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Real Estate Buzz: Stagen takes the long view on T-46

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Real estate development and politics are like peanut butter and jelly. They're always getting mixed together. What's important to watch is what political arenas developers decide to enter.

Watch for Nitze-Stagen & Co. to get more active down at Pier 69, headquarters of the Port of Seattle.

Nitze-Stagen's motivation came earlier this month when port commissioners rebuffed its proposal for a massive redevelopment of Terminal 46. The terminal is currently home to the shipping company Hanjin, a key port customer. Some commissioners said redevelopment might one day occur at the terminal, but all of them said not to expect big changes any time soon.

It was a setback for Frank Stagen, the company's CEO. He is so passionate about his waterfront plan, which entails building a 7.4-million-square-foot neighborhood on the 89-acre terminal, that he made the pitch to the commission himself.

It seems a good bet the developer will work to elect a different slate of commissioners, but wait just a minute.

"We try to support people who believe fundamentally in the things we do: a better, more dense Seattle," Stagen says. Diving into the pool of port politics "is something we're looking at. We haven't made any decisions on that yet."

For now, Stagen plans to take a more general approach. He and his colleagues will do the traditional lobbying to encourage decision makers to increase density throughout the city's core.

"I believe the way to overcome many of our problems is to increase urban density much as they have in Vancouver, B.C.," says Stagen. "I will continue to speak out as will (developers) Greg Smith and William Justen and many others."

His secret: patience. Stagen has a lot of that. He points to Union Station, Nitze-Stagen's redevelopment south of downtown that now is home to Amazon.com and Vulcan Inc. He figures work started on that mega project in about 1983. "We finally completed all the entitlements in 1997."

But all the patience in the world might not be a match for forces that want to keep Seattle's waterfront a working one. You'd think it would take a huge shift to sever those cultural connections.

Stagen disagrees. "I'm not sure you have to wait for a sea change." He said several events could hasten T-46 redevelopment.

Closure of the Alaskan Way Viaduct for replacement or repair is one. "You are going to see a very different approach to the waterfront and what it should and should not be," the developer says.

Then there's the West Coast's shipping industry. "We don't really know what the big shippers are going to do over a period of time. That will have an effect," says Stagen, who emphasizes his company has never suggested closing down shipping activity on the city's waterfront. He contends there's plenty of room elsewhere at the port for Hanjin.

As Stagen waits he will work to create an environment where people start to really believe in increasing density. His hope is political momentum for higher density builds, sweeps across downtown and flows onto T-46.