WALKING THE tenement-like corridors of Pound art studios on Seattle's Capitol Hill neighborhood during a recent open house, you couldn't help but step back in wonder at the creepy black-and-white doll portraits of Kerrian Egan.

1. The petite 20-something artist with flaming-red shocks of hair explains innocently that she set the dolls on fire to create their charred, tormented look, photographed them, then produced the finished images on a laser printer.

This night's show, one of many at this cramped, second-floor artist collective, was Egan's biggest to date — eight portraits.

The former fashion designer moved from New York to Seattle four years ago in part because staging what amounts to a rather modest exhibition by a relatively unknown artist in the cutthroat art world back East is nearly impossible for someone not well-connected.

She says Seattle has broadened her sense of possibility, and Capitol Hill has been her muse, even as it strains to preserve its cachet as an edgy artists' haven in the glare of polished new developments that are reshaping the area.

"It's the art, it's the people, it's the acceptance no matter who you are, no matter what you are," Egan says with an earnestness that almost breaks your heart.

You want to root for Capitol Hill denizens like Egan, and for off-kilter, authentically rustic spaces like Pound, which has occupied this creative island above a sea of auto shops since before shabby was chic.

1. Capitol Hill is said to be the densest urban neighborhood west of Chicago and north of San Francisco. It was an urban village before city leaders designated it one a decade ago. Those were hopeful but contentious days, when worries about traffic, suburban sprawl and a lack of close-in, affordable housing fueled dreams of turning Seattle into a denser but somehow more sustainable version of itself, one in which starving artists and millionaire software developers would live in peace — next door to each other.

The epicenter of this transformation is the Pike/Pine corridor, named for the parallel commercial strips running between Boren Avenue and 15th Avenue. Before 1990, few
lived here because it was essentially a neighborhood of print shops, garages and showrooms. Grunge music changed all that. With the rise of music venues, cool hangouts and apartments, the population has grown to around 4,000 mostly young, mostly single urban dwellers. Now flush with students and professionals, it's a case study in how to bring the urban village concept to life.

Not that the transformation has been easy. Tempers still boil at the loss of cheap rents for nonprofit arts groups at the newly redeveloped Odd Fellows Hall at East Pine Street and 10th Avenue or the demolition of a block on East Pine Street that used to be home to a motley crew of small businesses — from a funky burrito kitchen to a blue-lit gay bar. But on the heels of these losses comes news that The Elliott Bay Book Co. is relocating from its venerable, creaky-floored Pioneer Square space to the Pike/Pine corridor in spring. The remarkable thing about this part of Capitol Hill's transition is that the eclectic sensibility thrives.

IT'S HARD TO deny the frisson of a neighborhood having its "moment" when you walk up East Pike Street between Broadway and 12th Avenue and take in its mix of fine restaurants, rowdy taverns, heaving nightclubs, chatty cafes and steamy sidewalk food carts, all under the gaze of loft apartments.

Somehow, it all seems to be more than the sum of its parts.

To an extent, this energy is the natural result when you throw together such a wild assortment of people, establishments and interests. But behind the scenes, maneuverings by residents, business owners and developers play an equally large role in keeping the neighborhood vital.

1. When Liz Dunn, of the Capitol Hill Dunn & Hobbes commercial- and housing-development firm, talks about "granularity," the impulse is to wonder what she means.

In her mind, great neighborhoods feel that way because of the heady mix of possibilities as you walk down the street. One block may contain several establishments worth stopping into. Everything is built on a small footprint, a principle Dunn embraces.

Along Pike and Pine streets, every 20 or 30 feet brings a different store, bar, gallery, restaurant or apartment entrance, each one a grain in a streetscape full of pedestrians. Loft-style brick buildings bump up against low-rise, mom-and-pop storefronts and what remains of the auto dealerships and repair shops that once were the only reason outsiders would visit here.

The intimacy of the architecture contributes to the intimacy of the neighborhood. You might bump shopping carts with a stranger at a big-box retailer on the outskirts of town. On Pike, as you walk west past Dunn's ultra-modern Agnes Lofts, with the lime-green-hued Japanese eatery Boom Noodle at ground level, and dip into the Cupcake Royale a few doors down, you might actually rub shoulders.

"I really do think neighborhoods are the heart and soul of great cities, not that there's anything wrong with downtowns," says Dunn, a former Microsoft worker who looks as stylish as her design-savvy buildings. "They offer the kind of community that you can get in a small town but within the context of a big city."

Urban designer Lyle Bicknell calls it "the compact, complete, connected community."
He notes that many of the city's neighborhood villages, including Capitol Hill, are along old streetcar lines that will once again boast light-rail.

The New Holly residential development in Rainier Valley, for example, is graced by Seattle's first light-rail line and has an appealing mix of low- and moderate-income, multiethnic households. But that spark, the feeling that you're in a vital place, remains elusive for now.

"It doesn't happen automatically," says Bicknell, who's still bullish on New Holly's potential.

Speaking more broadly, he says, "We can set the table but it does take an enlightened developer community to go from there."

Capitol Hill has its shortcomings as well.

Ironically, for one of the city's oldest and most central neighborhoods, there are few designated landmark buildings on Capitol Hill. But it is loaded with what are known as "character buildings," old apartments and storefronts that help create a sense of place and foster a certain mood.

While not strictly historic buildings, they matter because "when you lose them, you lose something irreplaceable," Bicknell says.

Imagine Capitol Hill without all those brick facades and loft windows.

