



ALEXANDRIA

Building the Future of Life-Changing Innovation

# PROPOSAL FOR THE MERCER MEGA BLOCK THE FUTURE EPICENTER FOR LIFE SCIENCE IN SEATTLE

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Submitted by  
Alexandria Real Estate Equities, Inc.

October 5, 2018



**EASTLAKE AND SOUTH LAKE UNION, SEATTLE**

ALEXANDRIA'S OPERATING AND DEVELOPMENT PROPERTIES

**Front Cover (clockwise from top):** Eastlake Corridor Properties (see below), 400 Dexter Avenue N, 701 Dexter Avenue N

**Inside Cover (clockwise from bottom):** 1818 Fairview Avenue E, 199 E Blaine Street, 1616 Eastlake Avenue E, 1600 Fairview Avenue E, 1551 Eastlake Avenue E, 1201 Eastlake Avenue E, 1208 Eastlake Avenue E, 1165 Eastlake Avenue E, 1150 Eastlake Avenue E, 219 Terry Avenue N, 2301 5th Avenue



# TABLE OF CONTENTS

---

PAGE

|    |              |   |
|----|--------------|---|
| 2  | <b>I.</b>    | Proposal Cover Letter (Form C.1)  |
| 3  | <b>II.</b>   | Executive Summary   |
| 6  | <b>III.</b>  | Financial Qualifications  |
| 7  | <b>IV.</b>   | Past Project Qualifications (Form C.3) <ul style="list-style-type: none"><li>a. 400 Dexter Avenue N - South Lake Union</li><li>b. Alexandria Center® for Life Science - New York City</li><li>c. Alexandria Center® for Science and Technology - Mission Bay, San Francisco</li><li>d. Alexandria Center® at Kendall Square - Cambridge</li></ul> |
| 23 | <b>V.</b>    | Project Concept and Public Benefits   |
| 43 | <b>VI.</b>   | Project Design  |
| 60 | <b>VII.</b>  | Financial Offer and Project Financing Plan  |
| 64 | <b>VIII.</b> | References  |
| 67 | <b>IX.</b>   | Appendix <ul style="list-style-type: none"><li>a. Financial Pro Forma Exhibits (Form C.7)</li></ul>   |

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A photograph of a modern building at dusk, featuring a dark blue overlay with the title text. The building has a prominent glass facade and a central entrance. The sky is a deep blue, and the building's lights are visible through the windows.

# Proposal Cover Letter

Form C.1  
PROPOSAL COVER LETTER

RESPONDENT: ALEXANDRIA REAL ESTATE EQUITIES, INC.

SUBMITTAL DATE: OCTOBER 5, 2018

PRINCIPAL CONTACT: JOHN COX  
400 DEXTER AVENUE N, SUITE 200  
SEATTLE, WA 98109  
JCOX@ARE.COM  
[REDACTED] - CELL

ATTENTION: LORI HILL  
MANAGING DIRECTOR, JLL  
601 UNION STREET, SUITE 2800  
SEATTLE, WA 98101



ALEXANDRIA®

Ladies and Gentlemen:

In response to the Request for Proposals dated July 11, 2018 (the "RFP"), issued by JLL on behalf of the City of Seattle (the "City") for the disposition of the Mercer Mega Block (the "Project"), the undersigned ("Developer") submits this response (the "Response"). Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the RFP.

Enclosed, and by this reference incorporated herein and made a part of this Response, is the tabbed response to the RFP.

Developer acknowledges access to all materials posted on the following website with respect to the Project: [https://my.rcm1.com/handler/virtualdealroom.aspx?pv=-OPsg8IEP3\\_r5kPk6tVh0xF1OFC1tStwNGd3mZsF\\_sUUAOb1NXWiqDhSjqKbKX1](https://my.rcm1.com/handler/virtualdealroom.aspx?pv=-OPsg8IEP3_r5kPk6tVh0xF1OFC1tStwNGd3mZsF_sUUAOb1NXWiqDhSjqKbKX1) as of the Submittal Due Date for the RFP including all addenda and questions and answers matrices issued in connection with the RFP.

Developer represents and warrants that it has read and understands the RFP and agrees to abide by the contents and terms of the RFP.

Developer understands that JLL is not bound to shortlist any developer and may reject each response that JLL may receive.

Developer further understands that all costs and expenses incurred by it in preparing this Response and participating in the process will be borne solely by Developer.

Developer agrees that JLL or the City will not be responsible for any errors, omissions, inaccuracies, or incomplete statements in the RFP.

This Response shall be governed by and construed in all respects according to the laws of the State of Washington.

Authorized representative of Developer: John Cox

By executing this form, each Team Member confirms that the representative named above is authorized to act as agent on behalf of Developer and principal contact for Developer in dealings with the City.

By:

Name: John Cox  
Title: Senior Vice President - Regional Market Director - Seattle  
Developer's Address: 400 Dexter Ave N, Suite 200  
Seattle, WA 98109 - USA  
www.are.com  
State of Incorporation: Maryland

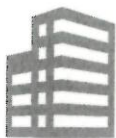




# Executive Summary



## ALEXANDRIA'S UNIQUE VISION FOR THE MERCER MEGA BLOCK



Alexandria Real Estate Equities, Inc. (NYSE:ARE) welcomes this opportunity to present our unique and compelling vision for a world-class, highly amenitized, and sustainable life science campus on the Mercer Mega Block to bring together Seattle's life science ecosystem in a manner never accomplished before. It would be an honor and a privilege to enter into a strategic relationship with the City of Seattle to develop this unique vision for an iconic, fully integrated mixed-use campus dedicated to accelerating the discovery and development of innovations that will positively impact human health. Our plan equally focuses on coalescing Seattle's life science ecosystem and helping the Seattle community by addressing the city's affordability crisis with a significant investment in hundreds of units of on-site housing, educational opportunities for underserved youth, and a new community gathering space in Seattle's urban center. We see the direct benefits that on-site affordable housing and an active open community space will bring to our proposed life science campus, and we plan to create a new model for urban development that supports our mission to cure disease and embraces excellence in sustainability and social inclusion in our design and development.

Alexandria is the leader in creating unique life science campuses and vibrant ecosystems in our nation's most important urban innovation clusters. We are passionate about providing our innovative tenants – who range from transformative startups to global life science companies – with highly dynamic and integrated ecosystems, which enhance their ability to successfully recruit and retain world-class talent, inspire their productivity and creativity, and aid in their efforts to develop novel scientific and technological breakthroughs.

With about 10,000 diseases known to humankind and only about 500 that have treatments, we are still in the early innings of the biology revolution. We are motivated by the tremendous advances we are seeing in the understanding of biology, with Seattle companies at the forefront of ambitious endeavors, including developing radical new approaches to the treatment of cancer and joining artificial intelligence with immunology expertise. The Mercer Mega Block would provide the critical foundation for the future of Seattle's life science industry and represents the last meaningful opportunity in Seattle to create a fully integrated life science campus ecosystem with companies at all stages of development, co-located and adjacent to South Lake Union's leading academic and medical research institutions, to make Seattle a major participant in this revolution.

Seattle has long been known for its great scientific research, but it has suffered from a lack of development capabilities, strategic risk capital, and seasoned life science management. It has emerged as a leader in immunology, cell therapy, and the intersection of science and technology – which leverages big data, artificial intelligence, genomics, and other platforms to drive the development of diagnostics and therapies. These areas are leading to pioneering innovations and cutting-edge research that are revolutionizing human health across the life science industry as a whole. Seattle's life science industry is at an inflection point and it needs the support of the City and State, and a recognized life science ecosystem builder – Alexandria, to create and nurture a vibrant life science ecosystem that will accelerate the pace of

innovation in the Seattle life science cluster, which has lagged behind other life science clusters in recent years despite its vast growth potential. We have helped create, strengthen, and transform San Francisco's Mission Bay, Boston's East Cambridge, and New York City's Manhattan into thriving life science clusters out of which transformative medical technologies have emerged. We can do the same at the Mercer Mega Block for Seattle.

We believe our unique vision for the Mercer Mega Block will promote Seattle's economic diversity, attract and retain life science entities, and provide new opportunities for growing biotechnology companies and emerging life science entrepreneurs. As part of the campus development, we will infuse significant life science startup capital through Alexandria Venture Investments, our strategic venture capital arm, and the Alexandria Seed Capital Platform, our innovative funding model for seed-stage investments, to drive the growth of seed- and early-stage companies. To further solidify a pipeline of best-in-class startups that are so crucial to sustaining the future growth of Seattle's life science ecosystem, we will offer affordable startup space coupled with highly curated services and a scalable path for company expansion. We will also bring in the financing, management talent, and visionary thinking Seattle needs not only to become one of the top life science clusters in the country but to fundamentally impact lives.

We entered the Seattle market in 1996 through a lease that has become a strategic partnership with the Fred Hutchinson Cancer Research Center and took the City's vision to be an epicenter for life science to heart and initiated our Eastlake life science cluster. We are proud of our rich history of supporting the Seattle cluster, and we intend to continue serving as a thought leader by transforming the Mercer Mega Block into a vibrant life science ecosystem. We also aim to be an active contributor to solutions for Seattle's housing and affordability challenges. As part of our proposal, we pledge to partner with the city and donate \$5 million to support initiatives addressing Seattle's homelessness crisis. Our proposal also includes at least 175 units of affordable housing at 60% of area median income (AMI), seven units to meet the on-site Mandatory Housing Affordability (MHA) requirement, ■ units of "workforce housing" at 80% AMI to support middle-income workers and their families, and ■ market-rate units. Additional public benefits include a vital community center for arts, culture, and recreation, as well as educational spaces to nurture the next generation of life science talent. Alexandria will also donate more than 100 hours of employee and tenant time to community service in Seattle during the project kickoff year while continuing our ongoing volunteer efforts in the community. We fully commit to making the Mercer Mega Block a thriving life science hub that will attract and retain some the world's most innovative companies as they translate science from bench to bedside.

## ALEXANDRIA: BUILDING THE FUTURE OF LIFE-CHANGING INNOVATION™



Founded in 1994 to create a new kind of real estate company focused on serving the life science industry, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Seattle, Greater Boston, San Francisco, New York City, San Diego, Maryland, and Research Triangle Park. We named the company after Alexandria, Egypt, the scientific capital of the ancient world, famous for its library and iconic lighthouse whose beacon still evokes the pursuit of scientific discovery.



## EXECUTIVE SUMMARY

Alexandria is not simply a financial player or a merchant real estate developer: we are woven into the fabric of the life science industry and every community where we invest. Our highly experienced team; our impassioned mission to advance human health, overcome global hunger, and improve the quality of people's lives; and our effective execution of our differentiated business model continue to set us apart and provide the unifying basis for our four strategic verticals:

- **Real Estate:** We are the country's largest long-term owner, developer, and operator of collaborative life science campuses in the top urban innovation clusters with a passion for what we do. Our cluster model has identified the four ingredients essential for life science clusters to thrive – location, innovation, talent, and capital. It has proven to be a trusted, solid framework for our business.
- **Venture Investments:** We recognized the life science sector's need for strategic risk capital early on and established Alexandria Venture Investments in 1996 to help support companies with the potential to transform patient lives. As recently recognized by Silicon Valley Bank, we were the most active early-stage life science investor in the United States by deal volume in 2016–2017 – a testament to the significant role we play nationally in the life science ecosystem.
- **Thought Leadership:** In 2011, we introduced our thought leadership platform with the founding of the Alexandria Summit®, an interactive forum convening a diverse set of major stakeholders to produce actionable outcomes for the most critical challenges to human health. We have influenced thinking to address some of humankind's most critical problems through our Alexandria Summits focused on oncology, neuroscience, healthcare economics, infectious diseases, and agricultural innovation.
- **Corporate Responsibility:** We are committed to making a positive impact on the health, safety, and well-being of our tenants, employees, and the communities in which we invest, live, and work. We have an industry-leading sustainability program, and this year we were named the #1 real estate company in the world by the Global Real Estate Sustainability Benchmark (GRESB) in its Health & Well-being Module for our leadership in promoting health, wellness, and productivity. Last year, we provided substantial philanthropic support and volunteer time to over 175 non-profits and launched Operation CARE, which leverages all our resources and expertise to support non-profits doing groundbreaking work in medical research, STEAM education, military support services, and local communities.

### ALEXANDRIA'S OUTSTANDING TRACK RECORD OF LIFE SCIENCE LEADERSHIP IN SEATTLE

Alexandria was a first mover in envisioning and creating a world-class commercial life science cluster in this city. We understood that for Seattle to emerge as a global hub for commercial life science, we would need to bring together cutting-edge science across a diverse mix of life science companies, top academic and medical institutions, skilled talent, and investment capital. It was also important to curate our developments to meet the specific needs of Seattle's companies and communities.



We expanded into Lake Union with our 2003 acquisition of 1616 Eastlake Avenue E, an office/laboratory property, which we purposely created as a diverse ecosystem of high-quality tenants with curated programs and events. That same year, we co-founded a first-of-its-kind life science accelerator, Accelerator Life Science Partners, to create an organic growth engine for the Seattle ecosystem. Accelerator has gone on to fund [REDACTED] companies here and has invested more than [REDACTED] to date.

In Seattle, we have curated a broad and growing ecosystem of high-quality tenants featuring multinational life science companies, such as Celgene Corporation and Gilead Sciences; large public biotech companies such as Juno Therapeutics and bluebird bio; private biotech companies such as Nohla Therapeutics and Adaptive Biotechnologies; and institutional entities such as the Infectious Disease Research Institute, University of Washington, and Fred Hutch, which recently signed a full-building lease with us at the historic Lake Union Steam Plant to extend its South Lake Union campus. Through our venture capital arm, we form strategic relationships with cutting-edge Seattle companies, as we have done with Juno, Nohla, and Alpine Immune Sciences, and most recently Silverback Therapeutics.

Today, with nearly 1.5 million RSF of sought-after amenitized office/laboratory space in Seattle, we are the city's preeminent long-term owner, developer, and operator of life science campuses for the pioneering companies doing important work here. We will use our world-class global life science and venture network to continue facilitating collaborations and providing investment capital and mission-critical space to help companies and institutions thrive and to nurture new life science innovators. Alexandria is well positioned and committed to strengthening the Seattle life science cluster.

### THE MERCER MEGA BLOCK CONCEPT

We are committed to collaborating with Seattle to transform the Mercer Mega Block into a fully integrated, multi-use life science campus to accelerate the discovery and delivery of treatments and cures from bench to bedside, activate one of the most innovative centers in the country, and address some of Seattle's most challenging social issues.



Our concept for the 800 Mercer campus includes plans to deliver approximately [REDACTED] SF across two state-of-the-art, highly sustainable, and thoughtfully designed towers that will incorporate a mix of advanced life science and office space, on-site affordable housing, and a dynamic community gathering space.

- To meet South Lake Union's need for civic space, the ground floor of the West Tower will feature a vibrant community center complete with spaces for performing arts and athletics. Additionally, in recognition of the significant role that Seattle's youth will play in the future success of the city, it also includes space for after-school tutoring for STEAM (Science, Technology, Engineering, Art, and Math) education and youth.
- The ground floor of the East Tower will offer a farm-to-table restaurant, with an on-site urban farm, and Learning Lab/skills center geared toward students and small business owners to back the city's entrepreneurial spirit.







- Alexandria also proposes the new public pathway on 8th Avenue N serve as a functional multipurpose area that can be utilized year-round by all who work, live, and visit here.
- The Dexter Tower will be dedicated to our affordable housing development.

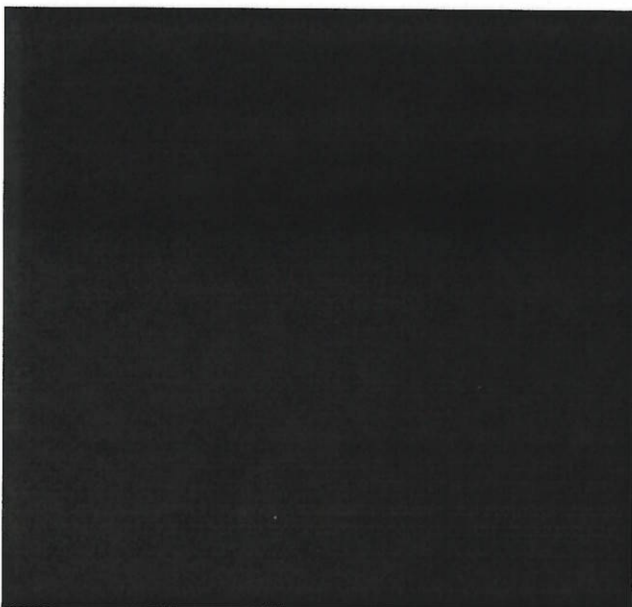
Together, these components will result in a world-class campus that values and enhances the surrounding South Lake Union neighborhood and bolsters Seattle's innovation economy.

### OUR FINANCIAL PROPOSAL



Alexandria self-finances all projects on our balance sheet and will fund all costs for all developments; outside financing will not be required.

As outlined above, our comprehensive offer equates to much more than simple financial payments. The community benefits are an investment by Alexandria into the Seattle community and create intrinsic value in the Mercer Mega Block not captured in the ground lease proposal. The chart below displays the estimated comprehensive value of our offer:



### TRANSFORMING THE MERCER MEGA BLOCK INTO AN ICONIC, LEADING LIFE SCIENCE DESTINATION



Alexandria is known for our entrepreneurial and pioneering vision in creating environments that inspire innovation, collaboration, and the translation of breakthrough discoveries into high-impact therapies that improve patient lives and reduce the economic burden of disease on society. As a member of the Seattle community for more than two decades, we are passionate about curating a dynamic innovation ecosystem that embraces South Lake Union's unique character and spirit of innovation.

Life science is a critical part of Seattle's economy, but space for growth is tight. The development and transformation of the Mercer Mega Block represents a meaningful opportunity to create a leading destination that will stimulate life science innovation, company formation, job growth, community engagement, and thought leadership in the city.

Whereas a traditional tech company might opt to reserve the block for their exclusive use, our proposed campus meets Seattle's critical demand for laboratory space and provides it with a thriving life science ecosystem that will be home to a broad, diverse mix of high-quality life science entities. As with all our campuses, we will include amenities that are not only open to the community, but designed with them in mind, in an ambitious tenant- and community-centric model that balances the need to support the innovation economy while embracing sustainability and the imperative for social inclusion in its design and development.

We have assembled an impressive and highly experienced team, including members of our executive, senior management, real estate, development, sustainability, science and technology, and philanthropy teams (*see the Project Concept section for bios*), along with best-in-class architects, designers, and housing partners. Leveraging our unparalleled knowledge in the development of life science ecosystems; proven track record in Seattle; deep relationships within the life science community; unparalleled understanding of the infrastructure required for life science R&D facilities of the highest standard; substantial expertise in entitlement, design, construction, and development; and highly credible, longstanding relationships with local government agencies, we strongly believe Alexandria is best suited to ensure the success of a premier life science center on this last large, undeveloped site in South Lake Union.

With utmost sincerity and humility, we thank you for your consideration of our Response on this historic effort.





# Financial Qualifications



*Requested information for RFP Requirements,  
Financial Qualifications have been submitted under  
separate cover per the instruction in the RFP.*





# Past Project Qualifications



## 400 DEXTER AVENUE N – SOUTH LAKE UNION



400 DEXTER AVENUE N

### PROJECT DATA

|   |                                  |
|---|----------------------------------|
| Address   | 400 Dexter Avenue N, Seattle, WA |
| Size of Project (Rentable Square Feet)          | 290,111 RSF   0.81 acres         |
| Construction Type                               | New; steel & concrete            |
| Level of LEED Certification                     | LEED Gold for Shell & Core       |
| Number of Stories                               | 12 stories                       |
| Construction Start Date                         | June 2015                        |
| Construction Complete Date                      | March 2017                       |
| Was the project completed on time? If not, why? | Completed on time                |

### 1. Provide a brief narrative that describes the nature of the development

In 2015, in response to a competitive RFP process, Alexandria was selected to build a new global headquarters and R&D center for Juno Therapeutics, Inc., a fast-growing biopharmaceutical company developing an innovative cell therapy for the treatment of cancer. We located them at 400 Dexter, adjacent to Seattle's centers of innovation and world-renowned academic and research institutions. Alexandria was selected based on many crucial factors, including the following:

- Our significant brand and reputation as the leading owner, developer, and operator of life science properties
- Our proven track record of delivering mission-critical projects on time and on budget
- Our unique ability to create highly dynamic, collaborative environments with curated programming and amenities that enhance our tenants' ability to successfully recruit and retain world-class talent
- Our passion for driving employee productivity and collaboration through innovative design
- Our deep relationships in the life science and biotechnology industries
- Our deep knowledge of early-stage life science companies through Alexandria Venture Investments, our venture capital arm

We start every development project by engaging our tenants in conversations to understand their science-centered and programmatic requirements, as well as their immediate facility construction and long-term operating needs. Immediately following our selection, our collective vision emerged to (1) create a forward-looking, collaborative environment that enhances Juno's discovery and development of highly advanced technologies that help the body's immune system find and fight cancer, (2) support Juno's recruitment and retention of top scientific talent, and (3) contribute unifying communal spaces for South Lake Union.



Today, 400 Dexter stands as a 12-story world-class office/laboratory building with a robust infrastructure. Every detail of this LEED Gold and Fitwel-certified building was thoughtfully designed to facilitate maximum productivity and collaboration for Juno's innovative workforce. Alexandria and Juno focused on key aspects of the shell design, including multiple creative gathering and meeting spaces, such as the 10-story staircase, to increase interstitial opportunities for collision and collaboration across the 23,000 SF floorplates. Additionally, the iconic building features amenities designed to promote health and wellness, including a fully equipped fitness center and two decks with iconic skyline views on floors 3 and 12, which were built and programmed to provide a tangible connection to the outdoors through optimized access to natural daylighting.

In recognition of the high-rise's design, 400 Dexter received First Place in Seattle SDCI's 2017 People's Choice Urban Design Awards.

## 2. Describe any community benefits and open space that characterize this project

To ensure the project also engaged the local community and increased opportunities for interaction with the public on the ground level and for the Dexter Avenue corridor, Alexandria recruited The Collective, a high-impact "urban basecamp" that merges dynamic spaces and unique community programming to bring together Seattle's diverse population. Here, leading entrepreneurs and creatives converge in an energizing environment that fosters adventure, shared ideas, positive impact, and a sense of purpose. Alexandria and The Collective worked together to design and activate the retail space in an intentional, focused manner to ensure the enhancement of the broader Lake Union life science ecosystem and engagement of its progressive community. Today at 400 Dexter, The Collective provides a daily refuge with ever-evolving experiences featuring a full-service restaurant and bar with a locally inspired menu, a 20-foot bouldering wall, an artist-in-residence studio, a stage, music bungalows with access to complimentary instruments, a hammock garden, and technology-free zones. Serving as a key community convener, the urban basecamp offers over 15 programs monthly, including photography classes, art walks, yoga and wellness classes, codefests, and music lessons for the workforce of today and tomorrow, as well as community events focused on today's most pressing topics, such as social justice and technological innovation. We continue to act as a strategic and collaborative partner with the city's mainstay institutions where groundbreaking technologies are developed.

Our development replaced three single-story buildings with one new 12-story R&D building. The building's massing was designed to enhance the new gateway connecting SR 99 to South Lake Union and elevate the pedestrian experience along Dexter Avenue. Alexandria also contributed a new bus stop-with-shelter in front of the building's main entrance and incorporated voluntary setbacks above the zoning code minimum to provide for more generous sidewalks and areas for outdoor seating at a comfortable distance from street traffic.

Paying homage to the site's history, we restored the cast iron street clock, which has remained in the street right-of-way at the northeast corner of Dexter and Harrison since the mid-1930s. Once commonplace in Seattle, the clock, now rare, was restored at its historically significant location, where once stood a building occupied by Joseph Mayer, Seattle's preeminent street clock maker of the early 1900s.

Alexandria is also committed to continuing our participation in community events, such as National Bike to Work Day, for which we sponsored two tents to encourage commuters passing through Eastlake and Dexter Avenues with water, juice, and bike paraphernalia.

400 Dexter is LEED Gold and Fitwel certified and was designed and built to Wired Score Platinum standards (certification pending), demonstrating Alexandria's commitment to providing its tenants with sustainable campuses on the cutting edge of technology.

## 3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP

400 Dexter is a transformational development created to unite the rapidly evolving South Lake Union neighborhood. The profound relationship Juno and Alexandria have forged – beginning with our early investment in Juno's first financing, which helped the company develop its life-changing technology, and continuing with our collaborative development process to deliver a best-in-class global headquarters – highlights Alexandria's value as a curator of communities and innovative ecosystems. Developing the Juno headquarters in the heart of the Lake Union cluster was of particular significance for the City of Seattle and the State of Washington, both of which supported the project from the very beginning to uphold Seattle's position as a global hub for biotechnology and life science innovation.

Juno (now a wholly owned subsidiary of Celgene), one of Seattle's most important biotechnology companies, is playing a major role in creating jobs, strengthening the state's life science sector, and charging ahead in its mission to treat and cure cancer. Its presence at 400 Dexter (which is also home to Alexandria's Seattle office) has served as a catalyst in ushering in a diversity of new jobs and outside investment into Seattle's life science industry, and it provides critical adjacency to the Mercer Mega Block.



