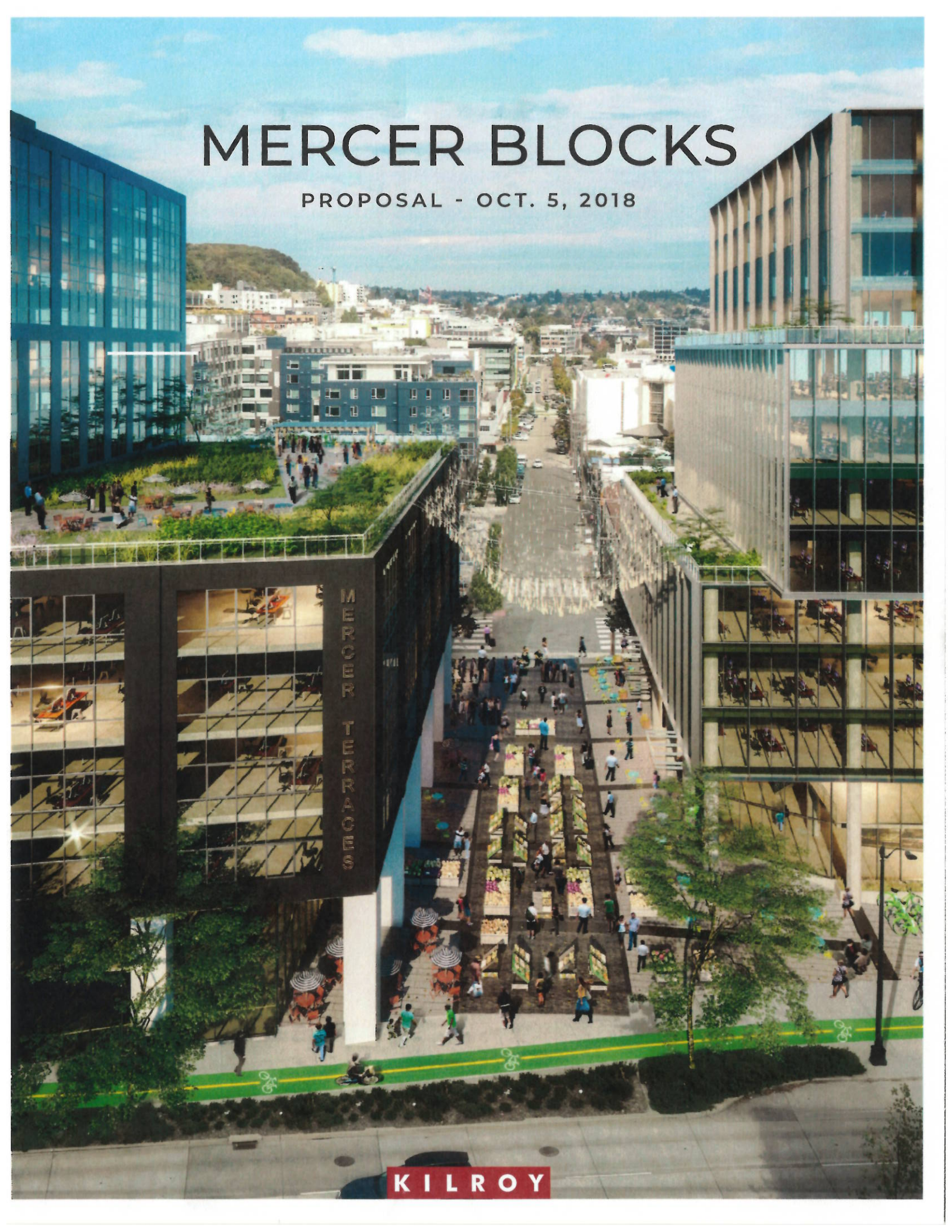


# MERCER BLOCKS

PROPOSAL - OCT. 5, 2018

MERCER  
TERRACES

KILROY





# TABLE OF CONTENTS

A. Transmittal / Cover Letter	<a href="#">3</a>
B. Executive Summary	<a href="#">8</a>
C. Financial Qualifications	<a href="#">11</a>
D. Past Project Qualifications	
Kilroy Realty	<a href="#">13</a>
Low Income Housing Institute	<a href="#">32</a>
E. Project Concept and Public Benefits	<a href="#">43</a>
F. Project Design	<a href="#">55</a>
G. Financial Offer	<a href="#">74</a>
H. Project Financing Plan and Supporting Pro Formas	<a href="#">81</a>
APPENDICES	<a href="#">85</a>

RESPONDENT: **Kilroy Realty, L.P.**

RFP Date: October 5, 2018

Lori Hill  
Managing Director, JLL  
601 Union Street, Suite 2800  
Seattle, WA 98101

Attention: Lori Hill

Ladies and Gentlemen:

In response to the Request for Proposal 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: <http://www.CityofSeattleMererMegaBlockRFP.org> as of the Submittal Due Date for the RFP including all addenda and questions and answers matrices issued in connection with this 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: **K Robert Swartz**

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

Developer's business address:

Kilroy Realty, L.P.  
601 108th Ave NE, Suite 1560  
Bellevue, WA 98004 / United States

State or Country of Incorporation/Formation/Organization: Delaware

**Kilroy Realty, L.P.**

By:



K Robert Swartz

Senior Vice President, Pacific Northwest

Kilroy Realty Corporation, sole general partner of Kilroy Realty, L.P.



RESPONDENT: **Low Income Housing Institute**

RFP Date: October 5, 2018

Lori Hill  
Managing Director, JLL  
601 Union Street, Suite 2800  
Seattle, WA 98101

Attention: Lori Hill

Ladies and Gentlemen:

In response to the Request for Proposal 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: <http://www.CityofSeattleMererMegaBlockRFP.org> as of the Submittal Due Date for the RFP including all addenda and questions and answers matrices issued in connection with this 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: Sharon Lee

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

Developer's business address:

Low Income Housing Institute  
2407 First Ave  
Seattle, WA 98121 / United States

State or Country of Incorporation/Formation/Organization: Washington

**Low Income Housing Institute**

By: 

Sharon Lee  
Executive Director, Low Income Housing Institute



PROJECT EXECUTIVE  
SUMMARY



## PROJECT EXECUTIVE SUMMARY

Kilroy Realty Corporation (KRC) is an industry-leading owner and developer of premium commercial properties with a portfolio of more than 14 million square feet, spanning from Seattle to San Diego. We are uniquely qualified to address all objectives of the City of Seattle for the development of the Mercer blocks. As a leader in large-scale urban projects, with significant experience in the South Lake Union submarket, we seek to partner with the City of Seattle on an innovative, dynamic, and interactive project with a key focus on sustainability and inclusivity with the surrounding neighborhood.

We have become one of the largest developers of creative office space along the West Coast, with nearly \$2 billion in recently-delivered projects. We have another \$4.5 billion of projects in the pipeline, and own 2.7M square feet in Seattle and the Eastside, including 333 Dexter, our first signature development in Seattle. Upon delivery of 333 Dexter, Kilroy will own and manage 1.5M square feet in the Lake Union submarket in addition to the ownership of various land parcels. With our long-term ownership of this property, Kilroy will continue to contribute to the South Lake Union environment, not only as owners, but as employees, neighbors and supporters of the community.

Our goal is to create dynamic work environments that bring out the best in our clients' businesses. We share a common interest with our clients for work environments that optimize resources and minimize the impact on the environment. This is why we have become a leading proponent of sustainable design, development, and property operations. We build all of our projects at a minimum of LEED Gold Certification and integrate sustainable practices at every opportunity. Kilroy is ranked 1st in sustainability performance among all North American participants by the Global Real Estate Sustainability Benchmark and is one of three American real estate company to be listed on the Dow Jones Sustainability World Index. We recently made headlines by announcing a commitment to carbon neutrality across our entire portfolio by 2020, and we will embody these values in our future projects in Seattle and along the West Coast.

**“With developers like Kilroy Realty, it’s incredible that we can use space like this.. in innovative ways to challenge our intellects and our souls.”**

**Former Mayor Ed Lee, San Francisco**  
*At the Grand Opening of Kilroy's 350 Mission*

Kilroy Realty believes that with the help of our partner Sharon Lee and her team at the Low Income Housing Institute (LIHI), our approach in the following Proposal will not only provide the City a community-focused development, but will also equip the Mayor and City Council with a substantive response focused on addressing our current affordable housing crisis.

As noted in the forthcoming pages, we have presented three different scenarios, from which the City can select their desired outcome for the development of the Mercer Blocks. One option provides the highest financial offer, another provides the direct delivery of 175 on-site affordable housing units, and the third option offers both a strong financial offer, and the delivery of 184 nearby affordable housing units. If desired, additional parcels owned by our team could potentially be combined to deliver up to 447 affordable units in a maximum affordable housing approach.

### ELEMENTS FOR CONSIDERATION:

- Due to Kilroy’s company structure, we are able to present an all cash offer, and self-finance the development of the Mercer Blocks without the need for any external financing. As such, we have the ability to close without issue, and execute on the delivery of the project with no financing risk. This structure also allows us the ability to consider flexible deal structures, including the potential for a ground lease at the property.



- As noted above and throughout the Proposal, our deep commitment to sustainability is evident in our goals for the Mercer Blocks, which include LEED Platinum core and shell, Zero Carbon certification, and 50% water savings over LEED baseline.
- We have a dynamic community activation plan, including a ground floor “art lab” dedicated to public art programming and artist studio/maker space at 800 Mercer. The proposed affordable housing includes a community gathering, meeting and performance space.
- In addition to the two affordable housing options presented in this Proposal, we are also open to maximizing our affordable housing delivery if desired, directly adding up to 447 units to the City’s supply and improving multiple neighborhoods.

As evidenced throughout the Proposal and Appendices, our internal and external project team including Miller Hull and LIHI lives and works within the City of Seattle, and prides itself on its ability to deliver a dynamic project where Seattleites can live, work and recreate. It is our goal that the following Proposal displays our commitment to sustainability, community, and equity and we hope we are granted the opportunity to deliver on our objectives presented herein.

**FINANCIAL OFFER SUMMARY**

SCENARIO	1) OFFICE & MARKET RATE RESIDENTIAL	2) OFFICE & ON-SITE AFFORDABLE UNITS	3) OFFICE & MARKET RATE RESIDENTIAL + NEARBY AFFORD. UNITS
<b>Land Use</b>			
615 Dexter Use	224 Market Rate Residential Units	175 Affordable Units (30%, 50%, 60% AMI)	224 Market Rate Residential Units
800 Mercer Use	785,000 GSF Office	785,000 GSF Office	785,000 GSF Office
Kilroy South Lake Union Parcel Use	N/A	N/A	66 Affordable Units (60% AMI)
LIHI 8620 Nesbit Use	N/A	N/A	118 Affordable Units (40%, 50%, 60% AMI)
<b>Pricing</b>			
615 Dexter Pricing	\$20,000,000	\$0	\$20,000,000
800 Mercer (E & W) Pricing	\$100,600,000	\$100,600,000	\$100,600,000
Less: Affordable Housing Subsidy	\$0	(\$24,200,000)	(\$25,100,000)
<b>Financial Offer</b>	<b>\$120,600,000</b>	<b>\$76,400,000</b>	<b>\$95,500,000</b>
<b>Total Value Contributed to City<sup>(1)</sup></b>	+ \$9.2M HALA = \$129,800,000	+ \$9.2M HALA = \$85,600,000	+ \$9.2M HALA + \$6.1M Unrealized Value = \$110,800,000
<b>Notes</b>		Ground Floor amenity space at 615 Dexter to be programmed by LIHI in partnership with arts, music and cultural organizations.	Kilroy is contributing a parcel in South Lake Union for the development of 66 Affordable Units. This parcel is being conveyed at a value of \$2.5M. When compared to an estimated market value of \$8.6M (\$130K/Unit), this represents \$6.1M in unrealized value.

(1) IMPLIED TOTAL CONTRIBUTION INCLUDES AN ESTIMATED \$9.2M HALA ALLOWANCE FOR THE 800 MERCER BLOCK. IN SCENARIO 3, AN ADDITIONAL \$6.1M IS ADDED IN ASSOCIATION WITH THE UNREALIZED VALUE OF KILROY’S CONTRIBUTED SOUTH LAKE UNION PARCEL.



FINANCIAL  
QUALIFICATIONS



**FINANCIAL  
QUALIFICATIONS**

**KILROY REALTY, L.P.**

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

**LOW INCOME HOUSING INSTITUTE**

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

*The Low Income Housing Institute prepares interim financial reports on a cash basis. It does not include entities owned by limited partnerships or other entities in which LIHI is the general partner or managing member. It therefore differs from the audited financial reports which are prepared on a consolidated basis using the accrual method of accounting.*

PAST PROJECT  
QUALIFICATIONS



**KILROY REALTY**  
PAST PROJECT  
QUALIFICATIONS



PROJECT 1 of 9				
Project Name	<b>333 Dexter</b>			
Project Address	333 Dexter Ave N			
City and State	Seattle, WA 98109 (South Lake Union)			
PROJECT DATA				
Size of Project	GSF	581,119	Acreage	1.85
Construction Type	Type I			
Level of LEED Certification	Gold (Target)			
Number of Stories	Two 12-floor Towers above 3-podium floors			
Construction Start Date	June 2017			
Construction Completion Date	November 2019			
Was the project completed on time? If not, why?	N/A (Under Construction)			
1. Provide a brief narrative that describes the nature of the development.				
<p>333 Dexter is a dynamic new 630,000+ square foot mixed-use office building providing a model work place, <b>permeable street edges and generous open spaces that support street-level uses and retail shops for a vibrant, pedestrian-oriented streetscape in what has historically been one of the City's most vehicle-centric corridors.</b> The design of 333 Dexter embraces the changing streetscape as the SR99 gash, separating Lower Queen Anne with South Lake Union, begins to heal. Miller Hull Partnership's design of 333 Dexter is visually connected to the water, mountains and neighborhood through the many unique design features.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>By capitalizing on the larger urban design goals for the area around the site, the project will not only create new office and retail space but <b>help to make the connection from South Lake Union to the Seattle Center along Thomas Street, a designated Green Street and an important link on the emerging Lake-to-Bay Trail.</b> 333 Dexter will provide street-level retail and food services targeting small businesses, as well as interior and exterior open spaces that will encourage collaboration in the rapidly densifying neighborhood.</p> <p>333 Dexter is located on Seattle's primary North-South bike corridor, commonly referred to as Seattle's "bike highway". The design embraces this bike culture with Seattle's largest bike room. This bike "spa" includes 316 long-term, secured bike racks and 12 showers. <b>32 short-term bike racks are located on the plaza for public use.</b></p> <p>Commuters benefiting from the new RapidRide bus stop on Aurora &amp; Harrison will benefit from over 19,000 SF of public open space on the ground floor.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>This project is especially relevant considering it is only 2 blocks away from the Mercer Blocks opportunity. Miller Hull, Kilroy's partner for Mercer Blocks, was also the architect for 333 Dexter. <b>Kilroy wanted Miller Hull to design 333 Dexter considering their unique experience in the public realm with projects such as the Pike Place Market Expansion.</b> The design of 333 Dexter aligns with Kilroy's vision and stays true to the local environment, embracing everything we love about the Pacific Northwest. With the architecture in South Lake Union typically following a more traditional design, we wanted 333 Dexter to raise the bar and set a new design standard in the market.</p>				





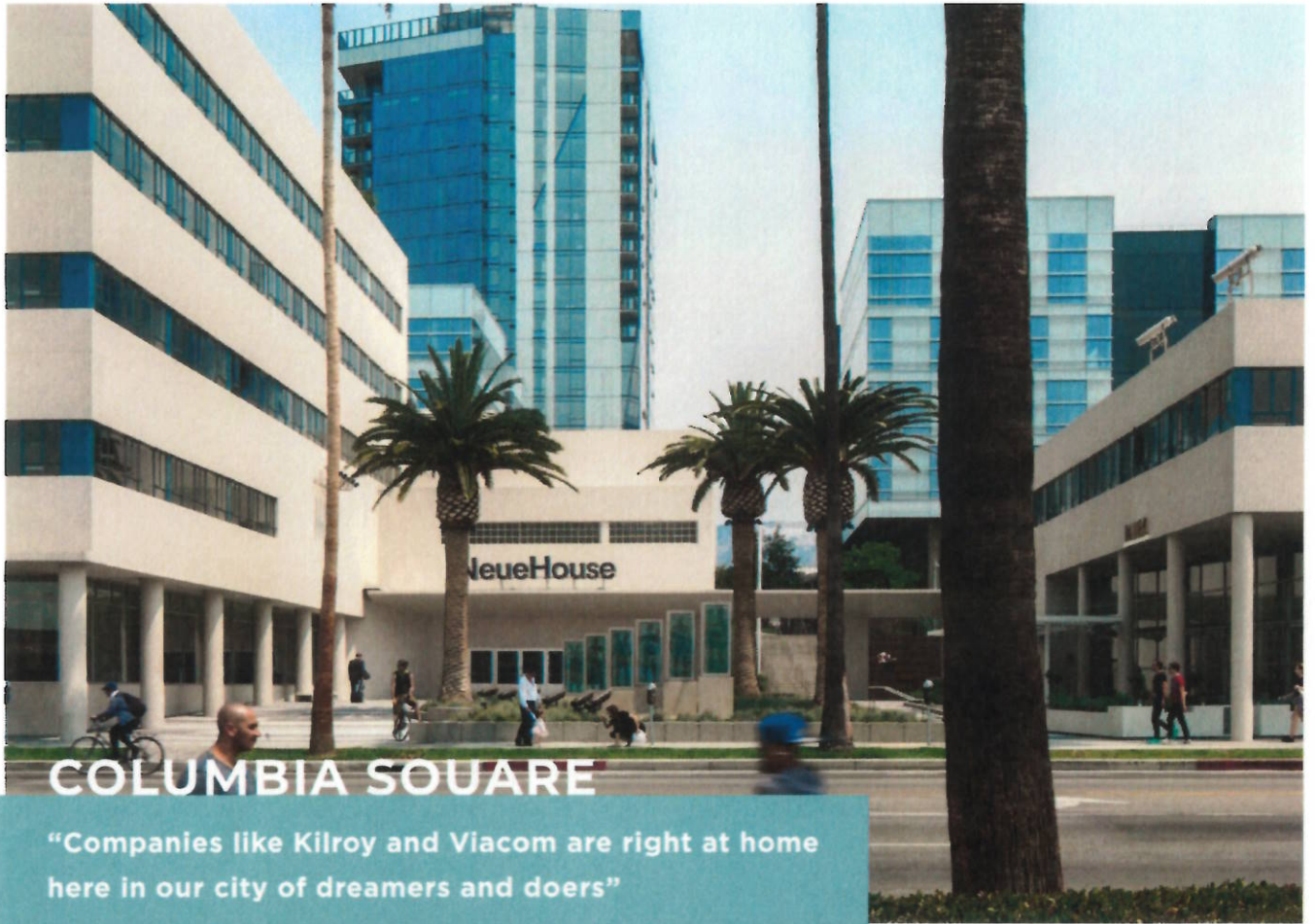
333 DEXTER





PROJECT 2 of 9				
Project Name	<b>Columbia Square</b>			
Project Address	6121 Sunset Boulevard			
City and State	Los Angeles, CA 90028 (Hollywood)			
PROJECT DATA				
Size of Project	GSF	759,022	Acreage	4.68
Construction Type	Historical Redevelopment			
Level of LEED Certification	Gold			
Number of Stories	Up to 21 (Six buildings)			
Construction Start Date	February 2015			
Construction Completion Date	Phase 1: Q1 2015, Phase 2: Q4 2015, Phase 3: 3Q 2016			
Was the project completed on time? If not, why?	Yes.			
1. Provide a brief narrative that describes the nature of the development.				
<p>Kilroy's Columbia Square is a 4.68-acre development project, located on Sunset Boulevard in Hollywood. Built in 1938, Columbia Square was built as the most modern technology facility of its time. Designed by renowned architect William Lescaze in the International Modernist style, its state-of-the-art recording studios and theaters cemented Hollywood as the world's entertainment center. <b>A decade after being abandoned by CBS, Kilroy acquired the property to answer Hollywood's demand for a new class of creative office space.</b> Kilroy went through an extensive restoration and preservation process - returning the historic buildings to the integrity of their original design. Columbia Square is designed specifically for entertainment, media, advertising, tech and creative tenants but also includes a 200-unit luxury residential tower. Blending historical reuse with new construction, the media campus offers collaborative indoor/ outdoor connections with 33,000 SF of plaza level amenities. Located in central Hollywood, the location offers easy access to mass transit hubs, theaters, restaurants and shopping. <b>Preserving the site's historic character with the reuse of original bow trusses, exposed brick, board form concrete and hollow clay tile, it also offers modern features such as a dual core design and flexible, open floor plates that supports tenant customization.</b> In partnership with interior designer, Kelly Wearstler, the residential tower features a concierge, gym, rooftop pool, and stylish furnished apartments. Street-level retail has attracted exciting retail users to the neighborhood.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The 200-unit residential tower is the second multi-family building to achieve WELL certification in the country. Columbia Square is LEED Gold. Columbia Square has a courtyard and plaza that are open to the public with communal seating and umbrellas. There is a 2,000 SF pocket park on the south side of the campus that is accessible to both tenants and the public. At the base of the residential tower is a 500 SF community room that is furnished and equipped, available to community groups for meetings and gatherings.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>Kilroy contributed \$2.25 million to an affordable housing developer to fund a local project. The heart of the campus is the central public plaza which connects Columbia Square with the Hollywood neighborhood, bringing history back to life. <b>Designated a landmark by Hollywood Heritage,</b> Columbia Square complements the history of the site by curating space that inspires. If you're ever in Hollywood, check out Dustin Yellin's sculptures at Columbia Square titled "Psychogeographies" which took the artist a year and a half to create. <b>"Art brings people together to see the same thing, and then maybe you can help them sort of galvanize and rally in concert around things like climate change, HIV awareness at the level of the street, the water issue. You can't change the world unless you have a voice" - Dustin Yellin</b></p>				





## COLUMBIA SQUARE

“Companies like Kilroy and Viacom are right at home here in our city of dreamers and doers”

