

Mercer Mega Block

RFP SUBMISSION
OCTOBER 5, 2018



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***Additional Confidential Information Submitted Separately**

RESPONDENT: Touchstone LLC & Portman Holdings LLC

RFP Date: October 5, 2018

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Ladies and Gentlemen:

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

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

Developer acknowledges access to all materials posted on the following website with respect to the Project: <https://my.rcm1.com/handler/virtualdealroom> 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: Patrick Callahan – CEO Touchstone LLC


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:

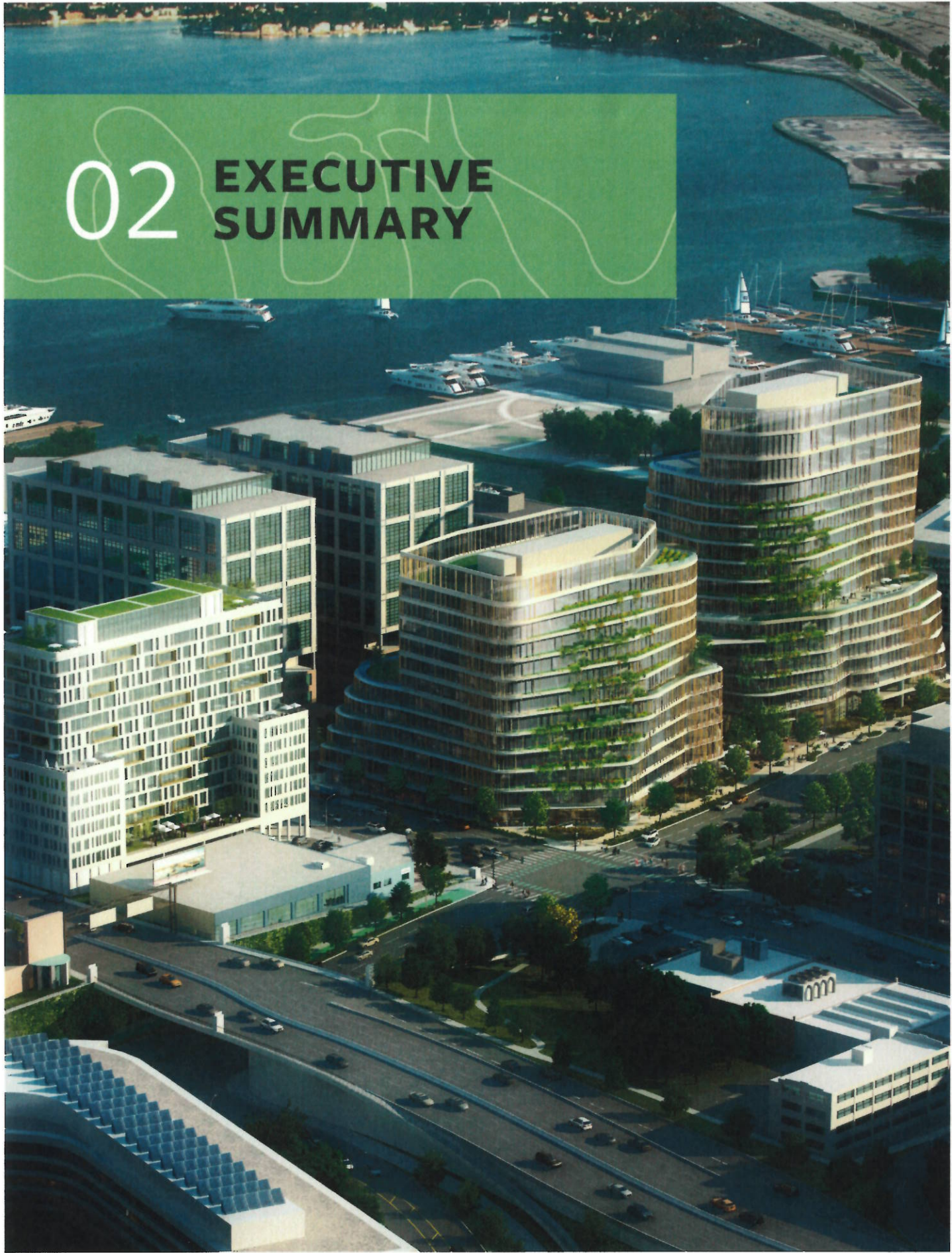
<u>1425</u> (No.)	<u>Fourth Avenue</u> (Street)	<u>Suite 200</u> (Floor or Suite)
<u>Seattle</u> (City)	<u>WA</u> (State or Province)	<u>98101</u> (Zip or Postal Code)
		<u>USA</u> (Country)

To be formed Joint Venture between Touchstone LLC & Portman Holdings LLC
State or Country of Incorporation/Formation/Organization: TBD

BY: 
Print Name: Patrick Callahan
Title: Authorized Signatory

BY: 
Print Name: Ambrish Baisiwala
Title: CEO

02 EXECUTIVE SUMMARY



Touchstone and Portman Holdings have teamed up to present a compelling financial offer and comprehensive development plan for the Mercer Mega Block parcels.

