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# **Vulcan Breaks Ground on Latest Phase of South Lake Union Development**

*New corporate headquarters represents largest project currently under construction in Seattle; targeting LEED Gold certification upon completion*

**SEATTLE – April 20, 2009** – Vulcan Inc. today announced that construction is officially underway on the latest phase of Amazon.com's new corporate headquarters in Seattle's South Lake Union neighborhood.

"At a time when we are more committed than ever to building a stronger economic future for Washington, having one of the world's most innovative companies growing in Seattle is great news. Amazon.com's move to South Lake Union creates new construction jobs, bolsters our region's diverse workforce and helps us compete in today's global economy," said Washington State Governor Chris Gregoire.

"Amazon.com's new headquarters reaffirms that Seattle is a great place to do business. We focused on areas that had growth potential such as Northgate, Columbia City and South Lake Union, and our investments are paying off," said Seattle Mayor Greg Nickels. "By investing in transportation and infrastructure, we create jobs, enhance our neighborhoods, and move Seattle forward."

The new headquarters includes 11 buildings on six blocks in the heart of South Lake Union, totaling 1.7 million square feet of office space and nearly 100,000 square feet of street-level retail amenities. The new office buildings will open starting in mid-2010, with full occupancy by 2012.

"This development marks a high point in South Lake Union's revitalization, and plays a vital part of supporting our city and region's economic vitality and competitive edge," said Ada M. Healey, vice president of real estate at Vulcan Inc. "South Lake Union continues to attract creative class, pioneering companies seeking a dynamic and sustainable location in the downtown core with room to grow."

The new headquarters includes a total of six phases of development, of which five phases are now under construction. The final phase is expected to break ground next spring. Over 4,000 workers will be used to build the entire project.

#### *Latest Phase of New Headquarters*

Occupying nearly a full block between Terry and Boren avenues and Thomas and Harrison streets, Phase IV of the new headquarters comprises three buildings totaling 570,000 square feet, including two new 12-story buildings and the renovated Terry Avenue Building. Originally built in 1915 and previously serving a number of light industrial and manufacturing uses, the 2-story Terry Avenue Building was designated a historic landmark in 2008. Integrated into the design of the new buildings, the preserved Terry Avenue Building will provide retail amenities on both floors and connect to the site's outdoor public plaza and pedestrian-friendly streetscape.

#### *Sustainable, Transit-Oriented Development*

As a transit-oriented development, the headquarters is located on the Seattle Streetcar line, which also connects riders to the Metro bus tunnel and Sound Transit light rail. The headquarters complex will also provide access to Zipcar, electric car charging stations, bike storage rooms and showers in each building. Additionally, the new headquarters will feature informational way-finding signs to local transit routes and streetcar stops as well as mid-block pedestrian walkways providing easy access for the community to use public transit.

As part of South Lake Union's commitment to sustainable development practices, this project will be developed as eco-friendly buildings earning LEED certification upon completion (targeting LEED Gold certification for Phases II-V). LEED, which stands for Leadership in Energy and Environmental Design, is a national measurement tool created by the U.S. Green Building Council to define the industry's most environmentally-conscious projects.

#### *Supporting Affordable Housing Needs*

As part of the Seattle City Council's approval to increase building heights allowing construction of three 12-story, 160-foot-high buildings for the last two phases of Amazon.com's new headquarters, Vulcan has committed to paying up to \$6.6 million into Seattle's Affordable Housing Fund, as well as other public benefits. Vulcan's affordable housing payment includes a \$648,000 payment to Capitol Hill Housing, a community-based, nonprofit public development authority focused on preserving and improving low and moderate-income multi-family housing throughout Seattle.

In return, Vulcan received Transfer of Development Rights from Capitol Hill Housing that provides 36,000 square feet of space as part of the increased building height approved for the new headquarters. Capitol Hill Housing will use the funds paid by Vulcan towards making critical improvements to the 35-unit Brewster Apartments built in 1916 in South Lake Union, which will be

maintained as an affordable housing complex for the next 50 years serving households below 50% of area median income.

“These types of creative partnerships are an important part of maintaining a diversity of affordable housing options in our Center City,” said Christopher Persons, Executive Director of Capitol Hill Housing. “We are pleased that new development in South Lake Union can also play a role in supporting affordable housing in the neighborhood and help preserve its historic character.”

Vulcan and Schnitzer West are joint venture partners for the project’s first phase. Vulcan is the sole developer of the remaining buildings in this project.

**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 over 2 million square feet in 12 new office, biotech, residential and mixed-use projects in South Lake Union, with another 1.8 million square feet currently under construction and/or planned for delivery through 2011. For more information, visit [www.vulcanrealestate.com](http://www.vulcanrealestate.com).

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