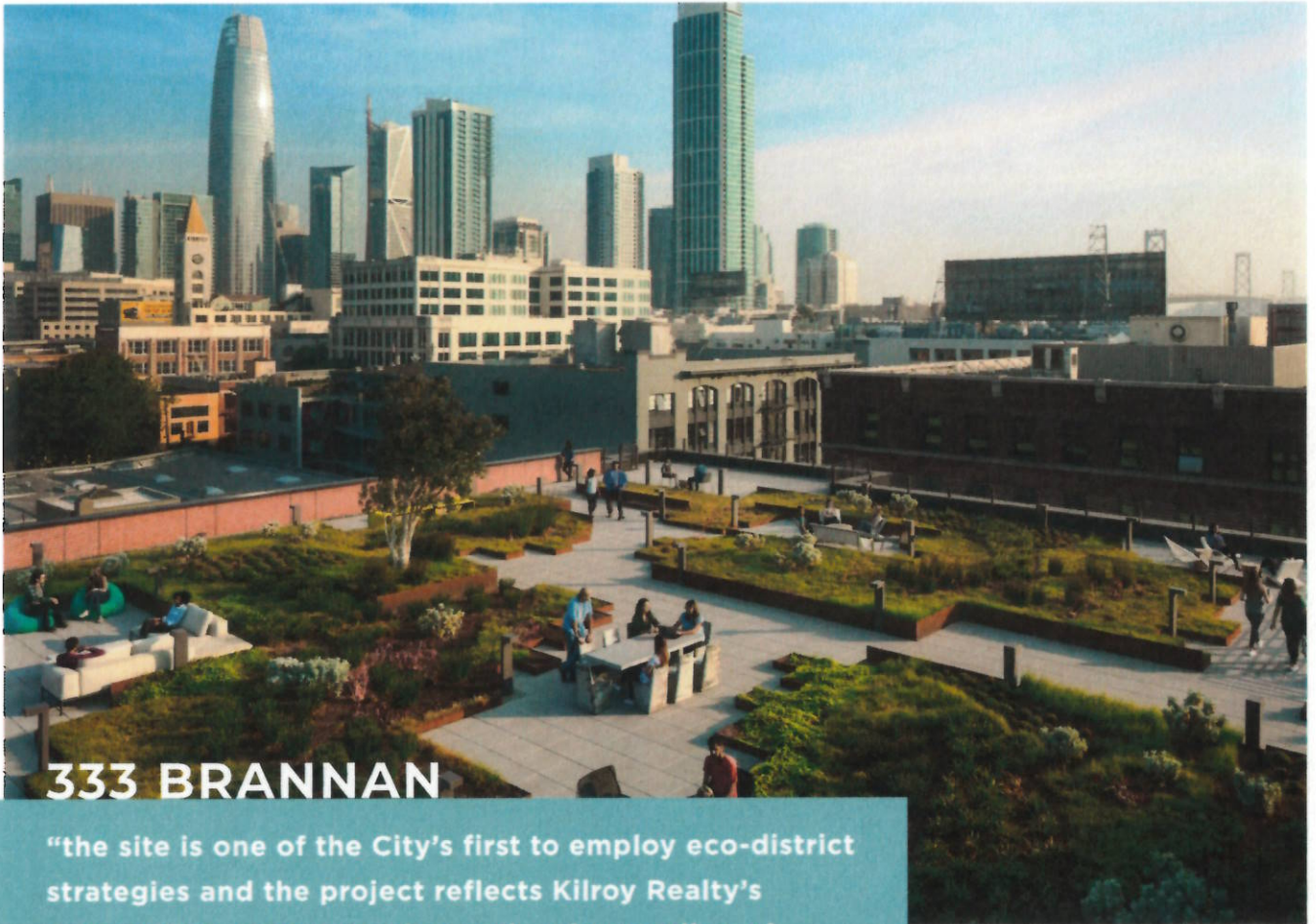
Mayor Eric Garcetti, Los Angeles





PROJECT 3 of 9				
Project Name	<b>333 Brannan</b>			
Project Address	333 Brannan Street			
City and State	San Francisco, CA 94107 (SoMa)			
Project DATA				
Size of Project	GSF	185,602	Acreage	0.82
Construction Type	Modern Brick and Timber			
Level of LEED Certification	Platinum			
Number of Stories	6			
Construction Start Date	January 2014			
Construction Completion Date	August 2015			
Was the project completed on time? If not, why?	Yes.			
1. Provide a brief narrative that describes the nature of the development.				
<p>Located in San Francisco's South of Market district, this 6-story modern brick and timber development was leased entirely to cloud storage and data syncing firm <b>Dropbox</b>. Kilroy's most ambitious sustainability project to date, the building was designed by renowned Cradle-to-Cradle architect William McDonough to include creative indoor workspace, innovative outdoor working environments and unparalleled green design. Accessible by multiple mass transit and within walking distance to SoMa's vibrant amenities, the building's ground level offers on-site valet parking as well as dining and retail. 333 Brannan is the City's second LEED Platinum ground up commercial building after another Kilroy project, 350 Mission.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Among the most significant attributes of the design are the many advances in sustainable development and property operations that it incorporates. <b>This property features high performing, environmentally responsible features such as storm water collection and re-use, building integrated photovoltaics, extraordinary energy efficiency, on-site power generation, 100% outside air capacity, a living roof with rooftop deck, gardens and an outdoor courtyard, bike lockers and showers.</b> Its minimal footprint uses 26% less energy and 45% less water for a building of its size. Its Class A workspace includes highly efficient floor plates, abundant natural light, and loft-like finishes with high, exposed concrete ceilings.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>333 Brannan is San Francisco's greenest office building, reflecting Kilroy's continued commitment to deliver projects that exceed expectations. The courtyards at the front entry on Brannan Street and on the Stanford Alley are richly landscaped spaces open and available to the neighborhood. The aesthetic of the exterior is in visual harmony with the surrounding historically industrial neighborhood. The landscaped ground level courtyards create a park-like setting for the surrounding community. <b>Similar to 333 Brannan, Kilroy will design the Mercer Blocks to be resource effective, support human ecological health, and respect the historical and industrial character of South Lake Union.</b></p>				





## 333 BRANNAN

“the site is one of the City’s first to employ eco-district strategies and the project reflects Kilroy Realty’s progressive, long term view and understanding of building designs - we believe this project will raise the standards for future development”

David Johnson - Architect, William McDounough & Partners





PROJECT 4 of 9				
Project Name	<b>350 Mission</b>			
Project Address	350 Mission Street			
City and State	San Francisco, CA 94105 (Financial District)			
PROJECT DATA				
Size of Project	GSF	492,980	Acreage	0.43
Construction Type	Type I			
Level of LEED Certification	Platinum			
Number of Stories	30			
Construction Start Date	February 2013			
Construction Completion Date	January 2016			
Was the project completed on time? If not, why?	Yes			
1. Provide a brief narrative that describes the nature of the development.				
<p>Purchased in a marketed process, this high-rise office development was leased entirely to Salesforce eight weeks after acquisition. Entitled for 30 stories, the building features side-core design for efficient, column-free floor plates and flexible workspaces. <b>350 Mission was the first LEED Platinum ground up commercial building in San Francisco history.</b> 350 Mission is designed to create an urban living room at the core of San Francisco, with a 5-story interactive public lobby, cafe and restaurant. 350 Mission is the first LEED Platinum ground up commercial building in San Francisco history. Designed by Skidmore, Owings &amp; Merrill</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Since opening to the public in 2016, the porous street-level space invites tenants and passersby alike to socialize, relax, collaborate, or reflect—in short, to use the lobby as if it were their own living room. In this sense, 350 Mission represents both a shift in the concept of the workplace and a model for 21st-century city life. Utilizing the most advanced clean technology available, <b>350 Mission leaves a minimal carbon footprint.</b> Located adjacent to BART and the Transbay Terminal entrance, the site offers unparalleled access to public transit.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p><b>Visible from the street, the “video canvas” is dedicated to large-scale digital artwork and parametric “data sculptures” that tell the story of the City and its residents.</b> The installation, specially commissioned by Kilroy for 350 Mission, adds a dynamic backdrop to the open lobby with a wall-mounted LED screen that measures 40 feet high and 75 feet wide. It brings serendipitous encounters and interactions to a singular site, located between the workplace and the public realm. Its movable glass walls may be transparent, but the lobby of 350 Mission mirrors the metropolis itself: a place for people to come together. Our architecture and engineering team designed the tower to cantilever over its southern corner, where slide-able panels allow the 50-foot-high lobby to open up to the sidewalk. The public interior space includes a cafe, informal seating across two levels, and a restaurant at mezzanine level, as well as wooden-plank amphitheater seating. Designed to be reconfigured for events, the flexible open space can also accommodate pop-up retail and food trucks.</p> <p><b>Art is a passion for John Kilroy and this is reflected in the company’s dedication to dynamic, thought provoking public art.</b></p>				

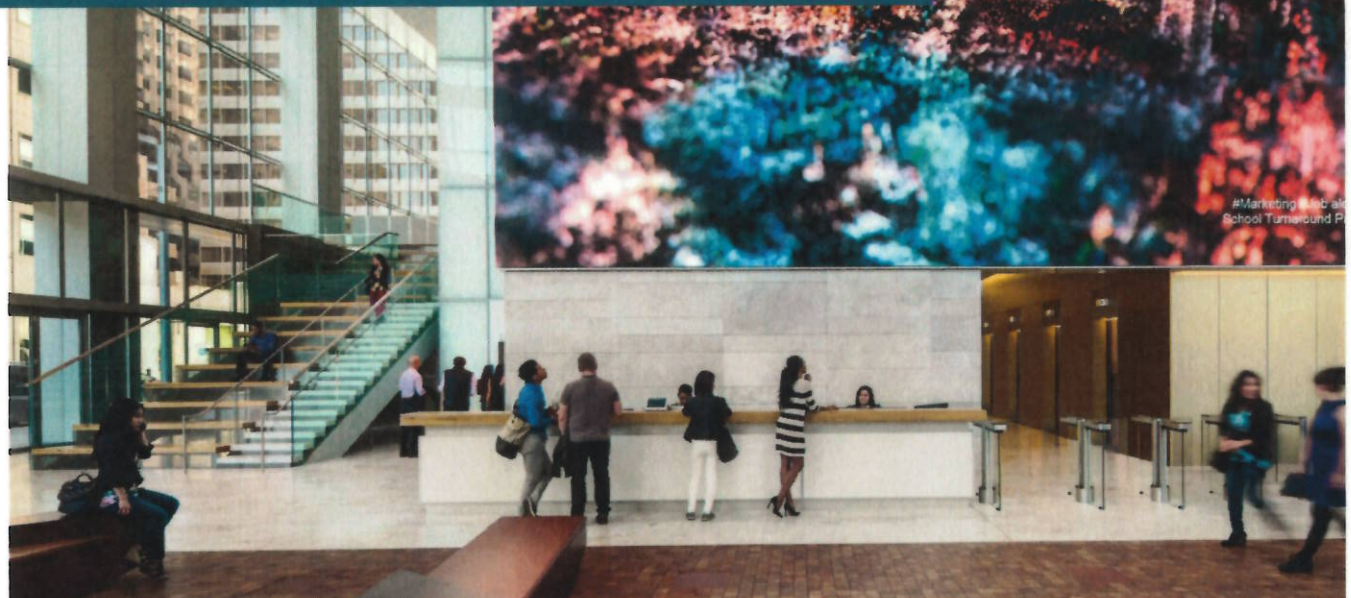




## 350 MISSION

“With developers like Kilroy Realty, it’s incredible that we can use space like this.. in innovative ways to challenge our intellects and our souls.”

Former Mayor Ed Lee, San Francisco  
*At the Grand Opening of Kilroy’s 350 Mission*





PROJECT 5 of 9				
Project Name	<b>The Exchange</b>			
Project Address	1800 Owens St			
City and State	San Francisco, CA 94158 (Mission Bay)			
PROJECT DATA				
Size of Project	GSF	750,377	Acreage	3.5
Construction Type	Type I			
Level of LEED Certification	Platinum			
Number of Stories	Up to 12 (Four buildings, interconnected)			
Construction Start Date	June 2015			
Construction Completion Date	June 2018			
Was the project completed on time? If not, why?	Yes.			
1. Provide a brief narrative that describes the nature of the development.				
<p>The Exchange is Kilroy Realty's third ground-up development project in San Francisco. Located in the vibrant and lively submarket of Mission Bay, The Exchange consists of two 6-story and two 12-story buildings totaling 750K SF. The office space at The Exchange is 100% leased to Dropbox, a leading global collaboration platform.</p> <p><b>The Exchange's four buildings take cues from the surrounding environment with buildings that are interconnected yet distinct, and materials that bridge the rich history of the area.</b> The LEED-Platinum design features vast, light-filled open space that comes to life through framed views, glimpses of adjacent buildings, and rooftop gardens with remarkable views of San Francisco Bay and the City. Buildings are interconnected via several 90,000 SF superfloors with 7,000 SF of roofdeck space. Admired for its interesting mix of residential and retail amenities, the neighborhood benefits from 12,000 SF of retail on the ground floor and an on-site parklet.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Its location, along the 16th Street Corridor adjacent to the 280 Freeway and near Muni's T-Line, makes it highly accessible and coveted to adjoining residential neighborhoods, including Potrero Hill, the Mission District and Dogpatch. The Exchange is also within walking distance of the San Francisco Giants and new Golden State Warriors stadium along with other world-class entertainment. At the street level, The Exchange creates a fluid outdoor village with deep courtyards, bike plazas, and gardens activated by retail and amenities.</p> <p>The project was acquired pre-designed &amp; entitled. After the purchase, <b>Kilroy spent a year drastically redesigning the appearance of the project with Rios Clementi Hale Studios to integrate the project with the soul of the community.</b></p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p><b>Kilroy has a long track record of raising the bar, exceeding expectations.</b> We have spent 50% more than was required toward dynamic, on-site public art at The Exchange in Mission Bay. Entitlements required that we pay Community Benefit District Fees for the Mission Bay Master Association and the Transportation Management Association. Separately, the City needed soil for a park so <b>Kilroy decided to contribute the soil and grading on-site for the parklet, going far beyond our entitlement obligations.</b> This park at The Exchange is available to the general public and is being transferred to the City.</p>				





THE EXCHANGE





PROJECT 6 of 9				
Project Name	<b>One Paseo</b>			
Project Address	3275 Del Mar Heights Rd			
City and State	San Diego, CA 92130 (Del Mar Heights)			
PROJECT DATA				
Size of Project	GSF	1,178,191	Acreage	23.6
Construction Type	Type 1			
Level of LEED Certification	Platinum (Target)			
Number of Stories	Office: 4-6 / Retail: 1			
Construction Start Date	December 2016			
Construction Completion Date	September 2018 - April 2020 (Ph. I, II & III)			
Was the project completed on time? If not, why?	N/A (Under Construction)			
1. Provide a brief narrative that describes the nature of the development.				
<p>Located at the intersection of Del Mar Heights Road and El Camino Real on approximately 23.6 acres, One Paseo is a mixed-use Community Village, organized around plazas, paseos, courtyards and open spaces. <b>Coastal-meets-country, modern farmhouse aesthetic with an eclectic, built-over-time blend of materials and architecture.</b> Quiet, pastoral plantings and heritage trees. This is one of Kilroy's largest developments with 280,000+ SF office space, 608 residential units and <b>over 96,000 SF of retail space.</b></p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The proposed shuttle route provides access from the Solana Beach Transit Center to other Kilroy properties as far as Carmel Valley on El Camino Real. People welcome, Families welcome, dogs welcome. One Paseo also provides ride share, food service pick-up and drop-off zones. A select group of retailers and restaurants have been curated to create an environment that has something for everyone in the family.</p> <p><b>The community can experience art throughout the entire project, including sculptures, overhead art and artisan events.</b> An extensive retail experience includes Tenants such as Michael Mina, Salt &amp; Straw, Soulcycle, Vibe &amp; Flow Yoga.</p> <p>The project exceeds California's Title 24 energy code. In addition to LEED certification, the project will also be certified for LEED for Neighborhood Development.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>"The Yard" at One Paseo is a gathering space for programmed community events, including movie nights, exercise classes, music, and speakers. <b>The "Play Room" includes family seating, play sculptures, community crafts, a contained area for kids, outdoor games and a water feature. The "Dining Room" features flexible outdoor seating for adults with alcohol containment barriers for adult-programmed events.</b></p>				

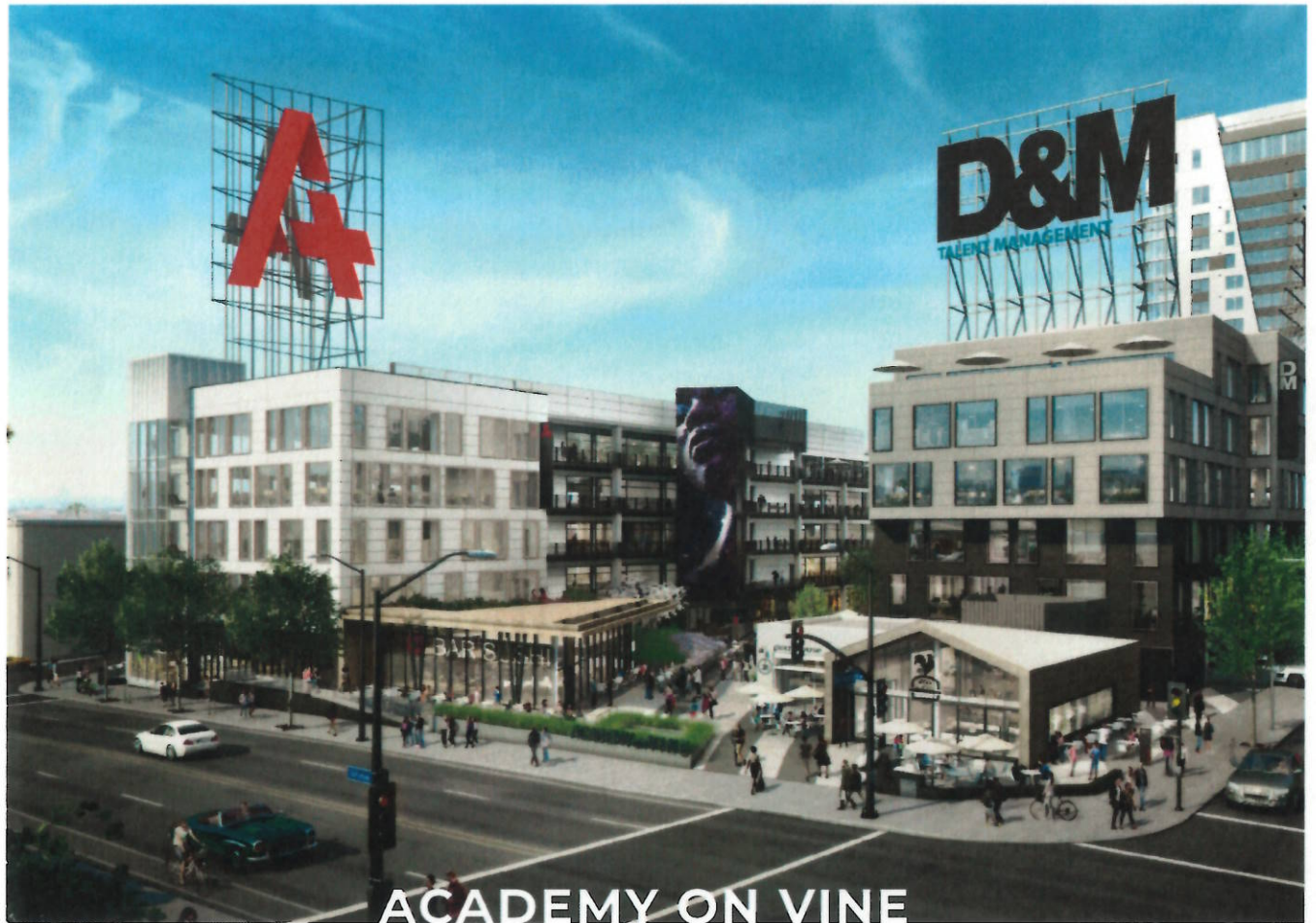






PROJECT 7 of 9				
Project Name	<b>Academy on Vine</b>			
Project Address	1375, 1355, 1395 Vine Street & 1350 Ivar Avenue			
City and State	Los Angeles, CA 90028 (Hollywood)			
PROJECT DATA				
Size of Project	GSF	627,750	Acreage	3.55
Construction Type	Type IA / Type IIIB			
Level of LEED Certification	Gold (Target)			
Number of Stories	Office: 5 & 6, Studio: 2, Residential: 20			
Construction Start Date	Ph I: January 2018 / Ph II: December 2018			
Construction Completion Date	Ph I: January 2020 / Ph II: December 2020			
Was the project completed on time? If not, why?	N/A (Under Construction)			
1. Provide a brief narrative that describes the nature of the development.				
<p>Academy on Vine is the premiere new development in Los Angeles. Planning a vibrant mix of residential, retail and creative office space within walking distance of the Hollywood-Vine Metro stop, <b>Kilroy continues its model of cutting-edge development, appealing to the innovative and creative people who continue to gravitate to Hollywood.</b> Located in the heart of Hollywood, on the Vine Corridor just south of Sunset Boulevard, Academy on Vine creates a new dynamic destination in an already very hip strip. Kilroy Realty's latest Hollywood foray features 342,365 SF of office space, 13,000 SF of retail, 16,448 SF of studio space and approximately 200 new apartment units; all part of one 3.5-acre development. The LEED target for Academy on Vine is GOLD.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Encompassing a full city block on Vine Street, the low-density office campus will feature three four-story cutting edge creative office buildings and a 23-story residential tower. <b>Pulling the energy from nearby Sunset and Vine, the project will open up at Vine and DeLonpre, with a large public gathering area that will feature public art and the majority of the development's 20,000 square feet of street level retail.</b> All three office structures are terraced to make a dramatic transition to the street and contribute to the human scale of the property. Academy on Vine is designed by Shimoda Design Group.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p><b>Academy on Vine will have 40% of site dedicated to open space with a plaza that runs from each entrance of the campus that is open to the public.</b> There will also be a public art component that contributes to the streetscape as it will be seen from outside the campus as well as inside.</p>				