With over 100 years of combined development experience and a ten-year track record of over \$2.6 billion of new development, the partnership brings two well-capitalized and respected developers together, establishing an experienced team with a reputation for forward-thinking and performance driven development. Our group provides the City of Seattle with a surety of execution, and the best possible partnership for the long-term success of this project. The enterprise formed by these two seasoned teams delivers a unique combination of local expertise and national and international experience.

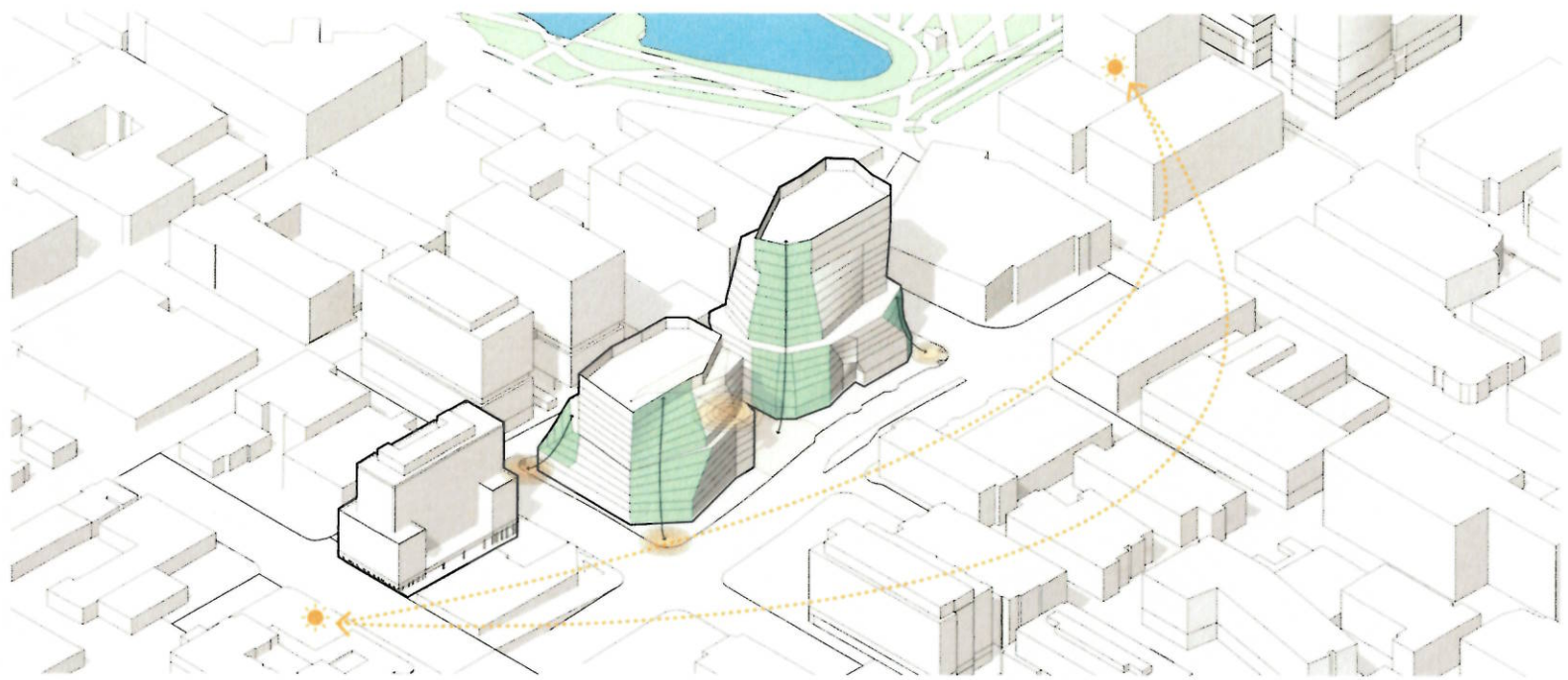
Touchstone is one of the most prolific commercial developers in the Puget Sound and has demonstrated a strong ability to navigate the Seattle entitlement process. They have delivered high quality projects to the area over multiple decades. Portman Holdings bring a wealth of experience and knowledge in master planning large, mixed-use developments. Combined they exhibit a strong track record of building office, residential, hotel and retail projects.

Founded in the early 1980s, acquired by Urban Renaissance Group (“URG”) in 2014, and backed by the venerable Seattle investment company, Joshua Green Corporation, Touchstone has continued to grow and create value in the Puget Sound area for over 30 years. Through innovative thinking and a solutions-oriented approach, Touchstone creates quality projects with immediate worth and long-term significance to the community. Touchstone focuses on urban infill, mixed-use development and regularly handles complex transaction structures, including both

ground lease transactions and contaminated sites. The Company looks beyond real estate specific issues and energetically advocates for policies that help the region and state be sustainable and competitive. This holistic approach distinguishes Touchstone as a leader and vested partner in Seattle’s long-term urban progress and evolution.

