



Frequently Asked Questions

Metropole Building Development

Pioneer Square, Seattle

PROJECT: The Metropole
SUBJECT: Updated Messaging and FAQ
DATE: March 27, 2020
AUTHOR: Forterra NorthWest, Tiedemann Advisors in conjunction with Satterberg Foundation

We offer the following reflections on the basis, history and intent for the Metropole Building, recently acquired by the Satterberg Foundation, for thoughtful, community-informed redevelopment. In our attempt to be transparent and comprehensive, we are looking to gain further insights from our stakeholders to inform how we proceed with this work.

Who are the primary parties involved in the project and what is their history and connection to the Metropole Building?

- 1. The Satterberg Foundation** is the owner of the building, after purchasing it in mid-2019. The foundation was founded in 1990, through the imagination and generosity of Virginia (Ginny) Satterberg Pigott Helsell and the commitment and care of her blended family in honoring her legacy. Over time, Satterberg has fine-tuned their mission to reflect their commitment to equitable, trust-based philanthropy for a just society and a sustainable environment. They are currently committed to over 200 nonprofit organizations in Washington, California, and Arizona making grants totaling 36 million a year. The board now reflects multiple generations of the Satterberg/Pigott/Helsell family, driven by this mission and the foundation's meaningful impact on the communities in which these family members call home. Among the foundation's values of integrity, community, joy, compassion, respect is also life-long learning and shared values and goals. Shared values and an interest in learning by doing led the Board to move a portion of the foundation's assets into impact investments, so as to align even more of their resources with their mission and programmatic work, and hired Threshold Group (now Tiedemann Advisors) to aid them in this work. Many years, and lessons, later the impact portfolio has expanded to a meaningful portion of the foundation's portfolio, and includes solutions from clean energy technologies, to affordable housing development, to extending loans and equity financing to underserved advantaged entrepreneurs, homeowners and community members. But despite this powerful movement into impact investing, the Board was still looking for an opportunity to create a lasting legacy and notable impact on their local community. The board was inspired by examples of other direct investment projects undertaken by like-minded private foundations. So, after Tiedemann introduced the idea for the Metropole, the Board moved at unprecedented speed and was able to close on the property only 9 days later. There has been considerable learning from that moment, and every moment thereafter, but the foundation is driven by the shared values and commitment of its board and grant partners, and by the vision – shaped by community – of what the Metropole can become.
- 2. Tiedemann Advisors** is an independent investment advisor, selected by the Satterberg Foundation in 2015 to guide a portion of the foundation's assets into impact investments that reflect their mission and geographic focus areas. Tiedemann initially sourced the Metropole opportunity after reflecting on the evolving goals of the foundation, and have provided ongoing insight, analysis, communications, financial structuring and project coordination of the investment since its close.
- 3. Forterra** is a local non-profit working in land acquisition and stewardship, community building, economic development, and policy development. Forterra had initially secured the rights to purchase the Metropole from its current owner (a party in receivership) but was struggling to orchestrate the right financing to secure the property. Given the relationship between Forterra and Tiedemann based on their mutual interest in furthering place-based impact investing in the Pacific Northwest, the notion of the Metropole was circulated to Tiedemann casually, where they then passed it to Satterberg. With Forterra's help, Tiedemann was able to review the opportunity with Satterberg in short order. Forterra was then willing to assign their purchase option to Satterberg, driven by the shared vision for the Metropole as a community-centric home for non-profits, housed in a beautiful landmark in one of Seattle's oldest, most historic neighborhoods. Forterra was contracted to serve as owner's representative on this project, liaising between architects, general contractors, permitting parties, etc. as well as offering support to Satterberg in community development efforts.
- 4. BuildingWork**, a Seattle-based independent firm focused on civic and community spaces, creative workplaces, adaptive use and historic preservation, is the architect for the project. They are driven by the notion that preserving these places, discovering the humanity and history of places, strengthens communities. They were contracted as architects on the project on the basis of not only their general expertise in historic renovations, but also their prior involvement with the Metropole during previous

efforts at redevelopment. The team reflects considerable gender diversity, and two of the three primary people working on the project are women. BuildingWork had spent many years with prior owners of the building working to understand its history, constraints and opportunities – vital information that is leveraged for the benefit, and cost efficiency, of this project.