ACADEMY ON VINE





PROJECT 8 of 9				
Project Name	<b>San Francisco Flower Mart</b>			
Project Address	640 Brannan Street			
City and State	San Francisco, CA 94107 (SoMa)			
PROJECT DATA				
Size of Project	GSF	2,254,374	Acreage	6.78
Construction Type	Type 1A			
Level of LEED Certification	Platinum (Target)			
Number of Stories	Up to 18			
Construction Start Date	March 2020 - April 2023			
Construction Completion Date	March 2023 - April 2025			
Was the project completed on time? If not, why?	N/A (Planned Project)			
1. Provide a brief narrative that describes the nature of the development.				
<p><b>The grand opening of the current location of the 100-year-old San Francisco Flower Mart in September 1956 marked the establishment of an industry icon.</b> Today, there are over 60 wholesalers and purveyors of cut flowers, potted plants, and floral supplies that service the floral industry of the Bay Area and beyond. <b>As the city evolves, the San Francisco Flower Mart Project will ensure that these timeless businesses stay at their currently location in a modern, efficient 115,000-square-foot warehouse,</b> with significantly expanded parking and loading areas for customers.</p> <p>In addition to a modern warehouse for the wholesale flower market, the development will provide vibrant integrated public open spaces, 100,000 square feet of neighborhood-serving retail, and 2 million square feet of creative, LEED Platinum office space above.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The Project will generate tremendous community benefits to the City and County of San Francisco and the Central SoMa neighborhood. The project will provide new state-of-the-art facility for all current tenants of San Francisco Flower Mart and create <b>over 10,000 new on-site jobs</b>, including preserving 275 PDR (Production, Distribution, Repair) jobs at the San Francisco Flower Mart.</p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>The San Francisco Flower Mart will generate approximately \$38 million of new tax revenues annually to the City and County of San Francisco. The project will include nearly <b>1 acre of on-site public open space, integrating programmable public plazas and a dog park. Over 100,000 square feet of neighborhood-focused retail will be added through this project, including a ~65,000-square-foot European-style market hall.</b></p> <p>Change is inevitable but can be done in a way that serves and inspires everyone. Kilroy is thrilled to develop this project into a revitalized destination and is excited to embrace the energy of the San Francisco Flower Mart. The project will continue to be a landmark in the City and will allow for more uses.</p>				

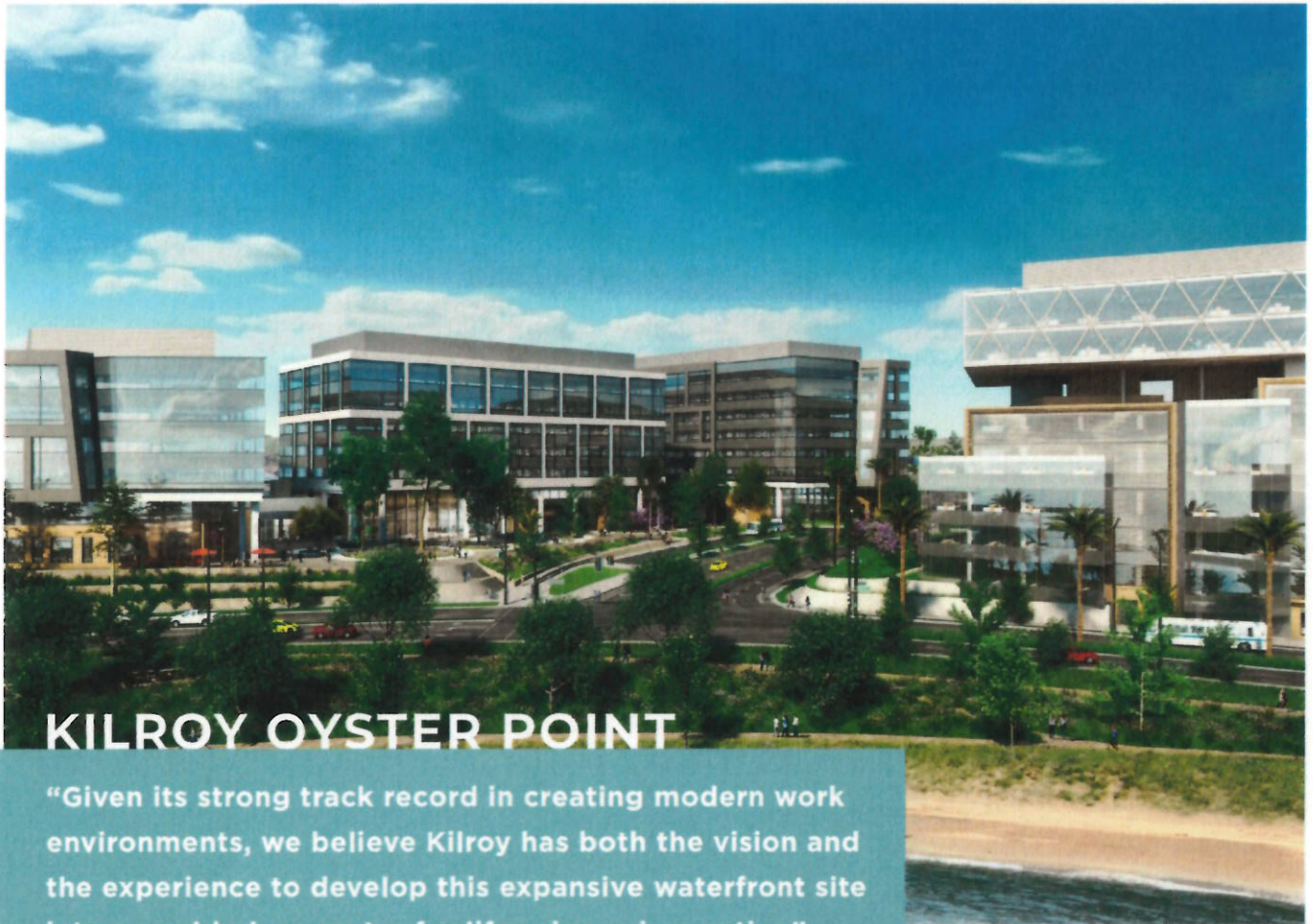






PROJECT 9 of 9				
Project Name	<b>Kilroy Oyster Point</b>			
Project Address	Oyster Point Boulevard			
City and State	South San Francisco, CA 94080			
PROJECT DATA				
Size of Project	GSF	2,500,000	Acreage	40.0
Construction Type	Steel			
Level of LEED Certification	Gold (Target)			
Number of Stories	5 - 10			
Construction Start Date	Q4 2018 (phased)			
Construction Completion Date	Total Project Completion in 2026			
Was the project completed on time? If not, why?	N/A (Planned Project)			
1. Provide a brief narrative that describes the nature of the development.				
<p><b>Kilroy Oyster Point will be a world-class, waterfront master-planned ~2.5 million SF research park located in the “Birthplace of Biotech”, South San Francisco.</b> Kilroy Oyster Point is located on the northeastern tip of South San Francisco, east of the 101, north of the San Francisco International Airport and south of San Francisco proper. This dynamic life science cluster is home to many well-known, established organizations including: Genentech, Amgen, Thermo Fisher, Verily (Google), 23andMe, and Pfizer, among many others. The campus will include lab space, office, and retail / amenities.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The site is near public transportation options such as BART and Caltrain and a Ferry with stops at Oakland and Alameda, with access to several residential communities, including hundreds of new housing units in the works in downtown South San Francisco. In agreement with the Redevelopment Agency of the City of South San Francisco under a Disposition and Development Agreement, <b>Kilroy will be responsible for constructing and funding certain public improvements related to streets and utilities, and landscaping and other improvements of a Bay Trail, public restrooms and a palm promenade.</b></p>				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
<p>Kilroy Oyster Point will have a meaningful footprint in South San Francisco. Kilroy will embrace the walkable master plan which includes immediate access to the beach and park. Kilroy is working with the City to ensure the design of both Kilroy's development and the City's plans are seamless.</p>				





## KILROY OYSTER POINT

“Given its strong track record in creating modern work environments, we believe Kilroy has both the vision and the experience to develop this expansive waterfront site into a world-class center for life science innovation”

Mike Futrell - City Manager of South San Francisco





**LOW INCOME  
HOUSING INSTITUTE  
PAST PROJECT  
QUALIFICATIONS**



## LOW INCOME HOUSING INSTITUTE

PROJECT 1 of 3				
Project Name	<b>The Marion West</b>			
Project Address	5019 Roosevelt Way NE			
City and State	Seattle, WA 98105			
PROJECT DATA				
Size of Project	GSF	37,649	Acreage	0.31
Construction Type	V-A over I-A			
Level of LEED Certification	None			
Number of Stories	4			
Construction Start Date	May 2015			
Construction Completion Date	June 2016			
Was the project completed on time? If not, why?	Yes			
1. Provide a brief narrative that describes the nature of the development.				
<p>The Marion West is a mixed-use, mixed-income development in the University District that provides 49 units for homeless youth between 18-24 and low-wage workers who are entering the workforce. Twenty of the units are set-aside for homeless young adults, 29 units are designated for low-income workers earning up to 50% area median income (AMI), and there will be one unit for the live-in property manager. The homeless young adults occupying the 20 set-side units pay 30% of their income in rent and utilities.</p> <p>Its primary building mass angles back from the street edge to align with the historic University Branch Public Library and opens on its south elevation toward a large public lawn in front of the library. The Food Bank, canted from the building mass above, defines the community space with generous overhangs that protect customers and pedestrians from Seattle's rainy weather.</p> <p><b>The project is named for racial justice champion Marion West, who along with her husband, helped break the color barrier in the U-District by housing African Americans and students of color in the 1950s.</b></p> <p>Funding sources for the housing includes City of Seattle, King County and Washington State. KeyBank provided construction financing and tax credit equity through the National Equity Fund. A private donation from the Wyncote NW Foundation enabled LIHI to purchase the land.</p> <p>The building achieved an Energy Use Intensity (EUI) for the residential levels of about 40 kBtu/SF/yr, far below Seattle's energy benchmarking analysis report for mid-rise affordable housing of about 47 kBtu/SF/yr.</p> <p>LIHI's The Marion West earned two 2017 Golden Nugget Grand Awards: "Residential Housing Project of the Year," competing against for-profits, non-profits, and luxury housing developments, and "Best Affordable Housing Community" (100 dwelling units per acre or more). The Marion West won the Affordable Housing Finance Magazine's Reader's Choice Award for Best Mixed-Use project, the NAIOP Commercial Real Estate Development Association Judge's Innovation Award, and City of Seattle People's Choice Awards 2nd place in the Low-Rise Category.</p>				

CONTINUED ON NEXT PAGE



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

The project brings multiple community benefits— affordable mixed income housing to the University District, food security from the University District Food Bank, a barista training café open to the community, and housing plus services to reduce homelessness among our city's young adults offered by Ryther and YouthCare. **This project has provided homes for homeless young adults reducing homelessness in the area and stabilized low-income workers.**

Street Bean is a nonprofit organization focused on providing job training for young adults on the streets, both the specific skills needed to be a great barista as well as the soft skills needed to maintain any type of long term employment, such as communication, self-governance, collaboration and work ethic.

**The Marion West won the 2018 Puget Sound Regional Council Vision 2040 Award for smart growth and environmental sustainability.**

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

The building features community spaces, community kitchen, a classroom, computer lab, counseling offices, decks, and rooftop garden. The Food Bank and residents will use the roof for urban agriculture by growing vegetables and herbs. Runberg Architecture Group is the architect.

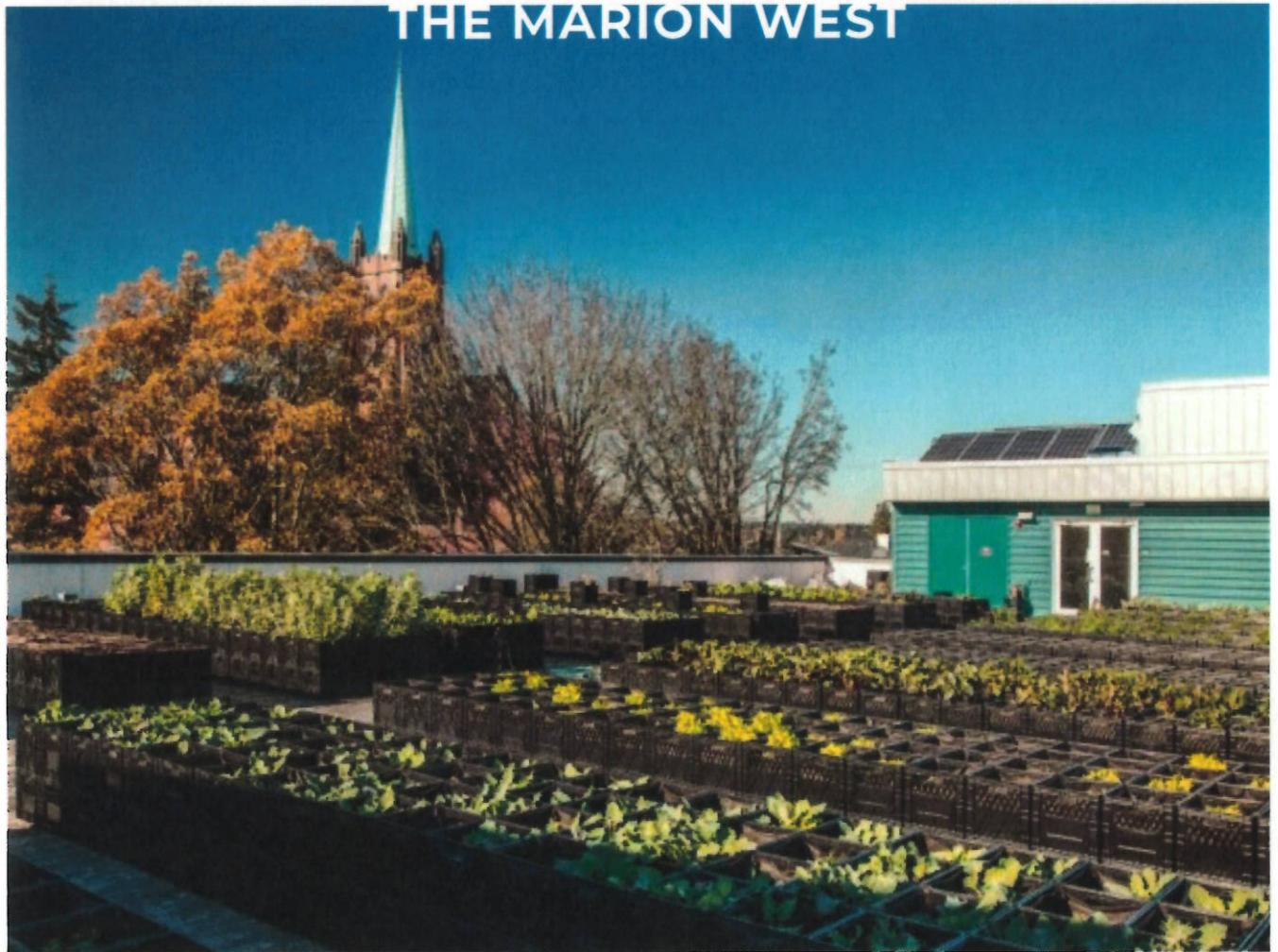
On site art includes a laser cut metal mural by local artist Nikki McClure. **Its pictorial theme of “how an apple tree ages and is taken care of by many people over a long period of time” represents care, habitat, and support, what this development means to its community.**

Street Bean Cafe is strategically located at the southeast corner of the new building with large roll-up glass doors that open onto to the library's public lawn. For more than 30 years, the University District Food Bank operated out of an 800 SF church basement behind an anonymous door. The Food Bank is now positioned to realize its long-term goals of providing barrier-free access to healthy food in highly visible location. **The 5,900 SF new facility combined with a 2,000 SF roof top farm growing greens and vegetables now offer a shopping experience that emphasizes choice, dignity and health.**





## THE MARION WEST





## LOW INCOME HOUSING INSTITUTE

PROJECT 2 of 3				
Project Name	Abbey Lincoln Court			
Project Address	2020 S Jackson Street			
City and State	Seattle, WA 98144			
PROJECT DATA				
Size of Project	GSF	52,366	Acreage	0.28
Construction Type	V-A over I-A			
Level of LEED Certification	None. Built to The Evergreen Sustainable Development Standard (ESDS)			
Number of Stories	6			
Construction Start Date	July 2015			
Construction Completion Date	December 2016			
Was the project completed on time? If not, why?	Yes			
1. Provide a brief narrative that describes the nature of the development.				
<p>Abbey Lincoln Court provides 68 units consisting of 24 studios, 25 one-bedrooms, 13 two-bedrooms, 4 townhouses that face the park, and 2 live/work units. This much needed affordable workforce housing houses an estimated 135 individuals and families at 50% and 60% of the area median income.</p> <p>Abbey Lincoln Court is located in the Central Area on a site that was vacant for decades as a derelict and overgrown lot. It was acquired by the City of Seattle through Urban Renewal and eventually sold and resold to market rate developers. When the recession hit in 2008 the property was in foreclosure. LIHI purchased the site from the bank, holding title with a Seattle Office of Housing bridge loan. <b>With the Jackson Street Corridor's rapid development of new market rate housing, Abbey Lincoln Court is key to offering affordable housing opportunities for Central Area residents.</b></p> <p>Abbey Lincoln Court is built Green and meets the Washington State Evergreen Sustainable Development Standard. The building has green features such as water-conserving fixtures and an enhanced building envelope design. Abbey Lincoln Court received a Golden Nugget Merit Award in the "Best Affordable Housing Community (100 du/acre or more)" category.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p><b>The community space at Abbey Lincoln Court contains a generous lobby for gatherings, a common room with community kitchen, dining and seating, an outdoor garden and pea-patch and a roof top deck and garden with stunning views of Mt. Rainier.</b> In addition to a beautiful roof deck with easterly views of the Cascades, the outdoor space also includes a children's play area. Residents share the landscaped outdoor courtyard space with the senior residents located next door at Ernestine Anderson Place, encouraging the residents to engage with each other and build community. Abbey Lincoln Court incorporates Live Work space at street level and townhouses for families with children facing a City-owned playground to the east, Dr. Blanche Lavizzo Park.</p> <p>The project is located within the TOD preferred zones adjacent to the South Jackson Street transportation corridor. The site location provides our residents with easy access to public transportation and the many amenities that the Central District and Seattle, in general, have to offer. Not only is the site situated directly on the Jackson Street corridor, it is located just 0.2 miles away from the main retail and transportation corridor at 23rd &amp; Jackson providing north-south service along 23rd Avenue.</p>				

CONTINUED ON NEXT PAGE



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

There are several elements of this project that are relevant to the Mercer Blocks opportunity. **Abbey Lincoln Court provides the benefit of creating greater equity in the neighborhood through affordable housing and has prevented many families and individuals from being displaced from their communities.**

The project name honors Abbey Lincoln (1930-2010), American jazz vocalist, songwriter, actress, and civil rights activist. Abbey Lincoln Court integrates with Ernestine Anderson Place located next door, creating deeper roots for the community in this neighborhood. Ernestine Anderson Place, which serves low income seniors and was funded in part by City of Seattle and is named after another Jazz great who got her start in the jazz clubs along Jackson Street. Embracing this history, **LIHI has been hosting a monthly concert series that is free and open to the public with support from the City of Seattle Department of Neighborhoods.** The concerts are hosted at Ernestine Anderson Place's community room and enjoyed by the community.





ABBEY LINCOLN COURT





# LOW INCOME HOUSING INSTITUTE

PROJECT 3 of 3				
Project Name	The Tony Lee			
Project Address	12750 30th Avenue NE			
City and State	Seattle, WA 98125			
PROJECT DATA				
Size of Project	GSF	70,686	Acreage	0.387
Construction Type	V-A over I-A			
Level of LEED Certification	None - Built to The Evergreen Sustainable Development Standard (ESDS)			
Number of Stories	6			
Construction Start Date	August 2017			
Construction Completion Date	September 2018			
Was the project completed on time? If not, why?	Yes			
1. Provide a brief narrative that describes the nature of the development.				
<p>The Tony Lee, located in the Lake City Urban Village, provides 70 units affordable to working households earning at or below 30%, 50% or 60% of the area median income, providing housing for an estimated 128 people. This project was selected in response to the community preference for workforce housing as rising rents have made displacement a very real problem. <b>This development responds to the City's priority of creating a range of housing options in all City neighborhoods, creating space and place for all.</b> Built on the site of old Fire Station 39, The Tony Lee is the culmination of efforts to utilize this land made surplus by the opening of the new Fire Station 39 next door. The residential lobby, community lounge with computer lab, manager's office, bicycle parking and other support spaces occupy the west half of the ground floor. The Tony Lee also features a roof top deck and garden.</p> <p><b>The property exhibits design excellence. The exterior design concept alludes to the dynamic mid-century modern aesthetic that's been prevalent in Lake City since the 1960s.</b> Well-detailed gray facades with regularly spaced windows are interrupted by a dynamic yellow ribbon with random, varying window sizes. The ribbon runs up, down, and across all sides of the structure, providing a compelling overall composition with visual interest viewed from all directions.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The Tony Lee serves the community by providing predictable-rent units within reach of working families and individuals. Studio units are included that will be affordable to lower wage workforce members, seniors on limited incomes and new entrants to the job market.</p> <p><b>Healthy communities are only possible if the people and families in them can thrive.</b> The community at the Tony Lee benefits from a better quality of life and less financial stress. Frequent transit, ample shopping, schools, services and recreation are all within walking distance of The Tony Lee.</p> <p><b>The mixed-use development includes a preschool operated by the Refugee Women's Alliance (ReWA),</b> a highly rated preschool operator. Four classrooms will enroll up to 80 children ages 3 to 5, as part of the Seattle Preschool Program (SPP). Low income children are eligible to receive City-supported preschool education that will enable them to achieve pre-academic skills, eliminating the readiness gap for participating children. The Preschool occupies the east half of the ground floor with its on-site, outdoor play area occupying the ground-level of the central courtyard and surrounded by a well engineered sound-rated glass barrier to meet NEPA sound requirements. Eligible families and their children have access to the preschool, free of cost for those earning at or below 300% of the federal poverty level (Single Parent \$35,640; 2-\$48,000; 3-\$60,480; 4-\$72,900).</p>				

CONTINUED ON NEXT PAGE



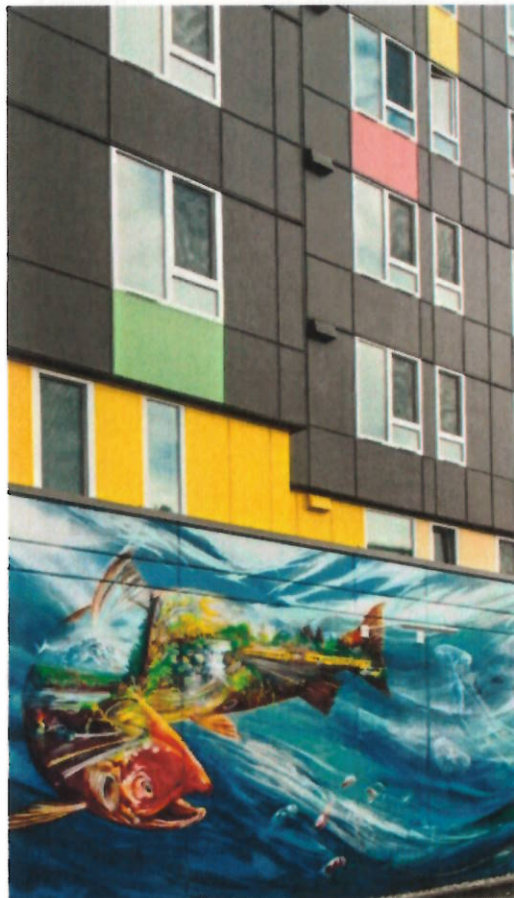
**3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.**

**Similar to Mercer Blocks, The Tony Lee embraced an opportunity to provide affordable housing through the reuse of the City's surplus land.** The Preschool, located on the ground floor, will offer a much needed service in the neighborhood and is helping the Refugee Women's Alliance to fulfill their mission. The Refugee Women's Alliance is collaborating with the City of Seattle's Preschool Program to provide low income children with affordable education. The Tony Lee will help create greater equity in the neighborhood through affordable housing and affordable preschool.