As a complement to Touchstone’s local experience, Portman Holdings has raised and deployed over \$6 billion of capital and developed over 50 million SF of premium real estate over the last 60 years. Their development portfolio includes 15,000 hotel rooms, 28 million SF of mixed-use developments, and several major urban landmarks across North America, Asia, and Europe. Today, Portman Holdings is an efficient, highly-skilled and well-rounded real estate development team with a specific focus on hospitality, office, and mixed-use projects in urban infill settings. The vertically integrated team commands a substantial global network and has a proven track record with the world’s top financial institutions.

In addition to our strong balance sheets, the team has tremendous access to debt and equity capital markets, as evidenced in the letters of interest included with this proposal. This has resulted in effective capitalization of complex structures associated with projects of this scale. There are few firms who bring the financial security, reputation, and reliability accompanying our bid. Accordingly, we can approach these opportunities with a nimbleness that will allow us to adapt to the varying market conditions associated with any expected or unexpected changes in the economic cycle.



PROGRAM

The Mercer Mega Block provides the unique opportunity to develop more than one million square feet (SF) in the vibrant South Lake Union submarket. Our vision, Mercer Square, is to develop a world-class project that transforms the active environment of South Lake Union by providing educational, commercial and community infrastructure, accessible to all ages and demographics. Mercer Square will be just that, a community square which capitalizes on the location by providing a thriving public environment with enhanced access to employment nodes, education, transit, retail, and entertainment.







Our development plan includes office, school, residential, theatre, and retail uses spread across the three parcels. The Dexter parcel will include 225,000 SF of affordable or market-rate residential units, or 230,000 SF of office space, and a 29,000 square foot theatre. We have received numerous letters of support and interest in a theater from local artists and institutions, including the Seattle Shakespeare Company, Cornish College of

the Arts, Whim W'Him, Spectrum Dance Theatre, Karin Stevens Dance, ARC Dance, and others. The Mercer East and West sites are envisioned to include over 715,000 SF of office, 42,000 SF of retail and a 46,000 square foot school/education facility.

Through informal discussions with neighborhood employers and residents, we have found that there is a strong desire for education and daycare facilities in the immediate neighborhood. A new downtown Seattle school has been a discussion topic for many years. Strengthening the presence of downtown schools will help Seattle retain and attract more residents seeking to raise families. Including families in our urban core is incredibly important in maintaining a diverse mix of residents downtown.

We plan to include a full-service privately operated pre-K / daycare. We are also considering the inclusion of K-5 elementary school that can accommodate

DEVELOPMENT PLAN

						
Office Space	Education	Residential	Entertainment	Retail	Public Spaces	Transit Access

approximately 250 total students which could be in partnership with Seattle Public Schools or a private school operator.

The last community benefit we have included in our proposal is an affordable housing development on the Dexter Block. We have partnered with Bellwether Housing to provide the best option for a successful affordable housing development. Bellwether has developed over 11,000 affordable units since 1980, serving over 3,200 individuals annually. Their mission is to create stable communities and access to opportunity through affordable housing.



DESIGN

World renowned architecture firm John Portman & Associates created the biophilic design of Mercer Square to connect people and nature to the built environment. The incorporation of green elements and the organic shape of the design is intended to increase the overall health and productivity of the inhabitants of the building.

By designing strong entrances and gateways to the site, we envision the ground floor of Mercer Square to be an extension of Lake Union Park, providing gathering spaces and programming that will include events and experiences during all times of day. The ground floor experience is intended to cultivate openness, provide intrigue and generate curiosity. The landscape design is intended to provide connections to the natural world, and we will integrate retail uses and open space programming with comfortable places to sit and use strategic placement of interactive and kinetic art to provide a thriving public environment that will have access to music, performances, art shows, festivals, and farmers markets.



OFFER

We have provided four different offers for the committee's review; 1) Fee Simple 2) Ground Lease 3) Fee Simple Affordable Housing 4) Ground Lease Affordable Housing. We have done our best to provide multiple clear options, which respond to many of the objectives outlined in the RFP, including additional community benefits, such as a school and a performing arts space, and have partnered with Bellwether Housing to ensure that we can successfully deliver the requisite affordable housing, if desired. These options provide the City of Seattle with maximum flexibility in realizing revenue from the sale of the Mercer Mega Block. Our team has arranged numerous transactions under both structures and are confident in our ability to capitalize

and execute on this exciting opportunity. A detailed term sheet for each offer has been provided in Financial Offer section of this proposal.

Additionally, we understand a portion of the funds from this transaction may be used to repay an interfund loan that was used to fund construction projects along Mercer Street. If the City of Seattle has a need for immediate cash proceeds to pay off this loan, and a preference for a long-term ownership under a ground lease, we can create a structure with a partial, pre-paid ground lease. Under this structure we would offer a portion of the value upfront as cash proceeds and amortize the remaining value over a 99-year ground lease.

OFFER 1 (FEE SIMPLE)

\$140,000,000 fee simple purchase.

OFFER 2 (GROUND LEASE)

99-year ground lease at a land valuation of \$140,000,000 with 5.5% rent payments equating to an initial annual ground rent of \$7,700,000. Annual ground rent escalates 10% every 5 years with revaluations every 25 years.