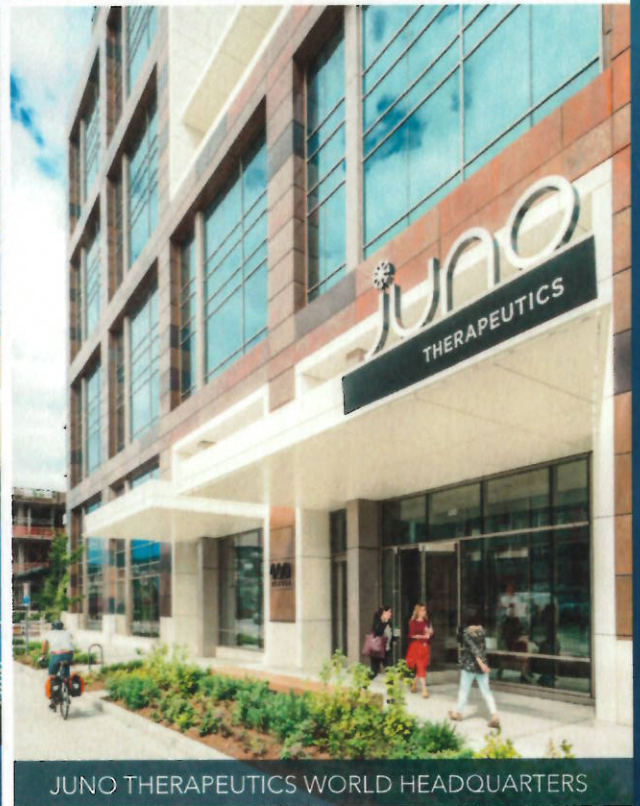
400 DEXTER AVENUE N - SOUTH LAKE UNION



400 DEXTER AVENUE N



LANDMARK CLOCK RESTORATION AND PRESERVATION



JUNO THERAPEUTICS WORLD HEADQUARTERS



400 DEXTER AVENUE N - SOUTH LAKE UNION



STATE-OF-THE-ART LABORATORY SPACE



DYNAMIC BREAK AREA



ROOFTOP DECK WITH ICONIC SEATTLE SKYLINE VIEWS



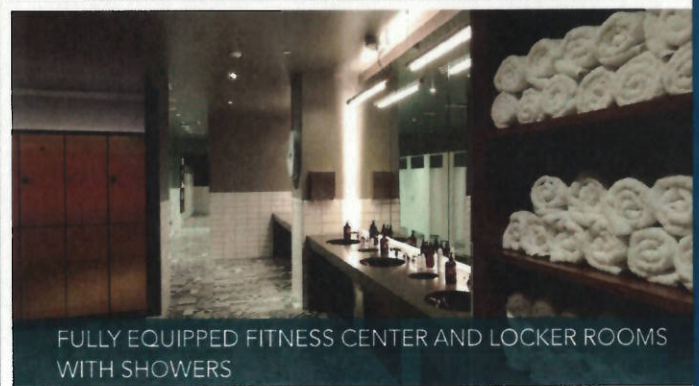
THE COLLECTIVE: ACTIVATED RESTAURANT SPACE



THE COLLECTIVE: BOULDERING WALL



THE COLLECTIVE: MULTIFUNCTIONAL SPACE



FULLY EQUIPPED FITNESS CENTER AND LOCKER ROOMS WITH SHOWERS





## ALEXANDRIA CENTER® FOR LIFE SCIENCE – NEW YORK CITY



### PROJECT DATA

|   |  |
|---|--|
| Address   | 430 East 29th Street (West Tower); 450 East 29th Street (East Tower), New York, NY |
| Size of Project (Rentable Square Feet)          | 728,000 RSF   3.3 acres<br>East Tower – 309,035 RSF   West Tower – 418,639 RSF     |
| Construction Type                               | New; steel & concrete  |
| Level of LEED Certification                     | LEED Gold for Shell & Core   |
| Number of Stories                               | 15 stories (each tower)  |
| Construction Start Date                         | East Tower – February 2007   West Tower – December 2012                            |
| Construction Complete Date                      | East Tower – October 2010   West Tower – January 2014                              |
| Was the project completed on time? If not, why? | Both buildings completed on time   |

### 1. Provide a brief narrative that describes the nature of the development

In 2005, after a highly competitive RFP process, Alexandria was selected by the City of New York to transform a contaminated laundry site into the city's first commercial life science campus. Located in the heart of Manhattan's East Side Medical Corridor, the Alexandria Center for Life Science – New York City (ACLS-NYC) is the city's first and only fully amenitized, sustainable commercial life science campus with critical adjacency to world-renowned academic and medical institutions. Through our successful development and our ongoing operations of ACLS-NYC, the city has emerged as a life science hub, and we continue to invest in the growth and vitality of the ecosystem.

Following our selection, Alexandria completed a rigorous NYC Public Design Commission review of the East and West Towers, as well as 1.5 acres of publicly accessible open space. Across these two iconic towers, which are fully leased to high-quality tenants, we have enhanced the campus with creative amenities and crucial programming designed to stimulate collision, collaboration, and innovation among our tenants. In order to foster a diverse ecosystem, Alexandria believed it was important the buildings be open to companies of all stages of development, rather than fully leasing each building to a single tenant. The campus is home to multinational life science companies (e.g., Bristol-Myer's Squibb, Eli Lilly and Company, Pfizer Inc., Roche); public biotechs (e.g., Intra-Cellular Therapies, Inc. MeiraGTx Holdings, Rocket Pharmaceuticals, Inc.); private biotechs (e.g., Kallyope Inc., Quentis Therapeutics Inc., and two companies launched by Accelerator Life Science Partners (co-founded by Alexandria), Lodo Therapeutics Corporation and Petra Pharma Corporation); seed-stage startups spinning out of academic institutions (e.g., ENB Therapeutics Inc., Gencove, MouSensor, Inc., Neochromosome, Inc.); and institutional tenants (e.g., New York University).

The City and Alexandria's intent was for the campus to drive the future growth of the city's life science cluster, and the campus therefore features innovative curated programs and proprietary Alexandria space offerings, such as the Science Hotel® (fully flexible, built-out office/laboratory suites with a full range of operational and service amenities purposely designed for high-quality early- and growth-stage life science companies) and Alexandria LaunchLabs® (the premier, full-service startup platform designed to dramatically accelerate the growth of early-stage life science startups). Home to over 20 cutting-edge life science startups, many of which have spun out of the city's leading academic and medical institutions, Alexandria LaunchLabs provides affordable, move-in ready office/laboratory space,



first-class support resources, shared equipment and services, creative amenities, and access to startup capital through the Alexandria Seed Capital Platform – each a critical driver for the growth of new companies that will sustain the future growth of the city's life science cluster. Alexandria LaunchLabs has attracted local companies as well as companies from across the country and internationally, including Milan-, Paris-, and Vienna-based startups, seeking to establish operations in New York City.

Our financial structure for developing the campus included a long-term ground lease, which allowed the City of New York to retain ownership of the land while enabling us to generate income for our company through our operations of the campus. We used our own internal financial resources to fund the project.

With the first two towers now successfully built and leased, and having since been recognized for our role in the dramatic transformation that ACLS-NYC has had on the city's life science cluster's growth, we are pursuing our option to develop a third tower (North Tower) on the site, which, upon completion, will bring the campus to nearly 1.3 million RSF. In our continual efforts to meet the need for initial and transitional step-up space, the North Tower will allow us to provide still much-needed high-quality office/laboratory space to life science startups representing the cluster's most palpable source of momentum for growth.

In developing ACLS-NYC in a market where there had only been a diffuse presence, tenant base, and real estate market for life science, we have created a preeminent commercial center where science, management, talent, and capital come together, and where the key players can collaborate with the city's world-class academic and medical institutions to catalyze the discovery, development, and commercialization of novel medical breakthroughs to improve and save patients' lives.

## 2. Describe any community benefits and open space that characterize this project

The urban campus features world-class, creative amenities that were specially curated to support an emerging, prominent life science community, including Apella® by Alexandria, a state-of-the-art digital conference center and white-glove event space; two farm-to-table culinary establishments, Riverpark®, A Tom Colicchio Restaurant, and Little River, an artisanal café; Riverpark Farm®, an award-winning urban farm; FitLab, a fully equipped fitness center; an on-site parking garage and complimentary shuttle service to and from transit stations; and more than one acre of public space featuring an expansive riverfront plaza.

In addition to having curated these spaces and amenities for our ACLS-NYC tenants, the NYC life science community, and the city at large, Alexandria also coordinates and hosts community events throughout the year on the campus. Recent highlights are as follows:

- Rotating food truck schedule every Thursday
- A biweekly farmers market and a weekly CSA (community-supported agriculture) farm share
- Sunday Cinema, where Riverpark Restaurant turned PDR (production, distribution, and repair) space into a dine-in theater featuring a different movie every Sunday
- World Cup screenings at Beer Garden at Riverpark during the entire World Cup event
- Townhalls and meet-and-greets with Tom Colicchio at Little River
- Outdoor boot camp workout classes in the summer
- Summer Science Crawl tours for tenants to learn about their life science colleagues' work, including work at Alexandria LaunchLabs
- Back-to-school drive for backpacks and school supplies for The Coalition for the Homeless
- *Beautiful Boy* movie screening (based on a pair of best-selling memoirs on mental health and addiction)
- *On Pluto: Inside the Mind of Alzheimer's* book signing with author Greg O'Brien
- NYC Life Science Innovation Showcase connecting the city's most talented life science entrepreneurs with investors and executives

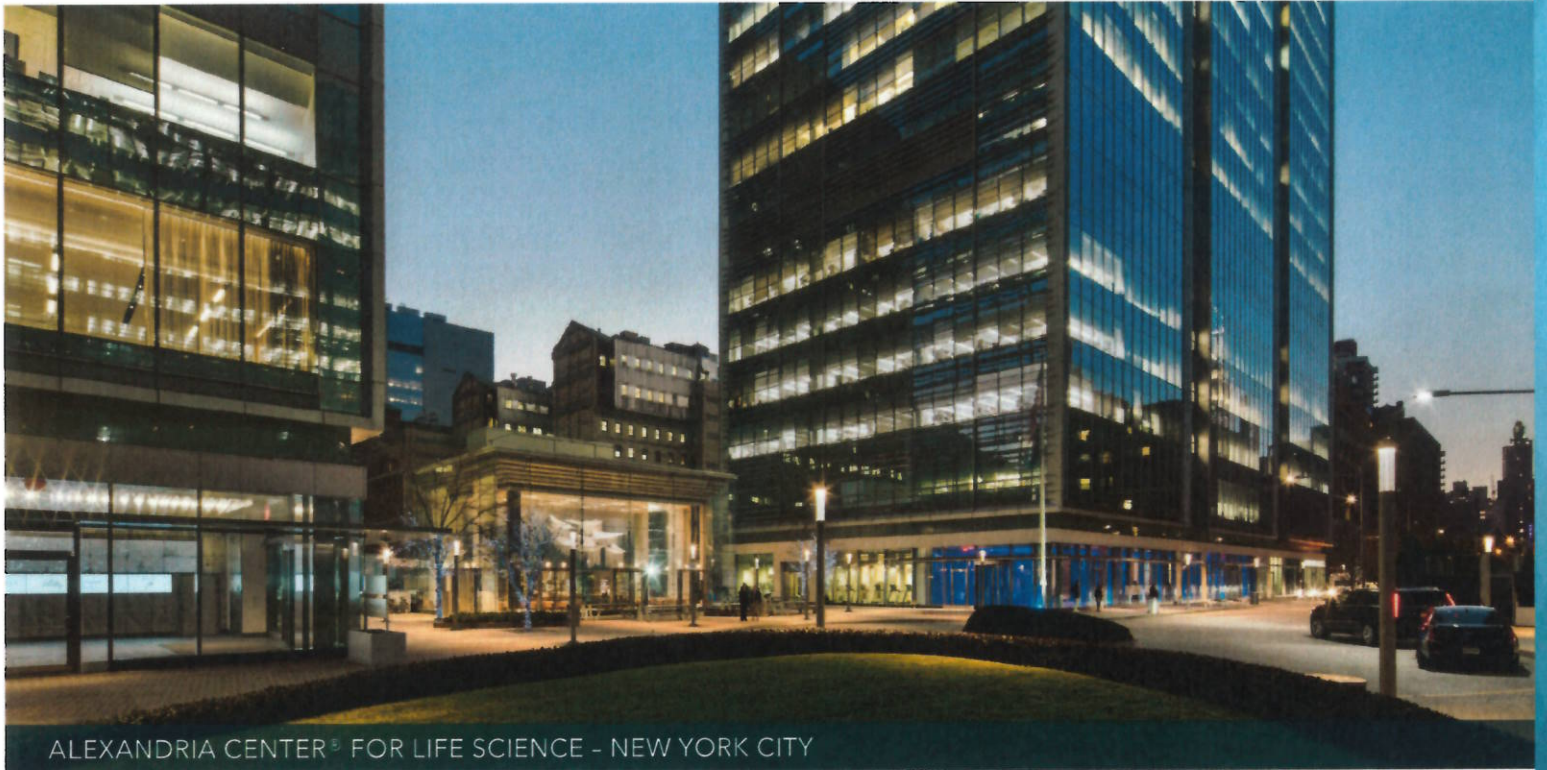
Sustainability has been a key priority on the campus. Key accomplishments in this area include LEED Gold certification for both towers, 3-Star Fitwel certification for promoting the highest levels of occupant health at our buildings in operation, and the world's first WELL certification for a newly constructed laboratory space at Alexandria LaunchLabs.

## 3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP

Similar to the RFP for the Mercer Mega Block, the City of New York's RFP included expectations and priorities for proposed developments. The RFP had required development be focused on commercial life science. Alexandria committed to this outcome in our RFP response, and we subsequently delivered on our vision and promise to establish the city as an emerging premier destination for the global life science community. We remain committed to continuing to sustainably develop and strengthen this cluster.



# ALEXANDRIA CENTER® FOR LIFE SCIENCE – NEW YORK CITY



ALEXANDRIA CENTER® FOR LIFE SCIENCE – NEW YORK CITY



ALEXANDRIA LAUNCHLABS®, A PREMIER, FULL-SERVICE STARTUP PLATFORM DESIGNED TO ACCELERATE THE GROWTH OF EARLY-STAGE LIFE SCIENCE COMPANIES



RIVERPARK®, A TOM COLICCHIO RESTAURANT



LITTLE RIVER CAFÉ



APELLA® BY ALEXANDRIA: LOBBY



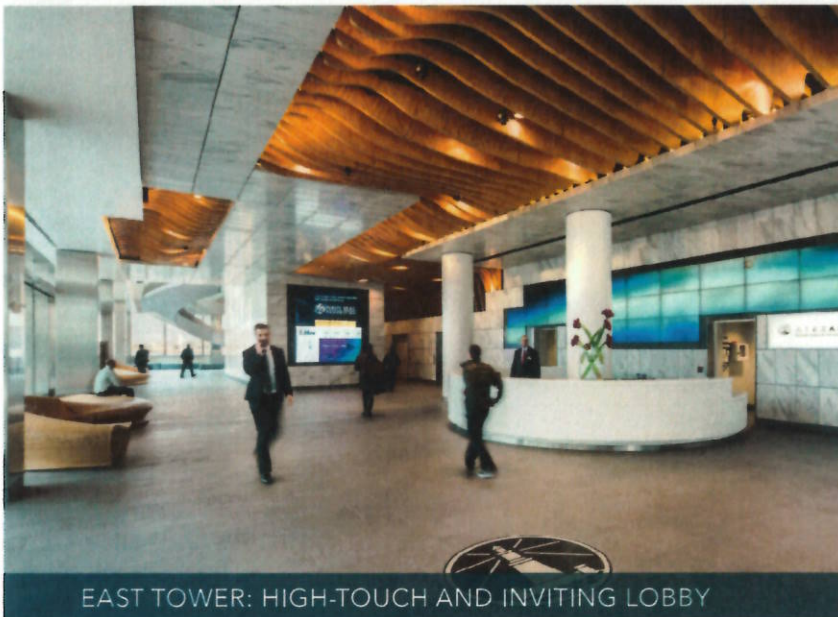
## ALEXANDRIA CENTER® FOR LIFE SCIENCE – NEW YORK CITY



ALEXANDRIA LAUNCHLABS®: CASUAL BREAK AREA WITH ICONIC NYC SKYLINE VIEWS



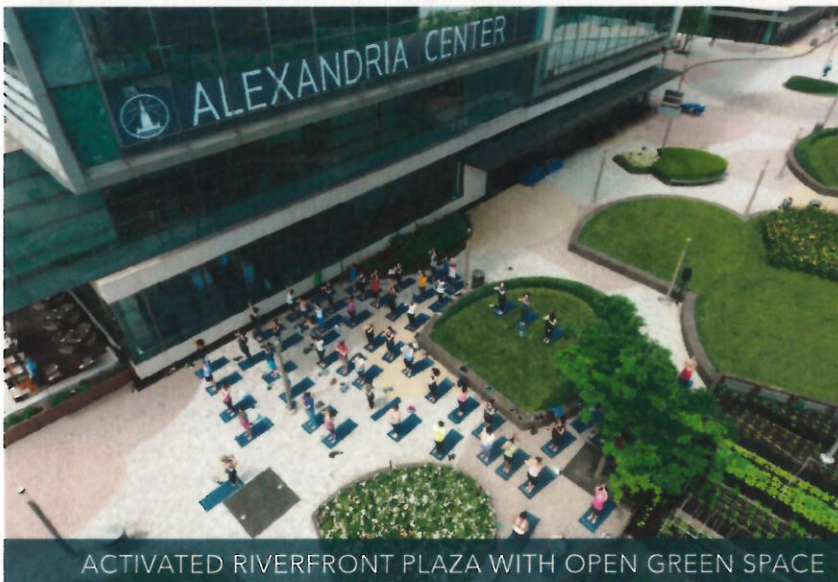
RIVERPARK®: OUTSIDE SEATING WITH EAST RIVER VIEWS



EAST TOWER: HIGH-TOUCH AND INVITING LOBBY



RIVERPARK FARM®: ONE OF NEW YORK CITY'S LARGEST URBAN FARMS



ACTIVATED RIVERFRONT PLAZA WITH OPEN GREEN SPACE



APELLA® BY ALEXANDRIA, A STATE-OF-THE-ART DIGITAL CONFERENCE CENTER AND EVENT SPACE



FITLAB, A FULLY EQUIPPED FITNESS CENTER WITH ON-SITE WELLNESS COACHES



**ALEXANDRIA CENTER® FOR SCIENCE AND TECHNOLOGY – MISSION BAY, SAN FRANCISCO**



MISSION BAY, SAN FRANCISCO | 2004



MISSION BAY, SAN FRANCISCO | 2018

**PROJECT DATA**

|   |  |
|---|--|
| Address   | 1700 Owens Street, 1500 Owens Street, 455 Mission Bay Boulevard South, [REDACTED], San Francisco, CA   |
| Size of Project (Rentable Square Feet)          | 1.5 million RSF   14 acres<br>1700 Owens – 157,000 RSF   1500 Owens – 158,000 RSF   455 Mission – 210,000 RSF   [REDACTED] – 1.1 million RSF |
| Construction Type                               | Type I, fire resistive   |
| Level of LEED Certification                     | LEED Silver and Gold for Core & Shell (multiple buildings)   |
| Number of Stories                               | 1700 Owens – 5 stories   1500 Owens – 6 stories   455 Mission – 5 stories   [REDACTED] – 10 stories  |
| Construction Start Date                         | 1700 Owens – 2005   1500 Owens – 2008   455 Mission – 2008   [REDACTED] – pre-development  |
| Construction Complete Date                      | 1700 Owens – 2007   1500 Owens – 2009   455 Mission – 2009   [REDACTED] – intermediate term  |
| Was the project completed on time? If not, why? | All three operating office/laboratory buildings and two campus-serving parking garages were completed on time; [REDACTED] is on schedule     |

**1. Provide a brief narrative that describes the nature of the development**

In the early 2000s, Alexandria, as a member of the visionary founding group that recognized the potential in Mission Bay to become one of the country's leading centers of life science innovation, embarked on developing a world-class life science cluster from what essentially had been vacant land for the better part of a decade. The Mission Bay master plan entailed the creation of thousands of residential units, an expansion of the research campus of the University of California, San Francisco (UCSF), and, ultimately, an expansion of the UCSF Medical Center to Mission Bay. Through our development of the Alexandria Center® for Science and Technology – Mission Bay, we have been a key collaborator with the City of San Francisco and a driving force in the transformation of Mission Bay into the leading life science hub it is today, spurring scientific discovery, job growth, and economic development in the cluster.

Alexandria purchased the land surrounding the Mission Bay campus of UCSF from the original Master Developer (Mission Bay Development Group) and advanced the project from initial entitlements through development. The initial phases of the development, totaling 980,000 SF, included the design and construction of three new ground-up multi-tenant buildings (1700 Owens, 1500 Owens, and 455 Mission Bay) and two major building acquisitions along the San Francisco Bay waterfront, one of which is home to STEM Kitchen & Garden, a modern, farm-to-table restaurant. These flexible buildings support laboratory, clinical, and office uses and are fully leased to leading life science companies, such as Bayer, Celgene Corporation, FibroGen, Inc., Illumina, Inc., and Nektar Therapeutics, as well as medical providers, such as the Department of Veterans Affairs. A subsequent phase includes our development of a 423,000 RSF Class A build-to-suit headquarters for Uber Technologies, Inc., which is now under construction, and a final phase will include an approximately 200,000 RSF office/laboratory building.



Alexandria's Mission Bay development required a multiyear zoning and entitlement process including state, local, and neighborhood approvals as specified in the Design Review and Document Approval Procedure established in the Mission Bay South Master Developer Owner Participation Agreement. Throughout the process, Alexandria worked closely with Mission Bay Development Group, UCSF, and relevant agencies and community groups in the city, including the San Francisco Redevelopment Agency (now the Office of Community Investment and Infrastructure) and its Mission Bay Citizen Advisory Committee and Mission Bay District Board of Supervisors, the San Francisco Planning Commission, the San Francisco Departments of Public Works and Building Inspection, the San Francisco Mayor's Office, and the UCSF Mission Bay Community Task Force. The Mission Bay site is a brownfield redevelopment that requires ongoing compliance with the Mission Bay Risk Management Plan (RMP). Alexandria has worked directly with the state regulators at the San Francisco Regional Water Quality Control Board to ensure developmental and management compliance with environmental standards set in the RMP.

As one of the largest landowners at Mission Bay, Alexandria designates one of our key employees to represent us on the board of the Mission Bay Commercial Maintenance Corporation (a community association dedicated to maintaining the streetscapes and common facilities within the area) and the Mission Bay Transportation Management Association (which runs the Mission Bay Shuttle) to continue our stewardship of the cluster we developed.

## 2. Describe any community benefits and open space that characterize this project

As part of Alexandria's purchase and operation of our developments in Mission Bay's brownfield sites, our considerable investment in the area has generated resources that the City of San Francisco uses specifically to fund a comprehensive package of community benefits that includes the creation and maintenance of 49 acres of public parks; the dedication of land parcels for development of over 2,300 units of affordable housing; the development of new underground infrastructure systems, such as the city's first separate stormwater management system; and the creation of two Community Facilities Districts to finance the development of infrastructure as well as the development and maintenance of the new public parks. In addition, the Mission Bay master-planned community also supports the Transportation Management Association, which collects dues from the community and operates a free shuttle between Mission Bay and BART, Caltrain, and the San Francisco Transit Center.

As an outgrowth of Alexandria's significant development in Mission Bay, [REDACTED] is our mixed-use development currently in its pre-development phase in the South of Market (SoMa) neighborhood. Plans include a community recreation center, an affordable housing component, retail space, and PDR (production, distribution, and repair) spaces for small businesses. The community center will be operated by the San Francisco Recreation and Park Department and feature a pool and flexible spaces for a variety of activities, including large-scale community events; small after-school programs, such as STEAM educational training programs and coding camps; ping pong tables and tournaments; family gatherings; and celebrations.

Alexandria will also deed air rights above our community center to the City of San Francisco for the development of approximately [REDACTED] units of affordable housing. The PDR spaces will be occupied by small businesses that have otherwise been shut out of leasing available retail space in new urban developments. Production uses will include specialty food makers, breweries, and jewelry makers; distribution uses will include warehouses and shipping vendors; and repair uses could include bike, shoe, and computer repair shops.

In our holistic approach to building up the ecosystem, we also philanthropically support numerous local non-profits, including the UCSF Foundation, the UCSF Medical Center, YMCA of East Bay, Life Learning Academy, and California Life Sciences Association.

## 3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP

Alexandria has a demonstrated commitment and ability to work with multiple community entities in a comprehensive planning and entitlement process. At Mission Bay, our experience resulted in an integrated and well-planned urban neighborhood. We would apply the same dedication in pursuing entitlements for the projects at 800 Mercer and 615 Dexter.

[REDACTED], many of our community benefits have informed our approach to programming the ground floor of 800 Mercer and to meeting South Lake Union's similar need for a community center and other gathering spaces for recreational activities, arts and culture, performances, and other community events. Likewise, our proposed skills center space would similarly fill a need for small, creative production and training spaces in the neighborhood.

Alexandria's commitment and sustained dedication to being a trusted partner to the communities in which we work is a value that differentiates us from our competitors in a very real manner and, we believe, results in better long-term outcomes for the communities we serve, the ecosystems we develop, and the projects we create.