5. **JTM Construction** has been selected for pre-construction services (cost estimating and constructability review) on the basis of not only their general expertise in historic renovations but also their strong track record of working with subcontractors identified as women and minority-owned businesses. JTM has worked on a number of similar historic preservation and seismic retrofit projects, including The Sanctuary at The Mark, the restoration of a 100 year old church hall into an events venue for the Mark Hotel; the renovation of the Gatewood, originally built in 1898, into a 98-room hotel; and the seismic upgrade and restoration of the Kimpton Palladian Hotel, a nine-story masonry structure built in 1910. JTM understands and supports the importance of centering the work for the project around Minority and Women-Owned Businesses (MWBES), and all parties will be working proactively with them to develop that list and a plan for inclusion. JTM generously donated a significant portion of their preconstruction estimating services and believes passionately in the mission of the project.
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In summary, what are you hoping to achieve with this building?

1. Through their programmatic and community work in the Seattle area, Satterberg was increasingly aware of the hardships many non-profits, particularly those led by people of color or serving communities of color, were experiencing due to rising costs of operating in the city. They also saw massive redevelopment throughout the city, where historic legacy was routinely replaced by higher priced (more profitable) redevelopment. Satterberg wants to ensure that organizations serving this community have a place in downtown Seattle. With the Metropole, they hope to provide affordable office space and other community amenities in a beautiful setting that adheres to the highest environmental and sustainability standards. As part of this work, they are leading a stakeholder engagement effort to ensure that the redevelopment of the Metropole aligns as best as possible to the needs of the community.
 2. This initiative was forged by the mission of the Satterberg Foundation - not by any opportunity for financial gain. The primary, and motivating force is simply to support community non-profits in our region by offering affordable workspace and community gathering space, while restoring an historic building in modern, sustainable design. The foundation is not hoping to make a profit from this investment and is instead simply looking to generate sufficient rental income to be able to maintain the property and its costs over time. The foundation is currently operating under the intent to own and operate within the building for the coming years. At this time, the foundation has no intention of buying more buildings or replicating this strategy elsewhere.
 3. In doing so, we hope to offer any insights gained through this process in the form of shared learning to others, so that they may benefit from our successes and challenges, and hopefully continue funding legacy investments guided by purpose.
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What can you tell us about the building?

1. The Metropole complex is an historic but derelict set of two buildings in downtown Seattle at the corner of 2nd Avenue Extension South and Yesler Way (417 and 423 2nd Avenue Ext. S.; Tax Parcel Number 524780-0595): The Metropole Building and the Busy Bee Building. The complex has been a partial or total blight on the community for over a decade.
2. The property is located within a National Register Historic District as well as a local historic district. The City of Seattle ordinance for the local district was developed initially in 1970, in recognition of the unique

social and architectural character of Pioneer Square, and it has since been updated several times, most recently in 2007. Specific goals of the district are noted in SMC 23.66.100:

- a. to preserve, protect, and enhance the historic character of the Pioneer Square area and the buildings therein;
 - b. to return unproductive structures to useful purposes;
 - c. to attract visitors to the City;
 - d. to avoid a proliferation of vehicular parking and vehicular-oriented uses;
 - e. to provide regulations for existing on-street and off-street parking;
 - f. to stabilize existing housing, and encourage a variety of new and rehabilitated housing types for all income groups;
 - g. to encourage the use of transportation modes other than the private automobile;
 - h. to protect existing commercial vehicle access;
 - i. to improve visual and urban relationships between existing and future buildings and structures, parking spaces and public improvements within the area; and
 - j. to encourage pedestrian uses.
3. The Metropole complex is located at the nexus of Pioneer Square, Downtown Seattle, the International District, the light rail and the Seattle Waterfront and therefore has the opportunity to contribute to all of the above aims. It is truly keystone to the equitable redevelopment of the historic heart of Seattle.
 4. The Metropole building is a high-ceilinged, masonry exterior, timber-framed interior building completed just prior to the significant recession of 1893. It currently comprises some 25,805 gross square feet (GSF) including:
 - a. 6,955 GSF in the basement (unfinished);
 - b. 4,727 GSF on the 1st floor (shell, office); and
 - c. 4,706 GSF on each of the 2nd and 3rd floors (shell, office).
 5. The Busy Bee Building is similar in structure and comprises some 6,147 GSF including:
 - a. 2,838 GSF in the basement (industrial, unfinished);
 - b. 2,224 GSF on the 1st floor (shell, office); and
 - c. 2,189 GSF on the 2nd floor (shell, office).
 6. The Metropole building was extensively damaged by fire in May 2007 and rehabilitation was subsequently permitted in 2008. The rehab was started but never completed, leaving the building vacant and in a severe state of disrepair. As such, currently all of the storefront openings are completely covered with plywood, and painted with bold artwork. On the interior, beautiful brick masonry walls are present throughout the building and make up both the central core and exterior walls on every floor, including the basement, with grand brick arches opening into many of the rooms.
 7. Significant changes have been made to both buildings over the past 120 years, on the interior and exterior, but the present buildings retain intact exterior features from the period of significance, which has been established by the National Register nomination of the Pioneer Square Historic District as the eras from the late 1880s up through the early 1930s.
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What is the history of the building?