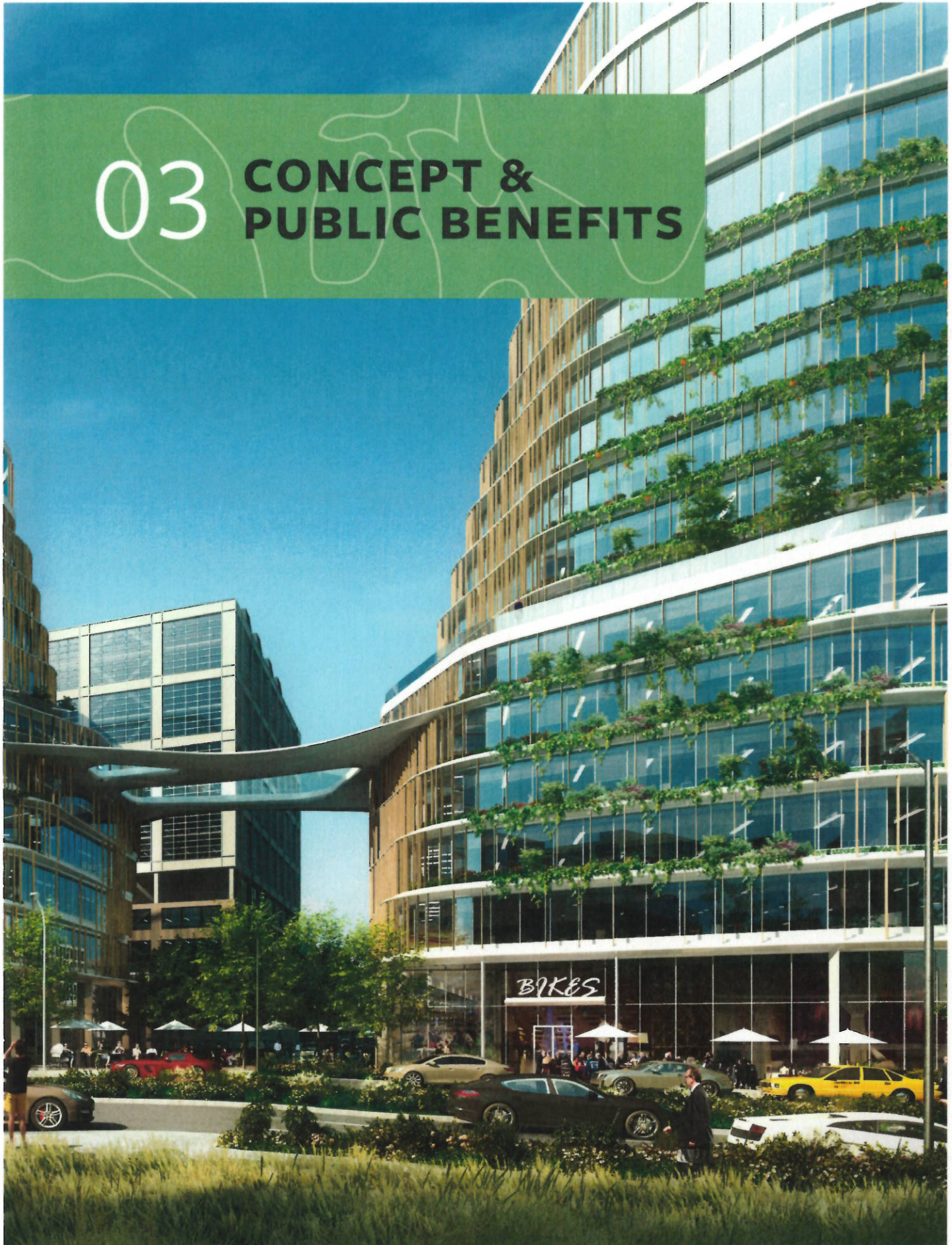
OFFER 3 (FEE SIMPLE AFFORDABLE HOUSING)

\$85,000,000 fee simple purchase. This offer includes 241 affordable housing units at 60% of AMI on the Dexter Block. A detailed summary of the land value adjustments and pricing of the affordable housing option(s) has been provided in the Affordable Housing section of this proposal.

OFFER 4 (GROUND LEASE AFFORDABLE HOUSING)

99-year ground lease at a land valuation of \$85,000,000 for the Mercer Blocks (Dexter Block to be conveyed fee simple) with 5.5% rent payments equating to an initial annual ground rent of \$4,675,000. Annual ground rent escalates 10% every 5 years with revaluations every 25 years. This offer includes 241 affordable housing units at 60% of AMI on the Dexter Block. A detailed summary of the land value adjustments and pricing of the affordable housing option(s) has been provided in the Affordable Housing section of this proposal.

03 CONCEPT & PUBLIC BENEFITS



Project Concept and Public Benefits

Our vision is to develop a world-class project that consists of multiple uses, spaces and experiences that promote equity and community engagement, encourage innovation, and allow for multiple activities, events, and experiences.

Mercer Square will foster community, creativity and innovation by creating an environment where people of diverse backgrounds, incomes and industries can all come to thrive in the community together while working, living, learning and playing.

