

## The Delft Square Project

Lynden's Historic Business District has struggled economically for years. While there are a number of businesses that participate in the Downtown Business Association (DBA) by paying dues to support the marketing and flower program, there is a decided lack of coordination and accessibility. In 2008, the City of Lynden invested more than \$63,000 on a retail market analysis to provide detailed demographic information and identified market opportunities for the city in general and downtown specifically. The analysis also provided recommendations to the downtown for improvements and coordination. None of the recommendations were followed and in the following years, hours of operation shortened and businesses closed. Some merchants complain that the community doesn't support them and residents complain that the downtown doesn't provide the goods and services they want. Without intervention, the Historic Business District will continue to decline and the level of investment made by the City will decrease.

### **“Communify” Downtown**

This project began with Mayor Korthuis's visit to Sioux Center, Iowa in June 2010. He brought back with him the Articles of Incorporation and By-Laws of the Sioux Center Land Development Corporation (SCLD). This corporation was developed by members of the Sioux Center community to encourage the development of land and facilities for industrial growth, improving the availability of affordable housing and promoting new retail and office development. SCLD was originally funded by these community members investing in capital stock in the corporation. By issuing 1,000 shares worth \$100 each, the corporation raised \$100,000 to work with. To date the SCLD has worked with many businesses looking to locate in Sioux Center and provided them with leases and other options that allowed them to grow in the community, has constructed a medical clinic, attracted hotels and restaurants and developed a subdivision for affordable single family development. Why not create a similar entity to spur economic development within the City of Lynden?

Washington State law being *significantly* different than Iowa State law, the concept of creating a land development company that sold shares to raise money for development *and* was in partnership with the City of Lynden did not meet with approval from the City's legal counsel. With that in mind, more exploration of creative ways to re-develop the downtown core and create other development opportunities within the community was necessary.

During this period of exploration, the Mayor and Planning Director Harksell met Dr. Merle Jensen. Dr. Jensen is Assistant Dean for Sponsored Research and Associate Director of the Arizona Agricultural Experiment Station at the University of Arizona and Professor of Plant Science. He has been involved with numerous programs for research and development of new methods of food production, including serving as team leader to develop the agricultural systems for "The Land" at EPCOT, Walt Disney World. Dr. Jensen is also a Lynden native with a sincere desire to help the Lynden community reach its potential.

Dr. Jensen helped brainstorm different ideas for the downtown and encouraged the concept of creating a “factory experience” in the downtown with local agriculture. Based on the idea that locals and visitors alike enjoy frequenting those stores and businesses that make what they sell on site, the concept of working with local value added farm operations to create a marketplace for their products that would showcase their farms and products as well provide an efficient method for reaching customers was developed.

The group working on the ideas began to expand to include the Chamber of Commerce Executive Director Vis and Board President Starkenburg, Tim Faber, a Planning Commission member and architect, as well as the Mayor and Planning Director. The goal of this group was to “communitify” downtown. This means to reestablish the downtown as the center of the Lynden community in order to make the downtown attractive to residents and visitors alike and improve the economic situation for business and property owners. By achieving these goals, the city’s tax base is increased and the local economy is more diverse and healthy. More importantly, the downtown area would become a center of activity, a place for the community to visit regularly, not just on festival days.

In order to achieve these goals, the group identified the following elements necessary for a strong community core:

- Recreation for multiple age groups, especially those aged 10 to 16
- Increased dining options
- Transient Accommodations
- Connection to community’s agricultural roots

The development group expanded again to include Loren Terpstra and Charrice Dotinga, both who have significant experience in the hotel industry as well as being residents of Lynden. Council member Brent Lenssen and Eric Libolt also joined the group to share their interest in seeing downtown re-invigorated. In looking at the elements listed above, it was clear that many of those could be accommodated with the redevelopment of Delft Square. The next step was to determine how to incorporate those ideas in a format within the building to take advantage of the natural wood floors and beams and working around the many posts supporting the floors.

