I think they (Hanjin) have been disturbed by the pictures they have seen in the newspaper," said Commissioner **Patricia**

Davis.

Then came the Times article. "That sort of sent shock waves" through the port, said Commission President **Paige Miller**.

Stagen, meanwhile, was pleased by the article. "When I read it Saturday, I said, 'Right on, your honor!'"

Trouble was the article was "wrong, wrong, wrong," says **Casey Corr**, a spokesman for Nickels.

The mayor fired off a letter to the newspaper Tuesday. "There is no 'battle' to close one of the city's port terminals," wrote Nickels, who noted the port and Hanjin have a lease he expects to see continue "for many years. The port may choose to develop the terminal for other purposes, I said, but that discussion is far in the future."

The uproar has not deterred the visionary Stagen, who as CEO of Nitze-Stagen & Co., has helped lead the development of such marquee Seattle projects as Starbucks Center and Union Station. He thinks Hanjin's operations could be moved to one of the port's two other main shipping terminals.

Stagen knows much is at stake. Hanjin's operations at T-37/46 directly support 1,366 jobs locally, according to the port. That's \$73.4 million annually in personal income and \$69.6 million in state and local tax revenue.

"I want to be very clear," Stagen says. "If we lost maritime commerce and jobs by consolidating from three terminals to two, then I think the naysayers really have a point."

If not, he thinks the waterfront site, with its mountain views, should be redeveloped. "It would be a fabulous place to live and play," he says. "It could be marvelous."