The location of Mercer Square includes proximity to several employers, amenities and transit options. We plan to capitalize on this location and create a thriving public environment by enhancing access to retail experiences, outdoor gathering places, daycare, school and performing arts theater.

Per the City of Seattle’s recently adopted 2035 plan, South Lake Union is one of the City’s 6 “Urban

Centers”. The City designates Urban Centers as “unique areas of concentrated employment and housing, with direct access to high-capacity transit, and a wide range of supportive land uses such as retail, recreation, public facilities, parks, and open space.”

Consistent with this designation and the fast-growth of South Lake Union, our project contributes to the area’s evolution into an 18-hour+ neighborhood abuzz with visitors, employees and residents supporting a variety of economic and public uses. This vision is grounded in the creation of a true mixed-use development - a bustling, dense urban node fortified by office, residential and retail buildings.





Creating a critical mass of office space is imperative to achieving our vision and we prioritized and maximized office in this proposal. With its incredible employment growth, and now recognized as world-class employment center, Seattle has experienced a tremendous amount of office development in the current economic cycle. The employment growth and new development have resulted in robust absorption rates, growing rental rates, and have earned Seattle the reputation as the strongest office market on the West Coast. This office growth has been largely supported by technology tenants. We believe this growth will continue and the demand should be accommodated in the areas the City has designated as Urban Centers.

Mercer Blocks will be driven by office and / or life science / R&D uses and complemented by expertly curated retail, gathering spaces, access to transit

and freeways. These buildings are intended to accommodate the expected employment growth from new and existing major employers. Our proposed development for this site highlights views of water, mountains and the city skyline, and includes multiple outdoor decks further supporting the buildings' connection to the natural world.

With its advantageous location in Seattle and decades-long growth, we view South Lake Union as one of the country's major hubs of innovation. As the transit options continue to expand, particularly with the arrival of light rail in 2035, the neighborhood will have exceptional access to the surrounding region. Central to major employment, and with access to parks, bike lanes, the lakefront, Seattle Center and mass transit., Mercer Square is prime for a development of this scale and significance.

PROGRAMMING

MERCER WEST AND MERCER EAST

The Mercer East & West blocks will consist of approximately 800,000 SF of total space, including office, retail, and two educational components located at the Mezzanine level and level two.

Mercer West consists of five floors of podium level office with an average floor plate of 41,000 SF. The large floor plates provide flexible office space and were designed to attract large technology tenants. Above the podium, six office floors with an average area of 24,000 SF rise to an elevation of 158 feet above sea level.

The Mercer East office tower is similar in design to its counterpart on the West; however, it includes two educational components. A pre-K/daycare and K-5 facility occupy the mezzanine level along 9th Avenue with a covered outdoor area at the southeast corner of the site. The outdoor area is sited to get direct sunlight in the morning hours when the children will benefit most from the experience. A K-5 school is placed at level two. Both schools have unique ground-floor lobbies with vertical circulation separate from the office building and parking, to avoid any cross circulation between the different users.

Levels three through six constitute the podium of the Mercer East block. Similar to the podium of the western block, the design provides large flexible floor plates reaching an average of 33,000 SF per floor. The tower above the podium is formed by nine additional floors, at an average size of 24,000 SF, reaching a height of 210 feet above sea level.

DEXTER BLOCK: RESIDENTIAL AND PERFORMANCE THEATER

The Dexter block will consist of either 241 affordable housing residential units (with retail and a 320 seat performance theater), market-rate apartments, or additional commercial office. The residential design includes a podium with six levels of 17,800 SF floor plates and a tower of 12,886 SF floor plates rising to a height of 152 feet above grade, which accommodates the South Lake Union Seaport Flight Corridor.

The ground floor of the affordable housing option includes the residential lobby, theater and retail. Once the guests enter the theater from the north east corner of the block, they can linger in the large, double height pre-function lobby area along Roy street. The intent is to showcase activity along the sidewalk as a reflection of the activity occurring within the space. The entry to the hall is placed along the north, where the audience can easily enter to find their seats. The main hall is centrally located on the block right underneath the tower. The ancillary functions of the theater are organized along the perimeter of the site all around the main hall.