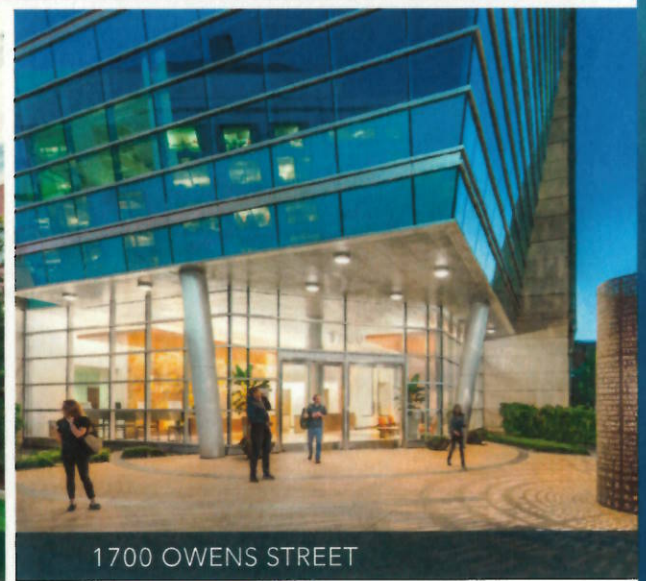
**ALEXANDRIA CENTER® FOR SCIENCE AND TECHNOLOGY - MISSION BAY, SAN FRANCISCO**



1500 OWENS STREET



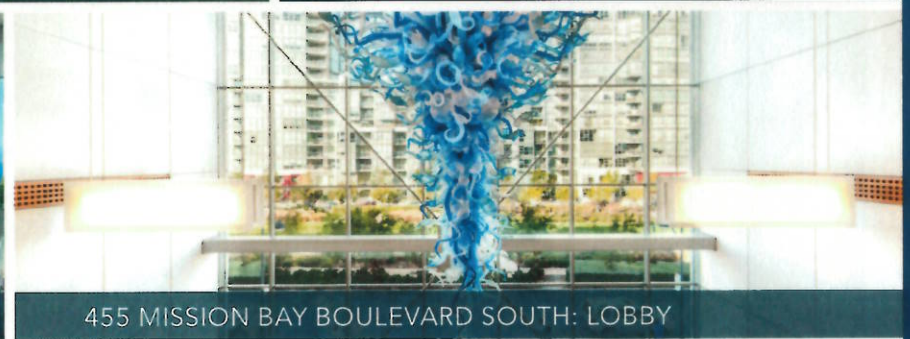
455 MISSION BAY BOULEVARD SOUTH



1700 OWENS STREET



WORLD-CLASS LABORATORY SPACE



455 MISSION BAY BOULEVARD SOUTH: LOBBY



ALEXANDRIA CENTER® FOR SCIENCE AND TECHNOLOGY - MISSION BAY, SAN FRANCISCO



88 BLUXOME STREET



STEM KITCHEN & GARDEN



MODERN LOBBY DESIGNED FOR COLLABORATION



STEM, A MODERN FARM-TO-TABLE RESTAURANT



CUTTING-EDGE DESIGN



ROOFTOP COMMUNITY WALKWAY



WORLD-CLASS LABORATORY SPACE





## ALEXANDRIA CENTER® AT KENDALL SQUARE – CAMBRIDGE



CAMBRIDGE | 2006



CAMBRIDGE | 2018

### PROJECT DATA

|   |  |
|---|--|
| Address   | 225 Binney Street, 75/125 Binney Street, 50 and 60 Binney Street, 100 Binney Street, 270 Third Street, 50 Rogers Street, Cambridge, MA   |
| Size of Project (Rentable Square Feet)          | 1.8M RSF   11.3 Acres (1.5M RSF commercial; 220,000 RSF residential)<br>225 Binney – 305,212 RSF   75/125 Binney – 388,270 RSF   50 and 60 Binney – 532,395 RSF  <br>100 Binney – 432,931 RSF   270 Third – 96,000 SF (residential)   50 Rogers – 132,231 SF (residential) |
| Construction Type                               | 225 Binney – new and adaptive reuse; steel<br>75/125 Binney, 50 and 60 Binney, 100 Binney, 270 Third, 50 Rogers – new; steel and concrete  |
| Level of LEED Certification                     | LEED Gold for Core & Shell (all buildings)   |
| Number of Stories                               | 225 Binney, 75/125 Binney, 50 Rogers – 6 stories   50 and 60 Binney, 100 Binney – 10 stories   270 Third – 8 stories   |
| Construction Start Date                         | 225 Binney – January 2012   75/125 Binney – January 2013   50 and 60 Binney – August 2014  <br>100 Binney – August 2015   270 Third – October 2014   50 Rogers – September 2018  |
| Construction Complete Date                      | 225 Binney – October 2013   75/125 Binney – March 2015   50 and 60 Binney – February 2017  <br>100 Binney – September 2017   270 Third – September 2015   50 Rogers – 2021   |
| Was the project completed on time? If not, why? | Completed buildings all delivered on time; 50 Rogers under way   |

### 1. Provide a brief narrative that describes the nature of the development

In Greater Boston, Alexandria is one of the largest owners, operators, and developers of life science campuses, with more than 6.5 million RSF in key submarkets, mainly in East Cambridge's Kendall Square, the location of three of our vital, adjacent campuses:

- Alexandria Technology Square® – a 1.2 million RSF, seven-building mixed-use campus, where we redeveloped two buildings and added campus amenities (e.g., the award-winning Catalyst and Area Four restaurants)
- Alexandria Center® at One Kendall Square – a 644,771 RSF, nine-building amenity-rich campus with a 164,000 RSF Class A property with planned enhancements to indoor/outdoor collaboration spaces for an improved on-campus experience
- Alexandria Center® at Kendall Square (ACKS) – a 15-acre, 2.6 million RSF multiphase collaborative campus (detailed below)

After an extensive planning, design, and public review process (including over 40 public meetings and hearings), we commenced development in 2012 after earning a first-of-its-kind up-zoning permit, as well as a Special Permit, from the City of Cambridge. ACKS now stands as a major urban campus with 220,000 RSF of housing, major roadway and infrastructure improvements, 2.2 acres of open public space, and the following four new office/laboratory buildings, each with underground parking:

- 50 and 60 Binney (an office building fully leased to life science company Sanofi and a lab building leased to bluebird bio, Inc., also a tenant in our Seattle portfolio) serves as the easternmost gateway buildings in ACKS in the top life science innovation district in the nation. To break up the building massing of the full-block development, a distinctive but unifying design was developed for each tower. Juxtaposing the towers, a two-story retail podium enhances the pedestrian experience with a transparent glass edge, canopies, and strong retail graphics. During construction, the worksite was recognized by the American Heart Association as "Gold-Level Fit-Friendly" for promoting on-site safety and wellness.



- Westward, 100 Binney is a multi-tenanted office/laboratory building fully leased to a large, well-known technology company; a large pharmaceutical company (Bristol-Myers Squibb); and a number of early-stage, venture-backed biotechnology companies. Creating desirable retail spaces was a top priority in the building design, and the ground level features high ceiling heights, abundant glass, and pedestrian-friendly lighting and canopies.
- Nearby, 75/125 Binney comprises two adjoining Class A office/laboratory buildings fully occupied by IBM Watson and Shire plc (acquired by Takeda). The two buildings are connected by a five-story, publicly accessible, award-winning glass atrium, which houses a winter garden and creates a transparent connection between Binney Street and the new Rogers Street Park. 75 Binney features a public café that serves as an amenity space for building occupants, neighborhood talent, and residents.
- 225 Binney is located in the heart of the urban innovation district of Kendall Square. This corporate headquarters enabled Biogen to move 1,200 employees into a flexible, collaborative, open-office layout to attract and retain top talent. Its central location and outdoor plaza provide an inviting entrance to the building, and its site design focuses on easy pedestrian and bicycle circulation throughout the property. To preserve Kendall Square's rich industrial history, Alexandria restored two historic buildings as part of the project, one of which received the Cambridge Historic Commission Preservation Award in 2014.

Drawing on our industry-leading expertise on green building, sustainability strategies were integrated into all aspects of the collaborative, amenitized, and community-integrated design for each building on the ACKS campus, including high-performance mechanical systems, daylighting strategies, and extensive stormwater management techniques. At 225 Binney, our comprehensive sustainability strategy reduced energy consumption by 25% relative to ASHRAE 90.1-2007 and potable water consumption by 38%. Likewise, 75/125 Binney achieved a 42% reduction in energy consumption relative to ASHRAE 90.1-2007 for buildings with a similar mix of laboratory and office spaces and a 35% reduction in water consumption through our use of low-flow and water-efficient plumbing fixtures, greywater recycling, and extensive stormwater management provisions.

## 2. Describe any community benefits and open space that characterize this project

As part of the upzoning and Special Permitting for the development of ACKS, Alexandria delivered a substantial public benefits package to the City of Cambridge, including land and funding for two public parks, development of affordable to moderate housing, funds to the Open Space Trust Fund, infrastructure improvements (including a cycle track), and a building for community space. Additional features of the extensive community contributions we made in connection with ACKS include the following:

- [REDACTED] open space donated to the City of Cambridge for the creation of two public parks (Rogers Street Park and Triangle Park, expected to open in 2019) and [REDACTED] toward their design and construction
- 270 Third development, an eight-story, 91-unit, affordable (12 units for <80% of median income) and moderate-income housing project (15 units for 80%-110% of median income)
- 225 Binney's 20,000 SF outdoor gathering space in a publicly accessible urban plaza for tenants and local residents
- 225 Binney's half-court basketball court and community lab for local high school students
- Full redesign and construction of two blocks on Binney Street to include a raised, buffered cycle track, new on-street parking spaces, and the replacement of current traffic signals with new programmable signals
- Over 20,000 SF of ground-floor retail space along Binney Street curated to increase pedestrian activity and neighborhood engagement (e.g., Bon Me at 60 Binney; Catalyst Café at 75 Binney)
- 52,000 SF building, known as the Foundry, donated to City of Cambridge for municipal and community uses

Alexandria also contributes to the community surrounding ACKS through our ongoing activation of public spaces, philanthropic activities, and fostering of connections between local businesses and the broader Cambridge community. Such involvement includes the coordination of public concerts; engagement with numerous local non-profits (e.g., East End House, a community center providing childcare and senior services for over 140 years); and coordination of back-to-school and other drives benefiting local non-profits (e.g., Margaret Fuller House).

## 3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP

As a completed campus, ACKS features many of the Mercer Mega Block's high-priority elements. Our completed housing development at 270 Third Street met Cambridge's housing needs for a range of household incomes and sizes. Each building was certified LEED Gold for Core & Shell and incorporated many innovative energy and water reduction strategies. Alexandria designed the projects to include spaces geared toward community interaction and activation, such as public plazas, community spaces, through-block (or mid-block) connections, and ground-floor retail.

Our tenant mix is a reflection of our understanding that a healthy, diverse ecosystem supports and encourages collaboration for future breakthroughs. With the development of our ACKS campus, among other activities, in Cambridge, we have expanded our impactful footprint to 5 million RSF to support our continued efforts to provide superior landlord services to a range of high-quality companies, including multinational life science (e.g., Bristol-Myers Squibb, Sanofi, Novartis AG), large public biotechnology (e.g., Biogen Inc., bluebird bio Inc.), private biotechnology (e.g., Moderna Therapeutics, Inc., Relay Therapeutics, Inc.), and technology companies (e.g., IBM Watson), as well as academic and research institutions (e.g., Massachusetts Institute of Technology (MIT), Massachusetts General Hospital).



**ALEXANDRIA CENTER® AT KENDALL SQUARE - CAMBRIDGE**



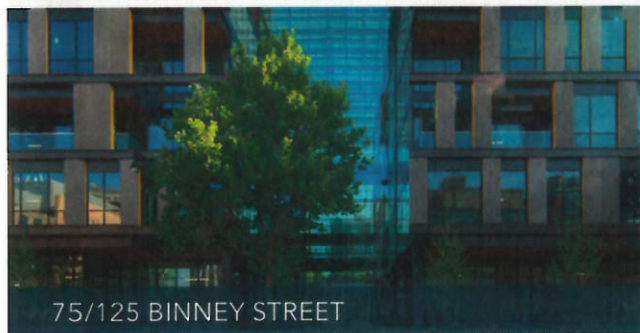
100 BINNEY STREET



50 AND 60 BINNEY STREET



225 BINNEY STREET



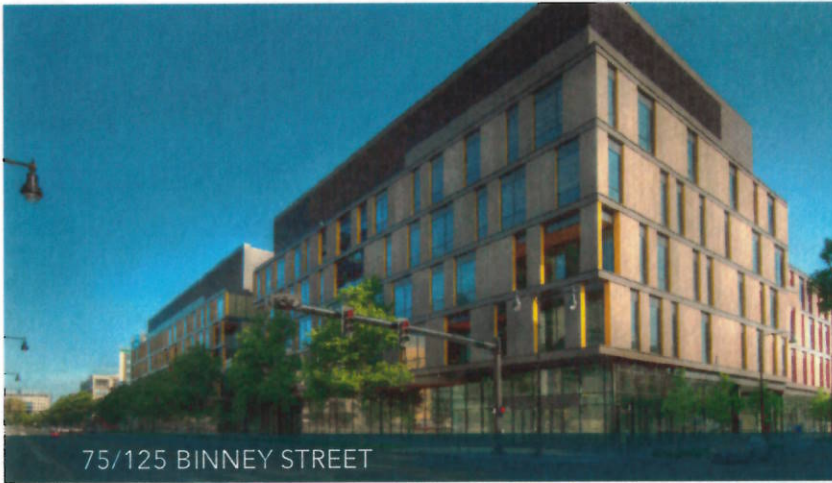
75/125 BINNEY STREET



100 BINNEY STREET: LOBBY



# ALEXANDRIA CENTER® AT KENDALL SQUARE - CAMBRIDGE



75/125 BINNEY STREET



225 BINNEY STREET: LOBBY



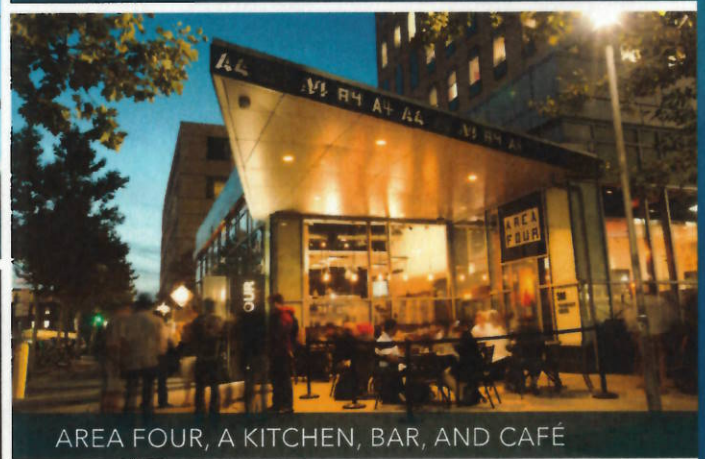
BINNEY STREET CORRIDOR



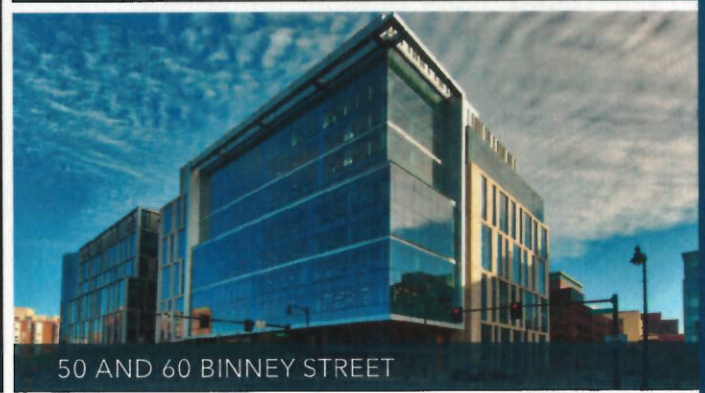
270 THIRD STREET (RESIDENTIAL)



CATALYST RESTAURANT



AREA FOUR, A KITCHEN, BAR, AND CAFÉ



50 AND 60 BINNEY STREET





# Project Concept and Public Benefits



## PROJECT CONCEPT

# SOUTH LAKE UNION'S TRANSFORMATIONAL OPPORTUNITY IN STRATEGIC PARTNERSHIP WITH ALEXANDRIA

**ALEXANDRIA HAS A LONG AND SUCCESSFUL HISTORY IN SEATTLE**, and since our beginnings, we have had a pulse on the City's tremendous potential to reemerge as one of the top destinations for life science innovation in the world. The Mercer Mega Block provides a unique and timely opportunity for the City of Seattle to realize this potential through the transformation of the site into a world-class, highly amenitized, and sustainable life science campus that brings together Seattle's life science ecosystem in a manner never accomplished before.

Alexandria welcomes the opportunity to enter into a strategic relationship with the City to create an iconic, fully integrated mixed-use campus dedicated to accelerating the discovery and development of innovations that will positively impact human health. Our proposal equally focuses on coalescing Seattle's life science ecosystem and supporting the Seattle community by addressing the City's affordability crisis with a significant investment in hundreds of units of on-site housing, educational opportunities for underserved youth, and a new community gathering space in Seattle's urban center.

Realizing the positive impact of a thriving life science industry on its residents and its workforce, in 2003 the City of Seattle set an ambitious goal with a strong focus on life science:

*"South Lake Union will be home to thousands of good-paying jobs in biotechnology and life sciences, employing people who will cure disease and save lives. Cities around the world would love to have these jobs. Let's work to create them here."*

**"I'VE BEEN EXTREMELY VOCAL IN MY BELIEF THAT CURATIVE APPROACHES FOR DISEASES SUCH AS CANCER CAN AND WILL BE DISCOVERED IN SEATTLE. WE APPRECIATE ALEXANDRIA'S ONGOING PARTNERSHIP WITH FRED HUTCH AND OTHERS IN THE SEATTLE BIOTECH COMMUNITY IN ACHIEVING THIS GOAL. WE VALUE OUR LONG-STANDING RELATIONSHIP WITH ALEXANDRIA AND SUPPORT YOUR EFFORTS TO HELP BUILD A DYNAMIC LIFE SCIENCE CLUSTER IN SEATTLE."**

**D. Gary Gilliland, MD, PhD**  
President and Director  
FRED HUTCHINSON CANCER RESEARCH CENTER

## ALEXANDRIA'S LAKE UNION LIFE SCIENCE PROPERTIES



## PROJECT CONCEPT

**SEATTLE OFFERS A DESIRABLE LOCATION** that is home to renowned academic and medical research institutions, pioneering life science and technology companies, and a highly educated population. The resulting density of great scientific research here rivals the rest of the country, but it has suffered from a lack of development capabilities, strategic risk capital, and seasoned life science management. Thus, 15 years later, Seattle's life science industry has grown only modestly, while large, well-capitalized technology companies dominate.


The life science industry provides critical economic diversity to Seattle, where tens of thousands of technology jobs have been created over the last decade. Life science companies tend to better weather economic downturns because their research horizon is long term in nature, which has a stabilizing effect on a local economy. During the 2008 downturn, there were no major closures of Seattle area life science companies – a dramatic contrast to the instabilities we saw in finance and other local sectors. This industry is an essential player in Seattle's economy, but space for growth is tight.

The opportunity for development and transformation of the Mercer Mega Block represents a crucial opportunity to coalesce the city's existing foundational strengths. Alexandria is committed to delivering a project that will bring in early-stage risk capital and serial life science entrepreneurs that, along with other critical elements, are necessary for a thriving life science cluster. Our development plan involves creating a central hub that will stimulate life science innovation, company formation, job growth, community engagement, and thought leadership – and ultimately lead to new treatments and cures for disease.



The map below highlights life science R&D locations relative to areas significantly used by technology, retail, and others to showcase the stark imbalance between tech and life science workplaces.

### AERIAL KEY

|   |                                       |
|---|---------------------------------------|
|  | Life Science                          |
|  | Amazon and Other Technology Companies |



## PROJECT CONCEPT

**WE HAVE SEEN SEATTLE'S CREATIVITY AND INDUSTRY CHANGE THE WORLD**, from revolutionizing aerospace with the Boeing 737 and advancing smart technologies with Amazon's Alexa, to fueling us with Starbucks and disrupting the music scene with Hendrix and Nirvana. Crafting and sharing revolutionary and diverse ideas are deeply ingrained in Seattle's DNA. Led by pioneering companies such as Juno Therapeutics, Adaptive Biotechnologies, and Nohla Therapeutics, Seattle is positioned to make similar transformative inroads to radically improve human health.

In recent years, Seattle has emerged as a leader in immunology, cell therapy, and the intersection of science and technology – which leverages big data, artificial intelligence, genomics, and other platforms to drive development of diagnostics and therapies – areas that are generating trailblazing innovations across the life science industry. In Seattle, the industry is at an inflection point, and with the Mercer Mega Block we have the opportunity to elevate the work of Fred Hutch, the University of

Washington (UW), and its small but growing number of local life science companies to establish Seattle as the leading center for life science research, development, and commercial activity. Alexandria believes Seattle can and will fulfill the audacious goal of Fred Hutch President and Director Dr. Gary Gilliland that "by 2025, cancer researchers will have developed curative therapeutic approaches for most if not all cancers" and other diseases. Seattle needs the support of the City and State, and a recognized life science ecosystem builder – Alexandria, to create and nurture a vibrant life science ecosystem at the Mercer Mega Block.

Alexandria intimately understands that the Mercer Mega Block offers Seattle an opportunity to build upon its legacy of scientific innovation and progress. We believe we are the best steward to deliver a fully developed life science ecosystem here that the City will be proud of well into the future. Through our unique proposal, we envision a world-class campus that values and enhances the surrounding South Lake Union neighborhood and bolsters Seattle's innovation economy.

## THE PROJECT CONCEPT

ALEXANDRIA SHARES SEATTLE'S VISION FOR A CITY THAT PRIORITIZES EDUCATION, EQUITY, INNOVATION, LIVABILITY, SUSTAINABILITY, AND MOBILITY, as well as a commitment to a more diverse, affordable, healthy, and interconnected community. Large, sweeping forces – constantly evolving market dynamics, demographic shifts, rising income inequality, disruptive technologies, and climate change – are compelling Seattle to advance this commitment. Fortunately, no other city in the country is in a better place to respond.

Our vision at Alexandria is for a new model for urban development that supports our drive to dramatically transform people's lives by advancing human health and by embracing the values of equity, inclusion, and sustainability in design and development. We believe we have this vision in common with the City of Seattle. In alignment with our mission to advance human health, overcome hunger, and improve the quality of people's lives, we propose an iconic, fully integrated mixed-use campus that is dedicated to accelerating the discovery and delivery of cures and that addresses the city's affordability crisis with a significant investment in hundreds of units of on-site housing, educational opportunities for underserved youth, and a new community gathering space in Seattle's urban center. We will demonstrate how a strategic partner can develop a world-class commercial life science ecosystem that is economically feasible, incorporates the best in design and operations, and intentionally embraces active open space and mixed-income housing on-site.

**THROUGH OUR PROPOSAL, WE WILL DELIVER THE FOLLOWING TO SEATTLE:**

**740K**   
SQUARE FEET OF  
OFFICE/LABORATORY SPACE

**175**   
UNITS OF HOUSING AT 60%  
AREA MEDIAN INCOME (AMI)

**30K**   
SQUARE FEET OF COMMUNITY  
AND PERFORMANCE ART SPACE

**5K**   
SQUARE FEET FOR A LEARNING  
LAB AND SKILLS CENTER

Alexandria's vision for the Mercer Mega Block would amount to a total investment across the entire development, including programs, totaling approximately [REDACTED].

Its sustainable operations could also annually save the City the energy equivalent of a taking 188 passenger cars off the road, not driving 2.153 million miles, conserving the energy that would be used by 94 homes, or having 1,034 acres of forest sequester carbon for a year.

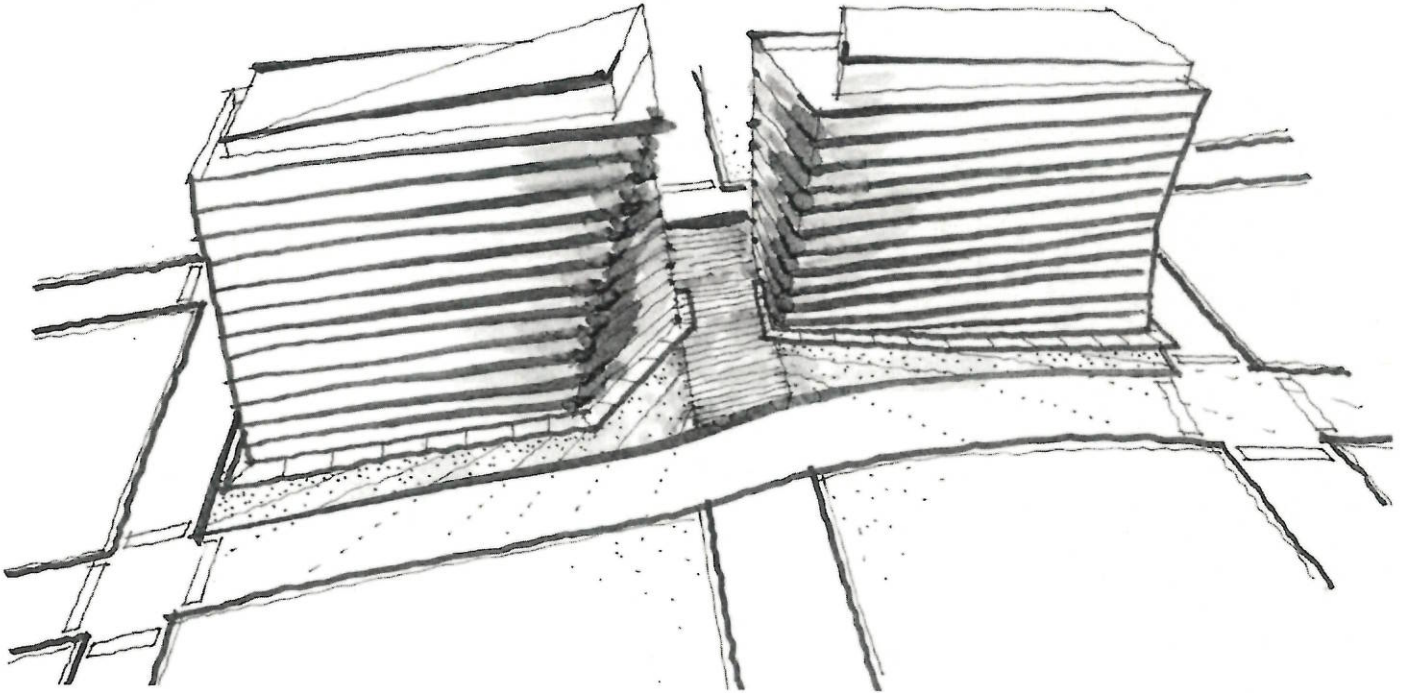




## PROJECT CONCEPT

TO HELP SEATTLE MEET ITS FULL POTENTIAL AS A **WORLD-CLASS LIFE SCIENCE CLUSTER**, Alexandria proposes to develop and curate approximately [REDACTED] SF across two 13-story towers on the 800 Mercer site. Our development will serve as the nucleus of Seattle's life science ecosystem. Each tower will house key programmatic elements designed to bring together Seattle's life science venture capital firms, its growing private and public biotechnology and pharmaceutical companies, and prestigious Seattle research institutions in order to propel advancements in

research and product development. The first floor ground plane will act as the intersection point between the R&D space and the community, opening up science to each citizen of Seattle via new creative, interactive, and visible community-driven spaces. Likewise, the Mercer Towers will connect the community to the research occurring inside through a rotating design that opens the center of the campus to the north and south, offering pedestrian access along 8th Avenue N and creating a visual and physical connection between the South Lake Union neighborhood and Lake Union.



