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2011 a Banner Year for South Lake Union and Vulcan Real Estate

*Real estate firm continues to build on success with new tenants, building completions
and productive community outreach*

SEATTLE — December 21, 2011 — New restaurants, new retailers and thousands of new employees made 2011 a great year in Seattle's South Lake Union neighborhood, according to Vulcan Real Estate. Despite economic challenges throughout the region, South Lake Union continued to shine as a bright spot in the local economy, creating new employment and generating millions of dollars in new tax revenue.

"We've worked hard to make South Lake Union a vibrant and dynamic neighborhood, and we are seeing our efforts pay off," said Ada M. Healey, vice president of real estate at Vulcan Inc. "This past year has seen the addition of several new restaurants and other retailers and thousands of new employees. It has been a great accomplishment for our company, as well as the South Lake Union community in general."

The South Lake Union neighborhood has become a center for biotechnology firms, health care research and innovation, and technology companies, as well as a thriving retail and housing sector. Vulcan Real Estate's work in South Lake Union represents one of the largest urban redevelopment projects in the country, and will consist of more than 10 million square feet of new housing, offices and life sciences research space, along with retail shops and restaurants, open green space and public transit.

Tangible Results in Challenging Times

2011 marked the culmination of a decade of Vulcan Real Estate's redevelopment work in South Lake Union. A few highlights from the year include:

- **Delivered 845,000 square feet of pre-leased office space** with the completion of Phase III and Phase IV of Amazon.com's five phase 1.8 million square foot global office headquarters.
- **Broke ground on over 500,000 square feet of commercial buildings** for Amazon.com (office building) and the University Of Washington School Of Medicine (life sciences research space for more than 400 researchers).
- **Executed nearly 500,000 square feet of new or renewal leases** and achieved an average occupancy rate of 95 percent in commercial-wide portfolio.

- **Welcomed Institute for Systems Biology (ISB)** In May 2011 to the 401 Terry Avenue Building. ISB now occupies 140,000 square feet of Class A life sciences space - home to more than 300 ISB employees.
- **Welcomed 13 new retail shops, services and restaurants to South Lake Union in 2011**, including West Elm Store, three Tom Douglas restaurants (Brave Horse Tavern, Cuoco and Ting Momo), Mio Sushi, The Bar Method, Capelli's Gentlemen's Barbershop, the Wurst Place, Born to Run, Cactus, Pedini, Swedish Medical Center South Lake Union Primary Care (South Lake Union's first medical clinic) and Simply Dental.
- **Achieved average occupancy of over 95 percent for Vulcan's for-rent residential portfolio and sold out all remaining homes at the Enso condominiums.**
- Continued longstanding leadership in sustainable development as **largest private owner of known new construction LEED Certified projects in Seattle.**
- **Achieved LEED Gold certification** for Phase III and IV of Amazon.com's headquarters and **supported the installation of 24 Blink Electric Vehicle Charging Stations** in eight South Lake Union commercial and residential buildings owned by Vulcan Inc.
- **Celebrated South Lake Union LEED for Neighborhood Development certification** (stage 2) from the U.S. Green Building Council, representing the first neighborhood plan in Washington State to earn the prestigious rating.

Industry Awards

In 2011 Vulcan received awards from a variety of real estate industry organizations for its leadership in real estate development, sustainability and urban revitalization, including:

- The 2011 NAIOP Washington Chapter Night of the Stars Award for Developer of the Year
- The 2011 NAIOP Washington Chapter Night of the Stars Award for Renovation/Redevelopment of the Year (Terry Avenue Building)
- The 2011 Quality Growth Alliance Recognition Award (Supply Laundry Building)
- The 2011 AIA Northwest & Pacific Region Merit Award (UW Medicine Phase 2)

Community Engagement

Vulcan Real Estate has also played an active role in fostering a healthy and diverse community in South Lake Union – from its support of local nonprofits and the arts community to preserving historic buildings and organizing community-wide events. Highlights include:

- Produced and hosted 7th annual SLU Block Party in August 2011, a free all-day community festival that has become an annual tradition in South Lake Union, bringing together thousands of the area's workers, residents and visitors. This

year's Block Party welcomed more than 10,000 visitors and raised over \$14,000 for local non-profits FareStart and YouthCare.

- In the past year, Vulcan added two commissioned public artworks to the neighborhood, including *Articulated Start* by local artist Eric Eley in the Phase IV plaza of the Amazon.com headquarters and *Universal Adapter* by local artist Cris Bruch in at 2201 Westlake.
- As part of its commitment to retaining historic structures that enhance the neighborhood's character, Vulcan preserved the Terry Avenue Building (Amazon Phase IV) which is the location of three Tom Douglas restaurants.
- Organized hundreds of community and social events at Vulcan's South Lake Union Discovery Center, which has welcomed over 74,700 visitors since opening in 2005. The Discovery Center welcomed nearly 10,000 visitors in 2011 alone.
- Provided financial and in-kind support to numerous local nonprofits including FareStart, YouthCare, MOHAI, Capitol Hill Housing, Mary's Place, Center for Wooden Boats, Cornish College of the Arts, Low Income Housing Institute, Immanuel Community Services, Artist Trust, Seattle Parks Foundation, History Link, Housing Resource Group, among others.

By 2013, Vulcan plans to have completed nearly five million square feet, or about half of its potential development in South Lake Union. Vulcan Real Estate is a division of Vulcan Inc., the project and investment management company founded by Paul G. Allen.

Vulcan's growing portfolio includes over \$2 billion in quality real estate assets, totaling nearly 6.5 million square feet of office, biotech, retail, residential, hospitality, parking and open space. To date, Vulcan has delivered 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 planned for delivery by 2013.

About Vulcan Real Estate

Vulcan Real Estate directs all real estate activities for Vulcan Inc., a Paul G. Allen company. The company's 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 the South Lake Union neighborhood of Seattle. The company has approximately 500,000 square feet currently under construction and planned for delivery in 2013. In addition Vulcan will break ground on 475 residential units in the coming months and has another 580,000 square feet in pre-development planning. For more information, visit www.vulcanrealestate.com.

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