

Commercial Leasing Workshop

July 2024

PROVIDED BY | **Seattle RESTORED**

PRESENTED BY | Michelle Linden, Architect, Owner
George Maroussis, Designer, Senior Associate
ATELIER DROME architecture. interior design. branding.

Atelier Drome is a woman-owned design firm specializing in architecture, interior design and branding for residential, commercial, hospitality, and multi-family spaces.

Designed and permitted over 200 restaurants, bars, coffee shops, bakeries, retail spaces, exercise studios, salons, and more in Seattle.

OVERVIEW

Key Players

Considering A Space

- Zoning code vs building code
- Common code issues
- What to look for in a space

The Design Process (Overview)

Key Players

KEY PLAYERS

Owner / Landlord

- Person or company that owns the Building and is listing the space for rent / lease

Tenant

- You!

Owner's Agent / Listing Agent

- Real Estate Agent/Commercial Broker representing the Landlord
- Assists with negotiating and preparing the lease for the Landlord

Tenant's Real Estate Agent / Commercial Broker

- Represents you and assists with negotiating and preparing the lease
- Paid for by Landlord upon closing of transaction

Tenant's Real Estate Attorney

- Helps you to review the Lease to make sure it is fair for you

Architect / Designer

- Michelle and George
- Your Advocate to listen and translate your dream into a design that can be permitted and built
- Coordinates other consultants (engineers as required) and obtains permit approval

Builder / General Contractor

- Utilizes the Architect's drawings to build your space
- Responsible for coordinating many different sub-contractors (mechanical, electrical, plumbing, low-voltage, sprinklers, framing, drywall, etc.)

KEY PLAYERS (for some projects)

The Historic/Landmark Board (as appropriate)

- Reviews and approves any changes in use and any changes to the design of the building exterior

Seattle Office of Economic Development

- Assists small businesses with navigating the requirements and regulations
- Helps connect entrepreneurs to small business development resources

Other Organizations (such as Seattle Good Business Network, Alliance for Pioneer Square, Historic South Downtown, etc.)

- Helps connect you with property owners, managers and brokers
- Provides connections and referrals to small business assistance services

Business Lenders

- Craft3
- Business Impact NW
- Ventures
- SBA (Small Business Association)

A photograph of a bright, modern interior space, likely a home office or a boutique. The room features several light-colored wooden shelves mounted on a white wall. The shelves are filled with a variety of items, including potted plants, decorative vases, and small home goods. A large window on the left side of the frame provides natural light and a view of a modern building with a grid-like facade. In the foreground, there are several large, lush green plants in pots. The overall aesthetic is clean, organized, and inviting.

Considering a Space

Physical Properties of a Space

- Size of the space, ceiling heights
- Exposure, orientation
- Materials
- Surrounding Uses
- Deliveries
- Accessibility, entry point and restrooms
- Storage



Elm Coffee Roaster, just beginning construction

Building Code Life Safety & Code Compliance

Issues important for meeting code:

- Exits
- Sprinklers
- Fire rated assemblies
- Insulation (when changing the use)
- ADA accessibility



The Pastry Project, Pioneer Square

Both Zoning and Building Review Use of Space

- Existing use (i.e. restaurant, coffee shop, retail, etc.)
- Current permitted use (confirm building department records match existing conditions)
- Proposed use (confirm it is allowed in the zone)
- Occupant calculations (based on the size & use of your space, not how many seats you have)
- What must happen if change of use is necessary?
- Is Historic/Landmark District's Use Approval required?



Aesop, University Village



The Six, Ballard



Earl's Cuts & Styles, Central District

Permit Types / Definitions

Building Permit (BP)

- Building Permits include zoning code, building code, energy code items. In Seattle, this could be a full building permit review or an STFI. Trade permits (such as electrical, plumbing, and mechanical) are not typically included in the building permit and usually pulled by the general contractor or sub.

What is an STFI?

- Subject to Field Inspection - this is an over-the-counter building permit that is typically easier and faster to obtain. However, it has restrictions on what kinds of work it can include. A change of use can not be an STFI.

Health Plan Review

- Food and beverage businesses need a health review. This is reviewed by the County & must be approved prior to building permit approval.

Sidewalk Permit

- Some businesses will utilize the sidewalk area for cafe space, signage etc. These permits are obtained from SDOT separate from the building permit.

Liquor License, Childcare License, etc

- Specialty licenses are typically obtained by the business owner and must be obtained prior to opening.

