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Media Contacts:

Aaron Blank, Vulcan Real Estate, aaronblank@feareygroup.com, 206-343-1543

Tina Mankowski, UW Medicine, ochs@u.washington.edu, 206-685-3841

Amina Suchoski, National Development Council, asuchoski@feareygroup.com, 206-229-0496

Third Phase of UW Medicine Research Complex Breaks Ground in South Lake Union

SEATTLE—July 6, 2011—UW Medicine, Vulcan Real Estate and the National Development Council today announced the start of construction on the third phase of UW Medicine’s research hub in Seattle’s South Lake Union neighborhood.

Located on the adjacent west block of UW Medicine’s existing South Lake Union research complex bordered by Mercer Street, Republican Street, Dexter Avenue N. and 8th Avenue N., the third phase includes up to three buildings totaling nearly 542,000 square feet of laboratory and office space. Slated for completion in spring 2013, the first building breaking ground (Phase 3.1) is a 183,000-square-foot laboratory building that will be home to more than 400 researchers. Two more buildings (Phases 3.2 and 3.3) totaling about 359,000 square feet could be built later on the same block.

“This third phase of UW Medicine’s expansion at South Lake Union will allow us to bring together additional researchers from critically important areas and build upon the collaborative work of these scientific leaders in state-of-the-art facilities,” said Dr. Paul Ramsey, CEO of UW Medicine and dean of the UW School of Medicine. “The new space will present tremendous opportunities for scientists across multiple research disciplines.”

“UW Medicine’s growing presence in South Lake Union contributes greatly to the critical mass of life sciences research organizations in the area that are leading breakthrough discoveries to improve global health,” said Ada M. Healey, vice president of real estate at Vulcan Inc. “This expansion in South Lake Union creates new jobs and further enhances our region’s ability to compete globally and attract top talent.”

“The National Development Council (NDC) has been pleased to be involved with all three phases of the UW’s South Lake Union project. These projects represent an investment of \$360 million in new research facilities for the School of Medicine, which is making a significant contribution to the economic health of Seattle and the entire region,” said John Finke, western team leader and regional director for NDC, the country’s oldest national non-profit economic development organization. “Congratulations to the University of Washington, the School of Medicine and all of the team.”

Third Phase Will Advance Critical Research Programs

Researchers at UW Medicine’s facilities in South Lake Union are working to develop life-changing therapies and medical breakthroughs that will positively impact the health of future generations, both locally and globally. Research themes identified for the first Phase III buildings include vision sciences, immunology, kidney research, rheumatology and infectious diseases. UW researchers will work to make health advances and find cures in the following areas:

- **Immunology**, devoted to understanding the biology of the immune system, an area of research fundamental to many human disease conditions such as cardiovascular disease, bacterial and viral

infections, organ and stem cell transplantation and a wide variety of auto-immune disease, such as diabetes and Crohn's disease.

- **Center for Emerging and Reemerging Infectious Diseases**, addressing a wide variety of infectious diseases caused by bacteria, viruses, fungi and parasites.
- **Rheumatology**, with research that will lead to better understanding of pathogenesis of systemic lupus erythematosus and inflammatory arthritis and rheumatoid arthritis.
- **Kidney Research**, addressing common kidney diseases including diabetic kidney disease and other diseases characterized by protein in the urine, such as glomerulonephritis and nephrotic syndromes.
- **Vision Sciences**, with research that will lead to the discovery of next-generation tools for diagnosing, preventing, and treating all manners of eye disease, including macular degeneration, glaucoma, diabetic retinopathy, inflammatory eye disease, cataract, and hereditary eye disease.

Important medical discoveries have already taken place at UW Medicine in its Phase I and II buildings, and the new research groups in UW Medicine Phase III buildings will enhance the work already underway in areas related to heart disease, diabetes, and obesity, as well as breast, ovarian and colon cancers.

Phase III Buildings Create New Jobs, Address Research Space Needs

With no additional research space available at UW's main campus and with existing South Lake Union buildings fully assigned, the Phase III buildings allow UW Medicine to continue expanding its growing research centers and enhancing collaboration among new research groups. It is estimated that Phase III alone will create more than 1,400 UW jobs and over 3,000 new jobs regionally. The Phase III building is also expected to generate nearly 600 union-wage construction jobs. In addition, Phase III is expected to bring in more than \$100 million in revenue from research grants, supporting UW Medicine and South Lake Union's position as a global leader in biomedical research.

In January 2010, the Seattle City Council approved an ordinance that allows increased heights up to 120 feet tall for the UW Phase III buildings (existing zoning allows biotech buildings up to 85 feet high). While the ordinance does not increase the amount of square footage that can be developed on the site, it does allow two additional floors which will enable UW Medicine to meet its critical research space needs while providing significantly greater open space for the public's use and mid-block pedestrian connections for the community.