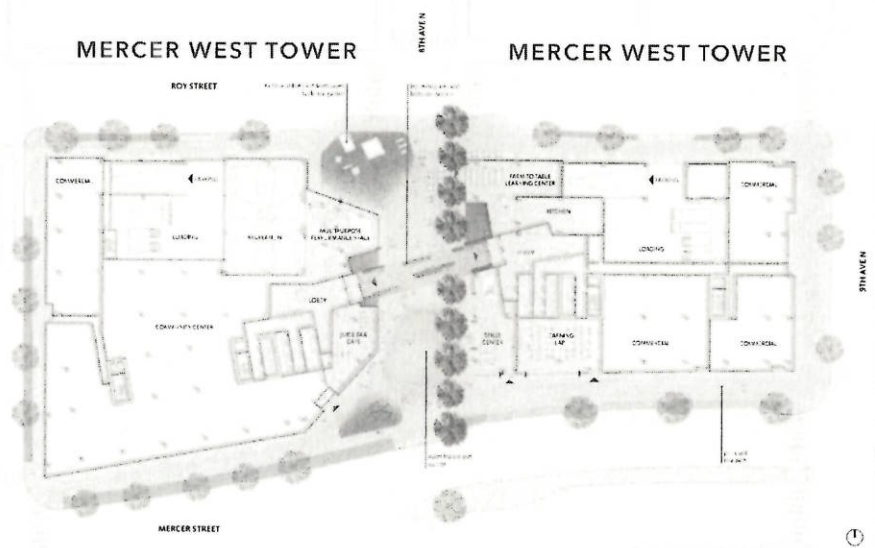
ADJACENT TO THE 800 MERCER SITE, 615 DEXTER will be dedicated to affordable housing. We opted to include in our proposal a plan to build hundreds of mixed-income housing units on-site because we share the City's commitment to ensuring workers at all income levels have access to affordable housing near their jobs, their social networks, reliable transit, and other critical services. Research continues to confirm that healthy, high-functioning urban developments require a diversity of workers and people, as well as affordable and reliable access to jobs and services, as rising housing prices push more middle-income workers and their families further and further from the city core.

Therefore, Alexandria proposes to build an 18-story multifamily residential tower with a minimum of 175 affordable housing units at 60% AMI; seven units to meet the on-site MHA requirement; [REDACTED] "workforce housing" units at 80% AMI aimed at integral members of our community such as service workers, teachers, nurses, and other middle-income earners; and [REDACTED] market-rate units, which Fred Hutch has expressed interest in as workforce housing for its essential postdoctoral fellows and their families. We propose to construct this innovative residential project by employing a state-of-the-art pre-manufactured building system for delivering dwelling units more cost effectively than traditional construction. The tower will utilize sustainable materials and systems and be delivered up to a year faster and for a lower cost than traditional construction. Its design will enable a higher number of these high-quality, affordable, and market-rate dwelling units (each comparable to a new luxury multifamily unit) to have access to iconic views of downtown Seattle and Lake Union.



## THE PROJECT SITE

**THE PROJECT SITE FOR THE MERCER MEGA BLOCK** is animated by the development's need for a central connection point. Situated between the Eastlake research hub and the continually evolving technological innovation center in South Lake Union, the two towers are strategically constructed to maximize floor plates while maintaining the north-to-south connection via 8th Avenue N. Each tower will sit atop below-grade parking. Additionally, bicycle and multimodal transit amenities will be maximized to limit environmental impact and reduce traffic by promoting sustainable and healthy transportation options. Currently, a dead end to Mercer Street, 8th Avenue N will be transformed into a public-facing pedestrian experience, programmed to engineer interaction among the workers and residents of South Lake Union via planned community activation initiatives described in further detail in the Public Benefits section.



## PROPOSED BUILDING PROGRAM

**THE MERCER WEST AND EAST TOWERS** will serve as the central convening location for the life science community in Seattle and be programmed to include essential elements of a high-functioning ecosystem. The buildings will comprise much more than laboratory space. Each building will be constructed to meet the exacting needs of the life science community, with key components interwoven to accelerate scientific discovery, and to serve companies at all stages of their development along their path from innovation to commercialization.



The Mercer Mega Block campus will not only provide mission-critical space for Seattle's growing and mature life science companies, but it will also facilitate the launching of new companies, which will bolster the vitality of the life science sector in Seattle. To date, most early-stage company formation has taken place outside of Seattle or in institutional settings isolated from the realm of commercialization and capital. Similarly, the lack of incubator space for early-stage companies has also held back their development. As the leading innovator of proprietary space offerings designed to support life science companies at all stages of company growth, our proposal for the Mercer Mega Block includes an extension of the following proprietary offerings.



For seed- and early-stage life science companies, we provide Alexandria LaunchLabs®, the premier startup platform that delivers affordable, full-service, turnkey space, and strategic programming. Our platform offers all the elements for a life science startup to excel: move-in-ready laboratory/office space, first-class support resources, shared equipment and services, creative amenities, access to startup capital through the Alexandria Seed Capital Platform, and engagement with Alexandria's world-class network.

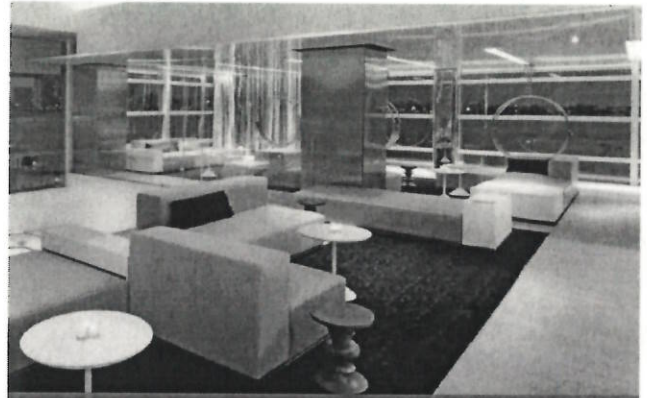


As these companies develop and grow, their needs for infrastructure will also evolve. In line with our holistic view of the life science ecosystem, our proposal also offers a scalable path for Alexandria LaunchLabs' member companies and other local startups to transition into expansion space, which is currently undersupplied and in critical demand in the cluster. For companies preparing to move beyond a shared laboratory bench, the Alexandria Science Hotel®, designed as research-ready private laboratory space for companies, includes our comprehensive array of scientific and entrepreneurial support services that are integral to the success of startup companies. We are able to augment this support package with a host of additional specialty services tailored to the particular needs of individual clients at the Mercer Mega Block.

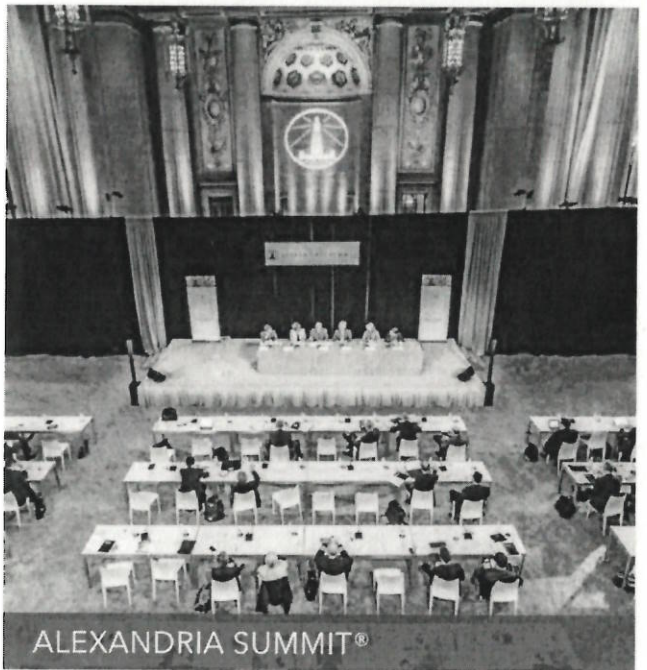


## PROJECT CONCEPT

**IN ADDITION TO PHYSICAL SPACE DESIGNED TO ACCOMMODATE COMPANY FORMATION AT EVERY STAGE**, an essential feature of every dynamic cluster is the ready availability of venture capital funding. Life science venture capital tends to work very closely with the companies they fund. We envision creating a dedicated section of a tower floor for venture capital firms, directly connecting them to the very companies they work with to create synergies based upon proximate location and increased interaction. Alexandria partners with the country's top-tier venture capital firms and world-class research institutions in order to accelerate and spin out the development of promising technologies into powerful businesses. Our company's venture capital arm, Alexandria Venture Investments, was recognized by Silicon Valley Bank as the most active early-stage life science investor by deal volume in 2016-2017. It has strong relationships with many Seattle VCs, such as Accelerator Life Science Partners, ARCH Venture Partners, and Biomatics Capital, as well as national investors that want to invest in Seattle's promising companies. At the Mercer Mega Block, they would find a strategic base for their operations.



APELLA® BY ALEXANDRIA



ALEXANDRIA SUMMIT®

The Mercer West Tower will feature [REDACTED]

[REDACTED] The fully appointed facility, designed in conjunction with the first-floor restaurant experience in the Mercer East Tower, [REDACTED]

[REDACTED] It will be able to host the country's preeminent thought leadership events, [REDACTED]

[REDACTED] Alexandria can bring together research institutions like Fred Hutch and UW, commercial life companies such as Adaptive and Nohla, and other globally recognized life science organizations to reestablish Seattle as the international center for life science research, development, and commercial activity especially focused on Seattle's strength in immunology, cell therapy, and the intersection of science and technology.

All 13 floors of both towers are designed to accommodate scientific R&D, which can take many forms, from early-stage clinical drug development to robust chemistry and biology research. We work closely with our tenants to tailor their space according to their programmatic needs, including translational research, clinical drug development, and chemistry and biology laboratory work meant for later-stage companies. Complementing traditional lab benches, each floor will include [REDACTED]

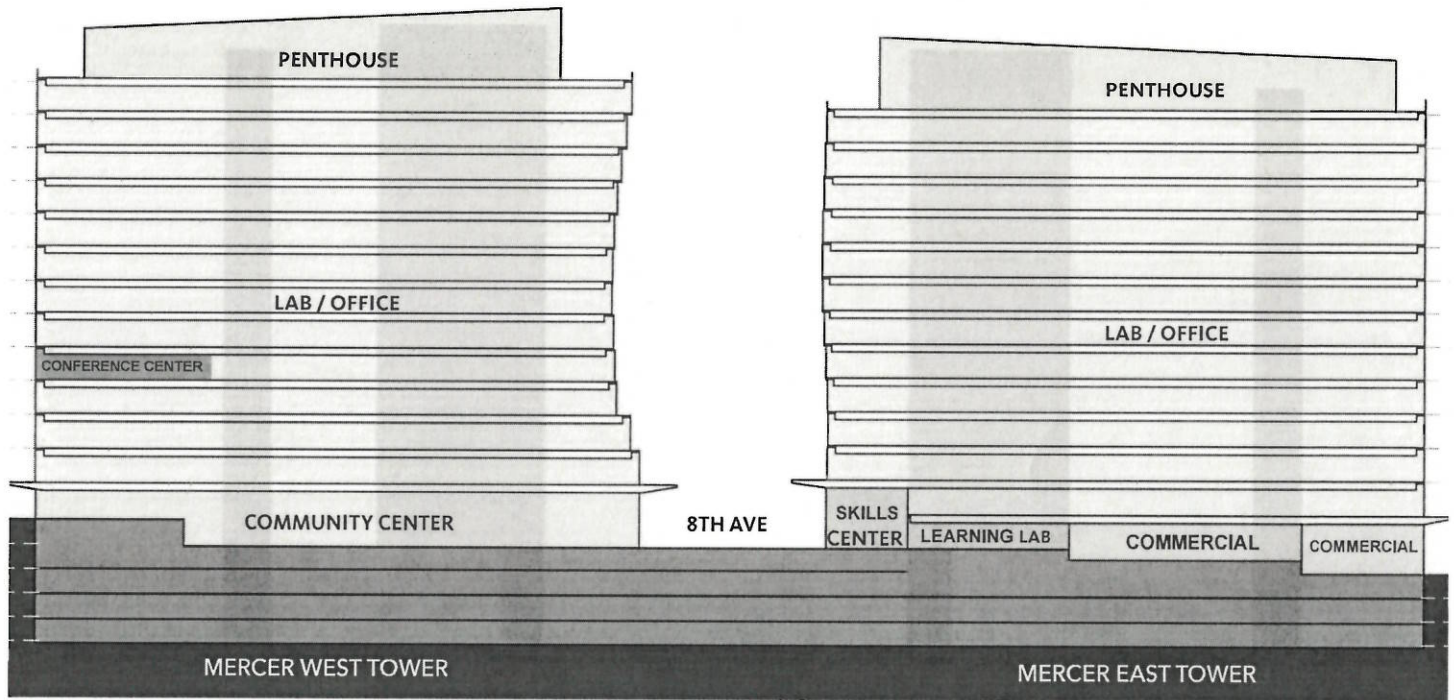
Unlike a typical office building featuring floor-to-floor heights of 10 feet, [REDACTED]

[REDACTED] The increased investment required will ultimately increase the value of the buildings while providing a safer, healthier environment for Seattle's scientists.



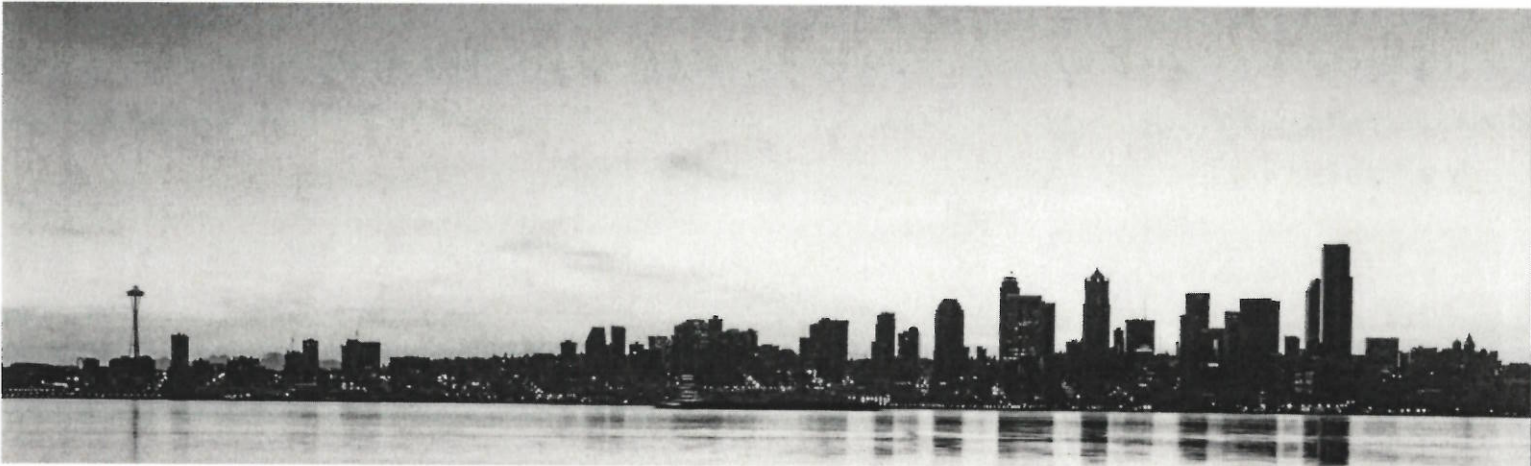
# PROJECT CONCEPT

## BUILDING SECTION PLAN



AS THE LANDLORD OF CHOICE TO THE LIFE SCIENCE INDUSTRY\*, Alexandria excels in optimizing workplace design to foster creativity, productivity, and innovation. Each commercial tower is designed to maximum floor plate size. Large floor plates enable easier interaction and communication by scientists focused on collaboration and idea sharing and also increase the likelihood of social interactions among colleagues. Podium floors 2-6 will be between [REDACTED] and tower floors 7-17 will be maximized [REDACTED]. Each tower will feature programmed [REDACTED].

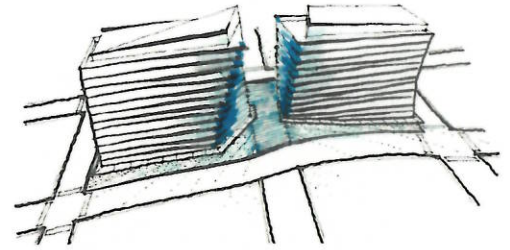
Alexandria has a longstanding and proven track record of creating and curating life science clusters that provide the brightest minds with tailored environments and infrastructural support in their efforts to tackle the world's greatest problems. The Mercer Mega Block will play a key role in the future of Seattle science by supplying the fundamental physical and programming elements for a robust ecosystem, from much-needed laboratory space to a platform for early-stage startups, and also by providing risk capital and thought leadership to support the development of new companies and opportunities to collaborate with the world's foremost leaders in the fields of scientific research. In partnership with the City, this will be an important model for a future urban development that fully integrates housing, community engagement, and a commercial life science ecosystem to realize Seattle's potential to grow and nurture the next generation of companies to cure disease.



## PROJECT CONCEPT

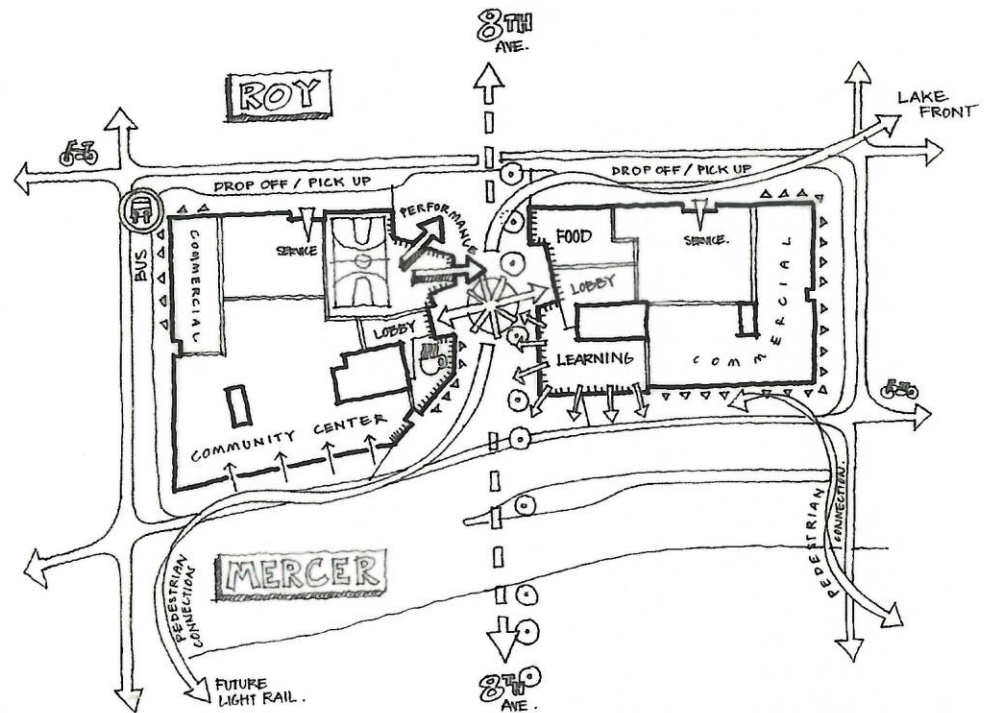
### 8TH AVENUE N: A GATEWAY FOR GATHERING

**OUR VISION FOR 8TH AVENUE N** as a public benefit incorporates our previous experience in Seattle and the feedback we received from the community for a development with a sense of place and a public meeting space that sparks civic pride. Alexandria's proposal for the pedestrian-only right-of-way on 8th Avenue N is for a dramatic gateway that leads into a multipurpose space, both indoor and outdoor, that transforms from season to season and meets the diverse needs of residents, youth, scientists, workers, and visitors, and that links Lake Union to Seattle Center.



#### A CRITICAL DESIGN DIRECTION FOR THE MERCER WEST AND EAST TOWERS

ensures the commercial building lobbies will not dominate 8th Avenue N. Commercial entryways will be recessed inward and flanked by ground-level retail and public spaces. The resulting wider thoroughway lets each tower stand uncrowded, increases opportunity for social collision among pedestrians, encourages foot traffic from the street to the campus, and makes room for a lively urban corridor.



#### GENEROUS GROUND-FLOOR HEIGHTS, TRANSPARENT GLASS, OUTDOOR SEATING, PEDESTRIAN-FRIENDLY PAVING AND CANOPIES, CREATIVE LANDSCAPING AND LIGHTING, AND PROGRAMMED EVENTS

will make 8th Avenue N the synergistic heart of the neighborhood and the place where people will want to be year-round. This plaza in and of itself will serve as a destination for the public, unlike typical privatized public spaces in many of the local South Lake Union developments.



## PROJECT CONCEPT

**INSPIRED BY THE PROXIMITY TO NEARBY LAKE UNION**, we envision an outdoor water feature at the southern end of 8th Avenue N that will appeal to people of all ages. The open area will be gently sloped to allow for a summer-season, spouting-water feature to serve as both a splash park environment for children and a place for people just to sit and enjoy the cooled air emanating from the fountains. In winter months, this large area can be cleared and overlaid with an ice-skating pond structure to be enjoyed by people of all ages.

The mid-block connection across 8th Avenue N, which extends into the notched commercial lobbies, will play on the history of Lake Union and its bygone lumber industry, with its smooth-hewn, "levitating" wooden logs that will serve as gathering landmarks, play structures, and seating for casual conversations, outdoor lunches, and contemplative moments. The eastern side of the pedestrian thoroughway will be lined with trees and additional seating to draw visitors in and northward toward Lake Union. Enclosed fire pits will be available for use during the cooler seasons. Along the north half of 8th Avenue N will be room for daily rotations of food trucks and spillover space for adjacent retail uses.

As South Lake Union has evolved rapidly over the past decade, it has not yet developed a much-needed central gathering place for the community, one similar to Occidental Park in Pioneer Square or Westlake Park in the heart of downtown Seattle. An attractive, year-round activated public space that encourages gathering by the entire community will help to shape the identity of the still-growing area.



## PUBLIC BENEFITS: IMPROVING PEOPLE'S LIVES

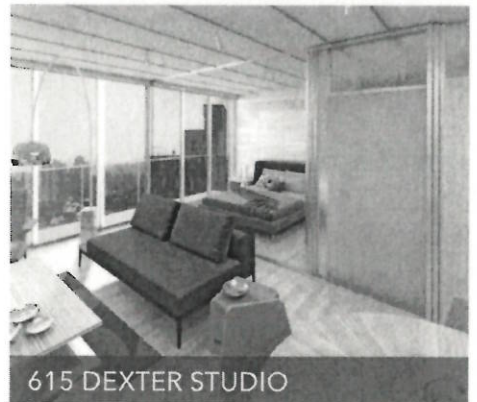
**ALEXANDRIA'S SUSTAINABILITY MISSION** is to make a positive and meaningful impact on the health, safety, and well-being of our tenants and employees, as well as in the communities in which we live and work. We have incorporated public benefits into all of our new development projects, and the Mercer Mega Block will be no exception. Our proposal includes not only a life science vision that supports our tenants and other leading institutions to find cures for our most devastating diseases, but also a commitment to build affordable, sustainable housing; develop a community and performance arts venue that brings people together; and provide education, training, and maker spaces that support the next generation of Seattle residents in their efforts to participate in our growing and evolving economy. **As a testament to our long-term commitment to Seattle and our willingness to serve as a community partner, Alexandria pledges to contribute an additional \$5 million toward initiatives addressing our homelessness crisis.** We hope our contribution signals our strong desire to partner with the City of Seattle to solve one of our most pressing issues: meeting the needs of the more than 12,000 people who live in this city without shelter.