The neighborhoods in North Seattle are under-represented within the Seattle Preschool Program (SPP) initiative. Lake City SPP Preschool will help redress that imbalance by opening this facility in the Lake City neighborhood where there is significant unmet demand for preschool slots at affordable cost for low-income families.

**A mural completed by a local artist is displayed on the north facade of the building depicting Seattle's relation with Native Americans, salmon migration, clean water and sea life.**









PROJECT CONCEPT  
AND PUBLIC BENEFITS



## PROJECT CONCEPT AND PUBLIC BENEFITS

### THIS PROJECT IS A CATALYST.

*1. Address the City's desire for active space, community space, flex space and gathering spaces, both indoors and outdoors;*

Mercer Mega Blocks lies at the epicenter of the most concentrated and dynamic development in Seattle's history – South Lake Union. Billions of dollars are being invested in the district, by institutions, forward-thinking companies - both public and private - and by the City itself in the infrastructure of the district. The result of this ongoing resurgence is a significant boon to the local economy, an influx of talented and diverse people and a vibrant street life that has emerged in an area of Seattle that not-too-long-ago was characterized by underdeveloped properties, vacant lots and a palpable and uncomfortable disquiet on the streets after 5pm on most weekdays.

In many ways, Mercer Mega Blocks benefits from the heavy lifting completed by the projects that have already begun to transform this district. Over the past 10-15 years, the tangible and largely positive manifestation of the goals of the Seattle Design Guidelines for development in this area have begun to emerge. Pedestrian friendly streets, inviting retail establishments and the sheer numbers of people that make for a vibrant city are already in place. Coupled with other urban planning successes such as the developing Lake-to-Bay Trail, the soon-to-open SR99 tunnel and the revitalization of MOHAI & the waterfront edge of South Lake Union have given shape and structure to this important part of our city's urban fabric.

**“We understand how environments shape human creativity and productivity”**

John Kilroy Jr, CEO & President, Kilroy Realty



RENDERING OF 8TH AVENUE PLAZA ACTIVATION



Mercer Mega Blocks is one of the most important sites yet to be developed in this district. Occupying a key gateway location at the intersection of Mercer and Dexter, our Proposal builds on the inherent energy and vibrancy of the SLU district, and has the ability to become a neighborhood destination, strengthening connections from the burgeoning SLU business core to Lake Union itself. As such, this project has the opportunity – and in fact the responsibility – to act as a catalyst for future growth in the area, demonstrating the benefits of public amenities, pedestrian friendliness, inviting open spaces and active urban life.

Our Proposal acknowledges and embraces that responsibility. An active and vibrant 8th Avenue through the heart of the Mercer Mega Blocks will remain open and accessible to everyone in the community. Pedestrian and bicycle connections through and around the perimeter of the site will engage existing systems and allow them to seamlessly connect with their desired destinations. Locally based, curated retail and Food & Beverage (F&B) establishments will further the goals of social equity while simultaneously rooting the project in its own unique place. Diverse uses at the ground plane will knit the development to the surrounding context and serve to both activate and become a backdrop for a variety of activities in the space. The 8th Avenue Festival Street is designed to accommodate street fairs, flexible outdoor seating and art installations via a public art program. Significant office space will provide a home to one or more companies that are looking for a place to call home, where their employees can thrive in all that this district and city has to offer.

## FOSTERING CONNECTIONS

*2. Describe the intended uses and demonstrate plans to activate the ground floor;*

No successful project is an island – it is made richer by the way it engages with and benefits from its neighbors. While some immediate adjacent blocks are still developing, there are many important urban design frameworks already in place that the Mercer Blocks will be able to reinforce. The true success of SLU



RENDERING OF 800 MERCER

lies in the way its collection of projects provide an array of enticing uses, engage the ground plane and enrich the pedestrian experience.

The fabric that knits the district together is an active and vibrant ground plane. The vision for 8th Avenue proposed by this project recognizes that successful public spaces require activators and compelling uses generate activity and buzz. Curated retail and Food & Beverage opportunities featuring local artisans and local businesses will draw people to the space and keep them there with a variety of options. The space will be inviting and open to local employees, residents, and businesses, resulting in a strong sense of community in this neighborhood heart.

The spaces resulting from the 8th Avenue Woonerf/Green Street will continue the longstanding Seattle tradition of businesses being able to utilize public right of way which lends a sense of life and vibrancy to the streets. In addition to retail and Food & Beverage establishments, a rotating art gallery space will be prominently featured in this public space and will serve as a continuously changing draw



by connecting the local art community to the project. Kilroy is a recognized champion of public art and our projects prominently feature strong and compelling artwork which contributes to the overall character.

The flexible nature of 8th Avenue will support a variety of scaled events—from daily uses to larger market gatherings and community festivals to lunchtime concerts and art openings. The project will provide the framework for this to occur, and **the activity will be continuously shaped by the people who use the space.**

Our Proposal also includes a large space on the 9th & Mercer corner that would be ideal for an artisanal grocery store serving the local workforce as well as a convenient stop on the way home for those working in SLU and living in the Dexter corridor. Opportunities are proposed for a cooking class space – connected to the grocery store and visible from Mercer – which will provide visual interest and serve to draw passersby into the site.

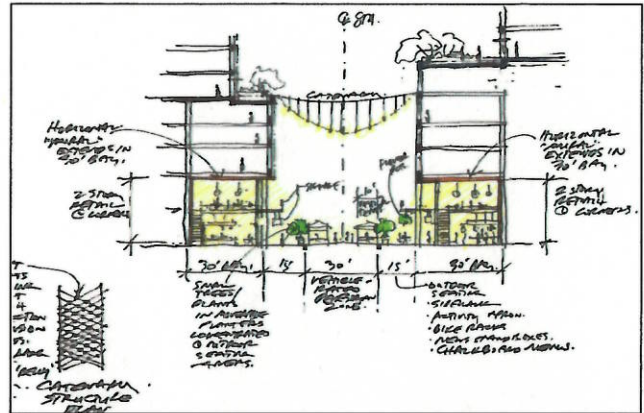
### STREETS ARE PLACES, NOT JUST PATHS

#### 3. Describe plans to activate the 8th Avenue pedestrian way;

Traditional urban streets are often seen merely as conduits, or paths, with the primary (and unfortunately, often sole purpose) of moving people and vehicles from point A to point B. Recognizing that streets can simultaneously become places, or destinations, in and of themselves is a welcome trend that has already begun to take shape in SLU, in part because of the wisdom set forth in the Seattle Design Guidelines and demonstrated by other successful recent developments in the district. Streets are by definition paths, but they are increasingly becoming places where people want to be.

Linear urban places (aka streets) require a strong framework to ensure that the physical realm will be successful and capable of supporting activation. All successful public spaces are built on these simple principals: strong, **defined boundaries** which provide containment and shape to the space; **multiple**

**entries** to the space that allow for ease of ingress/egress, yet not so porous that the space is not clearly defined; strong **layered edges** that allow for a variety of activities and scales of occupation; and a **flexible center** that is open and allows for a variety of activities to occur.



CANTENARY LIGHTS ASCEND THE 8TH AVENUE CONNECTION



MID-BLOCK VIEW ON 800 MERCER'S 8TH AVENUE CONNECTION

While the entire perimeter of our Proposal is geared towards an inviting and pedestrian friendly experience, the centerpiece will be the development of the public right of way on 8th Avenue. The strong boundaries to the space created by the first layer of program in the east and west towers will define the public realm and will perceptually expand the 60' public right of way to more than twice that width through careful articulation of the architectural environment. **Generous entries** to the space from both Mercer and Roy will invite people into the space which will feel more like a



public street than a right-of-way between two private developments. Strong active edges created by the programmatic variety of spaces will create a varied rhythm through the 8th Avenue connection and the flexible center will allow **larger community-based gatherings** to occur throughout the year. A 30' central spine will serve as a street fair framework and accommodate vehicular service, fire lane and loading. The central spine is flanked by two 15' flexible pedestrian activity zones for outdoor

seating, and extension of the interior realm outward to active the street.

### CITIES ARE FOR LIVING, NOT JUST WORKING

*4. Describe if affordable housing is provided within the development, including the number, size and affordability level of such units, and whether they will be in a stand-alone building or contained within a larger, market-rate building;*

Livable communities are the future of our cities. Gone are the days where success meant having a large home in the suburbs, driving your own SOV into town each day, and leaving at 5pm when the city went into hibernation until the next morning. Today, increasingly large portions of the workforce want to live and work in the same neighborhood, utilizing foot and bike power to get around. The demand for walkable communities, and a suite of proximate amenities that provide a variety of fundamental services is beginning to reshape how we live.

**Vibrant communities – like all ecosystems – are based on a diverse population, and a diverse range of uses and needs.** Healthy ecosystems strive to find a balance among all components in order to remain healthy. One unintended consequence of rapid workplace growth is that much of the labor force can not find opportunities or afford to live in the area in which they are employed. Residential developments are forced further out and the few residential units available in the city are gobbled up by those who can most afford them, forcing middle and low income residents – who are so essential for diverse and eclectic communities – further from the city center.

This project represents an opportunity to begin to further address the housing pressures that come with regional and city-wide growth. **We are committed to providing affordable workforce housing** as part of this development, and in fact, **our partnership with LIHI enables us to propose more units through our offer than is required by the RFP.** As outlined in this submittal, we are offering options to include 175 Affordable units on 615 Dexter, or a combination of 184 nearby affordable units.

*Music and Arts series are just one of the many Community Activation Programs Offered by LIHI*



LIHI'S ROOFTOP FARM AT THE MARION WEST



The nearby units include 66 additional units in SLU on a property currently owned by Kilroy in conjunction with 118 units on a property on Nesbit Avenue currently owned by LIHI.

Taken together, and adding an additional LIHI Transit Oriented Development site near the Rainier Valley Light Rail Station (88 additional units), we have the ability to deliver up to 447 total affordable housing units through our offer in addition to HALA fees paid to the City. **This represents an increase of 155% over the minimum number required by the RFP.**

## AMPLE & ACCESSIBLE, BUT INVISIBLE

*5. Describe how parking will be integrated into the development and the proposed number of spaces, parking ratios and their location (surface/structured);*

We are in the midst of a widespread and tangible migration to alternate means of transportation, especially in increasingly dense urban cores. People are willfully giving up their single occupancy vehicles and taking advantage of the City's investment in bicycle infrastructure and mass transit, including light rail and rapid ride busses. The future of autonomous vehicles is likely closer than any of us believes, which will also have a significant impact on how the automobile shapes our built environment and our communities.

That being said, there is still – and we believe will continue to be for the foreseeable future – a need to accommodate automobiles to allow people to gain access to the developments we are creating. Land Use and Zoning Codes recognize this and simultaneously require and limit the number of vehicles that must be accommodated on site.

Our scheme balances the City's desire to limit the number of vehicles and instead guide choices towards other more sustainable options such as walking, bicycling and/or mass transit with the needs of our prospective tenants by proposing a parking ratio of 0.92/1,000 which is significantly below the allowable 1/1,000 ratio. By reducing the number of automobiles in the 3-story subgrade parking structure, we are actively reducing the street congestion in the area, reducing the carbon footprint associated



VIEW FROM KILROY'S NEW DEVELOPMENT - ACADEMY ON VINE

with vehicle use and are able to transferred dollars saved from building subgrade stalls to above grade uses and improved amenities more directly benefiting the building users and general public.

To ensure adequate access for visitors and better serve our projects tenants, we are also actively exploring partnerships with local car and bike sharing companies, such as ReachNow and LimeBike in order to help mitigate congestion in the area. We are seeing a shift from an ownership society to a sharing society, which not only benefits the environment, but helps to build community. We see this project as a step in building for the future of Seattle rather than the past and



our approach to transportation is one tangible demonstration of that commitment.

By locating loading/delivery functions and vehicular access to the garage on Roy Street, vehicles are more effectively separated from the extended bike lanes along Mercer Street and vehicular/pedestrian crossings along both Dexter Avenue North and 9th Avenue are avoided.

## COMMUNITY BASED URBAN DESIGN

*6. Describe how the development takes into account the community and the design standards laid out in planning documents;*

The Seattle Design Guidelines establish a strong framework for development intended to foster design excellence in private development of new multifamily and commercial projects throughout the City.

Our team understands and embraces the Design Guidelines and has experience working with applicable Design Review Boards – notably with the West Design Review Board on the development of 333 Dexter – to ensure that those standards are being incorporated as the project is realized. The Kilroy Realty & Miller Hull team worked together to gain unanimous approval from the Design Review Board for 333 Dexter which was commended by the Board

who remarked that the project completely exemplifies the intent of the Design Guidelines and should serve as a model for other projects to follow suit.

For example, on **333 Dexter**, the team successfully responded to the following guidelines:

- CS2 – Urban Pattern & Form, **inspired the team to create a more open and meaningful public place** along Thomas Street that integrated and enhanced the proposed Lake-to-Bay Trail.
- PL1 – Open Space Connectivity, inspired the team to provide a variety of interrelated ground **level experiences that supported various scales of activity and contributed to fostering human interaction and adding to public life.**
- DC2 – Architectural Concept, inspired the team to articulate the building masses in a way that reflected **the ‘grit and funk’ of the surrounding neighborhood**, while expressing the two towers as distinct, yet related components of the overall development.

We see the Mercer Mega Blocks as an opportunity to further demonstrate the effectiveness of the Seattle Design Guidelines as it helps to create successful public spaces



PIKE PLACE MARKET EXPANSION, DESIGNED BY MILLER HULL PARTNERSHIP  
HONOR AWARD, 2017 AIA/WA CIVIC DESIGN AWARDS





A LARGE DECK AT 800 MERCER OVERLOOKS THE 8TH AVENUE CONNECTION, ENHANCING THE HUMAN SCALE OF THE PROJECT

and encourage design excellence on these types of significant projects. Our team's familiarity with the review process and our understanding of both the letter of and the underlying intent of the guidelines will ensure that the project is seen as another model project in the eyes of the City.

For example, on the **Mercer Blocks**, the team specifically is responding to the following Design Guidelines:

- CS3 – Architectural Context and Character, inspired the team to propose a building massing that **breaks larger towers down into smaller components** which are horizontally oriented to reduce the apparent bulk and **better tie into the surrounding urban fabric.**
- PL3 – Street Level Interaction, inspired the team to **strengthen the ground plane experience and pedestrian edges** through a variety of uses, porous edges, high visibility and **appropriately scaled architectural moves.**
- DC3–Open Space Concept, inspired the team to **fully integrate the dedicated activities along 8th Avenue** with the ground level building functions **to ensure the interior and exterior spaces are experienced as one seamless environment.**

While we have only listed a few examples above, our team and our Proposal exemplifies the overarching ideals contained in the Seattle Design Guidelines.

## DEMONSTRATING SUSTAINABLE LEADERSHIP

### *7. Identify sustainability features for the development*

**Kilroy Realty is ranked 1st in sustainability performance among all North American participants by the Global Real Estate Sustainability Benchmark and is one of three American real estate company to be listed on the Dow Jones Sustainability World Index.** We recently made headlines by announcing a **commitment to carbon neutrality across our entire portfolio by 2020.**

This project is a high-profile opportunity to demonstrate the financial, environmental and societal benefits of a commitment to sustainability. This commitment is at the heart of every project that Kilroy Realty develops and is a guiding principle of the Miller Hull Partnership, our architectural partner and the designer of the nearby Bullitt Center, certified by ILFI as a Living Building and known as the Greenest Building in the World.



Kilroy commits the Mercer Blocks project to extremely ambitious sustainability goals, in keeping with our long-standing history of leading our industry in sustainable development. In particular, at the time of this submittal, Kilroy commits to - at a minimum - achieving the following sustainability standards and metrics:

**CERTIFICATIONS/RECOGNITION**

- LEED v4 Platinum certification for Core & Shell
- Fitwel certification post occupancy
- Meeting the requirements of Architecture 2030 and support Seattle's 2030 District
- Zero Carbon Certification

**CARBON**

- Carbon neutral operations
- 10% reduction in embodied carbon through efficient, innovative structural design

**ENERGY**

- 25% energy cost savings compared to ASHRAE 90.1-2010 and an EUI of 28 or better
- All-electric Core & Shell building
- Onsite Renewables

**WATER**

- 50% water savings over the LEED v4 baseline through ultra low-flow fixtures and vacuum assist toilets
- Condensate capture
- No potable water use for irrigation

**RESILIENCE AND CLIMATE ADAPTATION**

- Passive survivability based on daylighting and natural ventilation access.
- On-site water reuse providing resilience in the face of drought or disaster.

**COMMUNITY BENEFITS**

- 5% EV charging, 100% EV ready
- Materials
- Meet the LEED credits for sourcing raw materials
- Meet the LEED credits for material

ingredients

- Meet the LEED credits for environmental product declarations

**WASTE**

- 75%-90% reduction in construction & demolition waste
- Design for 3 stream waste separation (trash, recycling, and compost)
- Provide water bottle filling stations as part of the core design



BEEHIVE AT KILROY'S COLUMBIA SQUARE, HOLLYWOOD

**HEALTH & WELLNESS**

- Floor-by-floor air handlers to improve indoor air quality
- Green walls/roofs and planted site design.
- Views to Lake Union.
- Active design Streetscape, lobby, and stair design to encourage walking.
- Use mixed mode ventilation at the perimeter to improve thermal comfort.
- Massing for useful daylight



Through a very conservative triple-bottom line analysis of the community benefits of these design considerations, we believe the project will accrue to the community a lifetime present value \$5.7M benefit from reduced carbon emissions, a \$2.25M benefit for reduced air pollution in the forms of SO<sub>2</sub>, NO<sub>2</sub>, PM<sub>2.5</sub>, CO, O<sub>3</sub> and VOCs, and \$100K in social water benefits due to reduced groundwater and streamflow depletions.



PLAZA AT KILROY'S 100 FIRST STREET IN SAN FRANCISCO

We are intrigued by the opportunity to participate in the City's Living Building Pilot Program and potentially take advantage of the development incentives made available through that program. Given the time frame and complexity of this pursuit, however, we aren't able to fully commit to the LBC Pilot Program at this time but are certainly interested in continuing to investigate the potential should Kilroy advance to the next round of consideration. Kilroy is working with Miller Hull and other partners to further evaluate the opportunities made available through that program and will be prepared to engage in a dialog with the city as the project moves forward.

### MINIMIZING IMPACTS, MAXIMIZING OPPORTUNITIES

*8. Describe how the site and building utility infrastructure will be addressed;*

We recognize that there are a number of subsurface utilities that will impact the project, most notably the large CSO drop structure along Roy Street and its associated conveyance lines. Our approach will be to minimize the relocation/rerouting of subgrade utilities in order to reallocate development dollars to those areas where the investment will be more visibly impactful areas, i.e. the buildings themselves and the public realm, including the streetscape.

For example, the Land Use Code allows for 785 parking stalls (at 1:1,000) however, building the number of levels in a subgrade parking garage to accommodate that number of vehicles would involve rerouting a number of utilities at a significant cost. We have therefore chosen to limit the depth of the garage in order to avoid impacting these utilities, which results in fewer parking stalls. In order to mitigate traffic impacts of the property, we plan to deliver 725 parking stalls, and optimize multi-modal transportation through bike sharing and ride sharing partnerships.



## A PLACE OF LOCAL AND REGIONAL PRIDE

*9. Identify the public benefits as described on pages 11 and 12 of this RFP which you intend to provide and their location within the Project. Include a thorough and thoughtful explanation why you have chosen to incorporate those particular community benefits, as well as an explanation as to why you opted to not include other public benefits.*

We are proposing a project that provides many of the public benefits outlined in the RFP. These benefits will attract a range of socio-economic users, support a variety of activities and result in spaces that will be comfortable for individuals, small groups and larger gatherings. **The resulting character will be uniquely Seattle.**

Specifically, we are proposing to include the following public benefits:

- Affordable Housing (multiple site options)
- Local Business/Micro-Retail
- Art and Performance Space in Affordable Housing
- Subsidized “Art Lab” with studio/maker space and public gallery space with programmed art shows, etc.
- Community Space Market Hall style public drop-in space
- Creative Interim Use of the Site during Entitlement Period.
- Micro Dog Park/Pet Relief Area
- Interactive Water Feature, Educational Bioswales and Natural Gardens

- Public Performance Stage on 8th and Roy
- Key Focus on multi-modal transportation options including bike sharing and ride sharing partnerships.
- Public Benches and Gathering Plaza Space
- Integrated Sculptures and Murals
- Programmable Festival Street to accommodate markets, events, etc.
- Staffing and resources for full programming of ground floor activation (See schedule on the following page)

We are currently not anticipating including schools or performing arts spaces. We are open to the possibility of including a daycare facility which we see as an amenity to those working in the development or the surrounding district, although we have not yet established a connection with a specific provider or business for this use.