1. First, Satterberg Foundation wishes to acknowledge the Duwamish People, the indigenous people of metropolitan Seattle, as being the original owners of the land upon which the Metropole currently sits. The foundation wishes to recognize and honor this fact by stewarding this land through thoughtful, community-responsive and environmentally sustainable development, and also intends to incorporate [Real Rent](#) into the development financing for the benefit of the Duwamish Tribe in acknowledgement of their sacrifice.
2. The National Register Historic District Nomination identifies Emil de Neuf, Sr. (1863 – 1915) as the architect of the Metropole Building, but notes that architectural historians Jeffrey Ochsner and Dennis Andersen have suggested that the design may have been by architect Elmer Fisher (ca. 1843 – 1905), or

highly influenced by him. Both men were very well-known for their work throughout the district. The designer of the Busy Bee building, at 417 Second Avenue Extension S, remains unknown. It is our understanding that Henry Yesler was the first acquirer of the property and commissioned the development of the space.

3. Guy Drugs was a fixture in the north retail space of the Metropole Building, from 1893 until the early 1970s. Guy was a Seattle police commissioner in the 1890s and at times the commission meetings took place at his store. During the Klondike Gold Rush, Guy sold a medicine chest especially for prospectors, making his shop a key stopping place.
4. The early history and ownership of the Busy Building has not been documented. Records indicate that for many years it contained hotel rooms in the upper two floors while the Busy Bee Café occupied the first floor, beginning in 1920. Signage for the cafe is visible in tax record photos from 1937, 1950, and 1952, noting “[w]e specialize in sea food.” A note in the assessor’s record in 1950 indicates that the top two floors were removed under a 1949 permit (likely following damage from the earthquake earlier that year). The record indicates that at that time the second floor was vacant and a café and cocktail lounge occupied the first floor. A 1963 photo shows the establishment’s name had changed to the Busy Bee Restaurant.
5. The two parcels were assembled as a single property in 1965. Recent owners of the property, according to the King County Assessor’s property data include the S & L Development Corp, in 1993, which sold it to Winnie and Norman Wang in 1993, and Diamond properties, which purchased it later that year for \$653,189. Diamond Properties sold it in 1998 for \$1,325,000 to a development concern named No Boundaries Ltd., later known as NBL II LLC. The prior property owners purchased it in September 2015 for \$4,000,000 with plans to rehabilitate it for new hotel use.
6. In a competitive deal process, Forterra obtained the right to purchase the property from the previous owner and had roughly a month to perform their due diligence and close on the property. At one point it became apparent that Forterra was not in a position to acquire the property, at which point they were connected to Satterberg through Tiedemann Advisors. Satterberg was able to move swiftly and with only 9 days to execute, successfully closed on the property for \$5,500,000 in July 2019.

Community Engagement: What are the Participants doing to make the project community-designed and owned?

