

South Lake Union News

Vulcan and PEMCO Start Construction on “Alley24”

**New addition to South Lake Union will feature housing, retail and office;
362,500-square-foot project features European-inspired alleyway and sustainable design**

SEATTLE - Sept. 21, 2004 Vulcan Inc. and PEMCO Insurance have started construction on “Alley24,” a new 362,500-square-foot development in South Lake Union’s Cascade neighborhood.

Located at 223 Yale Ave., the six-story, four-building development includes 185,000 square feet of office space, 172 apartments and 28,000 square feet of street-level retail. The full-block development between John and Thomas streets and Yale and Pontius avenues is scheduled to be completed in early 2006. Vulcan and PEMCO are joint venture partners for the project and Vulcan is managing the development.

95,000 SQUARE FEET PRE-LEASED TO NBBJ AND SKANSKA

Architecture firm NBBJ has already pre-leased 70,000 square feet for a new headquarters and commercial construction firm Skanska USA Building, Inc. has pre-leased 25,000 square feet for its Seattle office. Negotiations are underway with several other prospective tenants.

“It is exciting to see the critical mass that’s building in South Lake Union, including the start of construction on this innovative project,” said Ada M. Healey, vice president of real estate for Vulcan Inc. “This neighborhood is rapidly transforming into a vibrant community that has something for everyone – new housing, new jobs and new amenities. And with its close proximity to Lake Union and downtown Seattle, South Lake Union provides an ideal urban location.” “We’re pleased to help bring more amenities to the Cascade neighborhood,” said Stan McNaughton, PEMCO president and CEO. “This has been PEMCO’s home for more than 50 years, and Alley24 will help make Cascade an even-more desirable place to live, learn, work and play.”

DESIGN FEATURES EUROPEAN ALLEYWAY & “THROUGH-BLOCK” CONNECTION

The design of Alley24 features an open, European-inspired alleyway that will run through the north-south axis of the property and an open “through-block” connection that will run through the east-west axis. The alleyway and through-block will intersect to create a wide pedestrian connection through the center of the development—similar to the animated atmosphere of classic

European cities or Seattle’s famous Post Alley by Pike Place Market.

The “through-block” connection will be pedestrian scale and will feature access to shops, residences and offices and will be enriched with historic brick facades, canopies, stoops and planters. The design also includes a sky bridge arching over the alleyway to connect two of the buildings.

The residential portion of the site includes the vacated New Richmond Laundry facility. Historical elements of the laundry will be integrated with new construction to create a contrast of vintage and contemporary features in Alley24’s residences.

Because the alley is a main focal point for the development, the name “Alley24” highlights that design feature. The “24” portion of the name describes the project as a place that will be alive with activity that changes 24 hours a day.



A look at Alley24’s European-inspired pedestrian connection

SUSTAINABLE DESIGN WILL REDUCE UTILITY

COSTS & PROVIDE EXTRA COMFORT

Alley24 is designed to be Seattle’s first mixed-use project that is LEED-certified (Leadership in Energy and Environmental Design). LEED is a certification and industry measurement tool created by the U.S. Green Building Council to designate green, environmentally and community-conscious projects.

The sustainable design platform for office space will feature more natural daylight than traditional buildings, significant access to fresh air through operable windows, low energy and water flow fixtures, operable outdoor sun shades, and the use of environmentally sensitive building materials.

One of Alley24’s unique energy saving features will be its hybrid HVAC system—making it Seattle’s first building to offer tenants a choice of natural ventilation, energy efficient air conditioning or both.

Air conditioning is the biggest consumer of energy in an office building. Because Alley24 tenants will have the opportunity to

enjoy the sustainable benefits of fresh air from operable windows, for most of the year it will not be necessary to use air conditioning. When air conditioning is required, an innovative under floor system will provide the most energy efficient delivery because it eliminates the need for cool air to have to cross through the hot air that circulates in the ceiling.

Like a hybrid car or bus, this system gives the user total choice over which system to use. Both systems use less energy than the traditional overhead HVAC systems, creating energy cost savings of 15 to 20 percent.

In addition to being a “green” building, Alley24 will be more comfortable than a traditional building because tenants will have more control over the temperature, more fresh air through operable windows and more natural light through greater window areas.

“With its integrated uses and sustainable design platform, Alley24 is a new type of development that is on the cutting edge of sustainability in Seattle,” added Healey. “Designed to conserve natural resources and reduce waste, this project exemplifies the Pacific Northwest’s environmental values. We anticipate a lot of interest from residential tenants, office users and retailers.”

NEW OFFICE AND HOUSING ADDS TO SOUTH LAKE UNION GROWTH

Vulcan Inc., which owns approximately 60 acres in the South Lake Union area, has recently completed several new commercial and residential projects, including the Seattle Biomedical Research Institute Building totaling 112,000 square feet, the Interurban Exchange III building (home to Rosetta Inpharmatics/Merck) totaling 136,000 square feet and the Alcyone Apartments, offering 162 new apartment homes.

Vulcan’s projects under construction include the 87,000-square-foot 428 Westlake building (the future Seattle headquarters for Tommy Bahama) and the 105,000-square-foot renovation of 800 Mercer St., which will be the first phase of the new UW Medicine Lake Union research campus. Vulcan also recently commenced construction on 2200 Westlake, a 550,000-square-foot mixed-use project with a Pan Pacific Hotel, Whole Foods Market® and 261 condominiums.

And earlier this month, Vulcan agreed to sell two acres to Pacific Retirement Services, Inc., which will build a 400-unit retirement community in the neighborhood.

Alley24’s apartments, combined with the Alcyone apartments, 2200 Westlake condos and Pacific Retirement Services’ senior housing totals nearly 1,000 new homes completed or underway in the neighborhood by Vulcan and its partners.

NBBJ is the architect for Alley24, Skanska is the general contractor for the office (east side of the block) and Compass Construction is the general contractor for the residential units (west side of the block). Yves Mizrahi of CB Richard Ellis is marketing the retail space and Michael Dash, Scotta Ashcraft and Garth Olsen of Cushman & Wakefield are marketing the office space.

About Vulcan Inc.

Vulcan Inc. creates and advances a variety of world-class endeavors and high-impact initiatives that change and improve the way people live, learn, do business and experience the world. Founded in 1986 by investor and philanthropist Paul G. Allen, and under the direction of president and CEO Jody Patton, Vulcan oversees various business and charitable projects including real estate holdings, investments in more than 40 companies, from Charter Communications, DreamWorks SKG and Digeo Broadband to Sporting News, the Seattle Seahawks NFL and Portland Trail Blazers NBA franchises, First & Goal Inc., Vulcan Productions, the Seattle Cinerama theatre, Experience Music Project, Science Fiction Museum and Hall of Fame and the Paul G. Allen Family Foundation. For more information about Vulcan, please visit www.vulcan.com.

About PEMCO

PEMCO Insurance, established in 1949, is a Seattle-based preferred-risk insurer that offers auto, home, boat, life, and umbrella insurance to Washington residents. PEMCO Insurance is sold by community agents throughout the state, as well as through PEMCO offices in Seattle, Lynnwood, Spokane, and the Tri-Cities. Currently, PEMCO serves 555,000 customers statewide. PEMCO has been headquartered in Seattle’s Cascade neighborhood for more than 50 years. For more information, visit www.pemco.com.

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