In summary, our Proposal builds on the inherent energy and vibrancy in the SLU district by creating an active Neighborhood Heart. It mediates between active arterials and results in a strong neighborhood heart and identifiable gateway into the SLU district. And it provides for an inviting, active, evolving, dynamic public realm that becomes a destination for both locals and visitors to Seattle. **The project is a demonstration of sustainable leadership, a model for social equity, an exemplary physical public realm and a model of the Seattle Design Guidelines.**



PUBLIC SPACE AT ONE PASEO, KILROY'S DEVELOPMENT PROJECT IN SAN DIEGO



## SHAPING AN ENVIRONMENT THROUGH ACTIVATION & PLACEMAKING

Kilroy Realty is not building this project to sell to the highest bidder. **We are building this project to hold in our long-term portfolio. As such, we are able to provide a deliberate commitment to programming and placemaking at the Mercer Blocks that extends beyond delivery and stabilization of the improvements.** Through our full time event and programming staff, we have deep experience with the process of shaping environments to facilitate social interaction and improve a community's quality of life. As seen in the prospective activation and programming calendar below, we aim to bring to life a project which is available to all ages and backgrounds and gives back to the community around it.

*This project is a catalyst.*

<b>MERCER BLOCKS - PROPOSED COMMUNITY EVENT SCHEDULE</b>											
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series	Unplugged Music Series
Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market	Farmer's Market
			Yoga in the Block	Yoga in the Block	Yoga in the Block	Yoga in the Block	Yoga in the Block	Yoga in the Block			
POP UP Culinary Connection	POP UP Culinary Connection	POP UP Culinary Connection	POP UP Culinary Connection	POP UP Culinary Connection	Summer Movies at the Block	Summer Movies at the Block	Summer Movies at the Block	POP UP Culinary Connection	POP UP Culinary Connection	POP UP Culinary Connection	POP UP Culinary Connection
Night Market	Night Market	Night Market	Cherry Blossom Night Market	Night Market	Night Market	Night Market	Night Market	Night Market	Harvest Night Market	Night Market	Holiday Night Market
Art Lab Macramé Making	Art Lab Watercolor and Wine	Art Lab Coffee and Crafts	Art Lab Flower Arrangement	Art Lab Sculpture and Cocktails	Art Lab Weaving Workshop	Art Lab Succulents and Sips	Art Lab Teen Art Café	Art Lab Mural Making	Art Lab Toddler Kindness Rocks	Art Lab Sketch and Draw	Art Lab Calligraphy
Silent Disco	Silent Disco	Uncorked Wine Festival	POP UP Art After Hours	POP UP Art After Hours	POP UP Art After Hours	POP UP Art After Hours	POP UP Art After Hours	POP UP Art After Hours	Cask Brew Festival	Silent Disco	Silent Disco



AN ACTIVATED 8TH AVENUE, VIEW FROM MERCER STREET



PROJECT  
DESIGN



9TH AVENUE & MERCER STREET



9TH AVENUE & MERCER STREET



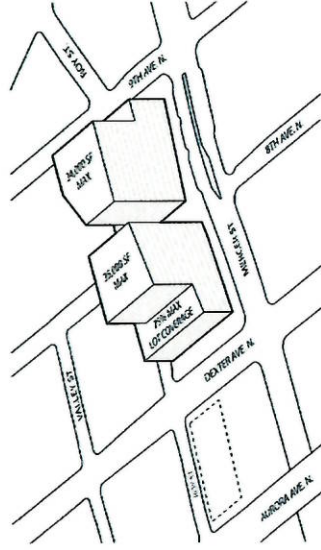
## PROJECT DESIGN

Mercer Mega Blocks lies at the critical intersection between the commercial energy of South Lake Union and a rapidly densifying residential district along the Dexter Corridor. This site has a unique opportunity to function both as a gateway and a hub of activity that stitches the two neighborhoods together.

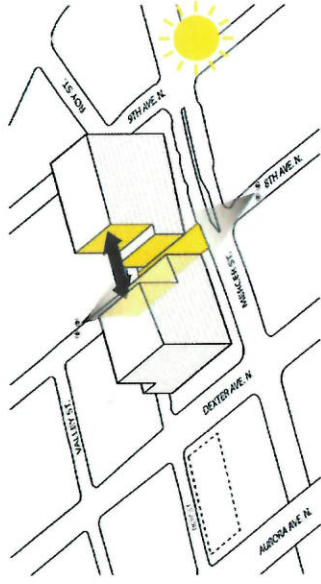
Through simple massing manipulations working within the maximum commercial zoning envelope, our Proposal facilitates increased pedestrian connectivity while creating a new sense of place that defines the Mercer Blocks as a public destination for the future of Seattle.

1. By **carving** back the building volume along 8th Avenue we introduce a pedestrian friendly scale and allow greater access to light and air throughout the public streetscape. Views along 8th Avenue are opened up in an effort to draw pedestrians into the space.
2. By **recessing** the ground floor to create a series of protected colonnades and outdoor spaces, the architecture enhances the public's everyday experience of the site. Curated tenants activate the edges of the public realm and spill out onto 8th Avenue for special events and programs.
3. By **shifting** the building volumes at the upper levels, the scale of the project breaks down and effectively "de-towers the towers". Cantilevered volumes provide weather protection to pedestrian circulation below and reinforce the position that the streetscape is a spatial condition to be experienced rather than simply moved through. Max sized office floor plates are shifted at key locations to provide elevated garden terraces and introduce green space to the skyline of the neighborhood. Office tenants gain access to healthier workplaces while public perception of the building is softened by layers of vegetation as the building ascends.

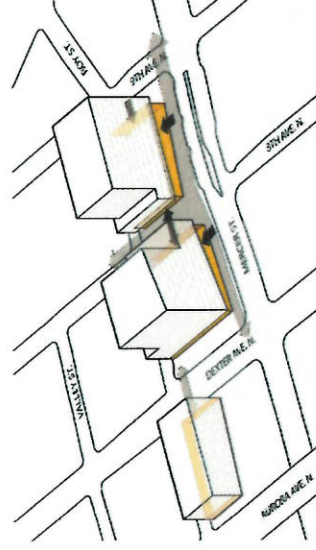
The building massing is a result of the forces pushing on this site along with the aspirational goals of how this project needs to perform as a critical piece of the public realm.



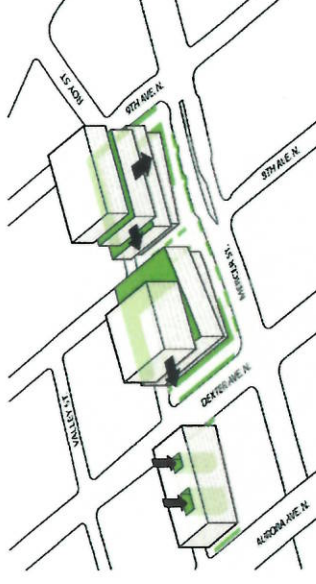
0. COMMERCIAL ZONING ENVELOPE



1. SETBACK AT 8TH FOR LIGHT AND VIEWS



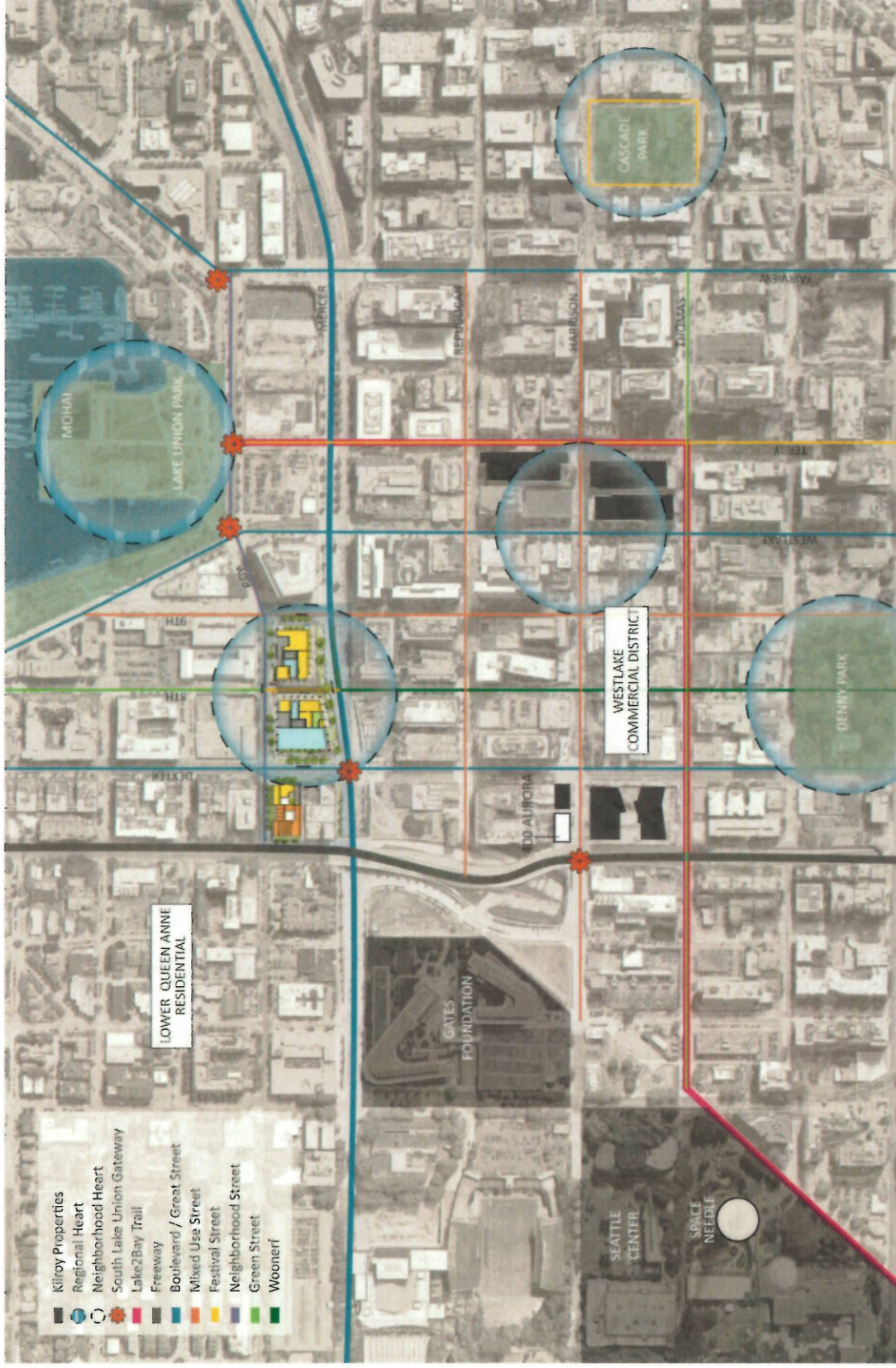
2. ACTIVATE THE GROUND PLAN / PEDESTRIAN SCALE



3. SHIFTED VOLUMES / ELEVATED GARDENS / DETOWERING THE TOWERS

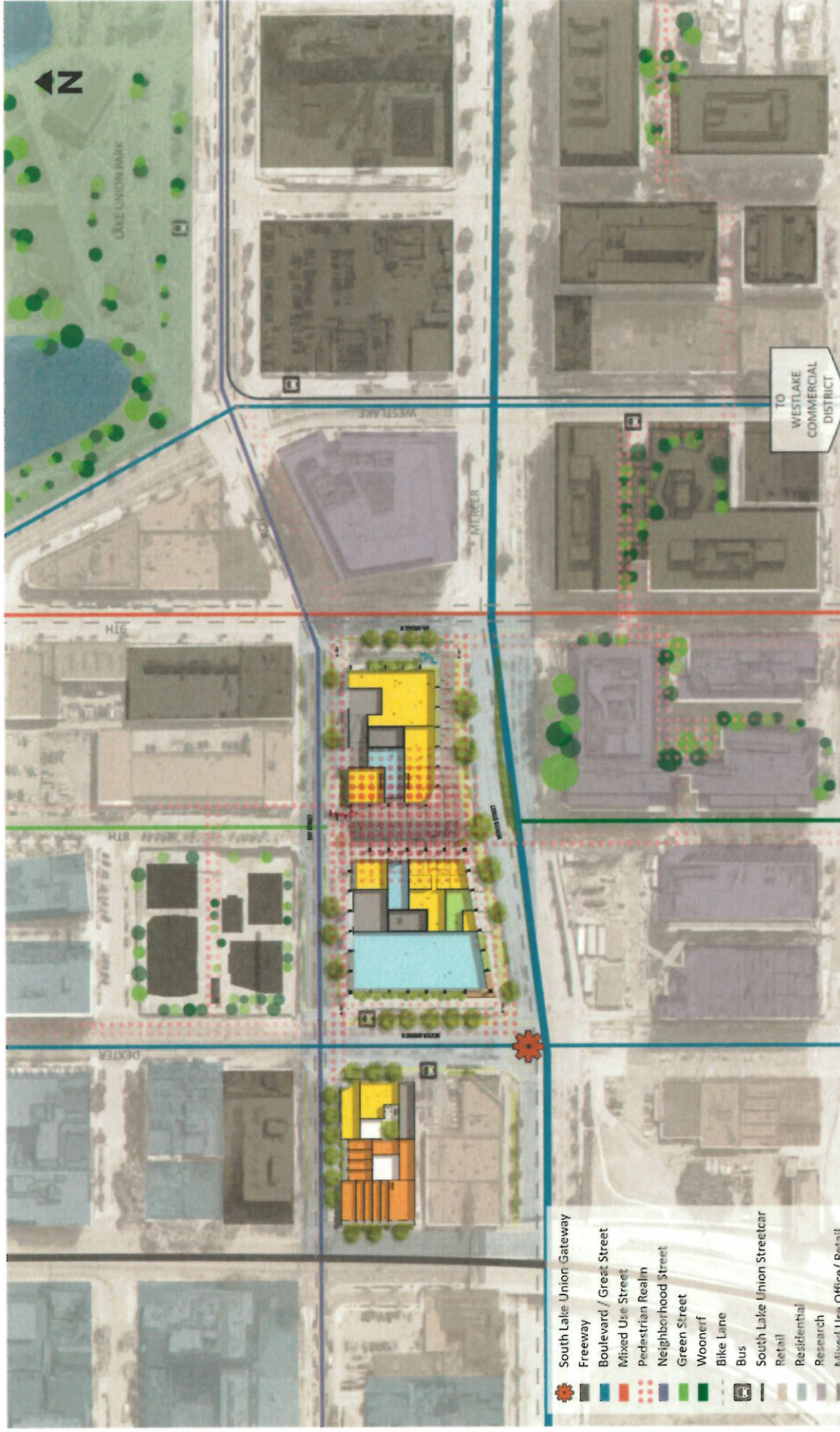


# URBAN CONTEXT





# PROJECT SITE & CONTEXT





SITE PLAN AT GROUND LEVEL



- LEGEND**
- RESIDENTIAL
  - RETAIL
  - OFFICE
  - SERVICE
  - RECREATION



# SITE PLAN - PUBLIC REALM



- CONCERT/EVENT STAGE
- PUBLIC ART
- BIKE SHARE ZONE
- BIKE RACKS
- BIOSWALE
- BIKE WAY
- MARKET ARCADE
- INTERACTIVE WATER FEATURE
- PUBLIC BENCH
- MARKET STALL ZONE
- CATENARY LIGHTS



8TH AVENUE CONNECTION





# MERCER STREET SOUTH ELEVATION



MERCER STREET SOUTH ELEVATION

1" = 60'-0"

MILLER HULL

KILROY | PAGE 62



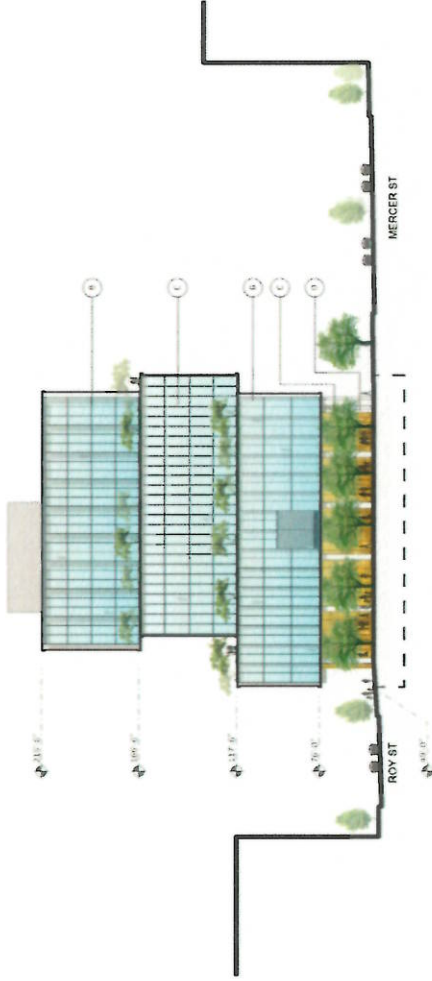




8TH AVENUE N, LOOKING WEST



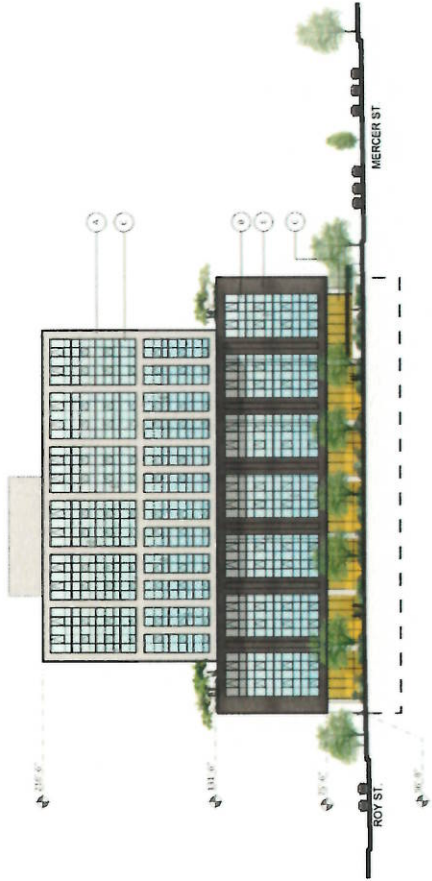
8TH AVENUE N, LOOKING EAST



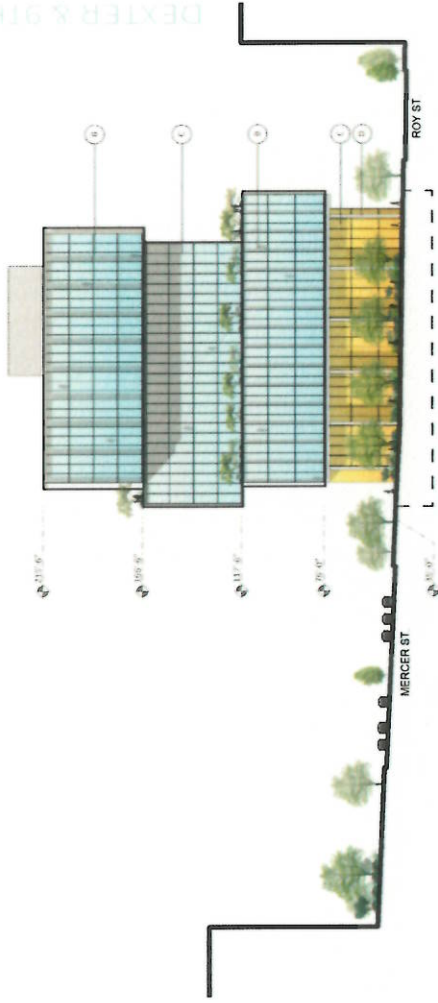
8TH AVENUE NORTH ELEVATION



DEXTER AVENUE ELEVATION



9TH AVENUE ELEVATION



DEXTER & 9TH AVENUE ELEVATIONS

1" = 60'-0"

MILLER HULL

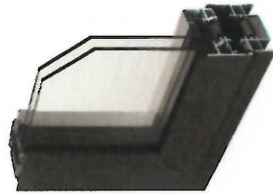


# MATERIALS PALETTE

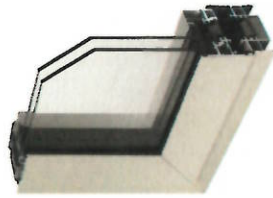
(A) SHEET METAL



(B) CURTAIN WALL - DARK



(C) CURTAIN WALL - LIGHT



(D) EXPOSED CONCRETE



(E) PRECAST CONCRETE



(F) GLAZED CERAMIC TILE



(G) FIBER CEMENT SMOOTH PANELS

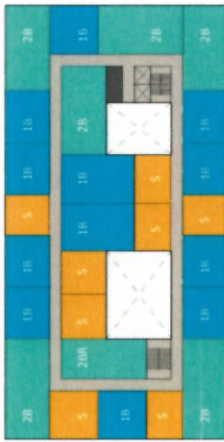


(H) WOOD LOOK SLATS

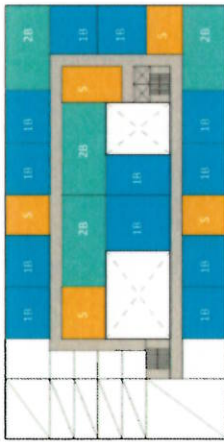




# 615 DEXTER AVENUE



LEVELS 4-8



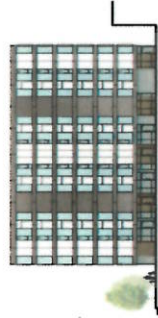
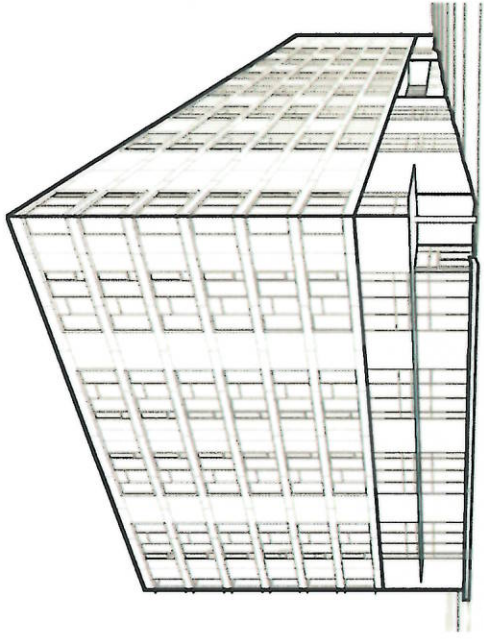
LEVEL 3