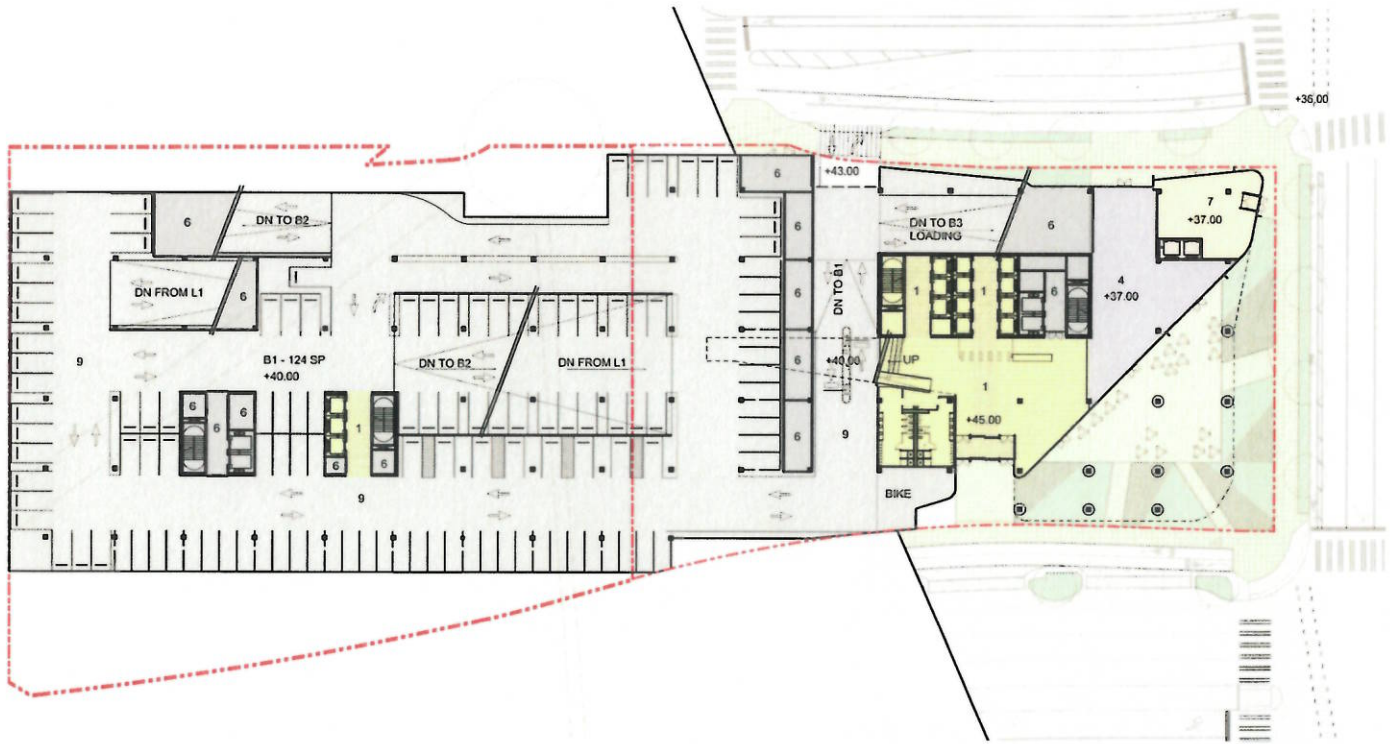
We have received tremendous support from local community advocates as evidenced by the letters of support and interest attached in the appendix. We believe that the theater component of this project has the potential to increase the nighttime activity of the site, bringing captive patrons to enjoy the retail and providing an amenity that is missing from this neighborhood.

	Site Area	Residential	Theater	Office	Retail	K-5 School	Childcare	Total
Dexter Parcel	23,760	224,600	27,392					251,992
Mercer West	56,568			369,000	30,000			399,000
Mercer East	44,067			346,378	10,958	35,226	10,361	402,923
Total	124,395	224,600	27,392	715,378	40,958	35,226	10,361	1,053,915

PARKING

Due to the utility tunnel running underneath Mercer West, we think it would be most efficient to design the parking garage as a shared garage. Our goal is to build the minimum amount of parking that is financially feasible and marketable.

Through the coordination of the design with the existing utilities and tunnels, the Mercer East block site can accommodate five basement levels of parking while Mercer West can accommodate up to two levels of below-grade parking. These parking levels are shared between the two towers. The loading dock areas and the shuttle elevators are isolated for each tower.



FESTIVAL STREET ON 8TH AVE

The 8th Avenue pedestrian corridor provides a unique opportunity to create a pedestrian activity node and thoroughfare. Our team imagines different activities unfolding throughout the day such as farmers markets in the morning, food trucks in the afternoon and movie nights or creative performances in the evening.

The landscape design provides a unique destination while also serving as a functional canvas for different

activities throughout the year. To reinforce the sense of place and create an urban destination, the design team has included a soaring, transparent structure that spans between the 5th level of the two adjacent buildings.

The design intention for this area is to be an extension of the urban fabric and part of the public realm. When programmed correctly, this space will be activated throughout the day.





PUBLIC BENEFITS

Our vision and proposal include several community benefits we feel are very much needed in the South Lake Union neighborhood.

SCHOOL

- + 35,000 SF of space in the Mercer East building
- + Our primary goal in including this space is to provide a facility within the South Lake Union neighborhood that can serve as a school for up to 250 K-5 students.
- + Large neighborhood employers and residents frequently state that an education and daycare facilities is the #1 need in South Lake Union.
- + A new downtown Seattle school has been a discussion topic for many years as growth in downtown employment and residences has skyrocketed.
- + Strengthening the presence of downtown schools will help Seattle retain and attract more residents seeking to raise families.
- + This school could be in partnership with Seattle Public Schools or a private school operator

LOCAL BUSINESS MICRO RETAIL

- + The retail and amenities of this project will not only highlight its location in a thriving neighborhood, but will also promote communal gathering, and support the needs of the fast-growing residential population.
- + “Micro-retail” space such as a food hall with shared amenities will serve smaller businesses testing new concepts or those that prefer to have a more intimate, boutique experience.
- + A holistic approach with a pedestrian oriented retail strategy will complement the building(s) uses and neighborhood environment.
- + Ongoing development in SLU will enhance the current retail experience in the neighborhood and bring an abundance of new residents and workers. We envision many more breweries, independent cafes, restaurants and unique retailers.