### COMMITMENT TO AFFORDABLE HOUSING - THE 615 DEXTER TOWER

**WE TAKE SEATTLE'S NEED FOR MORE AFFORDABLE HOUSING SERIOUSLY.** Accordingly, Alexandria proposes building an 18-story multifamily, multi-income residential tower with a minimum of 175 affordable housing units at 60% AMI by employing an innovative pre-manufactured building system capable of delivering dwelling units more cost effectively than traditional construction. The key feature of this innovative construction method takes advantage of the replicable nature of multifamily housing to develop a catalog of factory-made component parts (structural steel pieces, walls, floor panels, etc.) that can be trucked to the project site and assembled to create the finished building, accelerating delivery by up to 12 months. Additionally,      units, or     % of the total available units, will be designated workforce housing for service workers, teachers, nurses, and other middle-income earners, in compliance with the City's Multifamily Tax Exemption Program (MFTE). We will also build the required seven MHA units in the 615 Dexter Tower. All remaining units will be leased at market rates, and Fred Hutch has expressed interest in partnering with Alexandria to convert the units into workforce housing units to accommodate their postdoctoral fellows and their families. Like an increasing number of residents in our city, the average postdoc cannot afford in-city Seattle rents and must commute from increasing distances to the city.



### 615 DEXTER TOWER PROPOSED UNIT MIX

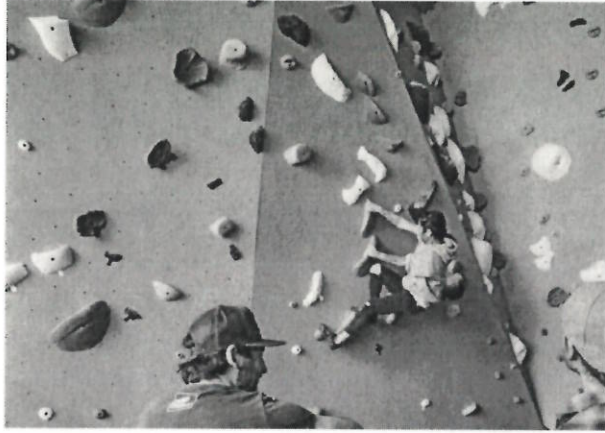


The 615 Dexter Tower will have a strong relationship to the two commercial life science towers along Mercer Street through a series of design elements that help the project relate in scale to the neighborhood and strengthen pedestrian connections along Roy Street. Its groundbreaking construction method, more sustainable than traditional construction, offers the following energy-saving benefits:

- The panelized construction method at the 615 Dexter Tower will minimize on-site waste, lower overall operating costs by 20%, improve seismic and storm-related building performance, reduce operational energy and water use by 30%–70%, and enhance the living experience through a design that allows for more natural light, eliminates mold-growing and VOC off-gassing materials, and delivers clear-span units devoid of interior columns.
- To reduce ongoing energy use, building systems will include multiple types of sustainable technologies, including roof and exterior photovoltaic panels; a greywater treatment system for flushing, irrigation, and laundry; in-floor hydronic heating; and floor-to-ceiling exterior glazing that runs the entire width of the apartment units to dramatically increase access to natural daylighting.

Our proposed solution provides a substantially greater number of functionally and aesthetically superior housing units at a reduced financial and environmental cost. The building's speed of construction, volume of units, and sustainability measures ensure that the proprietary method we have chosen will be key to best serving Seattle.





## THE SLU COMMUNITY CENTER: MERCER WEST TOWER

ALEXANDRIA WILL EARMARK 30,000 SF OF THE GROUND FLOOR of the Mercer West Tower for a community center to be flexibly programmed in collaboration with the City and local community groups. It will accommodate a variety of activities that will appeal to Seattle residents of all ages. A flexible, high-volume (two-story) space that functions as a basketball court and a performance arts space for the community will be built on the west side of 8th Avenue N and provide transparency for passersby. Areas for ping-pong, a climbing wall, and fitness programs could also be included. We are particularly excited about the inclusion of a new performance arts space in our proposal as it will serve as an important brick-and-mortar portal to the artistic vibrancy that exists in our city and help South Lake Union define its cultural character.

Alexandria has long been committed to providing mission-critical support to non-profit organizations doing impactful work in local STEAM (Science, Technology, Engineering, Arts, and Math) education. We are eager to play a part in introducing Seattle youth, particularly youth of color, young women, and others who have experienced high barriers to opportunity, for careers in life science and technology, including through tutoring sessions and coding camps, at the community center.

Alexandria has made similar commitments in New York City, partnering with Computer Science for All (CS4All) to launch a 10-year initiative to bring computer science education to its 1.1 million public school students, and with STEAM:CODERS in Los Angeles, which introduces underrepresented and underserved students and their families to the fundamentals of STEAM to prepare them for broader academic and career opportunities. This type of training, which emphasizes critical thinking and problem solving, is critical for young people today and for the workforce, job growth, economy, and technological innovations of the future.

We are also designing a similar space at a project in the SoMa neighborhood of San Francisco at [REDACTED]. Upon completion, the space, which we have structured as a public-private partnership with the City of San Francisco, will be managed and programmed by its offices. We believe a community space that fosters and encourages learning and physical fitness will foster a talent pool with a greater chance of success in making an impact on society, including on their immediate communities.



PERFORMANCE SPACE FOR THE COMMUNITY





## PROJECT CONCEPT

### SLU SKILLS CENTER, MAKER SPACE, AND LEARNING LAB: MERCER EAST TOWER

**OUR PROPOSED PROGRAM ALSO INCLUDES SPACE FOR A SKILLS CENTER** on the ground floor of the Mercer East Tower that can also function as a maker space, where local businesses can share scarce manufacturing and production facilities and equipment, and as a classroom, where students and working adults can receive technical education in preparation for high-demand occupations in Seattle. According to Washington Roundtable's "Washington Kids for Washington Jobs" report, there will be 740,000 job openings in Washington State by 2021, most of which will be filled by workers with a postsecondary credential (e.g., a degree, apprenticeship, or certificate), but, right now, only 40% of our high school students have gone on to earn such a credential by age 26. Inspired by the Seattle Public Schools' Skills Center and the various career and technical training programs at the Seattle College District, the facility will be equipped to prepare students for college and career. We further propose that the skills center could partner with the City and secondary and post-secondary education partners to offer high school or college credit, industry-recognized certification, and advanced learning in manufacturing, construction, maritime, and other high-demand technical fields.

Adjacent to the SLU Skills Center, we also see the Mercer East Tower as an ideal location to build a learning lab facility to help expose students of elementary through high school age to the experience of working in labs and the realistic possibility of a career in science. We will draw on our world-class life science network to assist and serve as mentors and give presentations to visiting school groups.

Alexandria will work with the City, as well as community-based organizations that are teaching STEAM skills to under-resourced youth, arts-based and cultural organizations that are creating and activating cultural space in the city, post-secondary educational organizations that are preparing our residents for the demands of a changing economy, and other community members who can identify long-term operators for the community center and fully program this critical space.



## PROJECT CONCEPT



RIVERPARK®, A TOM COLICCHIO RESTAURANT



RIVERPARK FARM®



## FARM-TO-TABLE RESTAURANT: MERCER EAST TOWER

### OUR PROPOSAL INCLUDES A FARM-TO-TABLE RESTAURANT

space at the corner of 8th Avenue N and Roy Street. Drawing on our experience in other markets, we will build, curate, and partner with an up-and-coming local restaurateur to open an establishment in the East Tower (in the vein of Tom Douglas with Dahlia or Ethan Stowell with Union) that will offer healthy, delicious meals and also provide local children and adults with opportunities to tactilely learn about urban farming, nutrition, and wellness. The restaurant will include an indoor/outdoor dining area that opens onto 8th Avenue N for patrons to take advantage of in the warmer months.



STEM, A MODERN FARM-TO-TABLE RESTAURANT



ON-SITE FARM-TO-TABLE RESTAURANT

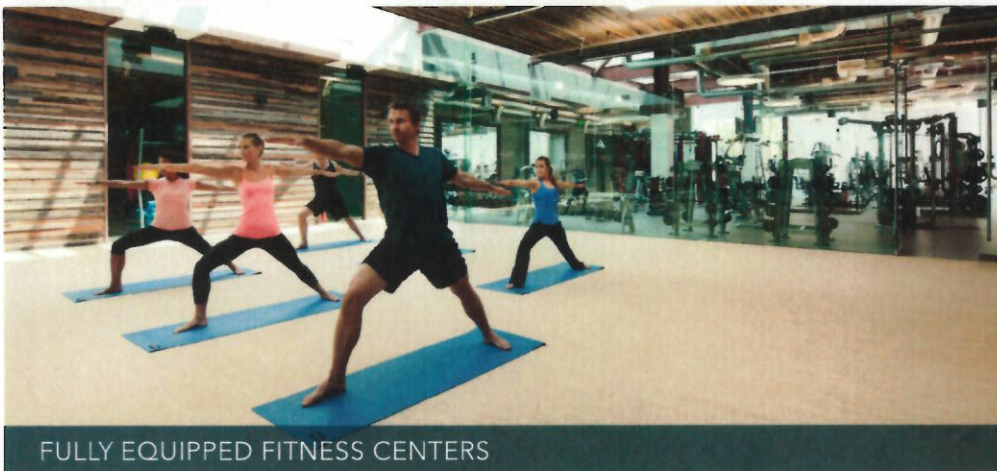


## PROJECT CONCEPT

## SUSTAINABLE DESIGN

### ALEXANDRIA DESIGNS AND CONSTRUCTS PROJECTS FOR LONG-TERM OWNERSHIP AND IS COMMITTED TO RESPECTING SEATTLE'S ENVIRONMENT

and ensuring that each building exemplifies the highest levels of sustainability. Our innovative approaches to developing sustainable, healthy, and collaborative workplace environments enhance the recruitment and retention of world-class talent, promote our tenants' health and well-being, and inspire productivity, efficiency, creativity, and success.



### ALEXANDRIA IS PROUD OF OUR ASPIRATIONS AND ACHIEVEMENTS IN THE AREAS OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE



2025 sustainability goals to reduce energy use, greenhouse gas pollution, water use, and waste; to target LEED Gold or Platinum certification on all new ground-up development projects; and to achieve 50 healthy building certifications

\$450 million green bond issued to fund projects that have achieved or are targeting LEED Gold or Platinum certification



G R E S B<sup>®</sup>  
Green Star 2018

2018 Global Leader of the Global Real Estate Sustainability Benchmark's (GRESB) Health & Well-being Module and a GRESB Green Star company



The first to be named a First-in-Class Fitwel Champion and to receive Fitwel 3-Star certifications for promoting the highest levels of occupant health and wellness



The first to achieve WELL certification for a laboratory space

**Nareit Leader In The Light Awards**  
Sustainable Real Estate Practices

Recipient of Nareit's 2017 Leader in the Light Sustainability Award in the Most Innovative category



Recipient of California Governor's Environmental and Economic Leadership Award, the state's highest environmental honor



## PROJECT CONCEPT

**THE MERCER WEST AND EAST TOWERS AND THE 615 DEXTER TOWER** will employ a broad range of strategies to lower our impact on the environment, maximize benefit to the building occupants and the community, and align with goals of the City's Climate Action Plan and the Seattle 2030 District.



### LEED GOLD – ENERGY AND WATER

Our focus on energy and water reduction will maximize the buildings' performance in the LEED v4 rating system and target a Gold certification for core and shell. To reduce energy consumption, a wide range of energy conservation measures will be employed, starting with a high-performance envelope that ensures minimal solar thermal heat exchange while maximizing opportunities for daylighting and daylight harvesting.



### HEALTH AND WELLNESS

Our concept will provide an optimal experience for residents and tenants through robust health, welfare, and safety measures recommended by the Fitwel certification system and all design precondition measures of the International WELL Building Institute rating system. Addressing the growing national epidemic in unhealthy lifestyles, these new industry-leading health and wellness rating systems encourage healthy built environments for residents and occupants.



### MULTIMODAL ACCESS

Bicycle and multimodal transit amenities will be maximized to limit impacts on the traffic-dense area, and the multi-use nature of the project will offer multiple work-live-play options for residents, workers, and visitors.



### HEAT EXCHANGE

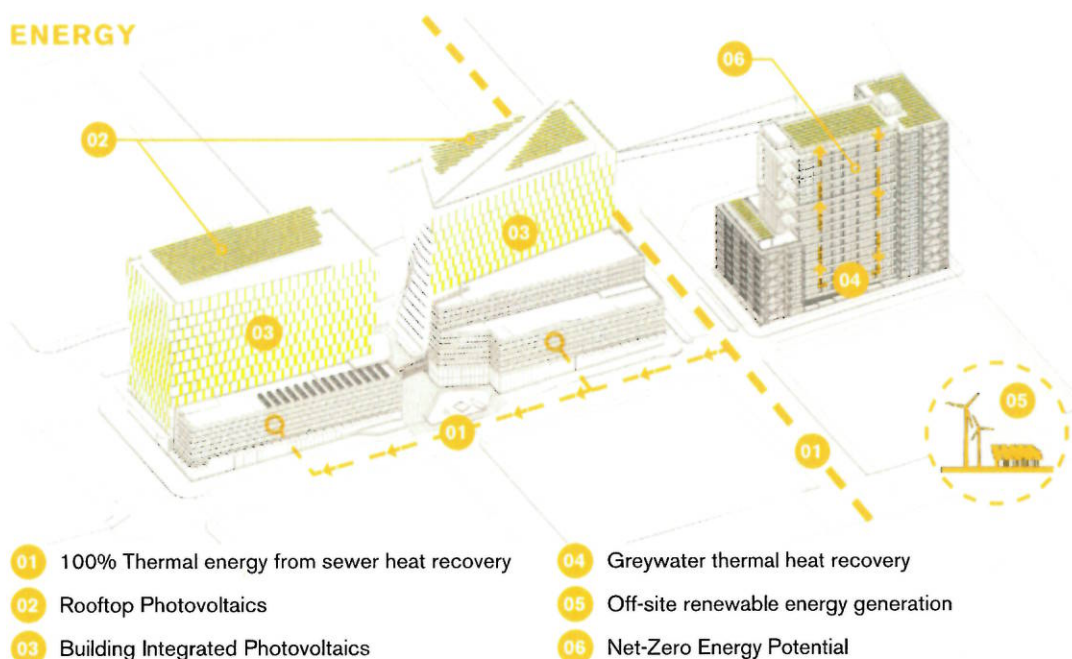
The single most important measure that the project will consider is a sewer/stormwater heat exchange system with the conveyance running beneath the site. This system accounts for significant opportunities to reduce energy peak loads and overall energy consumption, as well as water consumption through the installation of high-efficiency and low-flow fixtures. Most importantly, the system will contemplate a connection of the Mercer East and West Towers with the 615 Dexter Tower through a greywater system that will potentially eliminate consumption of potable water for waste flushing.



### ECO-DISTRICT BENEFITS

By connecting both the residential and commercial aspects of this project, we have an opportunity to develop a utility and eco-district to share the benefits and offset wastes commonly attributed to both uses and thereby maximize its value to the community.

## ENERGY



# PROJECT CONCEPT

## RFP PROJECT TEAM

TO HELP US TRANSLATE THIS VISION INTO REALITY, Alexandria has assembled the following best-in-class team, each with extensive local Seattle experience.



Architects



Landscape



Structural



Pre-Construction



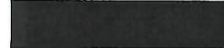
Civil



Wind Study



Environmental



### Alexandria's Project Executive & Management Team



**JOEL MARCUS**  
Executive Chairman  
& Founder



**STEPHEN RICHARDSON**  
Co-Chief  
Executive Officer



**PETER MOGLIA**  
Co-Chief Executive Officer &  
Co-Chief Investment Officer



**DEAN SHIGENAGA**  
Co-President &  
Chief Financial Officer



**DANIEL RYAN**  
Co-Chief Investment Officer &  
Regional Market Director -  
San Diego



**JENNIFER BANKS**  
Co-Chief Operating Officer,  
General Counsel &  
Corporate Secretary



**VINCENT CIRUZZI**  
Chief Development Officer



**EMILY SHERIDAN**  
Senior Vice President -  
Strategic Programming  
& Philanthropy



**ARI FRANKEL**  
Assistant Vice President -  
Sustainability & High  
Performance Buildings



### Alexandria's On-Site Regional Team



**JOHN COX**  
Senior Vice President -  
Regional Market Director -  
Seattle



**HART COLE**  
Senior Vice President -  
Strategic Market Director -  
Seattle



**MONICA BEAM, PhD**  
Senior Vice President -  
Science & Technology



**MAGGIE CAPRELL**  
Vice President - Seattle

### Project Executive & Management Team

#### JOEL S. MARCUS Executive Chairman & Founder



Joel co-founded Alexandria in 1994 as a garage startup with \$19M in Series A capital and has over 40 years' experience in the real estate and life science industries. Having served as CEO from March 1997 to April 2018, he led our growth into an S&P 500 company with an approximately \$18B total market

cap and continues to serve as full-time Executive Chairman. He was one of the original architects and co-founders of Accelerator Life Science Partners and AgTech Accelerator and serves on their boards. He also serves on the boards of Applied Therapeutics, Atara Biotherapeutics, Boragen, Intra-Cellular Therapies, MeiraGTx Holdings, Yumanity Therapeutics; the FNIH, Friends of Cancer Research, MassBio, NewYorkBIO, The Scripps Research Institute; the 9/11 Memorial & Museum, the Emily Krzyzewski Center, the Navy SEAL Foundation, the Partnership for New York City, and Robin Hood Foundation. Prior to co-founding Alexandria, Joel had an extensive legal career specializing in corporate finance and capital markets, venture capital, and mergers and acquisitions. He was also a practicing CPA and Tax Manager with Arthur Young & Co., where he focused on the financing and taxation of REITs. Joel was previously a recipient of the EY Entrepreneur Of The Year Award (Los Angeles - Real Estate). He earned his undergraduate and JD degrees from UCLA.

#### STEPHEN A. RICHARDSON Co-Chief Executive Officer



Steve has over 30 years of real estate, business, and strategy experience in the life science industry and has served Alexandria in roles of increasing responsibility since February 2000. As Co-CEO, he jointly leads Alexandria with a long-term focus on strategic planning and growth. During his tenure at Alexandria,

Steve previously served as COO from October 2011 to April 2018 and Regional Market Director of San Francisco from July 2005 to April 2018, when he led the management and growth of the region's assets and operations. Prior to Alexandria, Steve served as Director of CellNet Data Systems and as Director of Marketing and Leasing for Paragon Group. He is a board member of the California Life Sciences Association, whose mission is to advance California's world-leading life sciences innovation ecosystem by advocating for effective national, state, and local public policies and by supporting life sciences entrepreneurs and businesses. Steve received his MBA from Santa Clara University and his BA in Economics and Literature from Claremont McKenna College.



Project Executive & Management Team (continued)

**PETER M. MOGLIA**  
Co-Chief Executive Officer & Co-Chief Investment Officer



Peter joined Alexandria in April 1998 with a breadth of experience in real estate investments and underwriting, including serving as Alexandria's CIO since January 2009. As Co-CEO, Peter jointly leads Alexandria, and as Co-CIO, he jointly oversees our strategic growth with a focus on acquisitions/

dispositions, development/redevelopment, leasing, and joint ventures. Concurrently, he leads our Real Estate Finance team, which provides critical support across underwriting, due diligence, and financing activities. Since joining Alexandria, Peter has served in many important capacities of increasing scope and responsibility, including managing our Seattle assets and operations from April 2003 through December 2008. Prior to Alexandria, he served as an Analyst at Lennar Partners, having begun his real estate career in management advisory services in the E&Y Kenneth Leventhal Real Estate Group. Peter received his BA in Economics from UCLA.

**DEAN A. SHIGENAGA**  
Co-President & Chief Financial Officer



Dean has over 25 years of financial and real estate experience and joined Alexandria in December 2000. Dean has effectively led our financial, accounting, and treasury functions as CFO since December 2004, and since joining Alexandria, he has held several senior positions in our Finance group. Under

his leadership, Alexandria received the 2015, 2016, and 2018 Nareit Investor CARE (Communications & Reporting Excellence) Gold Award for recognition as a best-in-class REIT that delivers transparent, quality, and efficient communications and reporting to the investment community. Prior to Alexandria, Dean was an Assurance and Advisory Business Services Manager in EY's Real Estate practice, where he provided assurance and advisory services to several publicly traded REITs, over a dozen private real estate companies, and many other public and private companies. In addition to providing audit and attestation services, he assisted clients with initial public offerings, follow-on offerings, debt offerings, and technical research. He is a CPA in the State of California and a member of the American Institute of CPAs. Dean received his BS in Accounting from USC.

**DANIEL J. RYAN**  
Co-Chief Investment Officer & Regional Market Director – San Diego



Dan has 30 years of commercial real estate experience, including almost 20 years of life science real estate. He joined Alexandria in June 2010, upon acquisition of his company, Veralliance Properties. As Co-CIO, he jointly oversees our strategic growth, and as Regional Market Director of San Diego, he leads

the management and growth of all aspects of the region. He has also been involved with developments/redevelopments, ventures, financing, leasing, and other strategic opportunities across our North American assets. Prior to joining Alexandria, Dan was CEO of Veralliance, a commercial real estate developer he founded in 2002, which owned, managed, developed, and leased an approximately \$1B portfolio primarily consisting of life science assets in San Diego. Prior to 2002, Dan worked in the commercial real estate industry in Southern California, including as a Founding Principal of Pacific Management Services, Inc., a commercial developer focused on value-added transactions in the greater San Diego area. He is a board member of Biocom, a Southern California trade organization, and the San Diego Economic Development Corporation, a not-for-profit regional body comprising business, government, and civic leaders committed to maximizing economic growth. Dan is also a member of NAIOP and ULI. He received his BS in Economics, cum laude, from the University of Wisconsin-Madison and was admitted to Omicron Delta Epsilon, the honor society for excellence in achievement in the study of economics.

**JENNIFER J. BANKS**  
Co-Chief Operating Officer, General Counsel & Corporate Secretary



Jennifer has over 20 years of commercial real estate and related legal experience and joined Alexandria in 2002. As Co-COO, Jennifer oversees the company's risk management operations, and as General Counsel since 2008, she leads a team that advises the

company on a range of legal matters, including acquisitions and dispositions, construction and development, litigation, investment, compliance, intellectual property, leasing, property management, and joint ventures. Jennifer previously practiced law in the real estate departments of Skadden, Arps, Meagher & Flom LLP and O'Melveny & Myers LLP, where she specialized in acquisition, complex leasing, joint venture, lending, and other finance transactions representing a variety of REITs, private developers, and institutional investors. Jennifer is a member of the American Bar Association (ABA), serves on the Los Angeles County Bar Association's Executive Committee of the Corporate Law Departments Section, and is the former Vice Chair of the ABA's Green and Sustainable Transactions Committee. She also serves on the City of Hope's Los Angeles Real Estate & Construction Industries Council's Executive Committee. Jennifer received her JD from Stanford Law School and her BA from UCLA.



## PROJECT CONCEPT

### Project Executive & Management Team (continued)

**VINCENT R. CIRUZZI**  
Chief Development Officer



Vin joined Alexandria in September 1996 and has since been deeply involved in construction and development operations, sustainability efforts, construction risk management, capital planning, and project budgeting throughout our portfolio. As CDO, he oversees a team of highly

skilled professionals and their management of our building entitlements, design, permits, development, construction, and completion across our assets. Prior to his current role, Vin served as SVP, Construction & Development, from June 2000 to October 2015, as VP from September 1996 to June 2000, and as an active participant in Alexandria's IPO in May 1997. Since our IPO, he has been responsible for our domestic and international construction and development operations and services platform. He is our key advocate with the USGBC on LEED building certifications and other sustainability initiatives. Vin received his BS in Finance and Real Estate from USC.

**EMILY SHERIDAN**  
Senior Vice President – Strategic Programming & Philanthropy



Emily oversees the development and execution of Alexandria's life science thought leadership programming and events, including the Alexandria Summit® and Converge at Alexandria, as well as Alexandria's philanthropic efforts. As SVP of Strategic Programming & Philanthropy, Emily played a critical role in the launch

of Operation CARE, Alexandria's transformational philanthropy and volunteerism program that leverages our resources, people, and expertise to help fulfill our mission to enable the world's most innovative organizations to cure disease, end hunger, and improve the quality of people's lives. She is also deeply involved with our transformational philanthropic program, which provides mission-critical resources for medical research as well as military support services. Prior to joining Alexandria, she was Director of Development at City of Hope Comprehensive Cancer Center in Duarte, CA, where she raised funds to advance the development and delivery of novel, more effective therapies for patients fighting cancer, diabetes, and other life-threatening diseases. Emily received her BA in Psychology from Vassar College.

**ARI FRANKEL**  
Assistant Vice President – Sustainability & High Performance Buildings



Ari has 15 years' experience enhancing and raising awareness of sustainability in the building industry and joined Alexandria in 2016. As AVP of Sustainability & High Performance Buildings, Ari supports Alexandria's sustainability initiatives company-wide, which include reducing energy, water,

waste, and transportation impacts from existing buildings and achieving high levels of sustainability on all new construction. He also provides guidance and support with our strategies to deliver and be recognized for amenities and services that promote the health, well-being, and productivity of our employees, tenants, and partners. Ari was instrumental in Alexandria's earning a Green Star designation from the Global Real Estate Sustainability Benchmark (GRESB) and our recognition as the top-ranked company in the world in the GRESB Health & Well-being Module and the first company of any industry to be named a First-in-Class Fitwel Champion. Ari represents Alexandria on the Nareit Real Estate Sustainability Council and on the GRESB Real Estate Regional Benchmark Committee. Prior to Alexandria, he designed and led the global sustainability strategy at Deutsche Asset Management (RREEF Real Estate) and represented RREEF Real Estate and Deutsche Bank on numerous real estate and investment-related committees and working groups. He is a LEED Accredited Professional and a Fitwel Ambassador. Ari received his MBA from UC Berkeley with a certificate in real estate and his undergraduate degree in Economics from UCSD.