1. The Satterberg Foundation, Forterra and Tiedemann (jointly “the Participants”) are committed to providing guidance in developing the property at every stage with direct guidance from the surrounding Communities of Color, and, in so doing, to make every attempt to meet those communities’ immediate and long-term space and service needs.
2. With this goal in mind, the Participants have over the past 10 months reached out to a broad array of individuals and organizations including:
 - a. 201 personal interviews; and
 - b. 34 local community-based organizations.
3. The primary target outreach groups have included:
 - a. Non-profit organizations led by Persons of Color;
 - b. Non-profit organizations working in and accountable to Communities of Color;
 - c. Local residents and businesses;
 - d. Local government agencies, boards and committees; and
 - e. Thought-leaders, artists, architects, builders and other individuals from local creative industries.
4. The Participants reached out through multiple modalities in order to receive as broad a swathe of feedback as possible:

- a. By phone or email with 95 individuals and 18 organizations during the extended due diligence period prior to the purchase of the building in order to assess its feasibility and usability by Communities of Color.
 - b. After the purchase, by survey from 62 relevant individuals and in-person via focus groups on 10/14/19 and 10/23/19, including with 10 community groups.
 - c. By phone or in person with an additional 54 individuals and 6 organizations as follow up to the outreach outlined above.
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Programming Recommendations: What has the community said they need?

1. **Diverse Program Mix:** The findings from this engagement process recommend a program mix including affordable childcare, a significant amount of meeting and gathering space, a commercial kitchen for communal use, and a mix of open office and smaller demised office spaces for non-profits.
 2. **Diverse Occupancy:**
 - 42% of survey respondents from non-profits from Communities of Color were very interested and
 - 32% were somewhat interested in occupying space in a building like the Metropole.
 3. **Childcare:**
 - 19% of the same group listed childcare as a critically needed service, while an additional
 - 51% of respondents noted that it was either somewhat important or very important.
 4. **Traditional Leased Office Space:** Given a choice between traditional leased office space and co-working space, 64% of the group would prefer traditional leased office space. Of those respondents, the majority (85%) were employed at organizations with 20 or fewer employees.
 5. **Flexible Space:** Survey respondents and focus group participants also indicated a preference for spaces with flexible, open floorplans to accommodate both co-working desks and affordable, shared private meeting spaces and event spaces.
 6. **Community Kitchen:** Survey respondents and focus group participants indicated a strong desire for community kitchen space in order to build cultural bridges through food and also to serve in situ event spaces.
 7. **Inclusive and Affordable:** The broader community indicated that The Metropole should strive for true inclusion by being accessible, inclusive, and affordable by both standard metrics (price, size etc.) and from a human perspective (tone at reception, ability to accommodate differing mobility/sensory challenges, etc.).
 8. **Events and Gathering Space:** They also requested that non-profits from target communities should be able to host events, meetings, and other important gatherings in spaces that are beautiful, well maintained, well amenitized, and affordably priced.
 9. **Shared Access to Resources and Amenities:** They would like to be able to access on site many of the resources needed to grow and support their organizations, and potentially share resources (like WiFi, bookkeeping, HR, graphic design, etc.) across teams.
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Given the above feedback, what is the current thinking on the design?

1. It is the belief of the Participants that thoughtful design and planning can address many of the themes and challenges described by the target community.
2. **Busy Bee Building (6,500 SF):** The first three floors of the building will be occupied by childcare facility with capacity for 50 to 70 children (estimated) in five classrooms. They will be accessed through an entry on the first floor, securely demised to the rest of the Metropole building, with access to the

commercial kitchen on the first floor and to an enclosed outdoor play area on the roof of the building. All floors will be accessible by a secured elevator and fire-graded staircase.

3. **Metropole Basement (6,600 SF):** the basement will maintain its unique historical character. The space includes brick masonry walls, open, high ceilings and original brick archways leading into each room. The restored space will include a mix of small, intimate gathering spaces as well as larger event spaces that can be temporarily demised/united to accommodate differing event sizes. The areaway underneath the 2nd Ave sidewalk will be designed to accommodate small meeting or co-working rooms. We are also considering options that would allow for minor food prep/storage on this floor in order to accommodate those hosting community events.
4. **Metropole 1st Floor (4,450 SF):** The building will be accessed through a central vestibule off of 2nd Ave, to both incorporate environmental standards and possibly allow space for a building staffer to welcome guests into the space. The first floor will provide artist/small business/pop-up event spaces as well as a commercial kitchen. A small portion of the space will be used to create showers and bike storage for those commuting this way to the site. Both these and the first floor of the Busy Bee childcare facility will have views to/from the street, in the hopes of generating a welcoming hub full of activity on the corner of 2nd & Yesler.
5. **Metropole 2nd and 3rd Floors (roughly 3,400 SF usable space on each floor):** The entire floor is currently slated for office use, to be determined as either open floor plan or demised space, occupiable by up to 36 users.
6. **Metropole Roof / Busy Bee 4th Floor (1,564SF covered space):** Demised office space for 1 anchor tenant, access to roof terrace and enclosed childcare play area, and a green roof to improve the environmental efficiency of the building.
7. They are furthermore committed to providing community spaces to the highest environmental and sustainability standards, with a goal of achieving LEED Platinum certification. We are also pursuing compliance with Seattle 2030 District Goals, the Salmon Safe Certification and portions of the Living Building Challenge.
8. Project design and engineering will be completed in 2020 with construction on the Metropole to begin in 2021, and availability for tenants in 2022.