PERFORMING ARTS SPACE

- + The proposed theater is intended for the many non-profit performing arts groups that are in need of space in accessible and dense urban areas. Not only will the venue provide cultural and artistic experiences in the neighborhood, but will also serve as a practice facility and educational center for the performing and visual arts.
- + Foster collaboration among multiple artistic and cultural groups, as well as broad public access to performances, community classes, educational trainings and programming.
- + Multi-functional space which can be used as a presentation center for local employers or civic events
- + Create a place that supports the employment of performing artists – a critical component of a balanced urban community
- + We've received numerous letters of interest and support by performing arts organizations in need of space such as Seattle Shakespeare, ARC Dance Productions, and Spectrum Dance Theater. These letters are provided in the appendix.

PRESCHOOL / DAYCARE

- + Like Touchstone's West 8th project, we would look to incorporate a daycare facility in our project at the Mercer East building.
- + Adjacent to the proposed school and accessed with separate stairs and elevators, the daycare will allow the operator to have both interior and exterior space.
- + With the exterior space located on the second floor, facing south, this space will be safe, secure and exposed to natural light during most of the day.

Our vision includes public benefits that casts a wide net to building occupants, employees, community members, residents and visitors. Our thoughtful mix of public benefits and overall design should provide something for everybody at all times of the day and during all seasons.



Collectively, the buildings and uses within our proposed development will build upon and grow the vitality, equity and development of the SLU Urban Center. Mercer Square will also provide greater experiences to draw people to the development and create experiences of delight and discovery.



AFFORDABLE HOUSING

In partnership with Bellwether Housing we are proposing to build 241 affordable housing units, including the MHA requirement. The current financial offer and model assume all units are rented at 60% AMI; however, other levels can be considered, but will have additional impact on the site's total value. The intent of this proposal is to promote a neighborhood that has a diverse mix of housing and incomes. SLU has grown so fast that while it's seen the number of residential units increase dramatically, the number of affordable units recently built in the neighborhood has lagged behind. Over 20,000 Seattleites pay more than half of their income on housing alone. In our community, there are over 12,000 people experiencing homelessness. There is a high need for affordable, quality housing in the Seattle area. We want to provide access to as many income levels as we reasonably can.

Touchstone and Portman Holdings worked with Bellwether Housing to develop an affordable housing option for the Dexter Block. Collectively, we believe the Mercer Mega Block provides a tremendous opportunity for the public, private, and non-profit sectors to join forces and build affordable housing while providing much needed affordable family-sized units. South Lake Union is one of the most dynamic urban centers in Seattle; however, most of the housing developed in the neighborhood in recent years has catered to high-paying workers while limited housing opportunities exist for the thousands of South Lake Union workers

earning 60% and below the Area Median Income. Rents in the neighborhood continue to be among the highest in the City and this project aims to provide South Lake Union workers affordable housing options with access to opportunities – walking distance to or with transit access to employment, services, and amenities.

Most importantly, the opportunity for affordable housing on the Dexter Block enables the City of Seattle to leverage their land assets with the development expertise of the private and non-profit sectors to deliver high-quality affordable housing in an urban center.

BELLWETHER HOUSING

As a local, nonprofit affordable housing developer, Bellwether builds and manages high quality affordable housing so that people of diverse backgrounds and incomes thrive in Seattle's increasingly high cost housing market. Bellwether has developed 2,085 units for its own portfolio and 9,745 units for nonprofits around Washington State. Bellwether has served nearly 18,000 residents since 1980 and continues to lead the affordable housing industry in finding innovative ways to build strong, healthy communities within its own portfolio and on behalf of other nonprofit organizations.

Bellwether is an acknowledged nonprofit leader in finding creative and sustainable ways to acquire, preserve and build new affordable apartments in the communities they serve, making opportunity accessible through affordable homes. Bellwether Housing creates

stable communities and access to opportunity through affordable housing by developing and managing homes for people with limited income near job centers, transit, and services.