What is the Zoning Code vs. Building Code

Zoning Code

- Tells you if you are allowed to have your type of business in that specific property
- Tells you if there are any special requirements for your building

1

Building Code

- Describes additional requirements there are in the building because of your type of business use. For example: If you want to have a bar in the same building as an office you may need to have separation.

2

What to look out for in the Zoning Code

Zoning Code

- Find out what zone you are in. Different zones allow for different uses. Just because a business nearby is similar, doesn't mean your use is allowed.
- Find out if you are in a historic district or along a designated pedestrian street. Along pedestrian streets and historic districts there are often requirements about how many windows vs solid wall you can have and how much of the space is dedicated to retail. Historic districts have an additional review process beyond the building permit.
- Confirm if there are any regulations for your use as far as adjacencies to other uses (ex, some zones limit how many of a specific use are allowed).
- Confirm with the building owner if there are any easements or restrictions on the property.

What to look out for in the Building Code

Building Code

- Find out what the last permitted use for the space was. The City will go off the last permitted use, not necessarily the current use of the space. This will dictate if you need to submit your permit as a change of use (incurring additional review times and work) or as an alteration.
- If you are changing the use:
 - confirm you have enough exits and more than 50% are ADA accessible
 - confirm what the adjacent uses are (do you need separation?)
 - confirm if there are shared bathrooms or if you need to construct them for your use
 - for restaurants, confirm if there is an existing grease shaft or route for a new exhaust
 - confirm if the current building is insulated or will need to be upgraded
 - if you are changing the use of the whole building, consider if seismic/insulation will need to be updated.

Other Requirements (separate from building permit)

Is there adequate supply or availability of:

- Electrical
- Gas
- Water
- Heating & Cooling (HVAC)
- Garbage
- Fire suppression / Alarm systems
- Shared Amenities (bathrooms, mop sinks, etc.)
- Signage
- ROW Use / Outdoor Seating

These items are not regulated by the building code and managed by other municipal codes and require separate permits

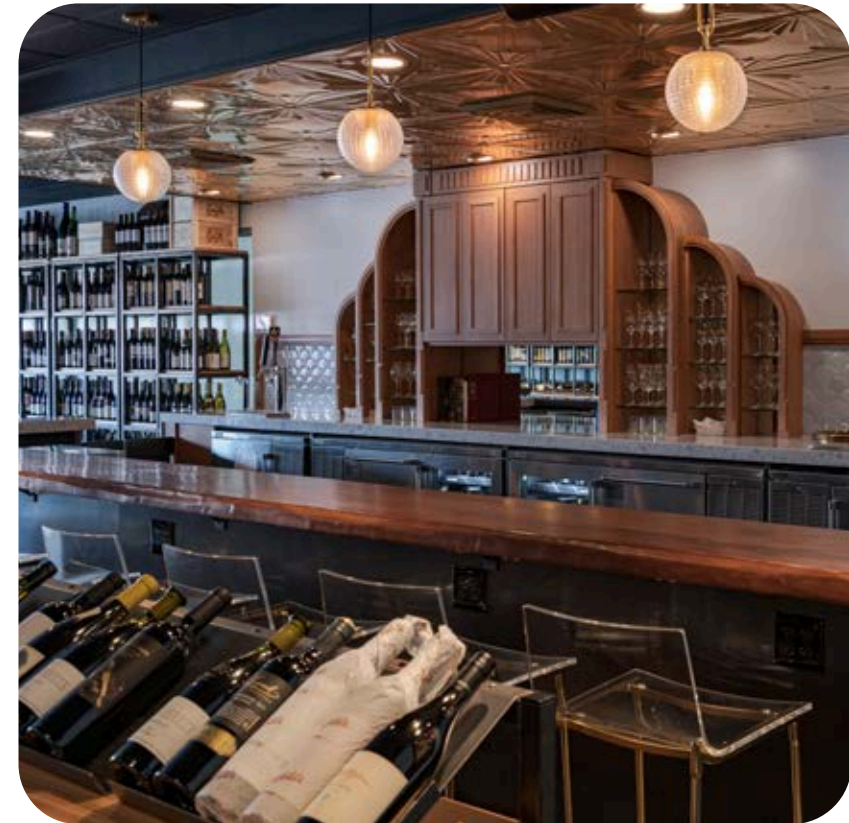


Lake Washington Physical Therapy, West Seattle

Options for finding a space

1. The easiest thing to do is to find a space that has the same use as what you plan for.

- For example, the space used to be a candle shop and you are a clothing shop. OR the space was a chiropractor's office and you are an acupuncturist.
- If you find a space that has the same use and it was permitted, the permit for the new space is typically straightforward, over the counter and doesn't typically require a lot of upgrades to the space.



