

# Saratoga

commercial real estate

February 21, 2018

To: Members of the Homeless Strategies Workgroup  
From: Ken Reinschmidt, President, Saratoga Commercial Real Estate

I understand that you have heard from many of my neighbors on Champion Street regarding consideration of 211 Champion street as a low barrier shelter. Many of my neighbors have written thoughtful letters to you that summarize many good points as to why a low barrier homeless shelter at 211 Champion Street is not a good idea. I agree with all of them. Rather than write to you making the same points, I will share Saratoga's experience managing property, leasing property, and working with business tenants that surround this site. We also manage property in many locations downtown and work with the City on their properties and their efforts to improve the retail environment and lower the storefront vacancy rate downtown.

In 2005 I was interviewed by the local television station as a response to a series of newspaper articles focused on the problems downtown, more specifically all the vacancies and empty storefronts on Railroad Avenue. I was very optimistic because Saratoga was working with a property owner that was in the process completely renovating the Corner of Railroad and Champion. Saratoga was also in the middle of negotiating the sale of the Walton Beverage warehouses to The Bellingham Housing Authority. We were on the verge of re-vitalizing the north end of Railroad Avenue. I think we all know how things turned out. Looking back on it, my optimism was both prophetic and naive because at the time I totally underestimated the hard work and sacrifice that would be needed for many years along the way.

We received a very cold response once the renovation on Railroad Avenue was complete. It turned out beautifully, but it became the favorite place for homeless and vagrants to hang out, all day and all night. On numerous occasions other commercial real estate brokers called to let me know that they were canceling a property tour with their prospective tenant/clients because they were afraid to get out of the car. Over time we added high quality security cameras, worked diligently with Bellingham's Police Department (I cannot say enough about how helpful and caring our Police Department is), we removed attractive nuisances, and literally cleaned the sidewalks, alcoves, and alley every single day (I will not mention what we were mostly cleaning). Eventually we managed the issues and met a very brave young woman and her husband with a vision. Dianna and Luke DelGiorgio were our first business interest for the corner. The personal investment, sacrifice, and tenacity of Dianna and Luke Del Gorgio, and the building owners John and Janet Crews were significant. Caffé Adagio was born.

The work to manage this corner of downtown continues today. Working hard to keep the sidewalk clean and healthy is part of doing business downtown. Saratoga has repeated this exact process many times over the past 18 years with many businesses in this area. It has taken a long time and an unbelievable effort on the part of small businesses. A few of the success stories are; Bellingham Music, Running Shoes.com, Plum Hair salon, Dark Tower Games, The Local, Shake and Shine, Brownlie Evans Wolf and Lee Law, Whatcom Environmental, The Bellingham Housing Authority, and my firm, Saratoga Commercial Real Estate. We are all part of the urban village on Champion Street and we work hard to keep our streets and sidewalks clean and safe. Clean and safe sidewalks are necessary to keep our customers visiting and keep our employees working.

SARATOGA COMMERCIAL REAL ESTATE

228 E. Champion St. Suite 102 ~ P.O. Box 2794 ~ Bellingham, WA 98227

360.676.4866 ~ FAX 360.733.8008 ~ info@saratogacom.com ~ www.saratogacom.com

Placing a low barrier shelter for up to 200 homeless individuals at 211 Champion Street will bring an end to this vibrancy and will cause the exit of many of the businesses in this area. Based on my experience managing property and renewing tenant leases all over Whatcom County and more specifically, all over downtown, many of the businesses in this area will choose to move. Three businesses have already made this statement to me. Safety and Cleanliness were given as their primary concerns.

This statement is supported by my experience. The effort to improve Railroad lightened dramatically when the Rainbow Center moved because their location was torn down as part of the development of Walton Place, a mixed income apartment complex. The police department was responding to calls at the Rainbow Center five times per day. Dozens of homeless were sitting on curbs, doorsteps, in parking spaces and in alcoves before and after their visits to the Rainbow center. This all went away on the day the Rainbow Center moved. Today the Police Department are rarely called to respond to an incident on Champion Street. New businesses began to consider Champion Street as a place to do business. Can you imagine what the sidewalk will look like on Champion Street if 200 homeless are coming and going from a low barrier shelter?

Finally, I find it somewhat ironic that there is a task force that is working right now to improve the visitors experience to downtown in order to bolster retail and lower storefront vacancy. They are struggling with the very issues I have outlined.

I apologize for my somber message. Please do not mis-understand my approach. I love downtown and I am generally very optimistic. I absolutely relish working with businesses and helping them find a location downtown. I am in complete support of this City understanding and improving the problem of homelessness. I have seen data that shows that low barrier shelters are helpful in addressing many problems for homelessness. I am also completely appreciative of the time and effort you are all spending on this task force. You have undertaken important work. The decision on where to place a low barrier shelter is monumental and will be incredibly impactful. I have shared a small slice of my experiences here to demonstrate some of the impacts that concern me. No matter where this low barrier shelter is located there will be dramatic impact. Please take my concerns into account. Please take 211 Champion Street off the list and prevent a giant back-step for us here on Champion Street. Other sites on the list do not currently support a vibrant, mixed use, urban village, and I think the temporary low barrier shelter should be located on one of those sites while the City uses the approved "homeless tax dollars" toward more permanent and well managed housing in the future.

Sincerely,



Ken Reinschmidt

SARATOGA COMMERCIAL REAL ESTATE

228 E. Champion St. Suite 102 ~ P.O. Box 2794 ~ Bellingham, WA 98227

360.676.4866 ~ FAX 360.733.8008 ~ info@saratogacom.com ~ www.saratogacom.com