### **Project Description**

Concepts were designed and refined for a rock climbing wall that surrounded the elevator shaft, a movie theater, a small bowling alley and youth lounge area to illustrate opportunities for both public and private recreational opportunities. Other ideas for the area have included an arcade, laser tag, indoor playground equipment and a construction Lego area.

A third floor was added to the plans at the recommendation of Terpstra and Dotinga to create more room and make the development of a hotel property more attractive to private developers. For a hotel to be financially feasible, they felt a minimum of 40 rooms would be necessary.

In keeping with the history of the building and the community’s desire to hold on to its agricultural past, the main floor was designed to provide an opportunity for local value added agricultural products and local art works to be displayed and sold in a public market style. To allow as much natural light as possible into the building, the restaurant mezzanine was moved to the rear of the structure and the floor plan was designed to allow patrons of the restaurant to look out over the main floor and the public market area.

To accomplish the factory experience concept where customers and visitors could learn more about the agricultural industry, the idea of large screens projecting the food development process would be used. For example, videos showing cows on the farm, in the fields and in the milking parlor might transition to images demonstrating the process to make cheese or other dairy products. An artisan’s booth might show the creative process from raw materials to the finished product.

The concept for the public market area would include some anchor tenants with a more permanent shop or stall as well as an area that would allow for more moveable stalls or kiosks. This will provide flexibility for seasonal or periodic tenants.

**Will it Work?**

As the visioning group put together a development plan, it is also very important to determine whether the plan has economic viability. The Center for Economic Vitality (CEV) through Western Washington University was contacted to evaluate the different components of the plan.

*Entertainment*

The CEV found consumer expenditure information on the entertainment aspects of the building.

<b>Total Spending by residents within</b>			
	5 miles	10 miles	30 miles
Arcade/pinball/video	\$14,475	\$38,483	\$139,682
Admission to movies, theater, opera, ballet	\$4,545,133	\$12,512,865	\$44,809,592
Dining out	\$22,847,696	\$64,225,118	\$236,544,361

There are a number of smaller, art-house theater companies in Washington and Oregon that would fit with the size and scope of the space shown in the Delft Square model.

With 28% of Lynden's population being 19 years old and younger, the opportunity to capture a portion of this revenue within the City is very strong.

### *Dining*

As noted in the above table, Lynden likes to dine out. The information provided by the CEV notes that there is a sales leakage in specialty food service and places that serve alcohol. While a substantial amount of the spending noted above may already be taking place within the City, there is opportunity for bringing other dining opportunities into the downtown core to support the other uses included in the Delft Square Project.

### *Transient Accommodations*

When the Farmhouse Hotel at Homestead Farms was purchased by Vacation International, a significant gap opened within the community in terms of rooms and a revenue source for tourism promotion within the City. From weddings to rodeos and from business meetings to baseball tournaments, guests to the community are currently accommodated outside the City. In addition to the lost hotel/motel tax revenue, the City also loses the sales tax on dining and entertainment for those guests. In 2010, The Farmhouse ran an average annual occupancy rate of over 52%. The state tourism department noted that demand for hotel rooms has increased 5.9% from 2009 to 2010.

### **Making it Happen**

There is precedent for cities being involved in redevelopment activities in downtowns across the state. There are a number of avenues that allow a city to participate in redevelopment projects. The State of Washington allows municipalities to partner with private developers to create a project that includes a public benefit. While there are other models as well, the Delft Square group feels that the partnership model is the most logical. If the City Council concurs with the group, the following actions could be taken:

1. Enter into a purchase and sale agreement with the current property owner for all or part of the building. The sale would be contingent on finding appropriate development partners and appropriate funding sources.
2. Complete the cost estimates for the basic redevelopment of the building and a "menu" of options for Council and development partners to consider.
3. Develop a request for proposals for development partners for the upper floors and basement.
4. Initiate more detailed design for the ground floor market area.