Tacoma Wine Merchants (previously a Starbucks)

Options for finding a space

2. You find a space with a different use and need to change it.

- For example, the space used to be a storage warehouse and you want to turn it into a brewery. OR the space was a clothing shop and you want to turn it into a coffee shop.
- Change of use will always require a full building permit review. This means the space will be reviewed under the current code.
- Depending on the age of the building and the use you are proposing, you may need to make more significant upgrades. The City of Seattle will require a minimum of 20% of your budget to be spent on ADA upgrades. You may need to provide building separation, additional insulation, sprinklers, etc. These are often considered extensions of the viable use of the building (as they are permanent upgrades to the building) and therefore should be points of consideration in your lease negotiations.



Downtown Seattle Dentist (formerly an art gallery)

Options for finding a space

3. The first tenant in a new building, you'll ideally still want to try to find a space that was permitted for the same use, as then you can get a simple over-the-counter STFI permit. (STFI = Subject To Field Inspection)

However, if you submit for a change of use the additional upgrades that may be required are likely to be much less, as the building was likely built under a newer building code and should already have the required life safety components. Sometimes power/insulation may need to be updated based on the current codes. Additionally, if you are changing the use, they may not have planned for your required number or bathrooms, exits, or power needs.



South Lake Union Bouquet, first ground floor tenant

Pricing Considerations

- We recommend having a Builder provide preliminary pricing during pre-lease or schematic design (once you have your initial plan developed), so you know roughly how much the project might cost before going too far in the process.
- You need to find a Builder that is experienced in your space type. Experienced Builders are hard to find so locate them early and get on their schedule.

What construction costs typically include:

- Mechanical, Electrical and Plumbing systems and fixtures
- Kitchen hoods
- A “Construction Contingency” of between 10-15% (in case of unknown surprises during construction), reduces as design develops
- Builder’s Profit and Overhead (10-15% overhead min., 8-10% profit min., depending on the builder)
- Make sure the builder includes Washington State Sales Tax too!

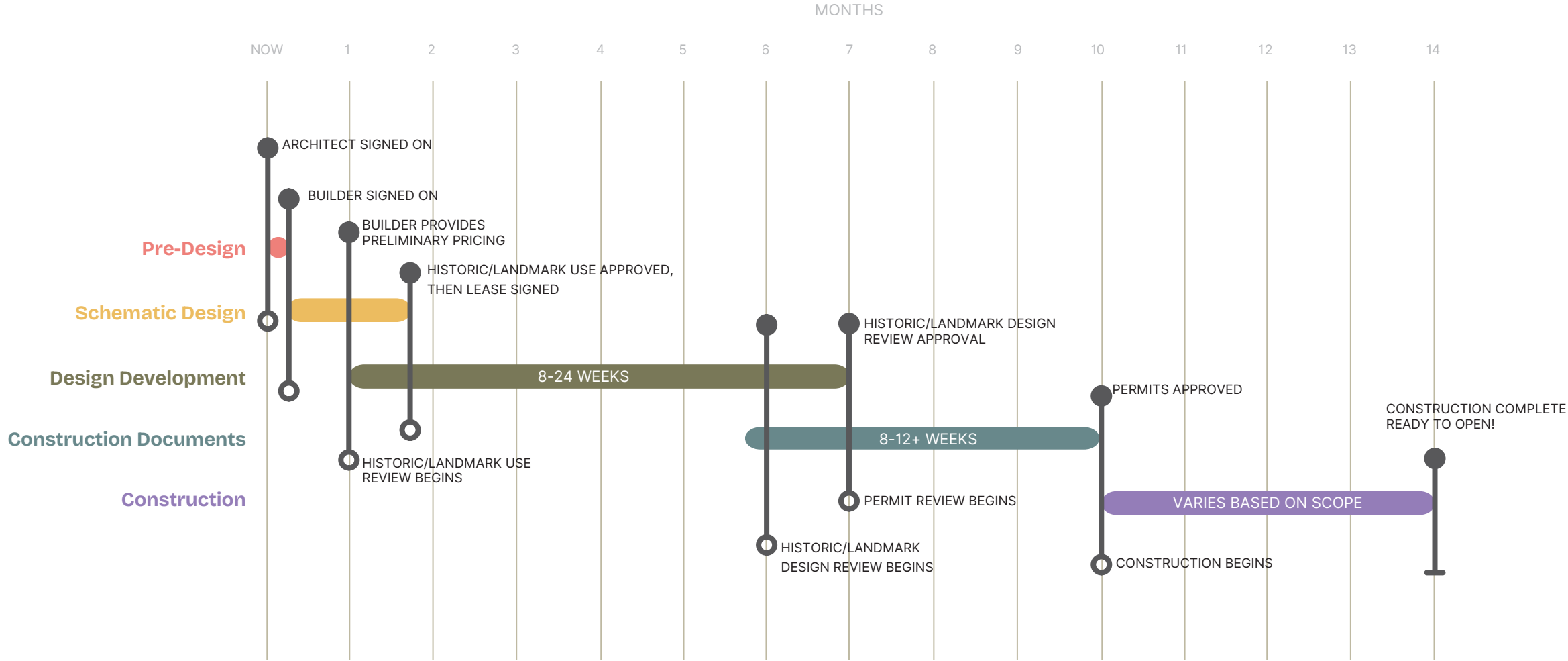
What construction costs typically do NOT include:

