

Saga of a fleeing factory

Gritty surroundings of Fishermen's Terminal taking on sleek new look

By STEVE WILHELM
STAFF WRITER

When during an August trip to Norway, Ed Ramberg read about city of Seattle plans to limit development on Seattle's industrial lands, he acted fast.

Within days he was on a flight back to Seattle. Within a month he had applied for permits to erect a sleek office building on Seattle's Salmon Bay, where his factory that builds marine cranes now stands.

Ramberg's situation, while extreme, reflects growing market pressure to convert Seattle industrial properties into higher-value commercial and retail activities. And it also illustrates an irony: The very tools the city is using to preserve industrial land, in this case a downzone, can catalyze just the kind of development the city is trying to prevent.

City planners were braced for a rush of last-minute applications before the City Council vote to limit commercial and office buildings in industrial areas, said Alan Justad, deputy director of Seattle's Department of Planning and Development. This, Justad said, is what usually happens in such cases.

"It proves the point that whether they did it in a hurry, or did it in three to four years, the pressure was against industrial and for commercial," he said. "We don't like losing the industrial jobs — that's why we went through this project, and continue to work on preserving industrial jobs."

The irony of becoming a commercial developer to save his industrial company isn't lost on Ramberg. But to him it was the only available strategy to keep making cranes, even if he has to move his operations outside Seattle.

"If I can't maximize the value and sell the property, I'd have to put the company up for sale," he said about his facility, just west of Fishermen's Terminal. "We're being squeezed out, boxed in. Right now, I'm the last Mohican left between Fishermen's Terminal and Ballard Locks."

Ramberg said he has been able to keep operating Hydra-Pro Inc. by creating a new driveway on the east side of his facility, but added that this took up space on his 47,104-square-foot site that he had planned to use for expansion.

He said his plan to move his company, with prospective sites from Seattle to as far south as Tacoma, could cost up to \$750,000, on top of the \$400,000 he's recently invested in his current 19,000 square feet of assembly space. The company is growing, he said, with a "very strong staff" and an order backlog of \$10 million.

Ramberg is naming the proposed 47,000-square-foot office building Cauquenes, after the region of Chile where his wife, Mireya, was born.



BUSINESS JOURNAL PHOTO/Dan Schlatter

IN THE MIDDLE: Ed Ramberg is switching from making marine cranes to developing an office building at his Hydra-Pro factory site at Seattle's Salmon Bay, where luxury boats now moor in a traditionally industrial area.

Back in 2004, Ramberg thought he was making a long-term investment when he bought his current property from Marco Seattle Inc., a venerable shipyard that for years built fishing vessels and tugboats used all over the Northwest. But the parent company closed the shipyard shortly after Ramberg moved in, and he soon found his truck access through the shipyard vanishing, along with the synergies of collaborating with the shipyard.

To the north, lining the shore of the waterway, was the just-completed Salmon Bay Marine Center, which bills itself as the "largest superyacht facility on the West Coast," and was developed by WestWater Development Inc. Most of the slips are for yachts from 100 to 260 feet. On a recent visit, the facility's 14 slips were adorned with the glistening white hulls of superyachts, each of them a world apart from the gritty setting of what had been Marco Shipyard.

Nearly all of the luxury marina's slips are already spoken for, and the company intends to develop four more to the west, said Brook Stabbert, WestWater vice president.

John Kane, chairman of the Ballard Interbay Northend Manufacturing & Industrial Center, an industry advocacy group, said that the development of the marine center, and the fact that several vessel repair companies are locating there, does help balance the fact that the industrial zoning is being lost.

"Certainly, it's a lot better having that there than if the Marco place was empty," he said.

Immediately west of Ramberg was developer Hiro Sato's first phase of his Salmon Bay Landing, which Sato conceived as an innovative "office condo" building featuring a shiny glass exterior and a flexible layout. That project is currently rising as a bare concrete structure, with the exterior glass and interior appointments yet to be installed.

Sato, who originally came to the United States in 1975 to buy logs for his father's sawmill in Japan, didn't expect the dramatic shifts in zoning laws when he sought approval for his phase one building in 2005.

He appreciated the potential of being close to Brook Stabbert's yacht marina, and sought out Stuart Silk Architects, of Seattle, to create an office structure classy enough to complement the marina.

The noisy, dirty realities of Hydra-Pro were something of an irritant, and Ramberg sometimes clashed with Sato and Stabbert.

"I have never been lectured at so much in my life, about blocking driveways and noise and potential pollution and manufacturing facilities," Ramberg said. "Basically, yachts and Class A office buildings, I don't think they can coexist with the industrial activities we have."

Sato had his own epiphany, also in the fall of 2007, when he read that the city was planning to downzone industrial property.

Sato said he quickly realized that his phase one building, now under construction, wouldn't be as marketable if he couldn't build a similar building to the west. He had already purchased the adjacent property, and asked Stuart Silk to accelerate the design and permitting process, in order to get vested before the City Council approved the rezone.

"It's a real problem for us. If I had known that, I would not have invested in the beginning," Sato said about the rezone, contending that the city should have done it on a three-year timeline so he could have factored that into his planning. "It's expensive, it's no fun, we're not too happy about it."

It was at that point that Ramberg and Sato joined forces, and asked Stuart Silk to get their proposals jointly permitted.