LEVEL 2



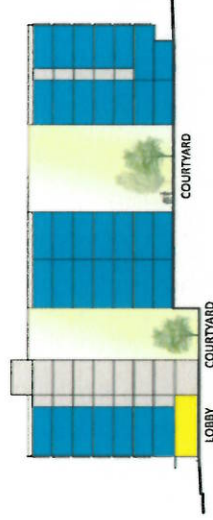
LEVEL 1



WEST ELEVATION AT AURORA



EAST ELEVATION AT DEXTER



SECTION A-A

Unit Type	Average Area per Unit	Number of Units	Unit Mix %
Studio	464 SF	47	25.8%
1 Bedroom (excludes live work units)	559 SF	91	50%
2 Bedrooms (excludes live work units)	925 SF	44	24.2%
<b>Total</b>		<b>182</b>	<b>100%</b>

1" = 30'-0"

MILLER HULL



DEXTER AVENUE & ROY STREET



DEXTER AVENUE & ROY STREET

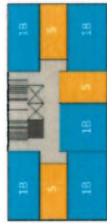


# 400 AURORA AVENUE

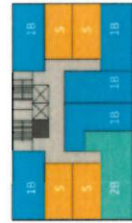
400 AURORA AVENUE



LEVELS 7-8



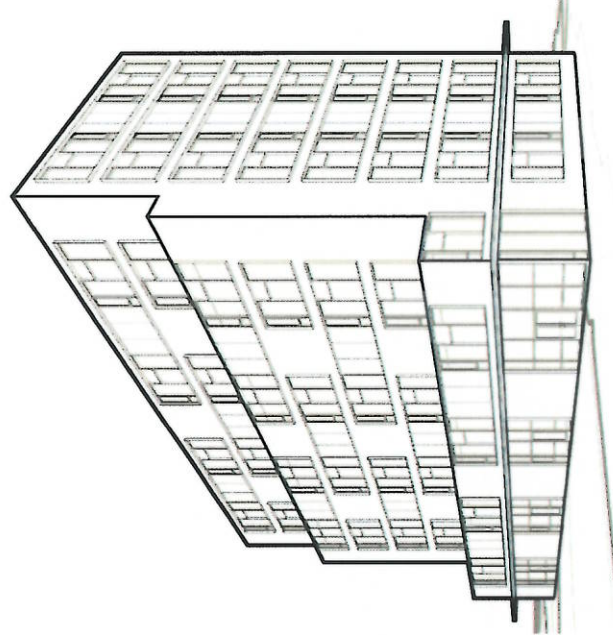
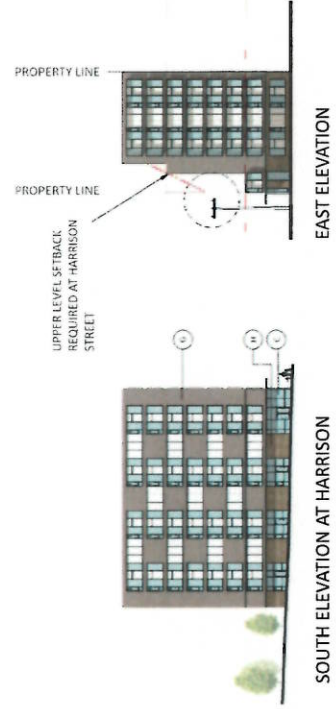
LEVELS 3-6



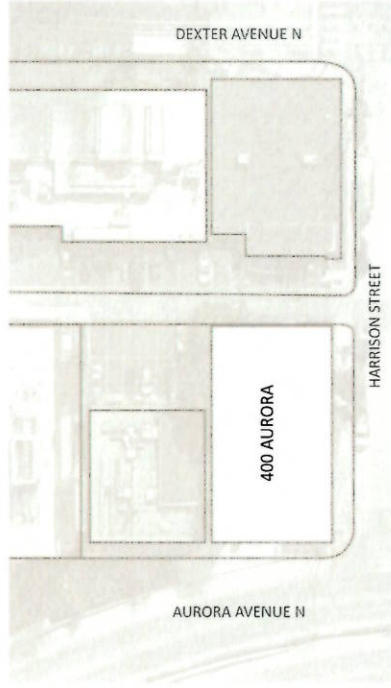
LEVEL 2



LEVEL 1



VIEW FROM HARRISON STREET



SITE PLAN

Unit Type	Average Area per Unit	Number of Units	Unit Mix %
Studio	420 SF	23	35%
1 Bedroom	510 SF	35	53%
2 Bedroom	725 SF	8	12%
<b>TOTAL</b>		<b>66</b>	<b>100%</b>

1" = 30'-0"



8TH AVENUE & MERCER STREET



8TH AVENUE & MERCER STREET



9TH AVENUE & ROY STREET



9TH AVENUE & ROY STREET



# 8620 NESBIT AVE N // AFFORDABLE WORKFORCE HOUSING

This Transit Oriented Development (TOD) site, located on the Rapid Ride E Line, will help LIHI fill important housing gaps in the Seattle market. LIHI proposes to build 118 new Affordable Workforce Housing units for Seattle residents. Taking advantage of Seattle's HALA upzone, the structure will be 5 levels of Type III-A wood frame construction over 3 levels of Type I concrete and light gauge steel construction. The design includes limited parking for staff and residents.

Funding would come from 4% low income housing tax credits (LIHTC) financing structure, with tax exempt bonds, private debt, and a subsidy from Kilroy Realty.



UNIT MIX					
Total	Studios	Open 1's	1 Bed	2 Bed	3 Bed
16	1	4	6	5	5
18	1	5	7	5	5
18	1	5	7	5	5
18	1	5	7	5	5
18	1	5	7	5	5
18	1	5	7	5	5
7	1	2	3	1	5
5					
<b>Total</b>	<b>118</b>	<b>31</b>	<b>44</b>	<b>31</b>	<b>5</b>
Mix, %	5.9%	26.3%	37.3%	26.3%	4.2%



Site Area: 19,000 sf  
 CI-65  
 Current Zoning: FAR 4.25  
 Current Max Single Use FAR: 80,750 sf  
 Current Max Total FAR: 90,250 sf  
 Average Grade Plane: 265.33  
 Level 2 Elevation: 268'-0"  
 Proposed MHA Zoning: NCS-75(M)  
 Proposed Max FAR: FAR 5.50 104,500 sf



MECH	
RESIDENTIAL	
RESIDENTIAL	
RESIDENTIAL	
RESIDENTIAL	
RESIDENTIAL	3-HR PT TRANSFER SLAB
RESIDENTIAL	
RESIDENTIAL	AMENITIES
RESIDENTIAL	BACK OF HOUSE

75 CODE HT LIMIT

Aurora Ave N

Nesbit Ave N

CONCEPTUAL EAST-WEST BLOCK SECTION



Ankrom Moisan



FINANCIAL  
OFFER



## FINANCIAL OFFER

We understand that the sale of the Mercer Blocks property involves a number of stakeholders, most importantly, residents of the City of Seattle. In order to arm the City with a wide variety of options and effectively balance a strong financial offer with our proposed community benefits, we present the three primary scenarios as described below. We have displayed the information in a table, followed by a narrative discussion with supporting details and commentary on the various scenarios presented. In addition to the affordable housing options below, we are also open to a scenario maximizing affordable housing by adding both 175 on-site units and 184 offsite units, along with an additional LIHI Transit Oriented Development site in Rainier Valley (88 Additional Units), delivering up to 447 affordable units. Anticipated net pricing to the City is estimated at around \$39.9M after all subsidies (subject to negotiated unit mix, income levels, etc.).

### FINANCIAL OFFER SUMMARY

SCENARIO	1) OFFICE & MARKET RATE RESIDENTIAL	2) OFFICE & ON-SITE AFFORDABLE UNITS	3) OFFICE & MARKET RATE RESIDENTIAL + NEARBY AFFORD. UNITS
<b>Land Use</b>			
615 Dexter Use	224 Market Rate Residential Units	175 Affordable Units (30%, 50%, 60% AMI)	224 Market Rate Residential Units
800 Mercer Use	785,000 GSF Office	785,000 GSF Office	785,000 GSF Office
Kilroy South Lake Union Parcel Use	N/A	N/A	66 Affordable Units (60% AMI)
LIHI 8620 Nesbit Use	N/A	N/A	118 Affordable Units (40%, 50%, 60% AMI)
<b>Pricing</b>			
615 Dexter Pricing	\$20,000,000	\$0	\$20,000,000
800 Mercer (E & W) Pricing	\$100,600,000	\$100,600,000	\$100,600,000
Less: Affordable Housing Subsidy	\$0	(\$24,200,000)	(\$25,100,000)
<b>Financial Offer</b>	<b>\$120,600,000</b>	<b>\$76,400,000</b>	<b>\$95,500,000</b>
<b>Total Value Contributed to City<sup>(1)</sup></b>	+ \$9.2M HALA = \$129,800,000	+ \$9.2M HALA = \$85,600,000	+ \$9.2M HALA + \$6.1M Unrealized Value = \$110,800,000
<b>Notes</b>		Ground Floor amenity space at 615 Dexter to be programmed by LIHI in partnership with arts, music and cultural organizations.	Kilroy is contributing a parcel in South Lake Union for the development of 66 Affordable Units. This parcel is being conveyed at a value of \$2.5M. When compared to an estimated market value of \$8.6M (\$130K/Unit), this represents \$6.1M in unrealized value.

(1) IMPLIED TOTAL CONTRIBUTION INCLUDES AN ESTIMATED \$9.2M HALA ALLOWANCE FOR THE 800 MERCER BLOCK. IN SCENARIO 3, AN ADDITIONAL \$6.1M IS ADDED IN ASSOCIATION WITH THE UNREALIZED VALUE OF KILROY'S CONTRIBUTED SOUTH LAKE UNION PARCEL.



**Below are the key elements of our financial offer, as requested in the RFP document;**

### **1 ) PURCHASE PRICE AND EARNEST MONEY DEPOSIT:**

The final purchase price for the 800 Mercer Block is to be determined by a formula of \$128/ Gross Square Foot to be defined in the Development and Disposition agreement. Based on our estimated achievable gross square footage of 784,990 (including office and retail), this equates to a purchase price of \$100,600,000. The 615 Dexter parcel pricing is \$20,000,000. The table on the preceding page summarizes anticipated pricing for each scenario, and supporting detail is found on the following pages.

A \$5,000,000 refundable earnest money deposit will be provided upon the full execution of the Purchase and Sale Agreement, with a \$10,000,000 non-refundable deposit upon completion of diligence subject to approval of the Disposition and Development agreement. The deposit shall be fully credited toward the Purchase Price at Closing.

### **2 ) PAYMENT TERMS**

Kilroy has a very strong balance sheet and is able to pay cash for the property in full upon completion of the Exclusive Negotiation Agreement and the Disposition and Development Agreement. We do not have any financing risk, nor any partners that require approval or additional negotiation requirements during the negotiation period.

### **3 ) TRANSACTION STRUCTURE:**

A Fee Simple land purchase is preferred. Kilroy is open to considering a ground lease structure for the property. Due to our lack of need for equity partners, no bank financing requirements, etc., we are able to approach a ground lease structure with greater flexibility than our peer set. Despite this, there are certain risks inherent in a potential ground lease structure, including lack of long-term control, accounting considerations, potential implications on future sale's fundamentals, etc. As such, our potential ground lease structure represents a substantial discount to the fee simple land purchase to account for the increased risks associated with the ground lease.

At this time, we are unable to provide specific pricing terms without detailed negotiation including but not limited to the following terms:

- Term of Ground Lease
- Fair Market Value Resets
- Full Prepayment, Partial Prepayment, or No Prepayment
- Right of First Refusal
- Renewal Option(s)

### **4 ) CONDITIONS AND CONTINGENCIES**

Kilroy's offer is contingent upon the following diligence items:

- Additional environmental verification
- Further Investigation of the location of existing utilities
- Detailed confirmation of the FAA overlay
- Affordable Housing Subsidy Funding gap will be agreed upon at closing based on unit mix and income restrictions. Kilroy will not be liable for future cost overruns, as they will be addressed by LIHI through the reduction of the project unit count if project costs exceed the underwritten budget and related contingencies.



**5 ) DUE DILIGENCE PERIOD**

The due diligence period shall be for a potential of sixty (60) days. During such period, potential purchaser shall be entitled to conduct all inspections and reviews relating to the Property typically performed by a purchaser, including underwriting and risk analysis, environmental and engineering evaluations, on-site inspection access, title and survey documents, etc.

**6 ) CLOSING TIMEFRAME**

The closing shall occur seven (7) days following the mutual execution of the Exclusive Negotiation Agreement and Disposition and Development Agreement.

**7 ) PROJECT INTERIM USE (ENTITLEMENT PERIOD)**

The 800 Mercer Block property presents a unique ability to offer community benefits during the project entitlement period prior to breaking ground. We have considered various public benefits that could be achieved through use of the site and plan to explore various options from the following list with the City during the Exclusive Negotiation Agreement and Disposition and Development Agreement period:

- Community Garden Plots
- Dog Park
- Pop-Up Park/Soccer Field, etc.
- Food Truck Pavilion
- Secured Lockers for unhoused individuals to replace the SHARE storage lockers in South Lake Union
- Safe Parking Spots (subject to significant further negotiation with the City and related stakeholders to limit liability, site contamination, etc.)

**NON-PROFIT AFFORDABLE HOUSING PARTNER PROFILE**

The Low Income Housing Institute (LIHI) is a top non-profit housing organization that has developed over 4,500 affordable housing units. LIHI owns and manages 63 properties with 2,274 units.

The LIHI Board of Directors and staff are committed to social justice issues. LIHI has been advancing ethnic, racial, and economic equity for 27 years by providing affordable permanent housing. LIHI's mission addresses displacement and gentrification in Seattle neighborhoods. LIHI has a 12 member Board of Director, 50% of whom are people of color. LIHI has a diverse staff that reflects the population we serve.

LIHI develops award winning affordable housing in high opportunity neighborhoods that are walkable and close to jobs, transit, and services including five properties in the South Lake Union neighborhood. In South Lake Union, we developed Denny Park Apartments, Lakeview Apartments, The Bart Harvey, Arion Court, and Jensen Block Apartments.



**SCENARIO 1: OFFICE AND MARKET RATE RESIDENTIAL**

Estimated Land Purchase Price: **\$120.6M**  
Affordable Units Delivered: **0** (Potential for 30-50 units if utilizing MFTE program on 615 Dexter)  
Market Rate Units Delivered: **224**

In the market rate scenario, our goal is to fully develop the properties to their highest and best use in order to generate the highest residual land value and maximize sale proceeds to the City. This scenario does not include the delivery of any affordable housing beyond what can be provided through significant sale proceeds and HALA fees generated with the sale and subsequent development of the property.

**615 Dexter Parcel:**

Project Concept: High-Rise Market Rate Residential Tower (224 Units)  
Project Size: 224 large-floorplan units. 265,950 Gross Square Feet (GSF)  
Land Price: (\$89/GSF) or approximately \$20M

**Notes/Comments:**

Our primary concept for the 615 Dexter parcel involves a 224-unit residential tower, however we have also explored a mid-rise market rate configuration incorporating 20% affordable units for MFTE as well and would like to retain optionality throughout the offer process as we explore all development options for the parcel.

**800 Mercer Parcel:**

Project Concept: Two-Tower Office Building  
Project Size: 784,990 GSF (763,290 GSF Office, 21,700 GSF Retail)  
Land Price: (\$128/GSF) or approximately \$100.6M

**Notes/Comments:**

The full office scenario provides Kilroy with the highest return profile, however we have explored a mixed-use office/residential scenario, and are open to further discussion of this option if the City has a strong preference for creation of 200 additional housing units on the site. We do not anticipate any changes to our proposed land price in a mixed-use scenario.

**SCENARIO 2: OFFICE AND ON-SITE AFFORDABLE UNITS**

Estimated Land Purchase Price: **\$76.4M**  
Affordable Units Delivered: **175**  
Market Rate Units Delivered: **0**

Scenario 2 responds to the City’s request for a Proposal which includes 175 on-site affordable units. In this Proposal, we have consulted with Low Income Housing Institute (LIHI), our non-profit affordable housing partner in order to determine the most appropriate way to incorporate these units into the Mercer Block. The proposed affordable units would be developed, owned, and managed by LIHI, and the funding gap to construct the units would be subsidized by Kilroy by utilizing a portion of the purchase price towards the direct construction of these units.



**615 Dexter Parcel:**

Project Concept: Mid-Rise Affordable Housing Building (175 Units, with ground floor amenity space to be programmed by LIHI in partnership with arts, music, and cultural organizations; concerts, community meeting space, arts demonstrations and other activities that activate the space to bring the community into the development and to bring the development and its residents into the community.

Project Size: 175 Mid-Rise Affordable Units.

Land Price: (\$0/GSF) In order to deliver the on-site affordable units and maximize sale proceeds to the City from the 800 Mercer Parcel, the affordable units require a City contribution of this parcel at no cost.

**Notes/Comments:**

Per the City’s request, Kilroy has considered this option in order to directly deliver affordable units to the Mercer Block Parcels. The 175 units include a mix of 26 units for 30% AMI occupants, 26 units for 50% AMI occupants, and 126 units for 60% AMI residents. Furthermore, the project includes 35 two-bedroom units, and 8 three-bedroom units available for families. We welcome input and discussion from the City on the desired unit mix and income levels, as it can be modified to provide a higher financial offer, or higher public benefit.

**800 Mercer Parcel:**

Project Concept: Two-Tower Office Building

Project Size: 784,990 GSF (763,290 GSF Office, 21,700 GSF Retail)

Land Price: Approx. \$100.6M Less \$24.2M affordable housing subsidy = \$76.4M

**Notes/Comments:**

In order to fund the construction of the on-site affordable housing units, Kilroy will redirect \$24.2M of the purchase price towards the direct delivery of the affordable units to be constructed by LIHI.

**SCENARIO 3: OFFICE AND MARKET RATE RESIDENTIAL + NEARBY AFFORDABLE UNITS**

Estimated Land Purchase Price: **\$95.5M**

Affordable Units Delivered: **184** (Potential for more if applying MFTE program on 615 Dexter)

Market Rate Units Delivered: **224**

Scenario 3 allows the City to maximize proceeds from the 800 Mercer and 615 Dexter parcels while achieving a total of 184 units ranging from 40-60% AMI within close proximity to the Mercer Block Site. Due to the unique ability of Kilroy and LIHI to contribute previously owned parcels for affordable housing, we can deliver 118 affordable units at the LIHI Nesbit site (located a short 15-minutes North of the Mercer Blocks via Rapid-Ride bus line), and 66 additional affordable units directly within the South Lake Union neighborhood at a Kilroy-owned site in South Lake Union 0.2 miles south of the Mercer blocks. This parcel will be contributed to LIHI at a price estimated to be approximately \$6.1M below the market value of the site (estimated at \$8.58M or \$130,000 per unit). The total anticipated subsidy for the two projects is estimated at \$25.1M.



This proposed scenario allows for the transformation and improvement of multiple neighborhoods through the development of two separate projects, while also allowing for maximum sale proceeds through full development of the Mercer Block parcels. Due to the direct funding of these projects which are both located on owned land contributed by Kilroy and LIHI, we are able to recognize three key benefits:

- A. The affordable units will be developed and occupied more quickly than if funded through the typical low-income housing funding channels. They will not compete with other existing affordable projects for funding and will be additive to other affordable projects in the pipeline.
- B. The affordable units can be funded more efficiently, as the funding gap is directly applied to the project and will not be subject to G&A expenses.
- C. Seattle residents will directly see the impact of two tangible affordable projects added to the housing stock as a result of the Mercer Blocks Sale. This provides a more direct connection between the site and its impact on the affordable housing issues faced by the City.

**615 Dexter Parcel:**

Project Concept: High-Rise Market Rate Residential Tower  
 Project Size: 224 large-floorplan units. 265,950 Gross Square Feet (GSF)  
 Land Price: (\$89/GSF) or approximately \$20M

**800 Mercer Parcel:**

Project Concept: Two-Tower Office Building  
 Project Size: 784,990 GSF (763,290 GSF Office, 21,700 GSF Retail)  
 Land Price: Approximately \$100.6M Less \$25.1 affordable subsidy = \$75.5M

**LIHI Nesbit Parcel:**

Project Concept: Mid-Rise Affordable Residential Units  
 Project Size: 118 Affordable Units  
 Required Subsidy: \$16.1M

**Kilroy SLU Parcel:**

Project Concept: Mid-Rise Affordable Residential Units  
 Project Size: 66 Affordable Units  
 Required Subsidy: \$9.0M  
 Unrealized Value: \$6.1M

**Maximized Affordable Housing Option:**

Should the City desire to maximize the affordable housing yield associated with the sale of the Mercer Blocks parcels, we are willing to consider an option which combines the 175 affordable units on 615 Dexter and the 184 offsite units on the LIHI Nesbit and Kilroy Realty SLU parcels. We would anticipate that the \$49.3 Million would be deducted from the \$100.6M value of the 800 Mercer parcel (615 Dexter would be contributed by City at \$0), resulting in net proceeds to City of approximately \$51.3 Million.



PROJECT FINANCING  
PLAN AND SUPPORTING  
PRO FORMAS



**PROJECT  
FINANCING  
PLAN**

*Kilroy Realty, L.P. (G.P.: Kilroy Realty Corporation) has a very strong balance sheet and is able to pay cash for the property in full upon completion of the Exclusive Negotiation Agreement and the Disposition and Development Agreement. We do not have any financing risk, nor any partners that require approval or additional negotiation requirements during the negotiation period.*

*We estimate the total project cost in our highest financial offer scenario to be \$ [REDACTED] for the 800 Mercer Office Development. We anticipate a return on cost to range from [REDACTED] % depending on rental rate growth, construction cost trending and various other market factors. For the 615 Market Rate Residential Development, we anticipate the total project cost to be \$ [REDACTED], with anticipated return on cost to range from [REDACTED] %.*

*These metrics assume a long-term hold by Kilroy Realty, as opposed to other members of our peer set that may plan to sell of the buildings upon stabilization.*

**SUPPORTING  
PRO FORMAS**

*Supporting Pro Formas have been provided separately in Kilroy Realty's Financial Qualifications package.*



**MARKET  
REVIEW**  
**OFFICE**

**PUGET SOUND REGION**

Continued job growth fueled by technology demand is driving the office market in Seattle and putting available space at a premium. Unemployment in the Seattle MSA sits at a historic low of 3.7% with annualized job growth trending at 2.8%. As such, demand and competition for office space is high. As of Q2 2018, only 6.5% of the total office inventory in Seattle was unoccupied and available for lease.