- Tables & chairs, other specialty retail furniture
- Kitchen and bar equipment (stoves, ovens, dishwashers, etc)
- Walk-in coolers
- Audio / video system
- Security system
- Real Estate Agent fees
- Architect / Design fees
- Permit and Approval fees
- Kitchen & bar equipment costs
- Furniture, silverware, plates, etc.



Phases of Design (overview)

The Pastry Project on opening day!



Pre-Design (Information Gathering)

Services

- Clarify tenant's project requirements
- Determine goals and objectives
- Prioritize wants vs. needs
- Research codes and regulations
- Document the site and existing structures

Typical Products

- Code Analysis
- As-built drawings
- Pre-submittal conference, if needed

Client Responsibilities

- Equipment schedule (for restaurants)
- Finishes, Fixtures, & Equipment (FF&E) needs. For example: pilates equipment sizing, dressing rooms, seat count, etc.

Result

- Research completed
- Historic/Landmark Board use approval received (as necessary)

Pre-Lease / Schematic Design

Services

- Begin space plan based on tenant's requirements
- Begin concept board
- Discuss materials and systems for early pricing
- Begin to develop the brand for your business
- Coordinate preliminary pricing from builder

Typical Products

- Pre-Lease space plan
- Concept board
- Preliminary pricing guidelines

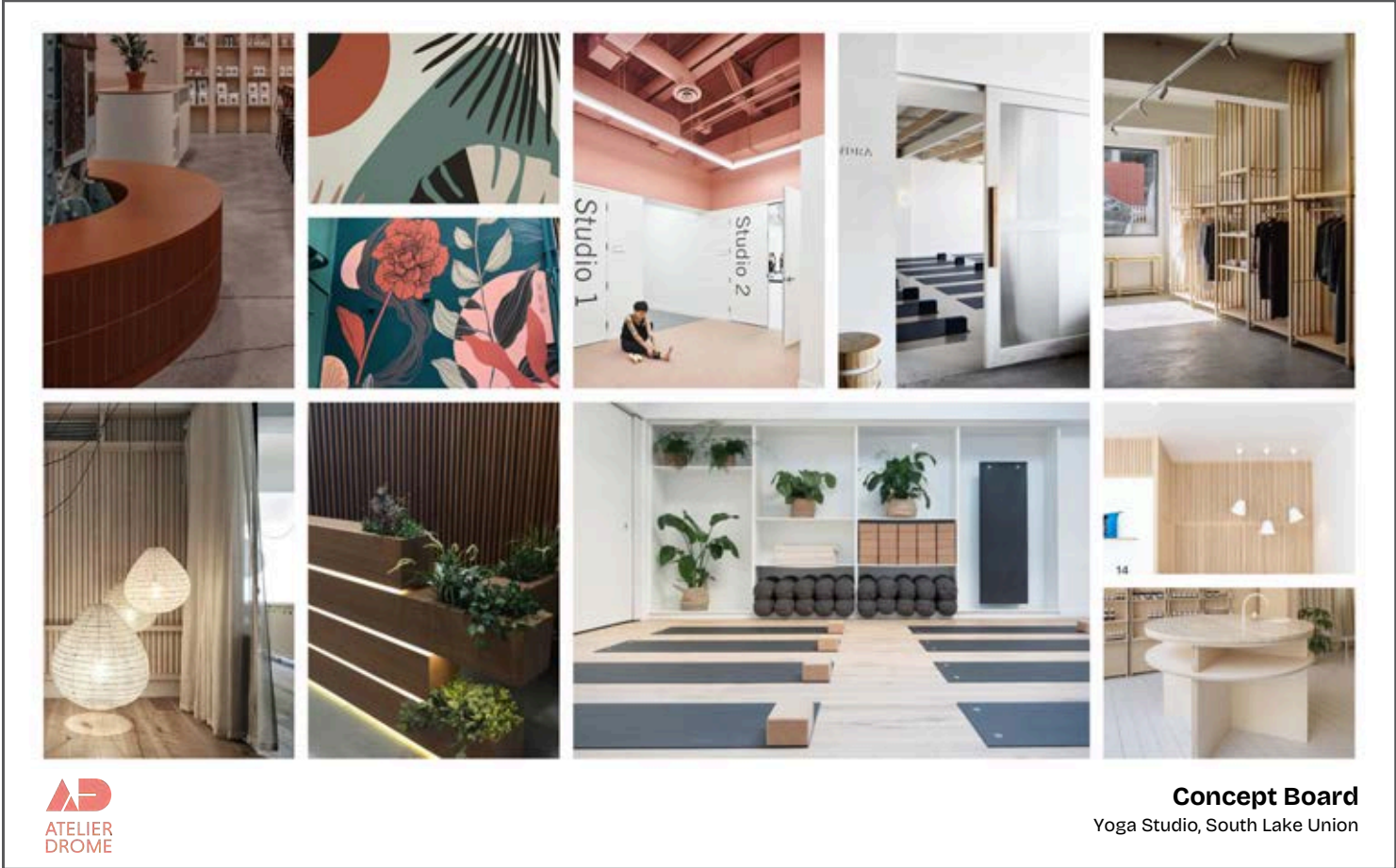
Client Responsibilities

- Design inspiration
- Timely feedback

Result

- Early design direction, including preliminary pricing from Builder - ideally before you've signed your lease!

Schematic Design



Design Development

Services

- Starts when lease is signed
- Design is refined with real dimensions, equipment locations and materials
- Coordinate consulting engineers, if needed (Structural, Mechanical, Electrical, Plumbing)
- Develop design into technical drawings and details suitable for obtaining your building permit (and health permit if necessary)

Typical Products

- Permit submittal drawings
- Approved permit drawing
- Revised concept board
- Outline specifications

Client Responsibilities

- Work with architect/designer to select contractor
- State licensing (ex. liquor, childcare, etc.)

Result

- Historic/Landmark Board design review approval (as necessary)
- Building and health permits issued
- Obtain more detailed pricing from Builder

