
Brewery's new owners take an artful approach

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Rainier Brewery's new owners take an artful approach

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Photo by Marc Stiles

Shimon Mizrahi, one of the brewery owners, says the goal is to have artists move in by year's end.

On a recent tour of the old Rainier Brewery, Shimon Mizrahi paused and wondered aloud how to find his way in the cavernous landmark.

Mizrahi has owned the sprawling, 25-building complex in Seattle's Sodo neighborhood for about a year, but he is not frustrated to still be learning about the place. The brewery — with its high, arching ceilings and 126 years of history — is a mysterious and wonderful place to lose oneself.

This isn't the first time people have wondered whether Mizrahi has lost his way. When he and his business partners plunked down almost \$6 million to buy the brewery and announced plans to invest millions more to turn part of it into artist space, you could almost hear the snickers.

Artists make lousy tenants, the critics said. They don't pay rent *and* they leave big messes.

Mizrahi and his colleagues were not deterred. Today they are well on their way to making the concept a reality.

Virtually all of the 65,000 square feet of live-work artist space has been rented, according to Conan Gale, who's in charge of leasing for Rainier Commons. The partnership is made up of Mizrahi and Herzel Hazan's Ariel Development, and the father-son investment team of Michael and Brett Goldfarb.

They're expecting to get a master-use permit for the project, which was designed by Ed Linardic of LDG Architects, in about a month. That will clear the way for construction. Ariel is the general contractor and Ariel employee Lior Abada is hiring subcontractors.

Future plans

Mizrahi and his partners are not betting it all on artists. Tully's still has its headquarters and coffee roasting plant in 80,000 feet. In a couple of years, Mizrahi says he and his partners plan to build an industrial-flex project on the property. Rich Johnston, owner of Vertical World, says he plans to rent space there for a climbing gym.

But these days, all eyes are on the arts aspect of the project.

The new owners didn't plan to make the brewery a home for artists. The first idea was storage, then an entertainment center and finally an arts center.

The seller, Benaroya Capital Co., had planned to make part of the 220,000-square-foot brewery into high-end artist lofts. The estimated cost was \$18 million, according to Mizrahi.

"We found the middle ground, live-work space, which is great in an industrial area." He pegs the cost of his project between \$4 million and \$5 million.

The proposal still causes eyes brows to arch. "I would tend to be a little skeptical given the economy," says Vince DeLuca, a Colliers International broker and Sodo investor who did not work on the brewery deal.

Hazan and Mizrahi are no strangers to risk. Their first project was a convenience store/gas station at the corner of First Avenue South and Royal Brougham Way. They signed the deal about the time the Mariners announced the team was moving out of town.

Mizrahi chuckles at the memory. He can afford to now that Safeco Field has been built across the street from the station. Ariel struck a deal with Silver Cloud Inn to develop a motel on the site.

Buying an old brewery isn't the same as building a motel, and certainly not when the plan is to turn a major portion of it into a home for artists. DeLuca questions where Ariel will find enough artists to fill the space.

Long-term leases

The answer: cooperatives.

It's a tried concept that Gale, himself an artist, brought to the brewery's new owners. He explained how a co-op is akin to a limited liability company, with the artists as the members.

"It helps with the risk dispersal," Gale said, because co-ops, not the individual artists, are responsible for rent payments. Co-ops "kind of create a treasury buffer."

Mizrahi said the loft spaces will measure about 1,000 square feet and rent for \$650 a month. Leases run for up to 15 years, and groups will have options to buy their spaces.

"Everybody is in this for the long haul," says John Dresel, Ariel's chief operating officer.

That philosophy, combined with the rents and character of the space, motivated co-ops to lease space even though it won't be available until September, at the earliest.

Gale said a long-term lease makes the wait worthwhile. Artists know they won't be displaced by gentrification.

Gale said Mizrahi and Hazan's long-term commitment will help them reach their goal of creating a sustainable arts community.

Complementing the live-work studios will be arts-related businesses and nonprofit organizations. Artists will share spaces, including a 5,000-square-foot gallery. Windowless spaces will become rehearsal and

recording studios. Two groups, Jambox Studios and the Old Musicians' Club, are developing parts of the brewery into practice and performance spaces.

Gale talks about the artists creating a rooftop garden and promoting alternative energy programs. He said these can be showcased at the highly visible site along Interstate 5.

A college might be part of the project, and some of the massive tanks could become a dormitory, though Gale and Mizrahi say the near-term goal is to lease the tanks to wineries or other companies that need liquid storage space.

Gale said he has contacted every major college in the state and says one expressed interest, though he declined to say which.

"It's very important for us to find the right arts organization for that space," Gale says. "We are very close with one but we have not sealed the deal with any."

Gale will have years to help shape the project by finding the right mix of tenants, and that's a good thing.

"It's not fast food," he says. "It takes time to grow a sustainable artists community."

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