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# Alaska buildings

November 28, 2011 By [rahil](#)

October 28, 2004

## City talking with buyers for Arctic, Alaska buildings

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Photos by Ben Minnick

### **A Spokane developer wants to turn the Arctic Building into a 113-room boutique hotel.**

Having shown what he can do with historic buildings in Spokane, developer Rob Brewster wants to test his skills in Seattle by converting the 90-year-old Arctic Building into a chic hotel.

The city announced yesterday that negotiations are under way with Brewster's Arctic Club Hotel LLC, a new entity that is affiliated with his company ConoverBond, to buy the Arctic Building. The city is also negotiating with Kauri Investments/Ariel Development, which wants to purchase the Alaska Building.

The city has owned the buildings since 1988.

City officials said purchase prices are not being released at this time.

The Kauri/Ariel team proposes to convert the 15-story, 140,000-square-foot Alaska into a condo or apartment building, with the lower four floors as office space. Ariel Development is one of the owners of the old Rainier Brewery and is converting part of it into live/work space for artists. Kauri has been active in residential development in the Seattle area for many years.

Developers for both buildings say construction should begin in about a year. Construction costs have not been determined. The purchase and sale agreements will go to City Council for approval later this year.

The buildings' historic character will play a key role in their new identities. The Alaska and Arctic are on the city's historic landmark list, and the Arctic is on the National Register of Historic Places. The Arctic was built by the Arctic Club as a hotel, with office and retail space. The Alaska Building was downtown's first steel-framed high rise.

Brewster said the new Arctic Club Hotel will be part of a historic/boutique hotel trend he said is growing in popularity worldwide. "The larger hotel chains are looking to incorporate historic hotels in their base," he said.

### **Kauri Investments and Ariel Development propose converting the 15-story**

## **Alaska Building into condos or apartments**

Stephen Day, who has acted as attorney on historic redevelopments with Brewster in Spokane and is part of the Arctic development team, said the new owners may negotiate with a hotel chain for a partial investment.

“We’ll create a young, hip boutique hotel with 113 rooms,” said Day. “There are very few other good hotel opportunities in that part of the city.”

The 10-story building’s architectural jewel, the Dome Room, may be used as a meeting space. The Third Avenue main lobby will connect to the second floor with a new grand staircase.

The number of housing units in the 100-year-old Alaska Building hasn’t been determined, according to Kent Angier, CEO of Kauri Investments. The units will likely be condos, but not “multi-million dollar spaces,” he said.

“A large segment of the population likes historic buildings,” Angier said, referring to potential condo buyers and office leasing customers. “This building has a tremendous amount of character. It’s not just a box. This is a rare opportunity.”

Very little on the exterior will be changed, with the exception of replacing windows, Angier said.

Both buildings will need seismic upgrades.

Developers of both projects said the neighborhood, near the city’s new civic campus as well as to Bank of America Tower and Seattle Municipal Tower, are desirable for residential and hotel development.

“It’s hard to find a better location for a residential project,” said Angier. “From this project, you can literally walk to amenities like Qwest Field and Safeco Field.”

Day said proximity to the transit tunnel, Benaroya Hall and the stadiums will benefit hotel traffic. The hotel also should appeal to visitors doing business in the area. “I can’t think of anything that is lacking in the area,” he said.

The Arctic, clad in terra cotta and accented with walrus heads, gives Brewster a foray into the Seattle market. Brewster has had success in the Spokane area with redevelopment of the Holley Mason Building and the 1889 Montvale Hotel. He is president of ConoverBond Development.

He described the Seattle commercial real estate market as volatile, vibrant and energetic — in contrast to what he said is a “steady trend upward” in Spokane. “The Seattle market goes up and down,” he said. “It always rebounds.”