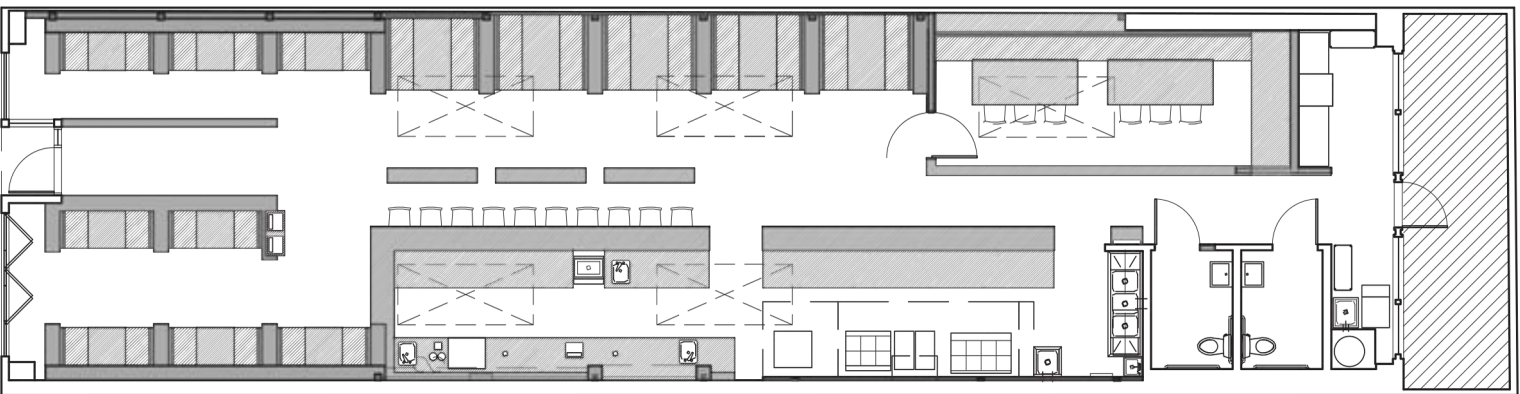
Design Development

kitchen equipment / appliance schedule (contractor to confirm quantities, models, and plumbing/elect requirements)								
#	quantity	description	manufacturer	model #	size (W x D x H)	btu/h ea.	amps ea.	notes
1	1	back bar cooler	continental	BBUC595-SGD	59" x 22-3/8" x 35"			under separate permit
2	1	reach in cooler	continental	5R	52" x 35-3/8" x 82-1/4"	85K per section		2 sections per unit
3	1	ice cuber	manitowoc	UY-0310A	30" x 28" x 38-1/2"			
4	1	3-compartment sink	ekay	3C10X14-2-12X	58" x 20" x 44-3/4"			
5	1	mop sink	ekay	FLR-1X	24" x 20" x 10"			
6	1	glass rinser	micro matic usa	MM-5821	6-3/8" x 6-3/8" x 3/4"			
7	1	beer cooler	continental	KC50	50" x 29 1/4" x 36-3/4"			
8	1	hand sink (wall hung)	advance tabco	7-PS-23-EC-X	12" x 16" x 5" / 12-3/4"			corner dishwasher
9	1	hand sink (drop in)	advance tabco	DI-1-10	13" x 19" x 10"			
10	1	undercounter dishwasher	cma dishmachines	L-1X16	24" x 23-1/2" x 34"			
11	1	microwave/convection oven	turbochef	SINGLE MAG SOTA	16" x 27.3" x 25"			
12	1	refrigerated display	ibid	ibid	ibid			
13	1	espresso machine	ibid	ibid	ibid			
14	2	grinders	ibid	ibid	ibid			
15	1	knock box	ibid	ibid	ibid			
16	1	hot water tower	ibid	ibid	ibid			
17	1	bulk grinder	ibid	ibid	ibid			
18	1	soup warmer	ibid	ibid	ibid			
19	ibid	trash cans	rubbermaid	slim jim	11" x 20" x 28"			
20	1	drip coffee brewer	letco	ats-2131				
21	1	water filler	delfoid	307	9x9			or similar

Equipment Schedule

The image shows a detailed code information sheet from a permit set. It includes two floor plans: a top plan showing kitchen equipment layout and a bottom plan showing a different area. To the right of the floor plans are several tables and text blocks. The tables include 'existing floor conditions' and 'existing floor types'. The text blocks contain various specifications and requirements, such as 'SECTION 05100 - FINISHES' and 'SECTION 05200 - PAINTS AND COATINGS'. A logo for 'ATELIER DROME' is visible in the bottom right corner of the sheet.

Code Information sheet from a permit set



Computer Drawn Floor Plan

Construction Documents

Services