"It was very tough decisions to be made, and I didn't have that much time," said Ramberg, who figures he spent \$300,000 getting his proposed 47,000-square-foot office proposal vested. "We realized we both had a common goal to get to by a certain deadline, we realized it was necessary to cooperate to benefit both. Sometimes it's like politicians do; you may have some difference of opinions, but at the end of the day you can join together."

John Adams, a Stuart Silk associate architect, said the project was a challenge both aesthetically and in terms of deadlines.

He designed both of Sato's buildings, and Ramberg's, with a modernist aesthetic intended to complement the sleek lines and obvious wealth embodied in the adjacent yachts. All three buildings feature glass walls, primarily facing Salmon Bay. Adams used a "steely gray" glass intended to reflect the Northwest sky, and to some degree to echo the aesthetic of the former Marco Shipyard, the last building of which still looms over the site.

Adams said Ramberg's about-face was practical, and worked well.

"We had been talking to Mr. Ramberg for a long time, understanding his plight about what he would do with his facility," Adams said. "Once the die was cast, he didn't hold a grudge. If we did his and Mr. Sato's second building simultaneously, we could utilize the same permitting strategies, double up the team and get some efficiency, and try to get costs down."

The other thing Adams remembers is that he didn't have much personal time during the last months of 2007. Ramberg decided to fully join with Sato on Sept. 28, and Adams and his team drove hard to successfully file the permits by Nov. 30.

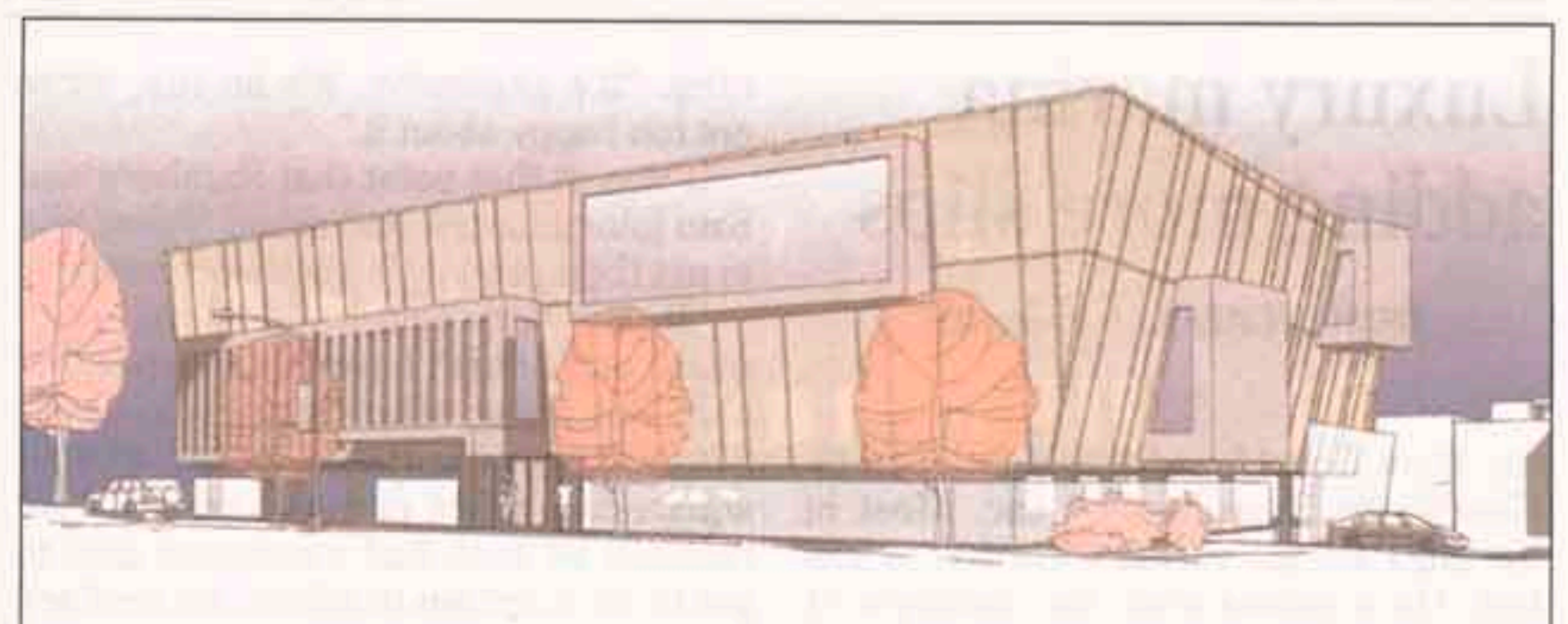
"Eight weeks was an incredibly ambitious schedule," Adams said. "It was a lot of weekends, a lot of late nights. We brought in a lot of extra contract staff as well, just to help us with the staffing."

The city downzone became effective Jan. 19.



STUART SILK ARCHITECTS RENDERING

WATERFRONT VIGIL: Salmon Bay Landing is joining a yacht marina in the formerly industrial area.



STUART SILK ARCHITECTS RENDERING

NEXT PHASE: On the drawing boards for the area near Fishermen's Terminal is Salmon Bay Landing West, a 55,000-square-foot office center slated for construction early next year.