What are the next steps?

1. The Participants are moving forward in exploring more detailed options for the childcare component of the project and are working with an independent team on a feasibility study related to the inclusion of childcare in the building. Upon receiving a positive outcome from the feasibility study, the Participants will release an RFP to potential childcare providers, with the goal of selecting an operator that can offer insights into how best the space can be shaped to fulfill this goal.
2. With that information, the Participants will enter the next phase of community engagement, whereby they circle back to those individuals and groups who generously offered time, insights and ideas for this project in order to reflect on what was heard and how those learnings were incorporated into the current design. The objective would be to understand from them whether the current design honors their initial feedback as closely as possible, given various constraints (like historic landmarks, building code requirements, etc.), and to see if they have any additional feedback for the design. Participants are hoping to communicate this information and host additional feedback sessions in the coming weeks.
3. In anticipation that these sessions will show support for the inclusion of childcare in the current design, the participants have proactively developed a shortlist of childcare operators to whom the RFP will be sent in the coming months has been created according to the following criteria:
 - a. Led, owned or managed by a Person of Color;
 - b. Experience working in Communities of Color;
 - c. Appropriate licensing;

- d. Ability to deliver multi-lingual education; and
- e. General track record of public service in the State of Washington.

Our hope is to select a childcare operator in the near to intermediate term, so they can help inform tenant improvements and design elements throughout the build.

4. The Participants will continue to engage with nonprofits from Communities of Color at every stage in the development process in order to help to ensure that organizations serving nearby communities have a place in downtown Seattle and are not displaced by rising rents.
5. The Participants will be drafting a transparent and equitable tenant selection process to be shared with the broader community over the coming months, which will include additional meetings with interested tenants to better define their space requirements and needs within the building.
6. The Participants are researching options and seeing community opinions on an appropriate and democratic building governance and operations structure to speak to the unique aspect of this community hub.
7. The foundation in collaboration with Participants and community stakeholders will be evaluating whether the existing name of the building, “Metropole” should continue or if the building should be renamed.

Additional Considerations:

1. Did you consider the need for affordable housing in Seattle as part of this project? We did. However, the Metropole is a protected historical landmark, so there are considerable limitations to what could be done in terms of the construction and redesign. The Metropole is a triangular 32,000 sqft. structure demised into two separate buildings and is currently not zoned for residential use. Without the ability to increase the size of the space through the addition of floors to the building, the existing structure wasn’t optimal for an affordable housing project and led us to consider more commercial uses.
2. How do you intend to manage/lease out the event space? Our community engagement work yielded insight on the difficulty local non-profits experience in sourcing quality, inviting, and affordable event space. Our understanding is that there is a great need for both 50+ person event space as well as conference rooms or community working spaces. Our current design is working to solve for a solution to this issue, and event / meeting space would dominate the entire footprint of the existing basement of the Metropole. While admittedly a basement seems inopportune, the structure features high ceilings and beautiful existing masonry walls and arches, and once thoughtfully renovated we feel we can create a convening space that our non-profit community could be proud to use. Our current thinking is to place responsibility for orchestrating scheduling and demand from community in the hands of our building operator (who has yet to be found but will be thoughtfully sourced with the goal of hiring from a diverse pool of candidates). Organizations that reflect the characteristics of those that are possible tenants will maintain priority of booking over organizations with sufficient resources to book space elsewhere. And the foundation will look to set leasing rates as low as practically possible.

**Engagement Logistics:
How can I stay or get involved?**

Interested individuals or organizations who are not already involved in the project’s engagement process are encouraged to reach out directly to the Satterberg Foundation’s Executive Director, Sarah Walczyk on sarahw@satterberg.org.

For ongoing contact, the Satterberg Foundation maintains a community engagement Master List of involved parties to whom regular project updates, survey and queries are distributed.