### On-Site Regional Team

**JOHN J. COX**

**Senior Vice President – Regional Market Director – Seattle**



John has over 33 years of real estate experience and joined Alexandria in January 2009. As SVP and Regional Market Director of Seattle, John leads our continued efforts to support and grow its life science ecosystem. John has completed commercial real estate transactions encompassing in excess

of 5M square feet with a value of over \$2B. Having earned a reputation for being an innovative place maker and creative transaction specialist in the life science field, John served on Governor Jay Inslee's Life Science Advisory Board and currently sits on the Nominating & Governance Committee for Life Science Washington. Prior to joining Alexandria, John was Branch Manager and board member of Kidder Mathews. His expertise and talent as a relationship builder and skilled manager are evidenced by his extensive client list, which includes such notable companies and institutions as Novo Nordisk, Icos (now Eli Lilly), Corus Pharma (now Gilead Sciences), the Fred Hutchinson Cancer Research Center, and the Institute for Systems Biology. John received his BA in Business Administration with an emphasis in Finance from the University of Washington.

**HART J. COLE**

**Senior Vice President – Strategic Market Director – Seattle**



Hart joined Alexandria in 2015 and has worked across the Alexandria enterprise in various strategic capacities, including market growth, acquisitions/dispositions, and capital markets. He has served as a key member of the Real Estate Finance team, successfully guiding several critical transactions

for Alexandria, and has also been highly involved in all aspects of capital planning, including capital allocation decisions and investor relationship management. Prior to joining Alexandria, Hart served as the Director of Operations for Surgical Care Affiliates (SCA), now a division of OptumCare, an industry leader in the surgical solutions delivery space. At SCA, he led the company's surgical hospital division, which accounted for over \$30M of annual earnings for the company and its various partnerships. During his tenure as Director, Hart was responsible for all aspects of the division's field operations, including managing top-line growth through the development of strategic partnerships, acquisitions, and active local partnership management, as well as the development and application of systems to optimize operations. Before SCA, he began his career as an Analyst at Simon Property Group in Indianapolis. Hart received his MBA, focusing in Finance, from the University of Kentucky and his BS in Finance/Real Estate from Indiana University.

**MONICA BEAM, PhD**

**Senior Vice President – Science & Technology**



Monica supports Alexandria's west coast operations by providing scientific expertise and insights on the life science and technology sectors. She is responsible for venture investments, business development, and tenant underwriting in Alexandria's San Francisco Bay Area and Seattle cluster

locations through our strategic venture investment arm, Alexandria Venture Investments. Monica has led venture capital investments in over 25 life science and technology companies in the areas of therapeutics, enabling technologies, and diagnostics and also supports a number of strategic corporate initiatives. She represents Alexandria as a Board Observer for DiCE Molecules, BioGraph 55 Inc., and TwinStrand Biosciences. Prior to Alexandria, Monica was VP at Square 1 Bank, where she helped build out its Bay Area Life Science practice and worked closely with early-stage, venture-backed life science and technology companies, and venture capitalists to structure, underwrite, and monitor debt transactions. Monica received her PhD and MS in Biomedical Engineering from Northwestern University and her BS in Chemical Engineering from Stanford University.

**MAGGIE CAPELLE**

**Vice President – Seattle**



Maggie supports all real estate activities for Alexandria's Seattle region, including development, acquisitions, and leasing. Prior to Alexandria, Maggie held positions at the Boston Redevelopment Authority, Tishman Speyer, and Archon Group. Most recently, Maggie served as a

Development Manager and Acquisitions Manager at Vulcan Real Estate, where she managed the entitlements and development of several South Lake Union projects, including the Lakefront Blocks, Block 48, and Block 57W, and executed on 13 land acquisition transactions in Seattle and Bellevue, including the acquisition of three land parcels at Yesler Terrace from the Seattle Housing Authority. Maggie received her MBA from the Tuck School of Business at Dartmouth College and her BA from Middlebury College.





## CLOSING

Alexandria's unique vision for the Mercer Mega Block achieves the City of Seattle's RFP priorities by incorporating a mix of uses that will build on the uniqueness and character of South Lake Union, by activating the neighborhood with much-needed affordable housing, community gathering, and educational spaces, and by introducing new design concepts and innovations in construction and sustainability. We believe that the City recognizes the importance of making a concerted effort to nurture the local life science industry, and Alexandria seeks to be Seattle's partner in this key initiative.

Alexandria is known for deep roots in the life science community, extensive relationships with local and national prospective tenants, expertise in local permitting and entitlement, experience with complex construction projects, and dedication to ongoing operational excellence. Our first-in-class reputation in our niche – coupled with our passion and dedication for the life science industry and the Seattle community, and, in particular, in their vitality, resilience, and future growth – makes us the only partner capable of delivering and supporting the world-class life science campus this South Lake Union cluster, and Seattle, needs.





# Project Design



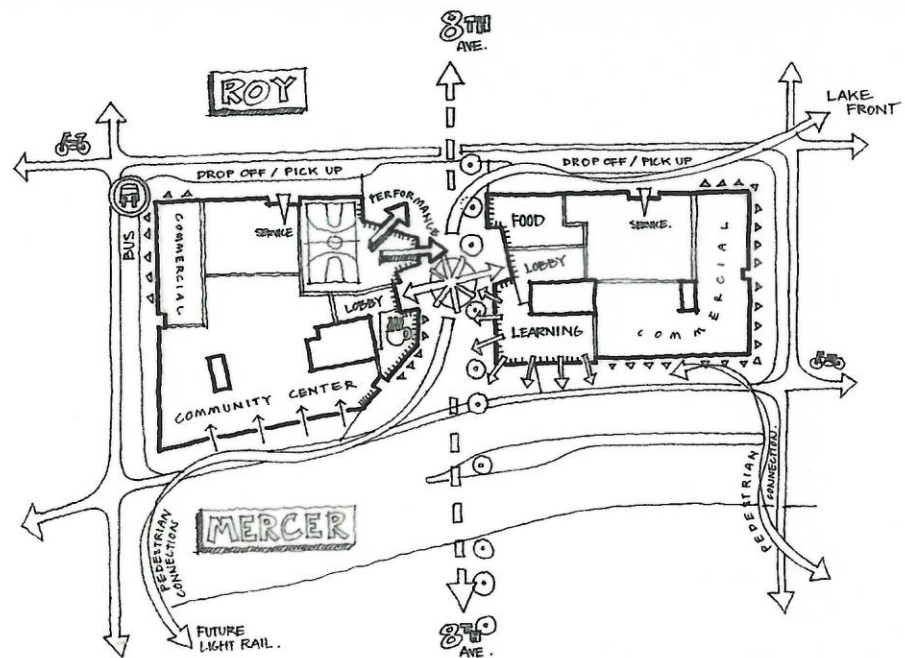
# IN THE WAKE OF INSPIRATION

## LAKE UNION AND THE WATERWAKE

**THE DRAMATIC FORM** of the Mercer West and East Towers is inspired by the movement and reflection of water. Like the ripples and waves caused by floatplanes, kayaks, and sailboats traversing Lake Union, the building's design, which we call "Waterwake," cuts silhouettes unlike any other building in the South Lake Union neighborhood. Meant to simulate horizontal and vertical movement throughout their mass, the buildings eschew shoebox-like forms in favor of a twisting shape, with each level slightly fanned out over the level directly below.

Their sculptural blue facades along either side of 8th Avenue N draw the public inward and through an activated pedestrian experience along Mercer Street, and toward Lake Union. Functionally, the flowing architectural form serves as dramatic wayfinding to connect people from the west side of the South Lake Union neighborhood (the future location of a transit station) to its eponymous lake. For pedestrians, the visual experience mirrors that of boaters skimming the waterways and observing the wake left by their vessels as they skillfully navigate Puget Sound.

Unlike many technology companies, life science organizations like to collaborate and need informal opportunities for collision with internal and external influences. Alexandria's vision for the 8th Avenue *paseo* is designed with this in mind. Careful and thoughtful placemaking



will mark the Mercer Mega Block as the communal heart of South Lake Union and Seattle's life science ecosystem.

The pedestrian passage will transform from season to season to meet the diverse needs of Seattle's residents, workers, and visitors. In the summer, the southern section of the plaza will serve as an interactive water park playground for children and families; in the winter, it will transform into a family-friendly ice skating rink and Seattle's newest winter tradition. The plaza enables people to sit

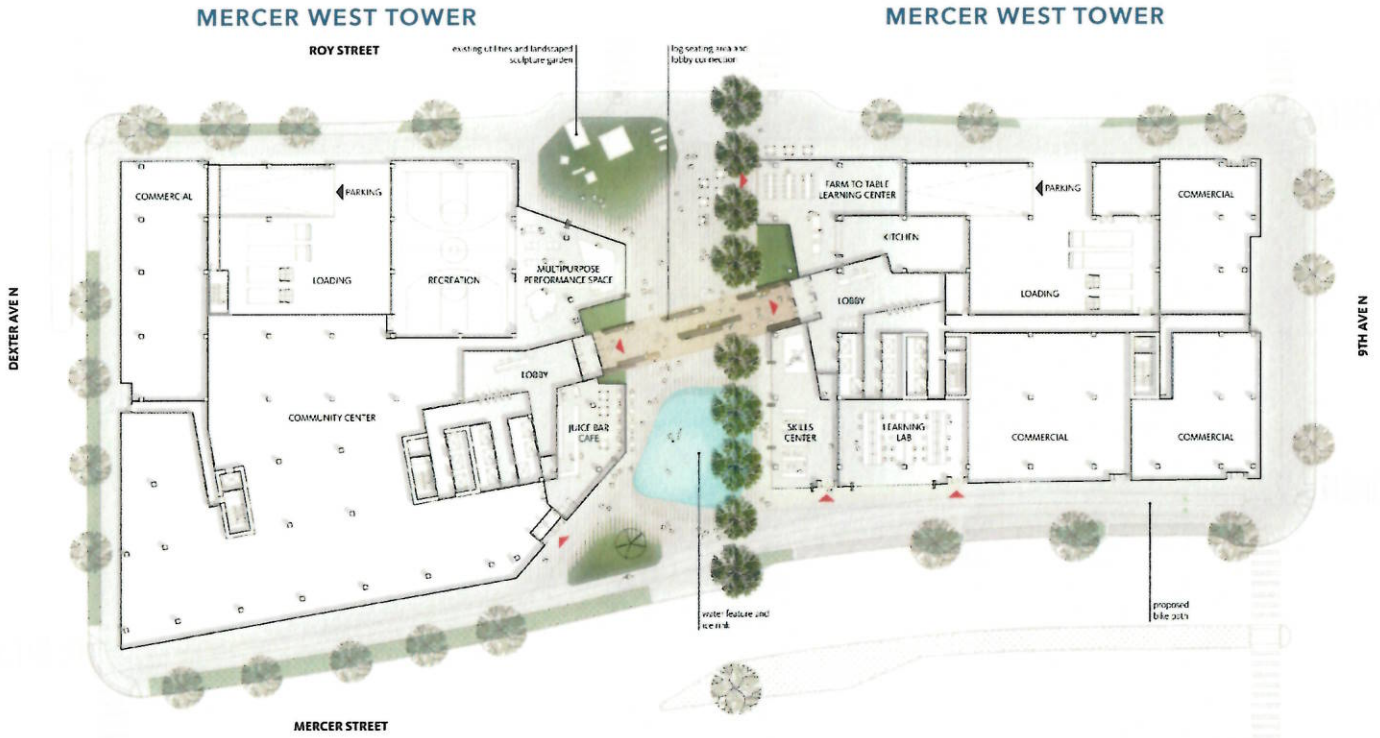
by the fire, enjoy a meal with friends, sit beneath a tree-lined canopy to people-watch, or pass through en route to other locations. It will be a space for music, performance, and public art.

The open space also celebrates Lake Union's original industry, timber. Wooden art logs placed at different elevations provide places of respite, where people can sit, play, and interact with others. Altogether, these features enable opportunity for a diversity of curated, engaging social experiences.

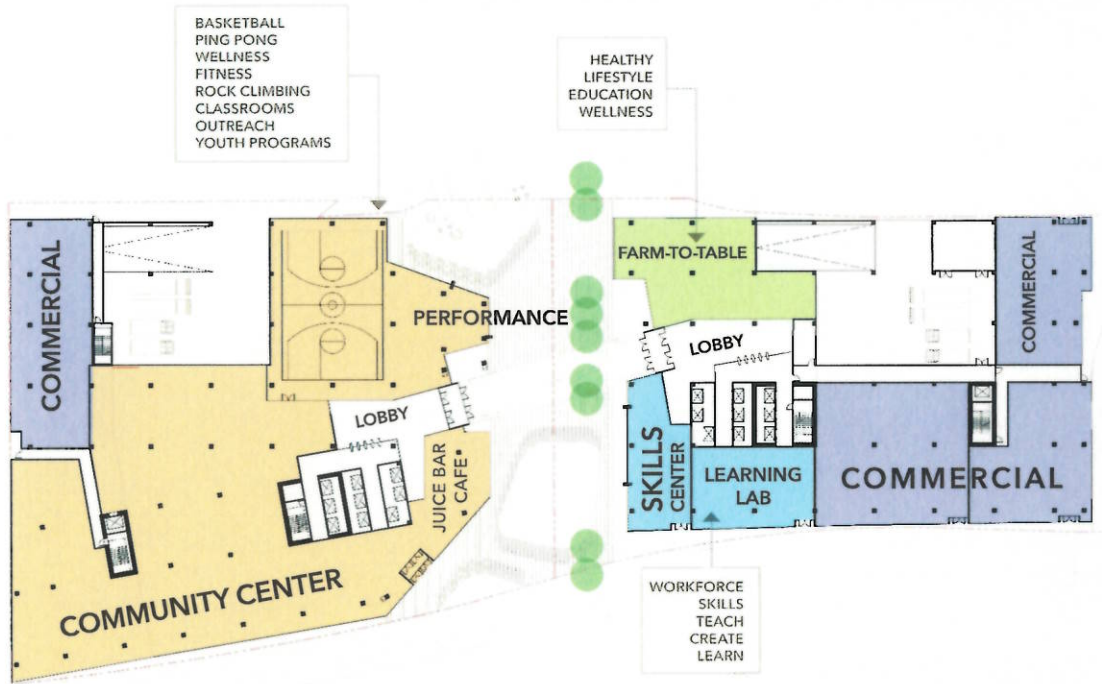




# 800 MERCER GROUND-FLOOR PLAN

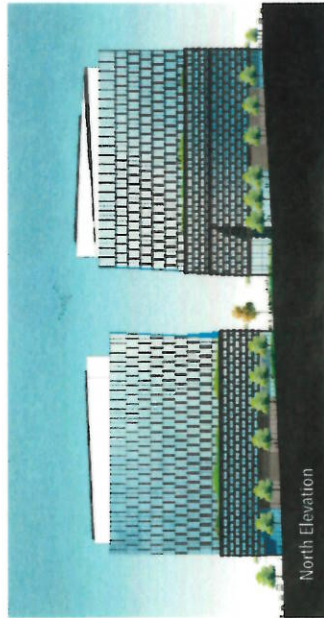


MERCER WEST TOWER AND MERCER EAST TOWER

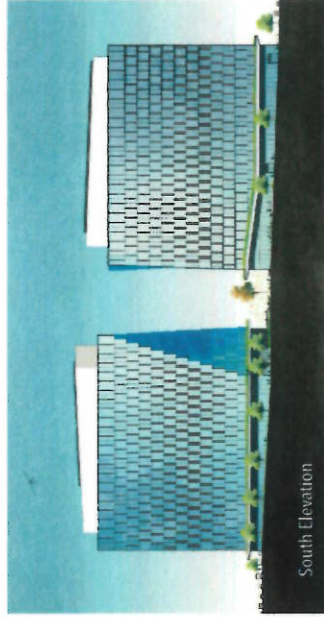


MERCER WEST TOWER AND MERCER EAST TOWER





North Elevation



South Elevation



East Elevation - Mercer West Tower



East Elevation - Mercer East Tower



West Elevation - Mercer West Tower



West Elevation - Mercer East Tower



ON MERCER STREET LOOKING NORTHWEST TOWARD SEATTLE CENTER WITH MERCER EAST TOWER (FORE GROUND) AND MERCER WEST TOWER (BACKGROUND)



PROJECT DESIGN

800 MERCER

ON MERCER STREET LOOKING NORTH TOWARD THE LAKE, WITH THE SOUTH-FACING FACADES OF MERCER WEST TOWER (LEFT) AND MERCER EAST TOWER (RIGHT)







VIEW OF MERCER WEST TOWER AND 8TH AVENUE FROM ROY STREET, LOOKING SOUTHWEST





ON THE 8TH AVENUE N PLAZA IN SUMMER LOOKING NORTH TOWARD ROY STREET



ON THE 8TH AVENUE N PLAZA IN WINTER LOOKING NORTH TOWARD ROY STREET





ON THE 8TH AVENUE PLAZA LOOKING WEST TOWARD MERCER WEST TOWER, WITH PLAZA ACTIVATION, INTERACTIVE WATER FEATURE (LEFT), LOG-JAM SEATING AREA (CENTER), AND FARMERS MARKET (RIGHT)



ON MERCER STREET LOOKING NORTHWEST INTO THE LEARNING LAB IN MERCER EAST TOWER



ON MERCER STREET LOOKING NORTH INTO THE SKILLS CENTER IN MERCER EAST TOWER



INSIDE THE FARM-TO-TABLE RESTAURANT IN MERCER EAST TOWER





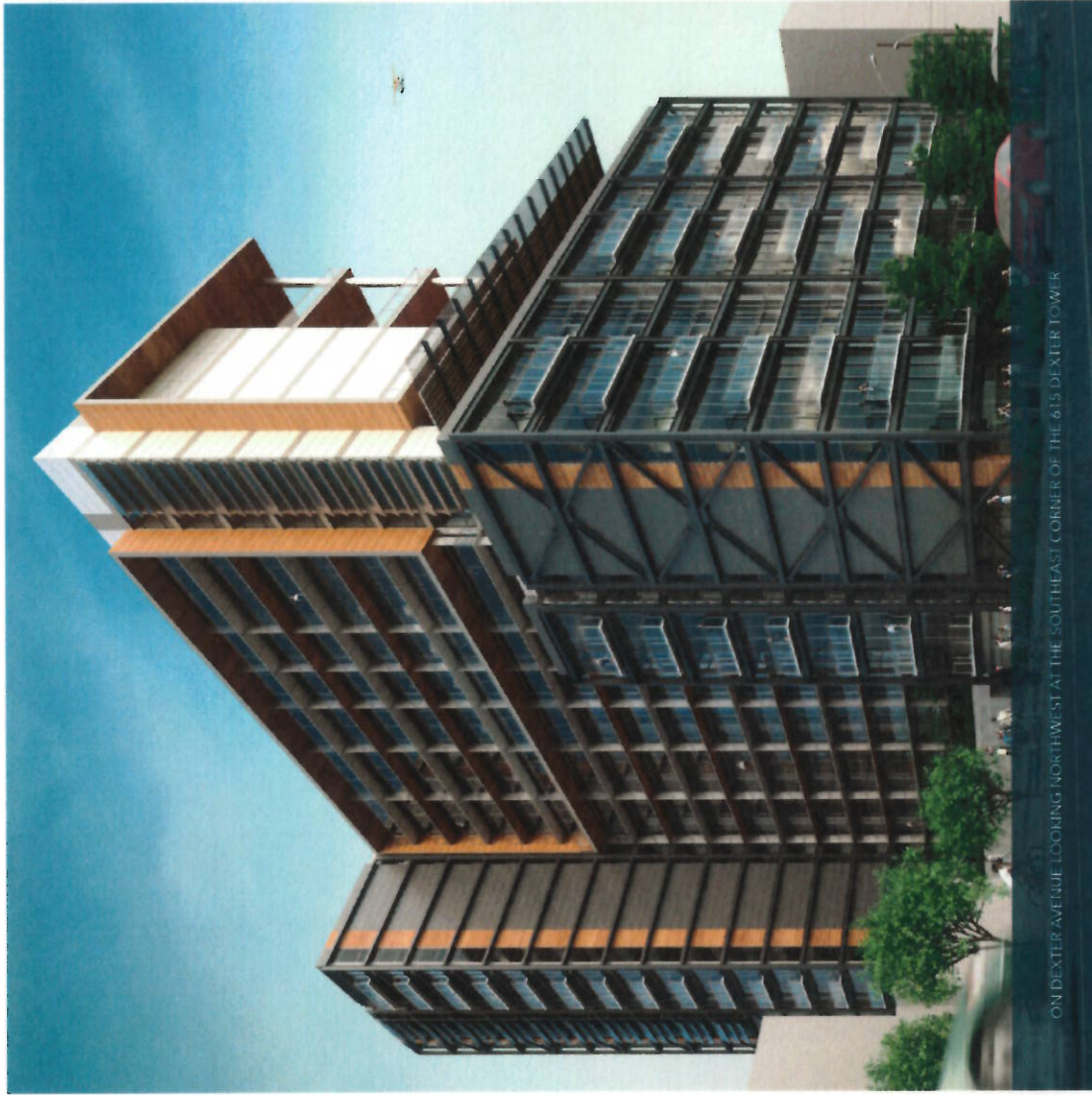
ON 8TH AVENUE N LOOKING AT THE COMMUNITY CENTER'S PERFORMANCE SPACE AT THE NORTHEAST CORNER OF MERCER WEST TOWER



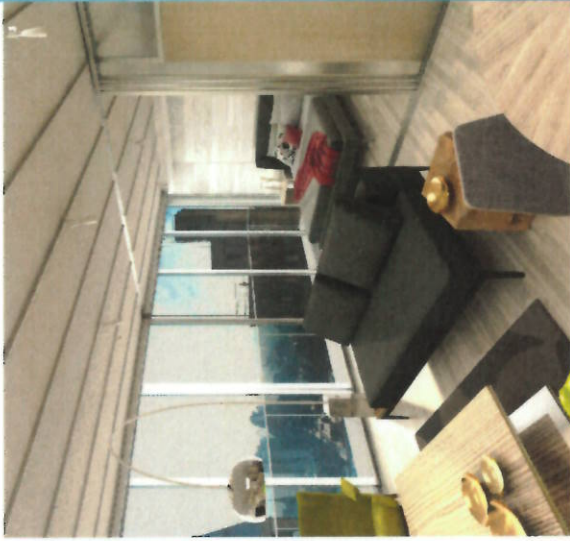
## PROJECT DESIGN

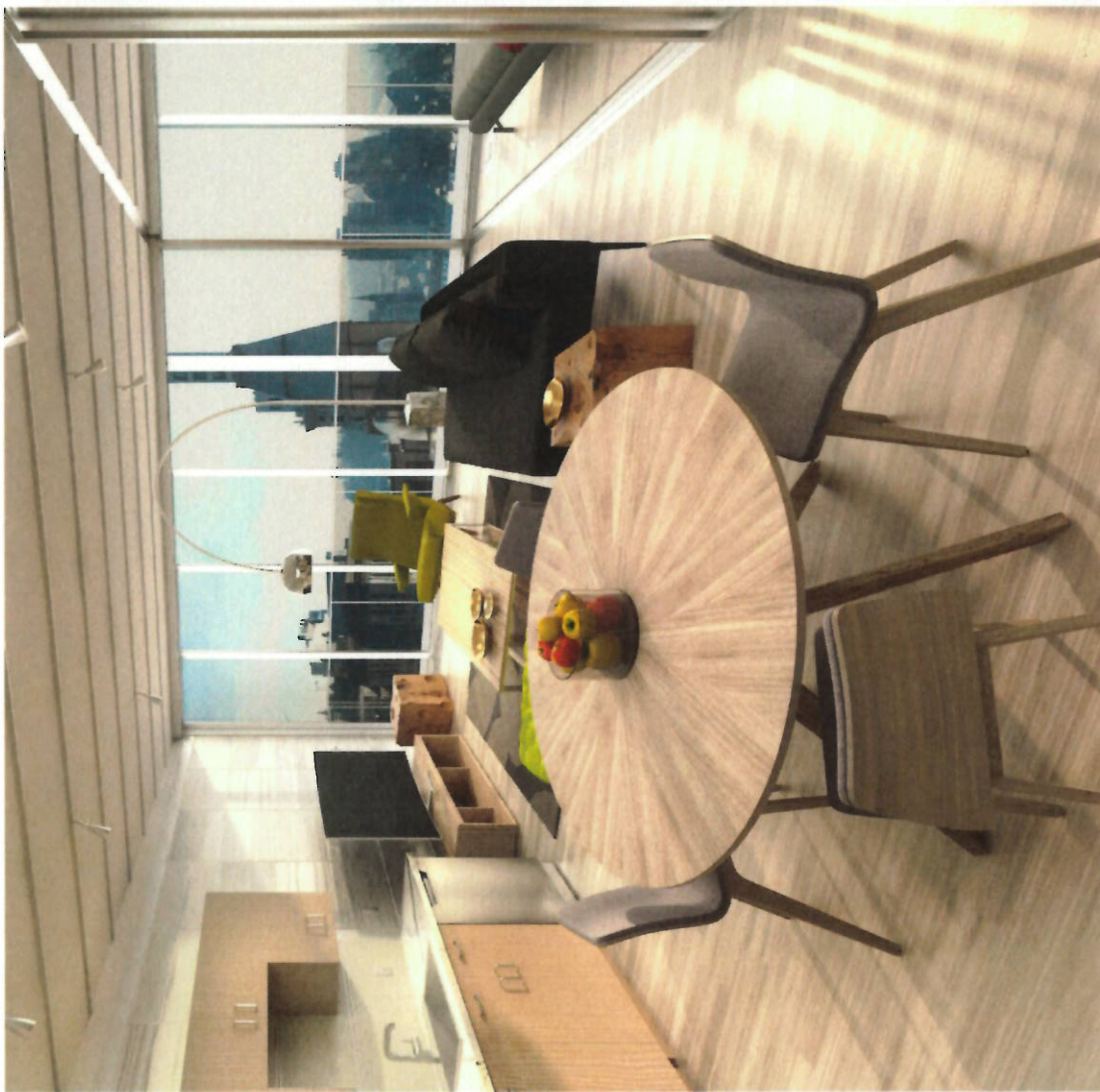
## 615 DEXTER

**THE 615 DEXTER TOWER IS DESIGNED** in response to its surroundings, including the neighboring mid-rise properties along Dexter Avenue N. By setting the facade back 85 feet, the tower better matches the site context while maximizing views of Lake Union, Queen Anne, and Seattle Center from as many residential units as possible. To articulate each facade and view perspective, a variety of colors and materials is used, and balconies are included for almost every apartment unit. Portions of the building on the north and south sides are wrapped in expressive frames with a warm tone, and double-height outdoor amenity spaces offer opportunities for the building's tenants to congregate and enjoy the extraordinary views. The 615 Dexter Tower will be a modern, attractive, amenitized residential building anyone would be proud to call home.