UW Medicine's South Lake Union Research Complex

Vulcan is developing up to 800,000 square feet of office and life sciences lab facilities for UW Medicine in South Lake Union, of which three office and lab buildings totaling nearly 400,000 square feet have already been completed and occupied by approximately 1,000 employees/researchers. Phase I and II facilities are located on the block bordered by Mercer Street, Republican Street, 8th Avenue N. and 9th Avenue N. Opened in January 2005, Phase I involved the renovation of the "Blue Flame" laboratory building at 815 Mercer Street. Opened in June 2008, Phase II facilities include one office building and one lab facility.

The Phase I facility focuses on cutting-edge research in microbiology, biomarkers, biologic imaging, cancer vaccines, heart regeneration, inflammation and proteomics. This research activity is extended in Phase II facilities, particularly in the area of regenerative medicine, which grows and organizes UW Medicine's strength in developmental biology, therapeutic delivery systems, neurobiology, genetics and aging linking them more closely with specific diseases, including Parkinson's and Alzheimer's, diabetes, hearing loss, strokes, heart regeneration, liver diseases, and bone and joint regeneration and repair.

UW Phase III Project Team

The UW Medicine Phase III project team includes Vulcan Real Estate (developer), Perkins+Will (architect), Sellen Construction (general contractor), and the National Development Council (project financing). NDC secured tax-exempt 63-20 bonds totaling \$165 million to finance construction of UW Medicine Phase 3.1, and is the owner of UW Medicine's South Lake Union buildings, which use NDC's public-private

partnerships model, an approach that delivers efficiency, value and exceptional quality to the UW School of Medicine.

Philanthropic Partners

Beginning with Phase I, philanthropy has been a critical piece of the funding strategy for UW Medicine's research complex at South Lake Union. The Brotman Building, the Phase I building, recognizes the fundraising and advocacy leadership of Jeffrey H. Brotman. Phase II construction was made possible by early and generous contributions from Tom and Sue Ellison, Lynn and Mike Garvey, the Oki Foundation, Quellos, Safeco, and the Orin Smith Family Foundation. Those and other Phase II donors are acknowledged on the donor wall of the Phase II Administration Building. The fundraising goal for Phase III totals \$50 million, toward which UW Medicine has received an anonymous commitment of \$15 million, earmarked for the 3.2 building.

About UW Medicine

UW Medicine trains health professionals and medical scientists, conducts research to improve health and prevent disease worldwide, and provides primary and specialty care to patients throughout Seattle/King County and the WWAMI (Washington, Wyoming, Alaska, Montana and Idaho) region. UW Medicine includes: Harborview Medical Center, UW Medical Center, Northwest Hospital & Medical Center, Valley Medical Center, UW Neighborhood Clinics, UW School of Medicine, UW Physicians, and Airlift Northwest. UW Medicine also shares in the ownership and governance of the Seattle Cancer Care Alliance with Seattle Children's Hospital and Fred Hutchinson Cancer Research Center and shares in ownership of Children's University Medical Group with Seattle Children's Hospital.

UW Medicine has major academic and service affiliations with Seattle Children's Hospital, Fred Hutchinson Cancer Research Center, the Veteran's Affairs Puget Sound Health Care System in Seattle, and the VA Hospital in Boise, Idaho. The UW School of Medicine has been ranked #1 in the nation in primary-care training for the past 18 years by *US News & World Report*. It is the top public institution for receipt of biomedical research funding from the National Institutes of Health (NIH) and second among all institutions for NIH funding, public and private. UW Medicine's 2,000 full-time faculty and nearly 5,000 volunteer and part-time faculty include four Nobel Laureates, 33 members of the National Academy of Sciences, and 33 members of the Institute of Medicine. For more information, visit <http://uwmedicine.washington.edu>. Follow us on Twitter – @UWMedicineNews.

About Vulcan Real Estate

Vulcan Real Estate directs all real estate activities for Vulcan Inc., a Paul G. Allen company. The company's experienced, talented team of real estate professionals offers a full range of development services from site selection to build-to-suit construction. Its real estate model is based on quality, sustainable development that builds new value across the entire community. To date, Vulcan has delivered nearly 4.3 million square feet in 21 new office, biotech, residential and mixed-use projects in South Lake Union. The company has approximately 500,000 square feet currently under construction and/or planned for delivery by 2013. For more information, visit www.vulcanrealestate.com.

About the National Development Council

For more than 40 years, the National Development Council (NDC) has worked to create and implement economic and community development strategies that increase the flow of capital to urban and rural communities, establish finance programs and help to create a professional economic and community development workforce. NDC offers a wide range of services, including development assistance, professional training, small business financing and debt and equity for residential, commercial, public and non-profit facilities projects. To learn more, please visit www.nationaldevelopmentcouncil.org.

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