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Vulcan Opens New Workforce Housing Development in South Lake Union

SEATTLE, Wash. — May 19, 2008 — Vulcan Inc. today announced the opening of Borealis Apartments, a new workforce housing project in Seattle’s South Lake Union neighborhood. Located at the northwest corner of Denny Way and Dexter Avenue North, the development provides apartments priced to be affordable for individuals and families earning less than 80 percent of the median household income for King County.

The 33,000-square-foot, six-story building includes 53 apartments with studios, one-bedroom, and two-bedroom units ranging from 400 – 850 square feet. About 3,600 square feet of retail space will also be located on the ground floor.

“Many employees that are a part of the city’s critical workforce – including teachers, police officers, nurses and other middle-income workers – are having a harder time finding housing close to their jobs,” said Ada Healey, vice president of real estate for Vulcan Inc. “Borealis expands much-needed workforce housing options to help meet the needs of this underserved segment of Seattle.”

As defined by the U.S. Department of Housing and Urban Development, 2008 median incomes for 80 percent are \$43,050 or less for a one-person household and \$61,500 or less for a four-person household. Rents at Borealis Apartments will start at \$875 for a studio, \$1,052 for a one-bedroom and \$1,244 for a two-bedroom unit.

“Projects such as Borealis are an important part of the City’s strategy to create more housing that is affordable to all income levels in South Lake Union and throughout Seattle,” said Adrienne Quinn, director of the City of Seattle Office of Housing. “These types of workforce housing projects help provide homes for Seattle workers who may not qualify for the city’s subsidy programs but still have difficulty finding affordable, market-rate housing in the city.”

As an environmentally friendly development, Borealis Apartments is designed to qualify for three-star Built Green certification from the Master Builders Association of King and Snohomish Counties, and is also participating in Seattle City Light’s Built Smart program. Sustainable features include low-flow fixtures, Energy Star appliances, low VOC finishes, increased natural daylight, green screens and bike storage lockers.

Borealis is located three blocks away from the Seattle Streetcar line, Whole Foods Market and across the street from Denny Park, which is undergoing a renovation this year that will include a new children’s play area and other improvements. The location also provides views of the Space Needle and downtown skyline from many of the apartments.

This project fulfills a commitment Vulcan made to the city of Seattle to build 50 units of workforce housing as part of a land purchase Vulcan made from the city in 2001. Runberg Architecture Group is the architect and W.G. Clark Construction is the general contractor for Borealis Apartments.

The housing mix in South Lake Union is one of the most diverse in the city – including a mix of market-rate condominiums and apartments, low-income housing and senior housing. Nearly 40 percent of the total residential units in South Lake Union are affordable to those earning 80 percent or less of area median income, and there are 12 subsidized housing projects built or currently under construction in the neighborhood.

Vulcan has completed two other apartment projects in South Lake Union, including:

- Alley24, a 362,500-square-foot sustainable, mixed-use project across from REI featuring 172 apartments, 180,000 square feet of office space for over 1,000 employees and nearly 28,000 square feet of street-level retail shops and restaurants. As part of the City of Seattle's Multi-family Tax Exemption program, 20 percent of the Alley24 apartments are priced to be affordable for those earning 60 percent or less of the median income.
- Alcyone Apartments, a 161-unit, 150,000-square-foot project that opened in 2004 on the corner of Minor Ave. N and Thomas Street as one of the first new market-rate residential projects in South Lake Union's Cascade neighborhood. The project's apartments are affordable to people earning between \$30,000 and \$60,000 per year.

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 1.7 million square feet in nine new commercial/biotech, residential and mixed-use projects in South Lake Union, bringing Vulcan's entire real estate portfolio to 2.6 million square feet. The company has nearly 2.8 million square feet currently under construction and/or planned for delivery through 2011. For more information, visit www.vulcanrealestate.com.

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