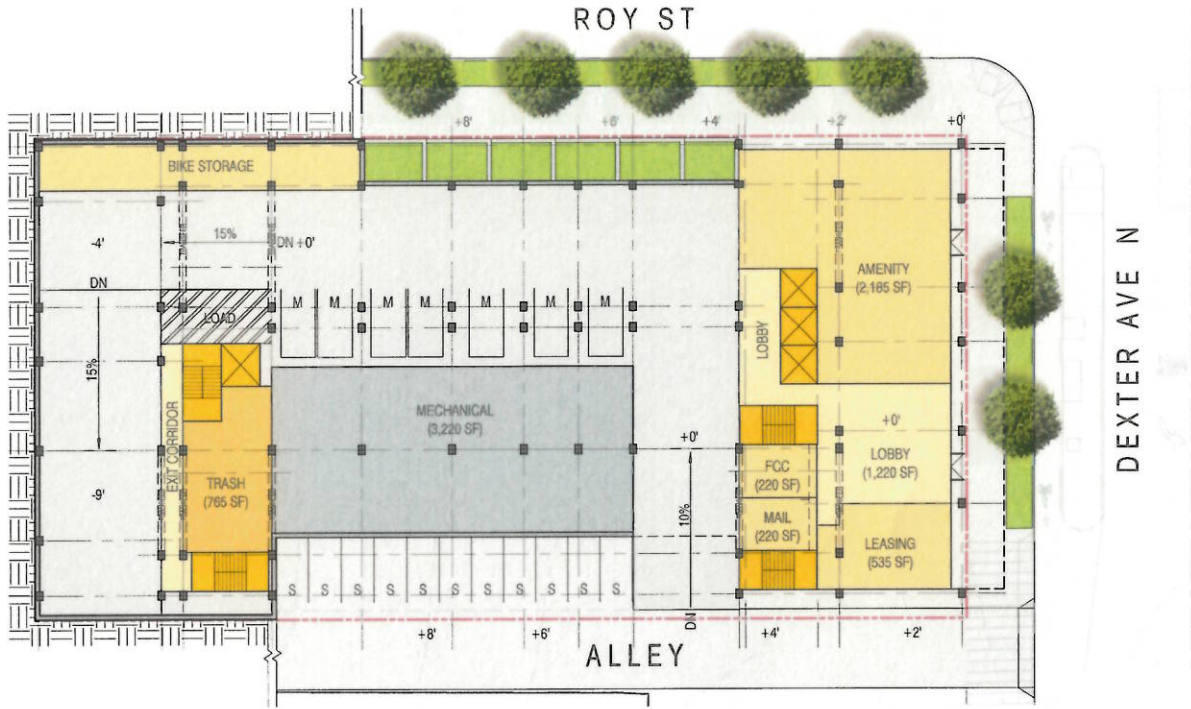
ON DEXTER AVENUE LOOKING NORTHWEST AT THE SOUTHEAST CORNER OF THE 615 DEXTER TOWER



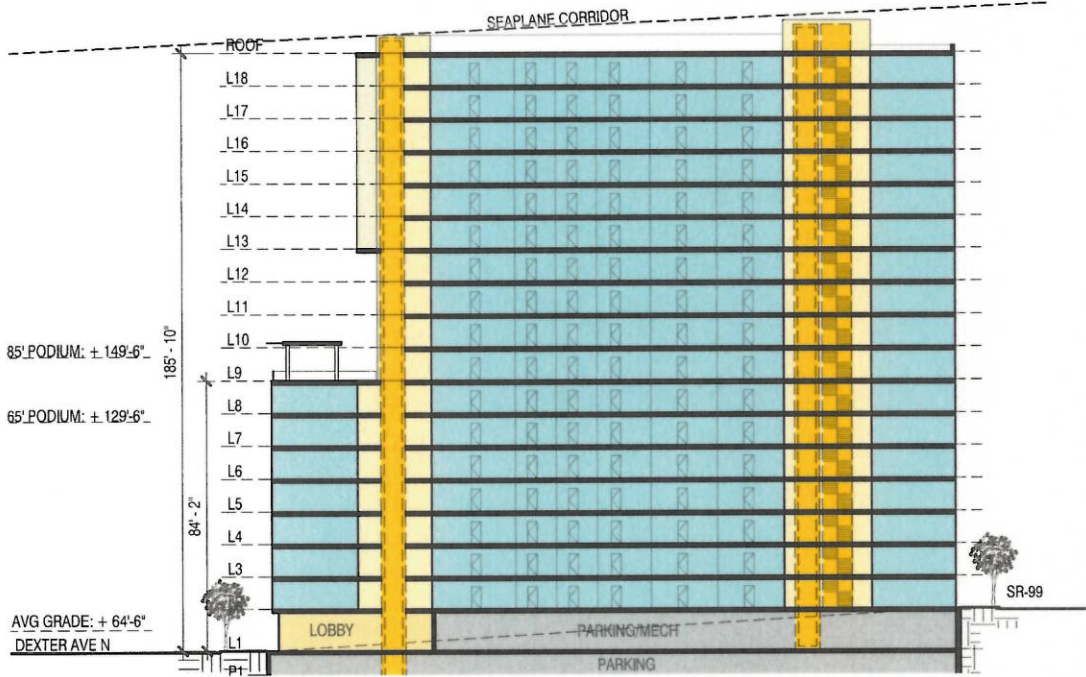




615 DEXTER GROUND-FLOOR PLAN AND SECTION



LEVEL SCALE  
615 DEXTER TOWER GROUND-FLOOR PLAN



615 DEXTER SECTION LOOKING SOUTH







South Elevation



West Elevation





# Financial Offer and Project Financing Plan



**INTRODUCTION**

This letter ("**Financial Offer Letter**") is written to reflect the terms and conditions pursuant to which Alexandria Real Estate Equities, Inc., or its affiliate nominee ("**Alexandria**" [REDACTED]), proposes to enter into a Disposition and Development Agreement (the "**DDA**") with the City of Seattle (the "**City**" [REDACTED]).

**PROPERTY**

The City is the owner of 102,340 square feet of land located at 800 Mercer Street ("**800 Mercer**") and 23,760 square feet of land located at 615 Dexter Avenue N ("**615 Dexter**") (collectively, the "**Mercer Mega Block**" or the "**Property**").

**PROJECT CONCEPT**

Alexandria intends to entitle, design, construct, lease, and manage approximately [REDACTED] of commercial laboratory, office, community benefits, and retail space with approximately [REDACTED] parking stalls on the Mercer Mega Block and a minimum of 175 affordable housing units and [REDACTED] parking stalls on 615 Dexter subject to DDA with the City. Alexandria will develop the Mercer Mega Block [REDACTED].

**SCHEDULE**

[REDACTED]

**COMMERCIAL**

Alexandria intends to develop the Mercer Mega Block as a mixed-use project with ground-floor retail space and commercial laboratory and office space [REDACTED]. The commercial space will be developed to a Class A standard with robust structural and mechanical, electrical, and plumbing systems suitable for laboratory/office space.

**AFFORDABLE HOUSING**

Alexandria intends to deliver a minimum of 175 multifamily affordable housing units at 615 Dexter to be occupied by individuals and/or families with household incomes not to exceed 60% AMI as per the guidelines published by the City. Alexandria also anticipates constructing workforce housing at 615 Dexter in compliance with the City's Multifamily Tax Exemption ("**MFTE**") program as renewed on November 1, 2015.<sup>2</sup> [REDACTED]

**COMMUNITY BENEFITS**

Alexandria will allocate and construct up to 35,000 RSF of community benefit space on the ground floor of 800 Mercer. Alexandria anticipates the community benefit space will be leased to qualified non-profits and/or the City at terms to be determined.

**GROUND LEASE**

[REDACTED]

*Term*

[REDACTED]

*Ground Lease Commencement Date*

[REDACTED]

*Ground Rent Commencement Date*

[REDACTED]

*Base Ground Rent Adjustment*

[REDACTED]

*Prepayment*

[REDACTED]

<sup>1</sup> Planning department guidelines and parking standards used to determine the number of stalls for the Mercer Mega Block and 615 Dexter are located at <http://www.seattle.gov/transportation/transportation-planning>.  
<sup>2</sup> <http://www.seattle.gov/transportation/transportation-planning>



*Base Ground Rent*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

To the extent the City is interested in pursuing a fee simple sale (the "Fee Simple Alternate"), Alexandria is prepared to offer the City [REDACTED] attributable to 800 Mercer. [REDACTED]

**DUE DILIGENCE**

Alexandria has spent considerable time and money to date engaging a variety of third-party consultants to advise on the viability of the proposed transaction. Alexandria anticipates that any further due diligence items will be addressed after the execution of the Exclusive Negotiation Agreement (the "ENA"). Within two business days after execution of the ENA, the City shall make available to Alexandria all files, documentation, books and records, leases, and other materials relating to the Property that are in the City's possession or control. Additionally, the City will use commercially reasonable efforts to provide Alexandria with access to the Property for the purpose of inspecting the same and performing environmental, physical, soil, geological, and other inspections.

Following execution of the ENA, Ground Lessee will pursue negotiations with the Washington State Department of Ecology ("Ecology") for a Prospective Purchaser Consent Decree (the "PPCD") for the Property. The negotiated PPCD must be approved by Ecology as a condition to the execution of the DDA.

Additionally, the project concept for 615 Dexter includes workforce housing units that comply with the City's MFTE program. Should MFTE metrics (AMI limits, rent calculations, utility reimbursement amounts) materially decline prior to the execution of the DDA, such difference will be accounted for in the Base Ground Rent.

**PROJECT FINANCING AND SUPPORTING PRO FORMAS**

**FINANCING OVERVIEW**

As an investment-grade (Moody's: Baa1, stable outlook; S&P: BBB, positive outlook) REIT and an S&P 500® company with a total market capitalization of approximately \$18.8 billion (as of June 30, 2018), Alexandria Real Estate Equities, Inc. and its affiliates have a very strong balance sheet and the capital resources to internally fund this project from conception to completion, as we have with all similar projects.

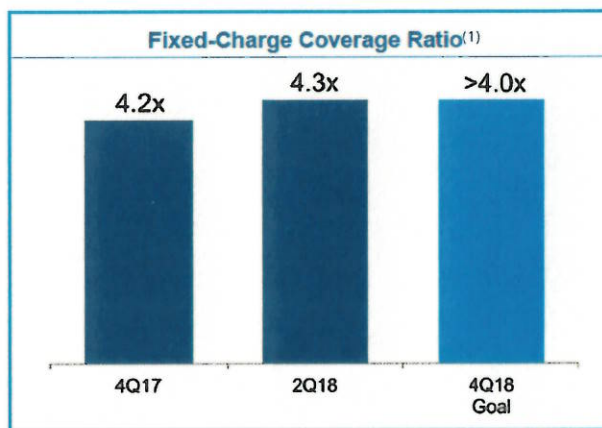
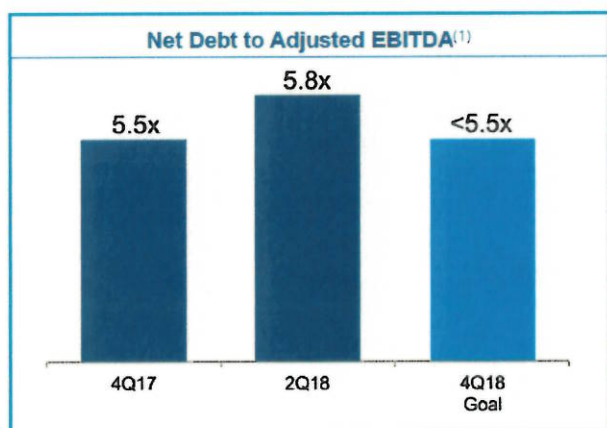
There is no financing contingency associated with our offer for the Mercer Mega Block. Alexandria plans to fully fund the development costs and does not expect that any secured financing will be necessary in order to commence construction. Therefore, our proposal does not require the procurement of a construction loan or additional investment for the total estimated project costs of [REDACTED].



## FINANCIAL OFFER AND PROJECT FINANCING PLAN

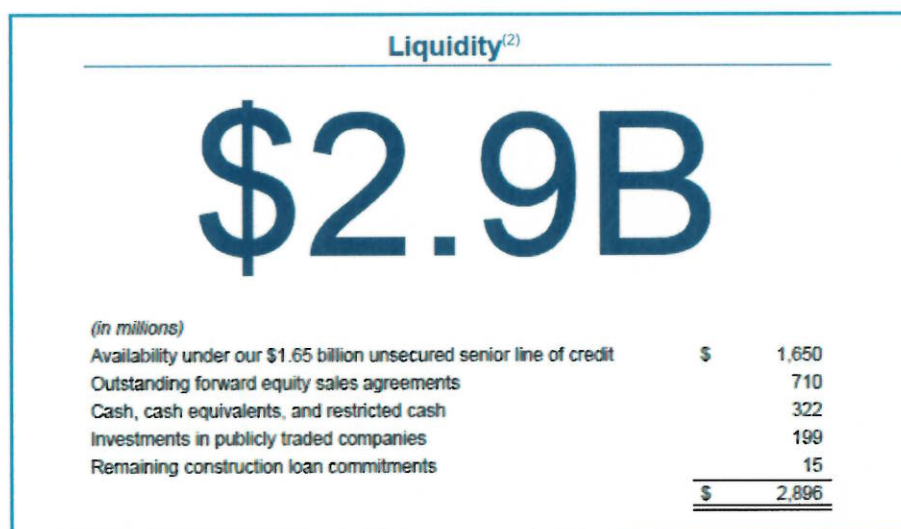
### DIVERSE SOURCES OF CAPITAL AND PRUDENT BALANCE SHEET MANAGEMENT

Alexandria enjoys access to a diverse set of capital sources, which allows for flexibility in funding decisions for our future acquisitions and developments. Access to annual net cash provided by operating activities after dividends, unsecured and secured debt, equity issuance, and joint venture capital ensures our critical access to capital. Alexandria also maintains a disciplined approach to balance sheet management. Key credit metrics, such as net debt to adjusted EBITDA and fixed-charge coverage ratio, remain strong and continue to improve:



### SUPERIOR LIQUIDITY AND PRUDENT LADDERING OF DEBT MATURITIES

In addition to our access to a diverse set of capital sources, Alexandria also enjoys significant liquidity. As of June 30, 2018, Alexandria had access to over \$2.9 billion in liquidity, with our unsecured senior line of credit accounting for \$1.65 billion:



Additionally, in September 2018, Alexandria increased the availability under our unsecured senior line of credit from \$1.65 billion to \$2.2 billion, further increasing liquidity by an additional \$550 million.

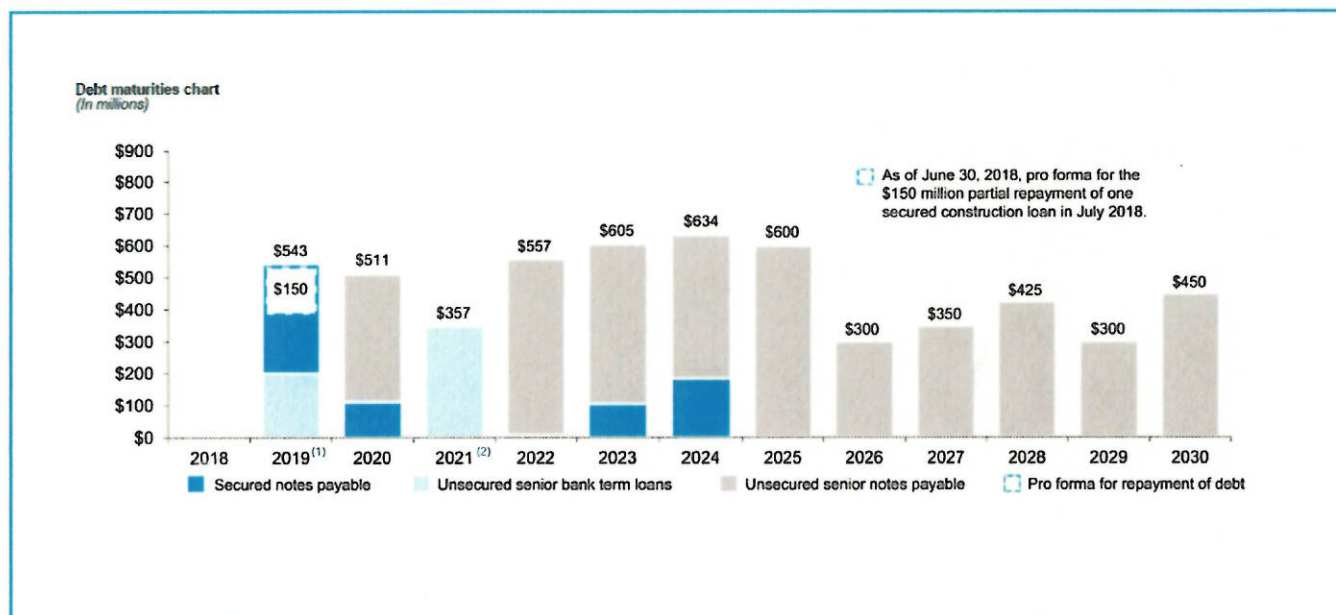
1 Quarter annualized

2 As of June 30, 2018



## FINANCIAL OFFER AND PROJECT FINANCING PLAN

Finally, Alexandria has leveraged our commitment to enhance our credit profile in order to continue to drive a lower cost of capital. By taking advantage of favorable capital markets conditions, Alexandria has constructed a favorable laddering of debt maturities, thereby minimizing any near-term maturities and creating long-term visibility into capital sources:



## CONCLUSION

In conclusion, Alexandria's disciplined funding strategy of utilizing diverse sources of capital and maintaining significant liquidity ensures ready availability of funds for Alexandria to execute our vision for the Mercer Mega Block with no reliance on third-party capital. Based on this, Alexandria is prepared and able to internally fund the costs of development and will not require financing to commence construction of the Mercer Mega Block.

<sup>1</sup> Includes our secured construction loan for our property at 50 and 60 Binney Street in our Cambridge submarket with an outstanding balance of \$334.4 million as of June 30, 2018. In July, we completed a partial repayment of \$150.0 million on this secured construction loan. We have one-year options to extend the stated maturity date to January 28, 2021, subject to certain conditions.

<sup>2</sup> In 2018, we expect to amend our \$1.65 billion unsecured senior line of credit and our 2021 Unsecured Senior Bank Term Loan to extend the maturity date of both facilities to 2024, among other changes.





A photograph of an office cubicle area with white partitions and blue pillars. A large, semi-transparent blue banner is overlaid on the bottom half of the image.

# References

LETTERS OF RECOMMENDATION

A photograph of a laboratory bench with a white countertop and wooden cabinets. On the bench, there is a rack of glassware, a white jug, and a blue cloth. A sink is visible on the right side of the bench.



D. Gary Gilliland, M.D., Ph.D.  
President and Director  
Tel: 206-667-6767 Fax: 206-667-5268  
Email: gary@fredhutch.org

September 21, 2018

Mr. John Cox  
Senior Vice President  
Alexandria Real Estate Equities, Inc.  
400 Dexter Ave N., Suite 200  
Seattle, WA 98109

RE: Fred Hutch, Alexandria, and Seattle's Life Science Ecosystem

Dear John:

I am writing you in support of Alexandria's pursuit of the Mercer site in South Lake Union. Alexandria has been a leader in creating mission-critical research and laboratory space in Seattle. Fred Hutch is proud of our relationship with Alexandria, which spans over 20 years, from the sale to Alexandria of our original campus on First Hill to our leasing of the historic Lake Union Steam Plant building in Eastlake this year.

The Mercer site represents one of the last opportunities in the city to develop life science space that can further establish Seattle as a leading center for implement curative approaches to cancer and related diseases. Your Seattle leadership team has shared with my team a compelling vision dedicated to collaboration and innovation that will enhance the ability of the life science community in Seattle to recruit and retain world-class talent, inspire productivity and collaboration; and help improve the health and quality of life for those who suffer from cancer and other diseases.

I also commend Alexandria's willingness to include affordable and workforce housing in your proposal for this site. We are especially excited about your willingness to partner with Fred Hutch to provide much needed housing for our postdoctoral staff, which will further enhance our ability to recruit the best scientists here.

As you know, Fred Hutch scientific innovation has provided the foundation for several companies, including Juno Therapeutics, and has helped make Seattle one of the leading research communities in the nation. As you know, I've been extremely vocal in my belief that curative approaches for diseases such as cancer can and will be discovered in Seattle. We appreciate Alexandria's ongoing partnership with Fred Hutch and others in the Seattle biotech community in achieving this goal. We value our long-standing relationship with Alexandria and support your efforts to help build a dynamic life science cluster in Seattle. I look forward to working together for many years to come.

Sincerely,

D. Gary Gilliland, M.D., Ph.D.  
President and Director

FRED HUTCHINSON CANCER RESEARCH CENTER / 1100 Fairview Ave. N. / P.O. Box 19024 / Seattle, WA 98109-1024 / 206.667.5000 / fredhutch.org





office of  
COMMUNITY INVESTMENT  
and INFRASTRUCTURE

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Chair*

*Kevin Simons,  
Vice-Chair*

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JoAnn Locke  
Dick Millet  
Catherine Sharpe  
Milena Elperin*

September 18, 2018

Mayor Jenny Durkan  
Seattle City Councilmembers  
City of Seattle  
Seattle, WA 98124

Dear Mayor Durkan and Councilmembers:

I write to you today to share with you my experience in working with Alexandria Real Estate Equities, Inc. (ARE) during the redevelopment of Mission Bay in San Francisco.

The Mission Bay Citizens Advisory Committee was formed by then San Francisco Redevelopment Agency to provide oversight and advice to decision makers on the redevelopment of the 300 acre former railyards. The Mission Bay Citizens Advisory Committee was directly involved in the master planning effort to develop the area. Our group worked closely with the Master Developer to create a comprehensive package of community benefits including creation and maintenance of a new roadway network, 49 acres of public parks, dedicating land for development of over 2,300 units of affordable housing, new infrastructure including the San Francisco's first separated stormwater management system, and two "Community Facilities Districts" to finance the development of infrastructure as well as the development and maintenance of the new public parks.

Alexandria's Mission Bay development encompasses 14 acres of commercially zoned land surrounding the University of California, San Francisco's (UCSF) Mission Bay campus and supports diverse office, laboratory, and clinical uses which are leased to some of the world's leading life science companies.

Alexandria is one of the few corporate partners who understands and appreciates the positive impact that can be made through active community engagement and partnership. Throughout the Mission Bay development process, Alexandria worked closely with the Advisory Committee – and in fact serving on the Committee for many years since their acquisitions. They have been partners with community members and regulatory agencies including the Mission Bay Infrastructure Task Force, UCSF, the San Francisco Redevelopment Agency (now the Office of Community Infrastructure and Investment), the San Francisco Planning Commission, Departments of Public Works and Building, and Mission Bay District Board of Supervisors.

We have been impressed with Alexandria's leadership and commitment to the health and vitality of the community at large. During my more than 20 years on the Citizens Advisory Committee, I can honestly say that Alexandria has always worked cooperatively, productively, and in good faith with the community. We always know we can expect Alexandria to fulfill their promises and to do more in every situation to make their projects work for everyone. Unlike many developers, ARE stays involved with their projects, tenants, and the larger community.

Sincerely,

Corinne Woods, Chair  
Mission Bay Citizens Advisory Committee



**CAMBRIDGE**  
CHAMBER of COMMERCE

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Jeffrey Lockwood  
*Novartis*

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*Mount Auburn Hospital*

Deborah Ruhe  
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Elizabeth Schwab  
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Bill Zamparelli  
*Eversource*

**Emeritus Members**  
Joe Barrell  
James Hawkins  
Norman Melver

September 12, 2018

Mayor Jenny Durkan  
Honorable Members of the Seattle City Council  
City of Seattle  
Seattle, WA 98124

Dear Mayor Durkan and Members of the City Council:

It is my privilege to share with you my exceptional experience in working with Alexandria Real Estate Equities, Inc. (Alexandria) and express my strong support for their bid to develop a world-class life science community in the heart of your dynamic city.