- Starts while we wait for City to review permit drawings Fully develop and finalize design
- Develop construction details, finalize materials & finishes
- Prepare construction specifications
- Selection and procurement of furniture, light fixtures, art, accessories, etc.
- Further development and coordination with your brand identity and signage

Typical Products

- Interiors: Interior elevations, cabinetry design and detailing, lighting and electrical plans, materials selections and detailing
- Exteriors: waterproofing details, exterior building / window / door trim, framing details, other architectural features.

Client Responsibilities

- Funding
- FF&E ordering, where applicable

Result

- Contractor has what they need to finalize costs and...*you are ready to start construction!*

Construction Phase Services

Services

- Starts when construction begins
- Regular meetings on-site with you, architect/designer and builder to clarify details
- Architect/designer is available to answer questions and provide additional information when the unforeseen happens
- Final inspections from the City

Client Responsibilities

- Prompt decision making
- Coordinating delivery/installation of any owner purchased items

Result

- Design is built as you envisioned, and you are ready to open!

Construction Phase Services



Commercial Leasing Workshop



The Phases of Design

Commercial Space Permit Coaching and Expedited Services with the City of Seattle, Office of Economic Development

<https://www.seattle.gov/office-of-economic-development/commercial-affordability/commercial-space-permit-coaching-and-expedited-services>

Top Take Aways

1. Find a space that has the same permitted use as your business.
2. Have prompt decision-making. Time = money!
3. Know what need in your space (i.e. equipment, changing rooms, etc.)
4. Find a team you can trust, commit to them early.
5. Be honest with your team: your budget and what are the “must haves” vs. the “nice to haves.”

More questions?

We'll be at the Good Business Connections event on August 8th!



Thanks for attending! Feel free to reach out

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