Demand is strong with several users in the market looking for 100,000+ SF. Total demand is approximately 4.3M square feet for premium office space. Although there are a number of planned office buildings in the development pipeline for the City of Seattle, Class A space remains in high demand, and office landlords are experiencing strong leasing activity on large blocks of available space.

**LAKE UNION & DENNY REGRADE**

The South Lake Union neighborhood continues to lead the Puget Sound Region as the fastest growing submarket with a total market size of 9.4M SF. Due to significant tech talent, lower cost of living than other west coast tech hubs, the demand for office space has not slowed. Major expansions and tenant migration continue to limit the availability of large blocks of space in South Lake Union.

There is currently 3.3M SF of office space under construction in South Lake Union & Denny Regrade, with 81% pre-leased to tenants such as Google (Lakefront), UW Medicine, Facebook (Arbor Blocks) & Amazon.

Over the last five years, over 7M SF of office has been delivered in Lake Union & Denny Regrade. Based upon the remaining supply and current projects in the pipeline, we project that ~1M will deliver in 2023 when we project the Mercer blocks to deliver. Based on current and projected fundamentals for Class A office space, we project the office space at the Mercer Blocks to achieve a capture rate of approximately 8.0%, which we believe provides adequate support for the development of office space on the subject parcels.

## MARKET REVIEW

### MULTI- FAMILY

#### **PUGET SOUND REGION**

Seattle home supply is not growing quickly enough to meet demand. The record supply, positive net migration is at an all time high and demand remains strong. The 5-yr average absorption for the overall Seattle market is ~10,400 units, with 4,020 units delivered in the past 12 mos.

The highest average rent in the Puget Sound region is in the Seattle market at \$2,072/month. With a median home price of \$830,000 (average mortgage of \$3,848/month), it is easy to see how renting continues to be the most viable option for Seattleites (61.4% discount to rent new construction vs. own). Although 2018 experienced significant new construction multifamily deliveries, construction costs and rising land prices have tapered developer expectations, which is expected to result in a slowing of construction starts. Despite this, demand is expected to remain strong as the area continues to attract new residents at a fast pace.

#### **LAKE UNION & DENNY REGRADE**

3,300 units in South Lake Union were delivered in the past 12 mos., representing 82% of the total deliveries in Seattle. There are 10 projects currently under construction, adding another 5,500 units to the market in the near term. Furthermore, a total of 5,869 units have been added to the submarket since 2010. Despite this new supply, vacancy rates still remain low, at levels below 5.0%

10,000 units are in the pipeline for future development in South Lake Union (compared to 20,727 units overall in Seattle). It should be noted that these units are at varying entitlement stages and only one third of these projects could realistically break ground in the near-term.

Based on historical absorption and total market fundamentals, we estimate the market-rate multifamily development on 615 Dexter to achieve a 2.0% market capture, which we believe warrants additional demand for multifamily product in the subject submarket.

#### **AFFORDABLE HOUSING**

It is no secret that as high-earning tech employees migrate to Seattle, and the City has led the country in home price growth for years, that Seattle residents are being displaced from their homes. As noted in the supply and demand analysis above, new supply is not able to meet demand, and prices continue to outpace inflation. As such, significant demand for affordable housing exists. Based upon a market capture analysis, there are a combined 17,500 qualified renter households within the Seattle area and the subject's projected market capture would range from 1%-2% depending on the number of units delivered.

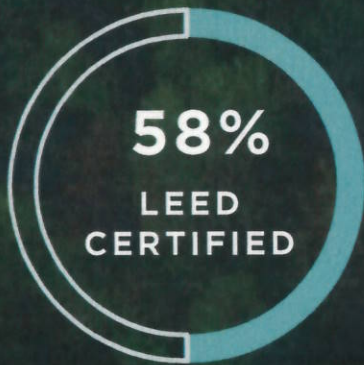


# APPENDICES

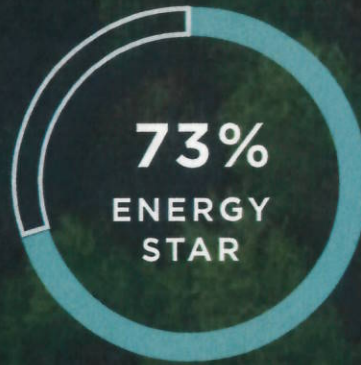


# SUSTAINABILITY

COMMITMENT TO OUR ENVIRONMENT -  
#1 IN NORTH AMERICA



Over half of our  
entire portfolio is  
LEED Certified



Most of our  
portfolio is Energy  
Star Certified



All developments are  
designed to be LEED  
Gold or Platinum

Kilroy is ranked 1st in sustainability performance among all North American participants by the Global Real Estate Sustainability Benchmark and is one of three American real estate company to be listed on the Dow Jones Sustainability World Index. We recently made headlines by announcing a commitment to carbon neutrality across our entire portfolio by 2020, and we will embody these values in our future projects in Seattle and along the West Coast.

## NAREIT

"Leader in the Light  
Award", Office Sector  
(2014-2017)

## ENERGY STAR

"Sustained Excellence"  
(2016, 2018)  
"Partner of the Year"  
(2014-2018)

## GRESB

North American Office  
Leader - 2014-2017  
Green Star - 2013-2017





## JOHN KILROY

CHAIRMAN, PRESIDENT & CEO  
KILROY REALTY

John Kilroy has been involved in all aspects of commercial real estate acquisition, entitlement, development, construction, leasing, financing and dispositions for Kilroy Realty and its predecessor since 1967. With John's expertise and guidance, Kilroy Realty entered the San Francisco and Seattle markets in 2009 and 2010, respectively, very early in the cycle. John has actively led Kilroy Realty to become one of the premier landlords on the West Coast with one of the largest LEED-certified portfolios, spanning some of the strongest markets in the country, from Seattle to San Diego.

Mr. Kilroy currently serves on the board of directors of MGM Resorts International (NYSE: MGM) and on the Policy Advisory Board for the Fisher Center for Real Estate and Urban Economics at the University of California, Berkeley.

### EDUCATION

---

**University of Southern California**, Business

### RELEVANT EXPERIENCE

---

**San Francisco  
Flower Mart**  
San Francisco, CA

**New Development.** San Francisco Flower Mart, a proposed 2.3-million-square-foot, mixed-use development in the South of Market that will include a blend of Class-A office, retail, and a 125,000-square-foot, state-of-the-art wholesale flower market.

**Columbia Square**  
Hollywood, CA

**New Development and Redevelopment of Historic Buildings.** Columbia Square is Kilroy Realty's first mixed-use redevelopment in Hollywood; it blends historical reuse with new construction. The 580,000-square-foot property re-uses historic studio spaces (CBS west coast headquarters) to create workplace and retail store-fronts. New buildings offer larger creative office space, and a high-end residential building — all as part of the broader strategy of supporting a wholly collaborative, creative industry campus.

**The Exchange**  
San Francisco

**New Development.** The Exchange is Kilroy Realty's third ground-up development project in San Francisco. It consists of two six-story and two 12-story buildings (totaling ~750,000-square-feet) located in the vibrant and lively submarket of Mission Bay. 100% of the office space at The Exchange has been leased to Dropbox, a leading global collaboration platform.



## DOUGLAS GIESEY

SVP, DESIGN  
KILROY REALTY

Douglas Gieseey is the driving force in designing and executing portfolio-wide architectural initiatives. He focuses on authoring built environment strategies that ensure Kilroy-quality is achieved on all projects, using his strong business sense to effect timely, cost effective implementation. Prior to joining Kilroy, Douglas had over 20 years of experience in architecture and interiors working with some of the most recognizable firms in the business, including Richard Meier & Partners, Gehry Partners and Gensler.

### EDUCATION

---

**University of California, Los Angeles,** Master of Architecture

**Miami University,** Bachelor of Science, Finance and Accounting

### RELEVANT EXPERIENCE

---

**San Francisco**

**Flower Mart**

San Francisco, CA

**New Development.** San Francisco Flower Mart, a proposed 2.3-million-square-foot, mixed-use development in the South of Market that will include a blend of Class-A office, retail, and a 125,000-square-foot, state-of-the-art wholesale flower market.

**Columbia Square**

Hollywood, CA

**New Development and Redevelopment of Historic Buildings.** Columbia Square is Kilroy Realty's first mixed-use redevelopment in Hollywood; it blends historical reuse with new construction. The 580,000-square-foot property reuses historic studio spaces (CBS west coast headquarters) to create workplace and retail store-fronts. New buildings offer larger creative office space, and a high-end residential building — all as part of the broader strategy of supporting a wholly collaborative, creative industry campus.

**The Exchange**

San Francisco

**New Development.** The Exchange is Kilroy Realty's third ground-up development project in San Francisco. It consists of two six-story and two 12-story buildings (totalling ~750,000-square-feet) located in the vibrant and lively submarket of Mission Bay. 100% of the office space at The Exchange has been leased to Dropbox, a leading global collaboration platform.





## ROB SWARTZ

SVP, PACIFIC NORTHWEST REGION  
KILROY REALTY

With over thirty-five years of experience in commercial real estate, Rob has held key roles in the Seattle and San Francisco markets in a variety of disciplines including real estate brokerage, corporate advisory, and design at reputable firms including NBBJ and CBRE. Rob is responsible for Kilroy's Pacific Northwest portfolio, overseeing all stabilized and development projects in the region, as well as identifying new opportunities and expanding the company's footprint in this high-growth market that is home to many of the world's leading businesses. With a broad base of experience, including business development in Russia, The Middle East and India, Rob brings an added layer of understanding and a unique perspective on Kilroy's projects.

### EDUCATION

---

**Principia College, Elsau Illinois**, Business Administration

### RELEVANT EXPERIENCE

---

**333 Dexter**  
Seattle, WA

**New Development.** 333 Dexter is a dynamic new 630,000+ square foot mixed-use office building providing a model work place, permeable street edges and generous open spaces that support street-level uses and retail shops for a vibrant, pedestrian-oriented streetscape in what has historically been one of the city's most vehicle-centric corridors.



## SARA NEFF

SVP, SUSTAINABILITY  
KILROY REALTY

Sara Neff is Senior Vice President, Sustainability at Kilroy Realty Corporation (KRC). At Kilroy, Sara oversees all sustainability initiatives such as solar and battery dealmaking, the implementation of energy and water efficiency initiatives throughout the existing and development portfolios, the integration of sustainability standards into annual financial reports, the launch of the Kilroy Innovation Lab, and the award-winning green leasing program. In her first four years, Sara took Kilroy from having no sustainability program to being named the #1 office real estate company in sustainability in North America by the Global Real Estate Sustainability Benchmark (GRESB), an honor they have now won for four straight years. Additionally, Kilroy is now only the third American real estate company to be listed on the Dow Jones Sustainability World Index.

### EDUCATION

---

**Columbia University**, Master of Business Administration

**Stanford University**, Bachelor of Science

### RELEVANT EXPERIENCE

---

**Columbia Square**  
Hollywood, CA

**New Development and Redevelopment of Historic Buildings.** Successfully executed the sustainability for the large mixed-use project, Columbia Square, in Hollywood. The project became a LEED Master Site, and both the historic and the new buildings achieved LEED Gold certification. The residential tower onsite became the first rental units in the world to achieve WELL certification, a rigorous certification focused on human health.

**The Exchange**  
San Francisco

**New Development.** Currently completing the execution of the sustainability strategy at The Exchange, which is targeting both LEED Platinum certification and WELL certification. This project is the first in California to install 1.1 gallon per flush (gpf) toilets in addition to low flow urinals, sinks and showers. The Exchange has a major emphasis on health. It features extensive green roofs, healthy materials, open stairwells, deep connectivity to alternative transit, and enhanced indoor air quality achieved through superior filtration media and the ability to take on 100% outside air.



**RELEVANT EXPERIENCE, Continued**

---

**350 Mission**  
San Francisco, CA

**New Development.** Executed the sustainability strategy that made 350 Mission the first LEED Platinum high rise in San Francisco. 350 Mission has a highly efficient HVAC system and an innovative structural design that allowed it to reduce steel requirements by 1.2 million pounds and concrete by 600 truckloads. 350 Mission also achieved Fitwel certification and is undergoing Zero Waste certification.

**333 Brannan**  
San Francisco, CA

**New Development.** Executed the sustainability strategy for 333 Brannan, Kilroy's second LEED Platinum project in San Francisco. 333 Brannan features a green roof, solar panels, a rooftop cistern that allows the project to use rainwater for toilet flushing, operable windows, and an underfloor air system. The project also has concrete pavers that used a biomimicry-based construction process. Rather than being created at high temperatures, these pavers were generated at room temperature by algae. 333 Brannan also achieved Fitwel certification

**100 Hooper**  
San Francisco, CA

**New Development.** Currently completing the sustainability strategy for 100 Hooper, which is also targeting LEED Platinum. The project has an extensive green roof with a rooftop solar array, an efficient Variant Refrigerant Flow (VRF) system and very efficient glazing, a pollinator-focused and drought-tolerant landscape design, low domestic water use, and open stairwells. It will pursue Fitwel certification later this year.



## SHARON LEE

EXECUTIVE DIRECTOR  
LOW INCOME HOUSING INSTITUTE

With Sharon's leadership, LIHI has become one of the most productive housing non-profits in the state with over 3,500 affordable rental and homeownership units created, serving families, seniors, the workforce, the disabled, homeless people and first-time homebuyers. LIHI is a national leader in developing green, affordable and sustainable housing along smart growth principles. Sharon has developed these smart growth principles and innovative models to serve homeless people. The benefits of these models expand beyond LIHI as other organizations have adopted these principles. Sharon has served on the Emergency Task Force on Unsheltered Homelessness and the City of Seattle Advisory Committee on Affordable Housing Incentives.

**PAST EXPERIENCE INCLUDES:** Housing Director for the Fremont Public Association (1988-'94), Legislative Aide to Paul Kraabel, Seattle City Council (1984-'87), Program Coordinator II, Dept of Community Develop., City of Seattle (1983-'84), Planner, Interim Community Develop. Assoc. (1983-'84), Architectural Designer, John Sharratt Associates (1981-'83), Planner - Boston Housing Authority (1980-'81).

### EDUCATION

---

**M.I.T.**, Master in Architecture, Master in City Planning  
**University of Pennsylvania**, Urban Studies *magna cum laude*  
**Wilkes University**, Honorary Doctor of Humane Letters  
**NeighborWorks America**, Achieving Excellence Program

### RELEVANT EXPERIENCE

---

**Denny Park  
Apartments**  
Seattle, WA

**New Development.** The first green affordable housing project that was developed under the Green Communities initiative sponsored by Enterprise and the Natural Resources Defense Council.

**Tiny House Program**  
Regional

**Innovative Model.** A program developed to quickly and affordably house homeless people in 8'x12' tiny houses in a supportive, village setting.

**Award Winning  
Projects**  
Regional

**Notable Buildings.** Ernestine Anderson Place, Gossett Place, Tyree Scott Apartments, Cabrini First Hill Apartments, 1811 Eastlake, Refugee Women's Alliance offices and Sand Point Housing.



LIHI TEAM RESUMES

**PROFESSIONAL REGISTRATIONS**  
Tax Credit Compliance Certified

**EDUCATION**  
**Master of Public Affairs-  
Urban Economics**  
Princeton University  
Woodrow Wilson School

**Bachelor of Arts, Politics,**  
Trinity College-Hartford  
Phi Beta Kappa

**Project Management Certificate,**  
University of Washington

**ROBIN AMADON** DIRECTOR OF HOUSING DEVELOP.  
LOW INCOME HOUSING INSTITUTE

Robin has worked in affordable development and management since 1996 in the Seattle area. A senior developer at LIHI from 1998 to 2008, Robin returned to LIHI in July 2012 after consulting for four years for varied non-profits on new development and public funding proposals. In the 17 years of work with LIHI, Robin admires the dedicated people at LIHI who create success, tackle problems, and house and support residents day in and day out.

**RELEVANT EXPERIENCE**

In the 17 years of work with LIHI, Robin has had a role in 30 developments now in LIHI's portfolio.

**EDUCATION**  
**Bachelor of Science,  
Construction Management**  
Cal Poly State University

**BRAD REULING**  
DEVELOPMENT CONSTRUCTION PROJECT MANAGER  
LOW INCOME HOUSING INSTITUTE

With over 20 years of construction management experience, Brad's expertise encompasses rehabilitation and large capital improvements. Brad manages the budgets, procurement & management of project consultants including the design teams, general contractors and subcontractors. Brad is currently overseeing the construction of Bellevue Apartments and Ballard Senior Apartments.

**RELEVANT EXPERIENCE**

Ellipse Apartments, Central Way Apartments, Nova Townhomes, Copper Lantern Homes, Sunset Meadows Apartments, Fleetwood Apartments, Magnolia Villa, and Meadowdale Apartments.

**PROFESSIONAL REGISTRATIONS**  
American Institute of Architects  
LEED Accredited

**EDUCATION**  
**Bachelor of Architecture**  
Virginia Polytechnic and State  
University

**ERIC BLANK** SENIOR ARCHITECT, DESIGN AND  
PROJECT MANAGER  
LOW INCOME HOUSING INSTITUTE

Eric is a licensed architect with 20+ years of experience working in Multi-family and Mixed-use projects in Seattle. As LIHI's Design Manager, Eric analyzes the development potential of new properties, develops LIHI's Program requirements and manages LIHI's team of Designers and Consultants through all phases of design, finding ways to make LIHI's projects more sustainable and durable, participating in value engineering and working with the team to produce the high quality buildings that LIHI is proud to be known for.

**RELEVANT EXPERIENCE**

Since joining LIHI last year, Eric has managed the design of the Cate Apartments and University Commons.

LIHI TEAM RESUMES, CONTINUED

**EDUCATION**  
**Bachelor of Arts, Design & Planning**  
**Minor in Architecture**  
 University of Washington  
*College of Architecture &  
 Urban Planning*

**JILL DAVIS** SPECIAL PROJECTS MANAGER  
 LOW INCOME HOUSING INSTITUTE

Jill has 17 years of experience in affordable housing and serves as LIHI's Special Projects Manager. Jill worked as design and construction contracts specialist for Sound Transit, where she was responsible for procurement and administration of multi-million dollar regional transit construction and A&E contracts. She is well-versed in all aspects of LIHI's operations: Board and funder relations; human resources; budgets and funding applications; compliance; and housing operations. Jill is an organized and creative collaborator, and enjoys working with the players in all phases of a project—to include funders, contractors, and tenants.

**RELEVANT EXPERIENCE**

Her development experience includes working on Abbey Lincoln Court; August Wilson Place; Ernestine Anderson Place; and Copper Lantern Apartments.

**EDUCATION**  
**Bachelor of Arts, English**  
 Harvard University  
  
**Juris Doctor Degree**  
 University of Miami,  
 School of Law

**STEVEN STRICKLAND, J.D.**  
 HOUSING DEVELOPER  
 LOW INCOME HOUSING INSTITUTE

Steven joined LIHI in January 2018 and brings his experience in real estate law to LIHI, facilitating due diligence and assessments of new sites for development. Steven manages the legal document preparation and review, project management related to loan and plenary finance closing, title and escrow coordination, and entitlements.





## SCOTT WOLF

FAIA, PARTNER, LEED AP BD+C  
THE MILLER HULL PARTNERSHIP, LLP

Scott brings over 32 years of experience on highly sustainable, well-received public projects. He encourages ideas from the client, community and entire consultant team to shape the project into a comprehensive and integrated solution. Collaboration is evident and is facilitated by an exploratory design process that cuts across disciplines, bringing together clients, engineers, landscape architects and artists. Scott has been an important contributor to Miller Hull's rise to national leadership in sustainable design and has led a number of projects for public agencies.

### EDUCATION

---

**Affiliate Fellow**, Runstad Center for Real Estate, University of Washington

**Executive Certificate in Sustainable Business Management**, Presidio Graduate School

**Master of Architecture**, University of Oregon

**Bachelor of Environmental Design in Architecture**, North Carolina State University

### RELEVANT EXPERIENCE

---

**333 Dexter Mixed-Use Development**

Seattle, WA

333 Dexter is a dynamic new 630,000+ square foot mixed-use office building providing a model work place, permeable street edges and generous open spaces that support street-level uses and retail shops for a vibrant, pedestrian-oriented streetscape in what has historically been one of the City's most vehicle-centric corridors.

**Lions Gate Secondary Wastewater Treatment Plant**

District of North Vancouver, British Columbia, Canada

The Lions Gate Secondary Wastewater Treatment Plant simultaneously provides a needed upgrade to an essential service, improves marine water quality and contributes to development on Vancouver's North Shore. It also changes the paradigm of how critical urban infrastructure can positively coexist with, and be an amenity for, the communities it serves.

**LOTT Clean Water Alliance Regional Services Center**

Olympia, WA

LEED Platinum Certified project that includes an exhibition gallery and classroom for water education, a 200-seat board room, renovated labs and an office administration tower. The building actively "mines" the adjacent sewage treatment plant for many services, incorporating a co-gen plant that provides heat and electricity from waste methane, tapping into a low temperature water loop for heating and cooling, and featuring Reclaimed Class A water throughout the project.

MILLER HULL TEAM RESUMES

**PROFESSIONAL REGISTRATIONS**

Registered Architect: WA

NCARB Certified

**EDUCATION**

**Master of Architecture,**  
University of Illinois

**Bachelor of Architecture,**  
Washington State University

**AWARDS**

**AIA Northwest and Pacific**  
Region Medal of Honor, 2016

**AIA Northwest and Pacific**  
**Region Lifetime Achievement**  
**Award, 2015**

**DAVID MILLER** FAIA, FOUNDING PARTNER

THE MILLER HULL PARTNERSHIP, LLP

A founding partner of Miller Hull, David is known nationally for pursuing innovative sustainable and high-performance design strategies while responding to each site's unique conditions and surrounding context. Although he has been involved in all types of projects, he has served as the design partner on most of the multi-family urban residential projects at Miller Hull.