In the absence of strict laws protecting these buildings from radical alterations and demolition, it's even more incumbent on developers to recognize them as treasures and find ways to preserve the architectural qualities that add so much texture to this part of Capitol Hill's quality of life.

"Pike/Pine struggles with, 'How do you maintain that character and all those cool old buildings?' " says Dunn, who lives in a unit at her own Agnes Lofts. "The mistake we made was we talked about protecting the character buildings and then nothing really happened with that for a long time. Then there were some really bad developments and demolitions."

Dunn refers to some of her remodeling projects, such as the classic one-story Piston and Ring building on 12th Avenue that used to be part of Seattle's auto row but now houses La Spiga Italian restaurant, as "adaptive reuse."

Just off lower Pike Street at Melrose Avenue, a triangular block of former automotive buildings that Dunn is redeveloping will soon house up to 10 businesses, including a florist, a record store and a lounge. The development's think-small aesthetic works at this pedestrian-friendly intersection.

Lyle admits that the city may be better at preventing development disasters than raising the design bar. You can't legislate good taste.

But you can pass incentives for pursuing thoughtful development.

"I think there's a way to encourage good design without mandating a certain style," Bicknell says.
At the end of the day, the goal is this, according Bicknell: "What you want is a place that says, 'This is Seattle, and it could only be Seattle and nowhere else.' "

He says residents on Capitol Hill by and large welcome the increased density and the housing, business and transit offerings it promises, so long as they have a voice in the process. He's organizing community meetings citywide to do just that: The goal is to update the neighborhood plans that residents and community leaders in each of Seattle's chosen urban villages hashed out a decade ago.

Dunn and others say there's great potential in the real-estate variation of the cap-and-trade concept — the idea involves swapping development rights on unprotected character buildings for the right to develop more freely on less crucial properties, like parking lots.

Her view is that one set of priorities, those of conscientious developers, contributes to the other, those of the city and public.

"It's the character of these urban neighborhoods that's attracting people back to the city," she says.

That's the feeling you get from the more independent establishments on Capitol Hill like Pound, and the Eclectic Theatre Company's Odd Duck Studio just below it, which on a recent night featured not just a performance of Shakespeare's Macbeth but a racy late-night take-off, in the literal sense, called "Burlesque Macbeth."

Pound, Odd Duck and Moe's, the former rock venue that sparked Capitol Hill's ascendance when it opened in 1991, just kind of happen, and it's hard to replicate the magic.

Likewise, it's difficult to fathom anyone sitting down to a planning meeting and deciding that in a single block around the corner from the studios on East Union, there should be an ultra-mod hot-dog restaurant (motto: Love Wieners?), a pharmacy for HIV/AIDS patients, a charity thrift store and a members-only goth nightclub. But there they are.

Still, Dunn says she and her developer cohorts from the neighborhood now lean on incoming builders to make sure they understand the neighborhood's values and urge them to get feedback from locals before official design-review meetings.

Maria Barrientos, who owns a namesake development firm that's also been active in the Queen Anne and Eastlake neighborhoods, says she made it a point to consult with Capitol Hill stakeholders before launching the remodel of the old Foley Sign building at 12th Avenue and East Pine Street.

With their input, she came up with a design that adds three floors of loft-style apartments above a set of street-level commercial spaces at what is now called the Packard Building, because it was built as a Packard car showroom.

Some of the apartments boast the giant, arched windows that made the original building such a landmark. Barrientos worked with the owners of the Cuff gay nightclub next door on ways to reduce noise from its outdoor patio.

Like Dunn's Agnes Lofts, rents at the Packard will hover around $1,800 a month, far out
of reach of starving artists and even some who aren't struggling.

For her part, Dunn's planning to build 60 units of affordable housing around the corner from the Agnes Lofts on 11th Avenue in part, she says, to help keep the area diverse.

"There's a whole ecology in the neighborhood that makes it what it is," she says. "These are people who in most cases won't be able to pay $1,800 or $1,900 a month — the musicians, the artists, the baristas and the yoga instructors."

When Walgreens was planning to build a new, single-level store on the site of a former Chevron gas station at Broadway and East Pine Street a few years ago, community activists went up in arms at a design-review meeting and challenged the company to think more broadly, says Betsy Hunter, director of property development at Capitol Hill Housing, a nonprofit developer with 42 affordable-housing buildings in the city.

"They showed up to the meeting and said, 'Are you out of your minds?' " Hunter recalls.

Walgreens listened. The result is Broadway Crossing, a mixed-use complex with the pharmacy at street level and affordable housing on the upper floors, "so the people who work in the Walgreens store could actually live in the building," Hunter says.

If the planners at Capitol Hill Housing have their way, the police-car parking lot on 12th Avenue near Pine will someday host a neighborhood performing-arts center and apartment complex catering to that population as well.

Hunter says the current real estate downturn, when building is at a low ebb, is the perfect time to enact laws encouraging creative development in urban villages.

New laws or not, residents are still piling into neighborhood planning meetings to make their voices heard, Hunter says.

"The great thing is, this is a neighborhood that gets it."

*Tyrone Beason is a Pacific Northwest magazine staff writer. Benjamin Benschneider is a magazine staff photographer.*

Information in this article, originally published January 23, 2010, was corrected February 19, 2010. David Hrivnak was incorrectly described in a picture caption as collaborating with Seattle artist Projectorhead on an art installation. It was not a collaboration. Hrivnak did, however, use some of the artist's video footage for the installation.