As a former two-term Cambridge Mayor, longtime City Councillor, and chair of the City's Ordinance Committee, I was fortunate enough to partner with Alexandria as we worked together to transform an uninspired collection of low-density buildings and surface parking lots to create Kendall Square in Cambridge. It is now recognized as one of the world's preeminent biotechnology clusters. Much like Seattle, life science is a major driver of the economy of Cambridge and Greater Boston, and Alexandria's unique approach created a dynamic cluster with proximity to academic researchers, teaching hospitals and other biotech companies. Alexandria fostered a spirit of collaboration and exchange of scientific ideas that breeds innovation and improves lives.

Alexandria is not a traditional real estate developer. In shaping Kendall Square, I commended Alexandria for their extraordinary dedication and commitment to a public process that allowed for neighborhood residents to actively participate in the development of a Master Plan that truly responded to their concerns. The creation of a 2.2-acre public park, a building to house a Community Center, and the creation of affordable and moderate housing well in excess of Cambridge's existing housing requirements was unprecedented.

None of this could have been achieved without Alexandria's commitment to working closely with community members and local government officials. They are long-term owners and stakeholders in the communities in which they invest. I believe that Alexandria's approach to development should be a model for others to follow.

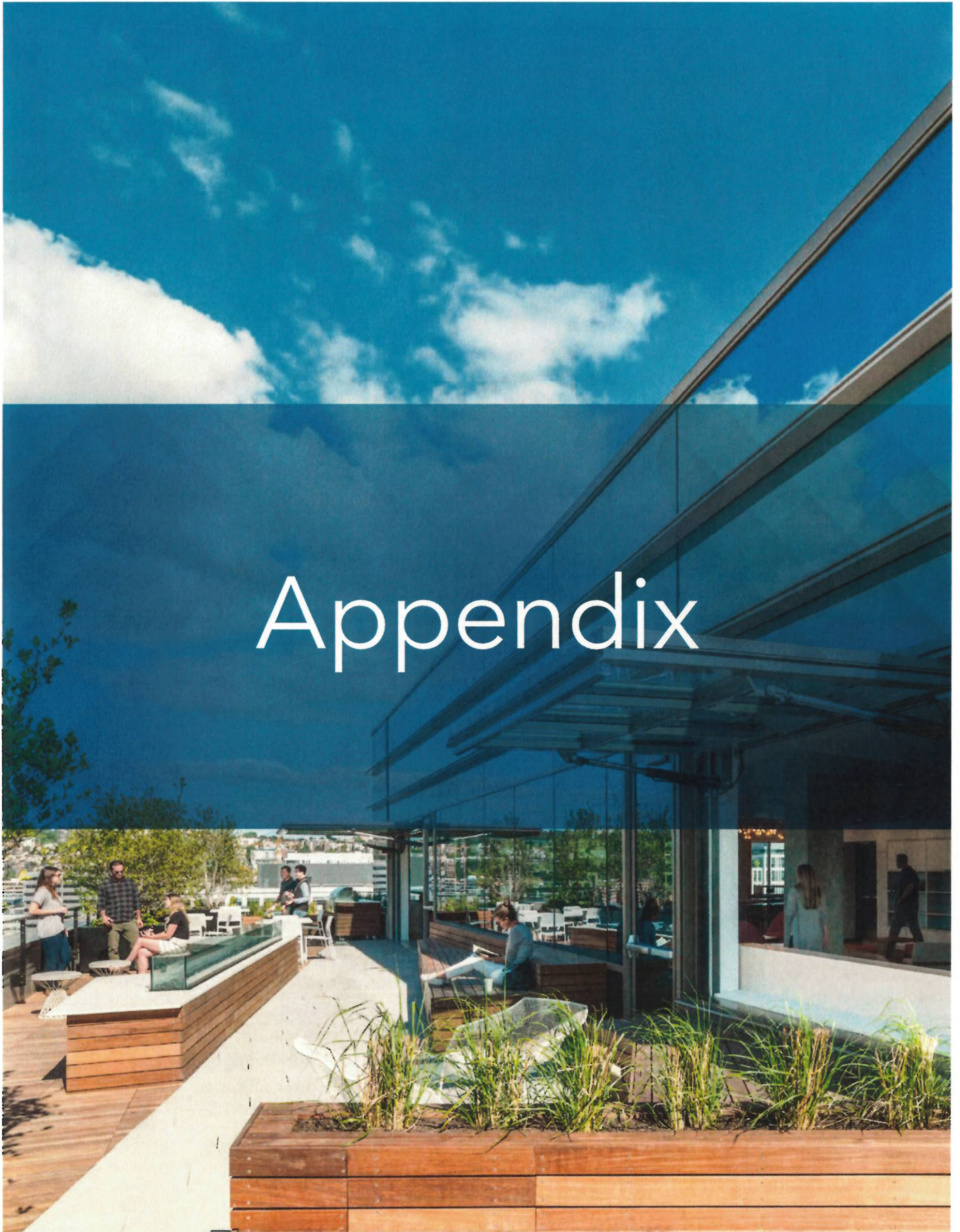
I wish Alexandria the best of luck in their proposal to the City of Seattle, and I suspect you will find them to be the ideal strategic community partner.

Sincerely,

David P. Maher  
President & CEO, Cambridge Chamber of Commerce  
Cambridge Mayor 2010 - 2011 & 2014 - 2015  
Cambridge City Councillor 2000 - 2017



# Appendix





# ALEXANDRIA.

## **Mercer Mega Block** **ALEXANDRIA REAL ESTATE EQUITIES, INC.**

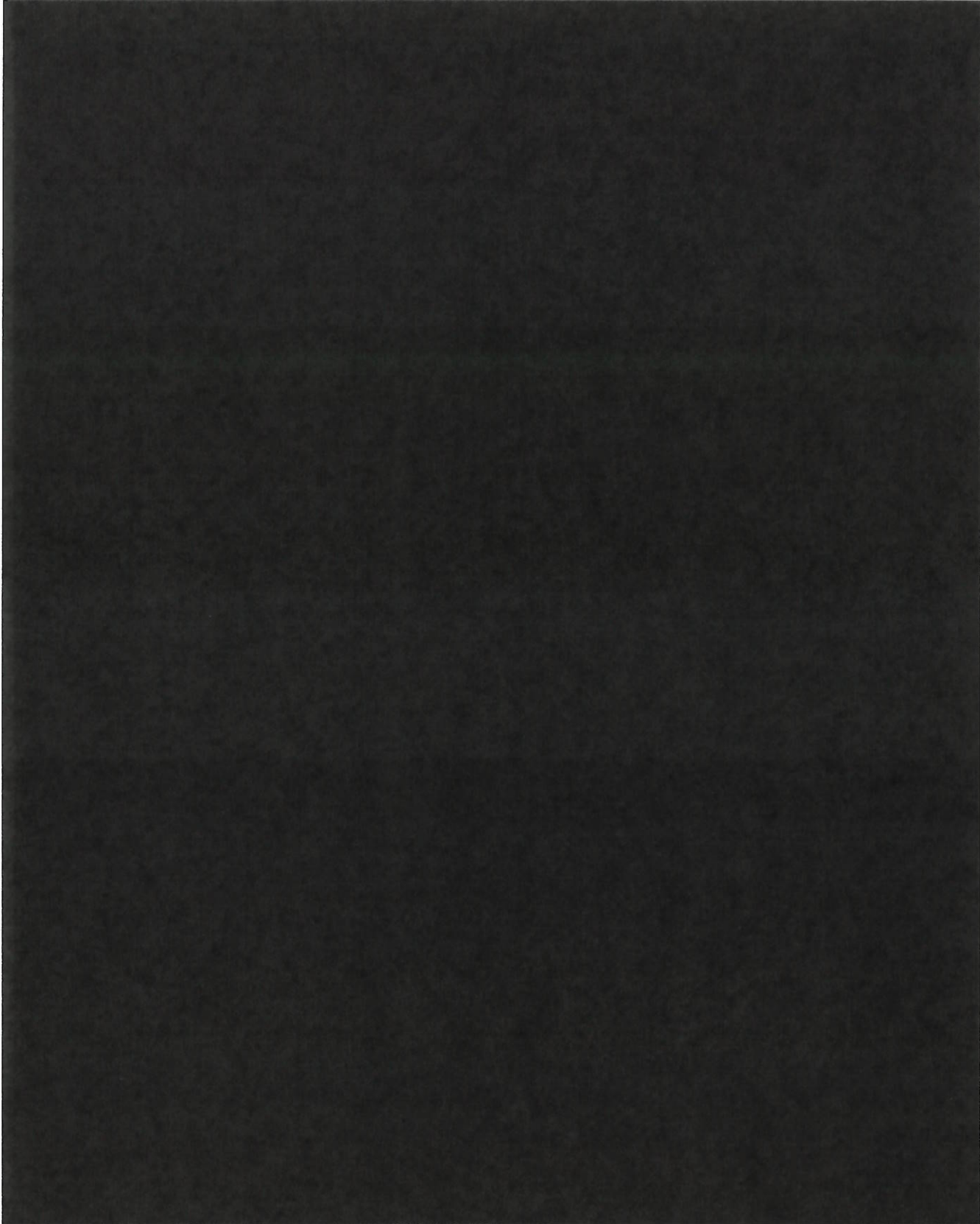
### *Supplemental Disclosures and Project Pro Forma*

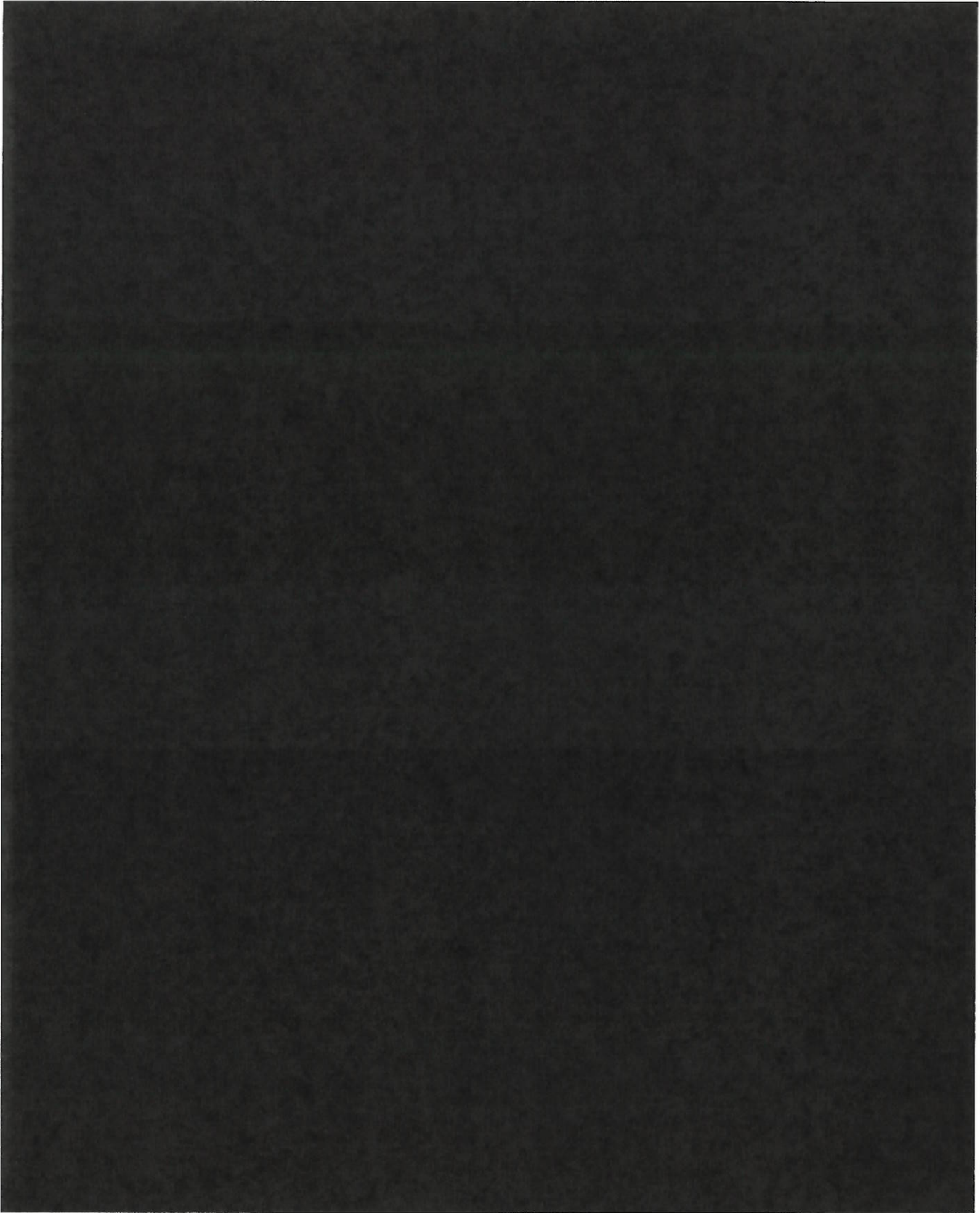
#### **Important Note Regarding Estimates**

*The information set forth in this Exhibit 3 is based upon projected costs, including, but not limited to, projected direct costs, indirect costs, and financing costs. These projections are based on our current expectations, beliefs, estimates, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts, as well as a number of assumptions concerning future events. There can be no assurance that actual costs will not be materially higher or lower than these expectations. These projections are subject to risks, uncertainties, assumptions, and other important factors that could cause actual costs to differ materially from the costs set forth herein. We assume no obligation to update or revise any of this information, whether as a result of new information, future events, or otherwise.*

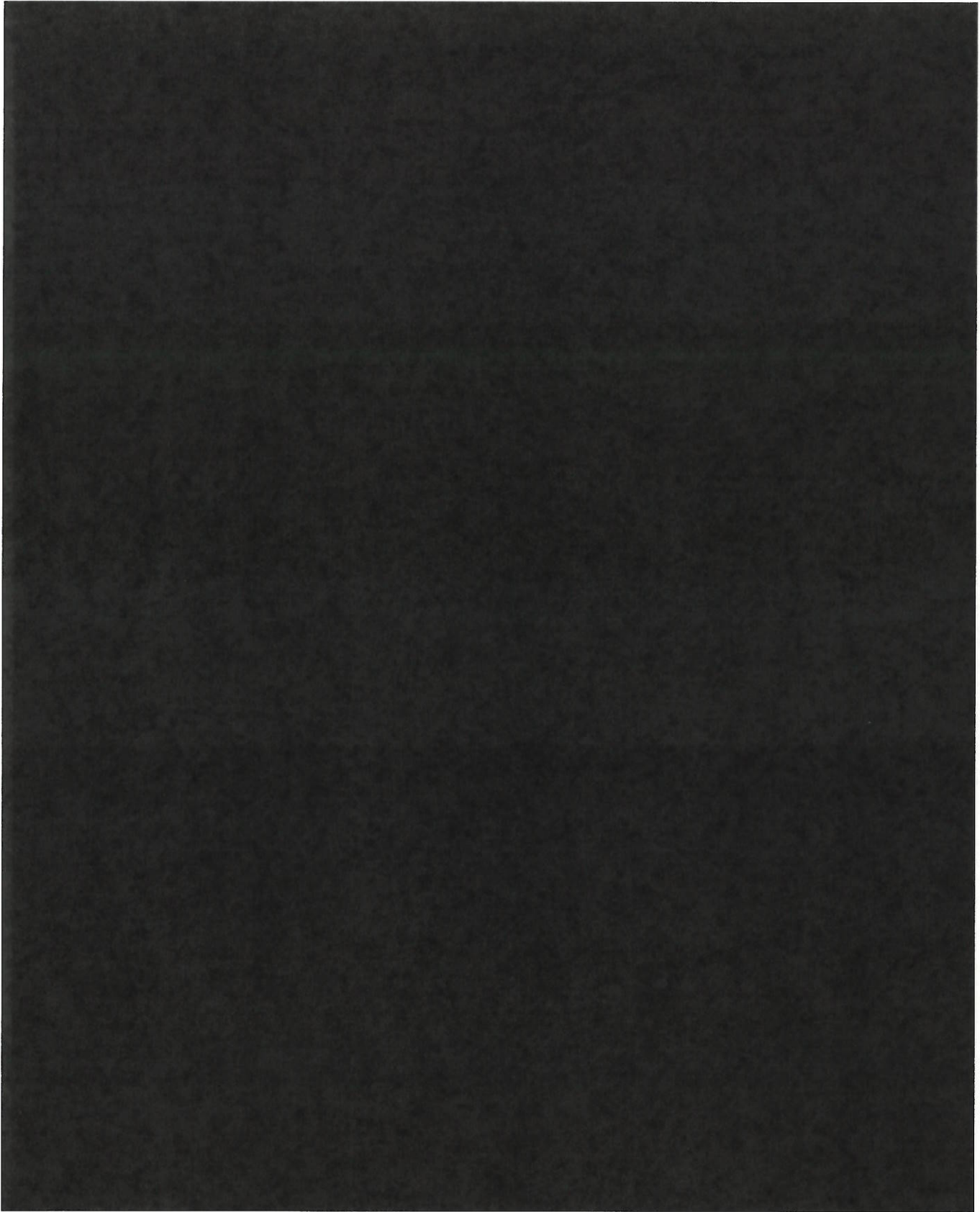
**CONFIDENTIAL TREATMENT REQUESTED** by Alexandria Real Estate Equities, Inc. and ARE-Seattle No. 32, LLC (collectively, "ARE") under the Washington Public Records Act, RCW Ch. 42.56 ("PRA"). Without limiting ARE's rights under PRA, ARE requires notice of any preliminary determination by the governmental agency, department, or corporation not to treat any part of this response as CONFIDENTIAL, so as to provide ARE with an opportunity to explain the need for such treatment and to seek judicial protection if necessary.

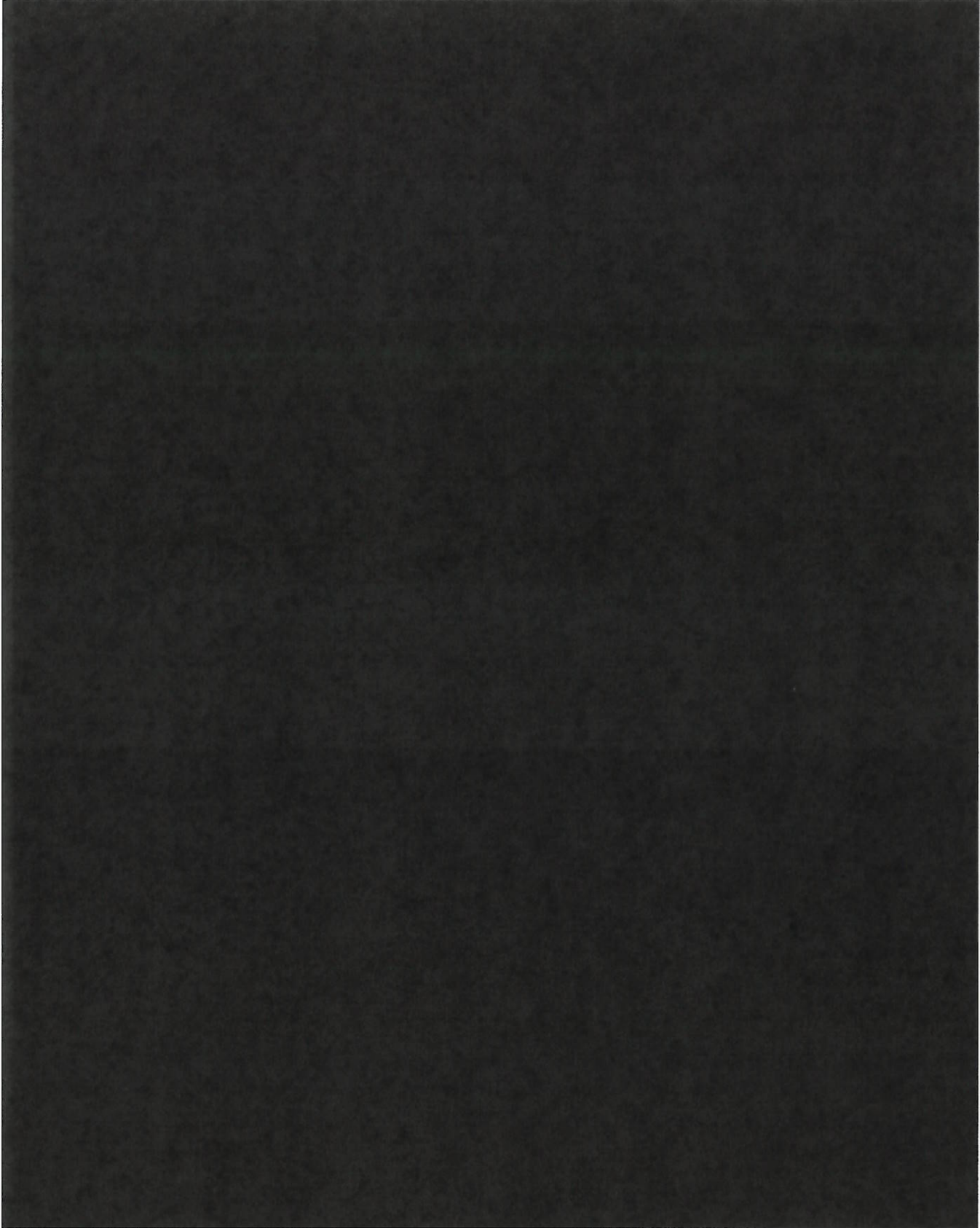


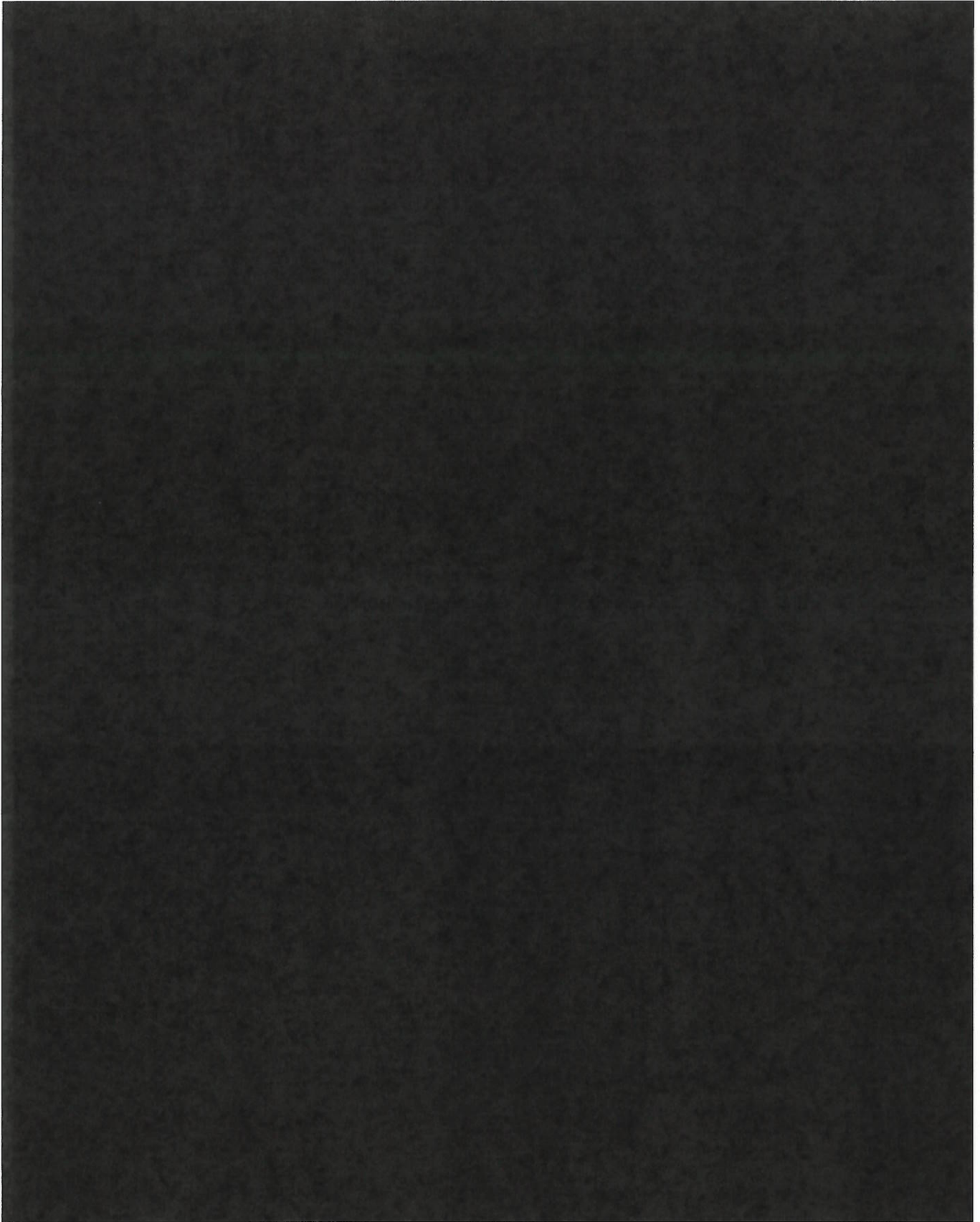












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