**RELEVANT EXPERIENCE**

**333 Dexter Mixed-Use Development** Seattle, WA

**The Bullitt Center** Seattle, WA

**PROFESSIONAL REGISTRATIONS**

Registered Architect: WA

LEED AP BD+C

**EDUCATION**

**Master of Architecture,**  
University of Washington

**Bachelor of Science**  
**in Architecture,** University of  
Maryland, College Park

**BECKY ROBERTS** AIA, ASSOCIATE, LEED AP BD+C

THE MILLER HULL PARTNERSHIP, LLP

Becky has over 15 years of experience in the architectural profession, working at scales varying from compact urban infill to complex community planning. During her 12 years at Miller Hull, she has served as an integral team member for a number of projects focused on spaces for learning and working. She brings excellent organizational skills, as well as a balance of innovation and pragmatism. She is particularly skilled at facilitating communication between various teams to form effective phasing plans that have been fundamental to the success of her projects.

**RELEVANT EXPERIENCE**

**Pike Place MarketFront** Seattle, WA

Pike Place MarketFront's programmatic complexity and prominence within the Seattle community demanded deep involvement from multiple stakeholders. The new MarketFront caters to the present, but looks to the future, acting as the gateway from the heart of downtown to the waterfront.

**PROFESSIONAL REGISTRATIONS**

Registered Architect: WA

LEED AP

**EDUCATION**

**Master of Architecture,**  
Washington State University

**Bachelor of Architecture,**  
Washington State University

**MIKE JOBES** AIA, PRINCIPAL, LEED AP

THE MILLER HULL PARTNERSHIP, LLP

As a design leader within Miller Hull, Mike specializes in community placemaking projects.

**RELEVANT EXPERIENCE**

- 8th & Republican Mixed-Use Development, Seattle, WA
- Del Mar Civic Center, Del Mar, CA
- Safari Drive Condominiums, Scottsdale, AZ



MILLER HULL TEAM RESUMES, CONTINUED

**PROFESSIONAL REGISTRATIONS**

Registered Architect: WA

**EDUCATION**

**Master of Architecture,**  
University of Washington  
**Bachelor of Architecture,**  
Washington State University

**CORY MATTHEIS** ASSOCIATE

THE MILLER HULL PARTNERSHIP, LLP

Cory joined Miller Hull in 2011, after working in Copenhagen for Bjarke Ingels Group (BIG). He brings to the team a research driven approach with an emphasis on digital design and fabrication.

**RELEVANT EXPERIENCE**

- The Shay Mixed-Use Development, Washington D.C.
- Pike Place MarketFront, Seattle, WA
- Safari Drive Condominiums, Scottsdale, AZ

**PROFESSIONAL REGISTRATIONS**

Professional Engineer (PE): WA

Envision SP Certified  
NCARB Certified

**EDUCATION**

**Master of Architecture,**  
University of Washington  
**Bachelor of Science, Engineering,**  
North Carolina State University

**CLAIRE RENNHACK** AIA, PE ARCHITECT

THE MILLER HULL PARTNERSHIP, LLP

Claire has the skill set of both an architect and an engineer, strengthening her abilities to communicate and prioritize the needs of the client, contractor, and entire consultant team throughout all phases of the project.

**RELEVANT EXPERIENCE**

- San Juan County Master Plan, Friday Harbor, WA
- Lions Gate Secondary Wastewater Treatment Plant, North Vancouver, BC

**PROFESSIONAL REGISTRATIONS**

Registered Architect: WA

Envision SP Certified

**EDUCATION**

**Bachelor of Architecture,**  
Cornell University

**MEMBER**

Design Build Institute  
of America (DBIA)

**ANTON DEKOM** AIA, ARCHITECT

THE MILLER HULL PARTNERSHIP, LLP

Anton has played crucial roles in advancing design concepts and coordinating with consultants on a number of highly complex projects.

**RELEVANT EXPERIENCE**

- West Campus Utility Plant, University of Washington, Seattle, WA
- Harbor Avenue Campus, Seattle, WA
- Population Health Facility, University of Washington, Seattle, WA

**K I L R O Y**

WHERE INNOVATION WORKS



**1 Use the sheets Exh 1 - Exh 7 to populate the requisite detail associated with the Private Development**

- Exh 1- Project Assumptions
- Exh 2- Project Description
- Exh 3- Development Costs
- Exh 4- Sale Proceeds-Residential
- Exh 5- Rental Revenue-Apartments
- Exh 6- Lease Revenue-Commercial
- Exh 7- Hotel Revenue

**2 Please insert formulas and NOT hard inputs for all cells totaling or calculating amounts**

Cells containing formulas are indicated by blue highlighting

**3 Please add rows and/or categories as necessary to provide all detail necessary to understand total project cost and associated inputs**

**EXHIBIT 1**  
**CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY**  
**Project Assumptions**

**Please note that the Appendix C.7 ties to Scenario 1 (Office and Market Rate Residential) as presented in Kilroy's Narrative Proposal. We are able to provide supplementary detail for Scenarios 2 and 3 if desired by the selection committee, although the project costs remain the same with the exception of the recategorization of land purchase price to affordable housing subsidy.**

	Hotel	Residential - Apts	Residential - For Sale	Office	Retail	Other
<b>Development &amp; Pricing Assumptions</b>						
Start of Construction - Year		2021		2021		
Construction Start Month		April		April		
Duration - In Months		27		32		
Construction Complete Month		July		December		
Construction Type		Type 1		Type 1		
		Optionality for mid-rise w/MFTE				
<b>Inflation Factors</b>						
Expense		3%		3%		
Revenue		3%		3%		
Construction		3.5%		3.5%		
<b>Financing</b>						
<b>Sources of Funds (\$)</b>						
KRC Equity		\$214,809,306.24		\$718,749,313		
Total Sources		\$214,809,306.24		\$718,749,313		
<b>Uses of Funds (\$)</b>						
Land Cost		\$20,000,000		\$100,635,000		
Closing/Holding Costs		\$267,831		\$1,323,088		
Environmental		\$4,556,706		\$15,195,174		
Hard Cost		\$143,063,591		\$402,533,047		
Soft Costs		\$26,081,200		\$113,568,055		
Contingency		\$7,543,291		\$19,462,777		
Internal Carry Costs/Construction Interest		\$13,284,687		\$66,012,173		
Total Uses		\$214,809,306		\$718,749,313		
<b>Construction Financing</b>						
Leverage				N/A		
Capitalized Interest Period (Yrs)				N/A		
Annual Interest Rate (%)				N/A		
Interest Only Period				N/A		
Term of Amortization (Yrs)				N/A		
<b>Permanent Financing - Private Debt</b>						
Type (Describe)				N/A		
Term (Yrs)				N/A		
Debt Service Reserve Fund (\$)				N/A		
Loan fees (% of loan amount)				N/A		
Interest Rate				N/A		
Debt Coverage Ratio				N/A		
<b>Stabilized Info</b>						
Stabilized Year	2023		2025			
Holding Period	10 Years from Land Close		10 Years from Land Close			
Vacancy at Stabilization	5%		5%			
% Pre-Leased	10%		33%			
Lease Up	24 months		18 Months			
Land Value	\$20M		\$1,000/Land SF			
<b>Developer Return Requirements</b>						
Unleveraged IRR	N/A		%			
Leveraged IRR	N/A		N/A			
Cash on Cash	N/A		N/A			
Annual Yield	N/A		N/A			
Return on Costs	%		%			
Going-In Cap Rate	%		N/A			
Terminal Cap Rate	N/A		%			
Discount Rate	N/A		%			



**EXHIBIT 2  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
PROJECT DESCRIPTION**

I. Site Area						
	Residential - For Sale	Residential - Rental Apartments	Retail	Hotel	Office	Other
Acres			0.55		2.31	
Square Feet			23,760		100,635	

II. Gross Building Area (GBA)						
	Residential - For Sale	Residential - Rental Apartments	Retail	Hotel	Office	Other
Net Area SF	180,552				784,990	
Common Area SF	85,298					
Back of House						
Total Gross Building Area	265,850				784,990	

III. Number of Stories						
	Residential - For Sale	Residential - Rental Apartments	Retail	Hotel	Office	Other
Number of Stories		20			14	

IV. Unit Mix						
	Residential - For Sale					
	Studio	1-Bed	2-Bed	3-Bed	4-Bed	Totals
A. Residential - For-Sale						
Number of Units						
Average Unit Size (SF)						
Total Square Feet						

	Residential - Rental					
	Studio	1-Bed	2-Bed	3-Bed	4-Bed	Totals
B. Residential - Rental						
Number of Units	74	73	73	4		
Average Unit Size (SF)						
Total Square Feet						

C. Hotel Rooms					
	Standard	Delux	Suites	Penthouse	Total
Number of Rooms					
Average Room Size (SF)					
Total Square Feet					

V. Affordability Mix						
	Residential - For Sale					
	Studio	1-Bed	2-Bed	3-Bed	4-Bed	Totals
A. Residential - For-Sale						
Market-Rate Units						
Affordable Units						
Total Residential-For Sale Units						

	Residential - Rental					
	Studio	1-Bed	2-Bed	3-Bed	4-Bed	Totals
B. Residential - Rental						
Market-Rate Units						
Affordable Units						
Total Rental Units						

VI. Parking						
A. Parking Type Spaces	Parking Type					
	Attached Garage	Surface	Structured - Above Grade	Structured - Below Grade	Other	Totals
Average Square Feet	134	376		725		
Total Square Feet	50,400			285,341		

B. Parking by Use						
	Res-For Sale	Res-For Rent	Retail	Office	Hotel	Other
Number of Spaces	134			725		

C. Parking Ratio						
	Res-For Sale	Res-For Rent	Retail	Hotel	Office	Other
Spaces/1,000 SF Unit	0.60			0.92		
Spaces/1,000 SF Retail						
Spaces/1,000 SF Office						
Spaces/1,000 SF Hotel						
Spaces/1,000 SF Other						

**EXHIBIT 3  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
DEVELOPMENT COSTS - NON INSTITUTIONAL**

	Aggregate Totals (\$)	Per Unit	Per Unit Notes
<b>I. Land Cost</b>	100,635,000	1,000.00	\$ Per SF Site Area
<b>II. Direct Costs</b>			
Off-Site Improvements	6,888,455	\$	\$ Per SF Site Area
On-Site Improvements (1)	8,661,048	86.06	\$ Per SF Site Area
Environmental	15,195,174	150.99	\$ Per SF Site Area
Parking - Below Grade	60,872,927	83,962.66	\$ Per Space - Below Grade
Shell Construction - Residential - For-Sale		\$	\$ Per SF GBA - For-Sale
Shell Construction - Residential - Rental		\$	\$ Per SF GBA - Rental
Shell Construction - Office		\$	\$ Per SF GBA - Office
Shell Construction - Hotel	248,514,830	316.58	\$ Per Room - Hotel
Tenant Improvements - Retail		\$	\$ Per SF Net - Retail
Tenant Improvements - Office & Retail	77,595,787	98.85	\$ Per SF Net - Office
Amenities/FF&E		\$	\$ Allowance
Closing Costs	1,323,088	0.32%	% of Directs
General Conditions		\$	% of Directs
Subtotal Direct Costs	419,051,309	533.83	\$ Per SF GBA
<b>III. Indirect Costs</b>			
Architecture & Engineering	10,713,260	2.56%	% of Directs
Permits & Fees	21,688,879	27.63	\$ Per SF GBA
Legal & Accounting	3,856,773	0.92%	% of Directs
Taxes & Insurance	9,901,753	2.36%	% of Directs
Developer Fee	25,156,226	6.00%	% of Directs
Marketing/Lease-Up/Sales	15,040,639	3.59%	% of Directs
Marketing/Pre-Opening Expenses	2,102,450	0.50%	% of Directs
Other Soft Costs	12,510,587	2.99%	% of Indirects
Contingency	19,462,777	4.64%	% of Indirects
Subtotal Indirect Costs	120,433,344	153.42	\$ Per SF GBA
<b>IV. Financing Costs</b>			
Loan Fees		0.00%	% of Directs
Interest During Construction	66,012,173	15.75%	% of Directs
Interest During Sales/Lease-Up		\$	% of Directs
Operating Deficit	12,617,488	3.01%	% of Directs
TCAC Fees/Syndication Costs (3)		\$	% of Directs
Operating/Lease-Up Reserves (4)		\$	% of Directs
Subtotal Financing Costs	78,629,660	100.17	\$ Per SF GBA
<b>V. Total Development Costs</b>	718,749,313	915.62	\$ Per SF GBA

**Notes**

- (1) Inclusive of landscaping and surface parking.
- (2) Applies to for-sale residential projects.
- (3) Applies to residential Low-Income Housing Tax Credit projects (rental).
- (4) Applies to rental residential projects.



**EXHIBIT 3  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
DEVELOPMENT COSTS - NON INSTITUTIONAL**

	Aggregate Totals (\$)	Per Unit	Per Unit Notes
<b>I. Land Cost</b>	20,000,000	198.74	\$ Per SF Site Area
<b>II. Direct Costs</b>			
Off-Site Improvements	0	\$	\$ Per SF Site Area
On-Site Improvements (1)	3,386,167	33.65	\$ Per SF Site Area
Environmental	4,558,706	45.30	\$ Per SF Site Area
Parking - Below Grade	9,862,299	13,189.38	\$ Per Space - Below Grade
Shell Construction - Residential - For-Sale		\$	\$ Per SF GBA - For-Sale
Shell Construction - Residential - Rental	130,115,125	\$	\$ Per SF GBA - Rental
Shell Construction - Office		\$	\$ Per SF GBA - Office
Shell Construction - Hotel		\$	\$ Per Room - Hotel
Tenant Improvements - Retail		\$	\$ Per SF Net - Retail
Tenant Improvements - Office & Retail		\$	\$ Per SF Net - Office
Amenities/FF&E	267,831	0.00	\$ Allowance
Closing Costs		0.18%	% of Directs
General Conditions		0.00%	% of Directs
<b>Subtotal Direct Costs</b>	<b>147,890,128</b>	<b>188.40</b>	<b>\$ Per SF GBA</b>
<b>III. Indirect Costs</b>			
Architecture & Engineering	2,849,191	1.93%	% of Directs
Permits & Fees	6,912,138	8.81	\$ Per SF GBA
Legal & Accounting & Consultants	6,130,930	4.15%	% of Directs
Taxes & Insurance	2,670,614	1.81%	% of Directs
Developer Fee	7,518,326	5.08%	% of Directs
Marketing/Lease-Up/Sales		0.00%	% of Directs
Marketing/Pre-Opening Expenses		0.00%	% of Directs
Other Soft Costs	7,543,291	0.00%	% of Indirects
Contingency		5.10%	% of Indirects
<b>Subtotal Indirect Costs</b>	<b>33,624,491</b>	<b>42.83</b>	<b>\$ Per SF GBA</b>
<b>IV. Financing Costs</b>			
Loan Fees		0.00%	% of Directs
Interest During Construction	13,294,687	8.99%	% of Directs
Interest During Sales/Lease-Up		\$	% of Directs
Operating Deficit		0.00%	% of Directs
TCCAC Fees/Syndication Costs (3)		\$	% of Directs
Operating/Lease-Up Reserves (4)		\$	% of Directs
<b>Subtotal Financing Costs</b>	<b>13,294,687</b>	<b>16.94</b>	<b>\$ Per SF GBA</b>
<b>V. Total Development Costs</b>	<b>214,809,306</b>	<b>273.65</b>	<b>\$ Per SF GBA</b>

**Notes**

- (1) Inclusive of landscaping and surface parking.
- (2) Applies to for-sale residential projects.
- (3) Applies to residential Low-Income Housing Tax Credit projects (rental).
- (4) Applies to rental residential projects.

EXHIBIT 4  
 CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
 SALES PROCEEDS - RESIDENTIAL

I. Market-Rate Units		Average Unit Size (SF)	# of Units	Price Per SF	Price Per Unit	Gross Sales
Studio	@ Market	SF		\$	\$	\$
One Bedroom	@ Market	SF		\$	\$	\$
Two Bedroom	@ Market	SF		\$	\$	\$
Three Bedroom	@ Market	SF		\$	\$	\$
Four Bedroom	@ Market	SF		\$	\$	\$
Total/Average - Market-Rate Units		SF		\$	\$	\$

II. Affordable Units		Average Unit Size (SF)	# of Units	Price Per SF	Price Per Unit	Gross Sales
Studio	@ % AMI	SF				
Studio	@ % AMI	SF				
Studio	@ % AMI	SF				
One Bedroom	@ % AMI	SF				
One Bedroom	@ % AMI	SF				
One Bedroom	@ % AMI	SF				
Two Bedroom	@ % AMI	SF				
Two Bedroom	@ % AMI	SF				
Two Bedroom	@ % AMI	SF				
Three Bedroom	@ % AMI	SF				
Three Bedroom	@ % AMI	SF				
Three Bedroom	@ % AMI	SF				
Four Bedroom	@ % AMI	SF				
Four Bedroom	@ % AMI	SF				
Four Bedroom	@ % AMI	SF				
Total/Average - Affordable Units		SF				

III. Total Gross Sales Proceeds	SF	\$	\$	\$
---------------------------------	----	----	----	----

IV. Net Sales Proceeds		
Gross Sales Proceeds (III, above)		\$
(Less) Cost of Sale @	% of Gross Sales Proceeds	(\$
(Less) Target Developer Profit @	% of Gross Sales Proceeds	(\$
Net Sales Proceeds - Residential - For-Sale		\$



EXHIBIT 5  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
RENTAL REVENUE - APARTMENTS

	Average Unit Size	# of Units	Monthly Rent (\$)	Rent/SF (\$)	Total Annual (\$)
<b>I. Gross Scheduled Income (GSI)</b>					
<b>A. Market-Rate Units</b>					
Studio @ Market	441 SF	74	\$	\$	\$
One Bedroom @ Market	774 SF	73	\$	\$	\$
Two Bedroom @ Market	1165 SF	73	\$	\$	\$
Three Bedroom @ Market	1969 SF	4	\$	\$	\$
Four Bedroom @ Market	SF		\$	\$	\$
Total/Average - Market-Rate Units	813 SF	224	\$	\$	\$
<b>B. Affordable Units</b>					
Studio @ % AMI	SF				
Studio @ % AMI	SF				
Studio @ % AMI	SF				
One Bedroom @ % AMI	SF				
One Bedroom @ % AMI	SF				
Two Bedroom @ % AMI	SF				
Two Bedroom @ % AMI	SF				
Three Bedroom @ % AMI	SF				
Three Bedroom @ % AMI	SF				
Four Bedroom @ % AMI	SF				
Four Bedroom @ % AMI	SF				
Four Bedroom @ % AMI	SF				
Total/Average - Affordable Units	SF				
C. Add: Other Income @		\$1,889	\$/Unit/Month		\$423,229
D. Total Gross Scheduled Income					
<b>II. Effective Gross Income (EGI)</b>					
(Less) Vacancy @					
Total Effective Gross Income					
<b>III. Operating Expenses</b>					
(Less) Operating Expenses					
(Less) Service Amenities					
(Less) Replacement Reserves					
(Less) Property Taxes					
Total Operating Expenses					
<b>IV. Net Operating Income (NOI) - Residential - Rental</b>					
<b>V. Maximum Supportable Debt and Equity Investment (1)</b>					
A. Net Operating Income (IV, above)					
B. Target Return on Investment (ROI) @					
C. Maximum Supportable Debt and Equity Investment (A + B)					\$214,809,306
<b>OR</b>					
A. Net Operating Income (IV, above)					
B. Capitalized Value @					
C. (Less) Brokerage Fee @					
D. (Less) Developer Profit @					
E. Maximum Supportable Debt and Equity Investment (A + B) - C - D					

**EXHIBIT 6  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
LEASE REVENUE - COMMERCIAL**

	SF	Monthly Rent (\$)	Total Annual (\$)
<b>I. Gross Scheduled Income (GSI)</b>			
Retail	21,700	\$/SF/Month	\$
Office	763,290	\$/SF/Month	\$
Other	784,990	\$/SF/Month	\$
Total Commercial GSI			\$3,274,347
Add: Retail, Office, and Other Parking Income (Effective)	\$376.36	Space/Month	\$
Total GSI			\$
<b>II. Effective Gross Income (EGI)</b>			
(Less) Vacancy - Retail	5%	% of GSI - Retail	( \$ )
(Less) Vacancy - Office		% of GSI - Office	( \$ )
(Less) Vacancy - Other		% of GSI - Other	( \$ )
Total Effective Gross Income			\$
<b>III. Operating Expenses</b>			
(Less) Retail Operating Expenses @		\$/SF Net/Year	( \$ )
(Less) Office Operating Expenses @		\$/SF Net/Year	( \$ )
(Less) Other Operating Expenses @		\$/SF Net/Year	( \$ )
(Less) Parking Operating Expenses @		\$/Per Space/Year	( \$ )
Total Operating Expenses		\$/SF Net/Year	( \$ )
<b>IV. Net Operating Income (NOI) - Commercial</b>			
			\$
<b>V. Maximum Supportable Debt and Equity Investment</b>			
A. Adjusted Net Operating Income (IV, above)			\$
B. Target Return on Investment (ROI) @			%
<b>C. Maximum Supportable Debt and Equity Investment (A + B)</b>			
			\$718,749,313.48
<b>OR</b>			
A. Net Operating Income (IV, above)			\$
B. Capitalized Value @			%
C. (Less) Brokerage Fee @			( \$ )
D. (Less) Developer Profit @			( \$ )
<b>E. Maximum Supportable Debt and Equity Investment (A + B) - C - D</b>			
			\$

(1) Commercial uses include retail, office, and other components, and associated parking.





**EXHIBIT 7  
CITY OF SEATTLE - MERCER MEGA BLOCK DEVELOPMENT OPPORTUNITY  
HOTEL REVENUE**

					Total Annual \$ (1)
<b>I. Revenue</b>					
Room Revenue					
Food & Beverage					
Telephone Revenue					
Parking Revenue					
Other Revenue					
Total Revenue					
<b>II. Operating Expenses</b>					
Rooms Expense					
Food & Beverage Expense					
Telephone Expense					
Parking Expenses					
Other Operated Departments					
Subtotal - Departmental Expenses					
(Less) Overhead Expenses					
(Less) Fixed Charges					
Total Expenses					
<b>III. Net Operating Income (NOI) - Hotel</b>					
<b>IV. Maximum Supportable Debt and Equity Investment</b>					
A. Net Operating Income (III, above)					
B. Target Return on Investment (ROI) @					
<b>C. Maximum Supportable Debt and Equity Investment (A + B)</b>					
OR					
A. Net Operating Income (IV, above)					
B. Capitalized Value @					
C. (Less) Brokerage Fee @					
D. (Less) Developer Profit @					
<b>E. Maximum Supportable Debt and Equity Investment (A + B) - C - D</b>					

(1) Stabilized Year