AFFORDABLE HOUSING PROGRAM

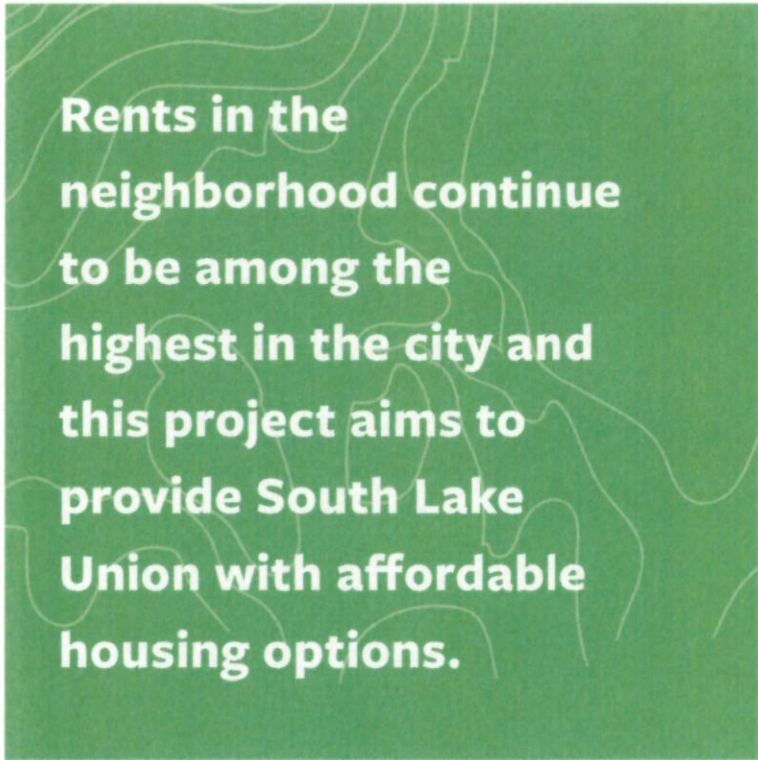
Touchstone, Portman, and Bellwether worked extensively to design, program, and underwrite a 241-unit high-rise affordable housing building (“Base Case Affordable Scheme”), which includes 66 units of off-site performance based Mandatory Housing Affordability (“MHA”) units to satisfy the Mercer Blocks MHA requirements. The Base Case Affordable Scheme also includes a performing arts theater, which is discussed in detail in the public benefits response section.

The Base Case Affordable Scheme places an emphasis on family sized units, with 30% of the units being 2 and 3 bedrooms. The balance of the building is a mix of studios and 1 bedrooms, with the average unit size being about 650 SF across all the unit types. The building will not have any underground vehicle parking for the affordable housing component.

AFFORDABLE HOUSING PRICING

The capital stack for the Base Case Affordable Scheme will consist of 4% tax credits, tax exempt bonds, an MHA subsidy from the Mercer Blocks development, and a \$25 million funding gap which is filled by the Mercer Blocks development (“Affordable Housing Subsidy”). In order for the Mercer Blocks development capital stack to withstand the addition of the Affordable Housing Subsidy, the land valuation for the Mercer Blocks has been adjusted accordingly. Furthermore, given the intricate complexities of financing affordable housing, the ownership of the Dexter Block parcel for the Base Case Affordable Scheme is assumed to be fee simple in all offers.

The Base Case Affordable Scheme was underwritten at 60% AMI; if deeper affordability levels are desired, then the required Affordable Housing Subsidy will grow and the land valuation for the Mercer Blocks will adjust accordingly.



Rents in the neighborhood continue to be among the highest in the city and this project aims to provide South Lake Union with affordable housing options.

Additionally, if the City of Seattle finds that the funding gap, and subsequent adjustment of the Mercer Blocks land valuation to offset the Affordable Housing Subsidy, is greater than desired for the Base Case Affordable Scheme, alternative schemes can be pursued. For example, preliminary assessments indicate that 175 units can be built in a 7-story building with typical podium style wood-frame construction without the inclusion of a performing arts theater. This type of alternative option could be more cost effective compared to the Base Case Affordable Scheme and result in less of a required Affordable Housing Subsidy, reducing the adjustment to the Mercer Blocks land valuation.

Touchstone, Portman and Bellwether Housing are flexible, nimble, and creative groups that wish to carry out the City of Seattle’s vision for more affordable housing in South Lake Union, if that option is selected by the City of Seattle. Collectively, we believe affordable housing is a cornerstone to advancing social equity and building a diverse community in South Lake Union.

SUSTAINABILITY

The team has developed a performance-based sustainability plan for Mercer Square that will meet the guidelines of the Seattle Green Building Standard and contribute to Seattle's larger goal of becoming a carbon neutral city by 2050.

Central to our design and sustainability effort for the Project, we have worked to incorporate elements focused on:

- + Fostering a comfortable and healthy environment for the tenants.
- + Reducing energy consumption and carbon emissions
- + Conserving potable water
- + Diverting waste to area landfills
- + Responsibly selecting materials to preserve natural resources
- + Protecting the Puget Sound from harmful pollutants

All buildings will pursue LEED Gold certification and in the case of the affordable housing option, the building will meet the Washington State Evergreen Sustainable Development Standard. We also recognize the importance of health and wellness and will evaluate the ideals and strategies outlined in the WELL Building Standard to provide buildings that create healthy environments for building occupants. Tools will be used to regularly measure our performance towards achieving our goals, quantify how our design

contributes to the wellbeing of building occupants and enhances building operations – all while being focused on reducing the impact on the environment. Lastly, we plan to incorporate educational elements into the project that advocate for green building and enable opportunities to learn about green attributes and strategies with the goal of inspiring positive change

LOCATION, TRANSPORTATION AND SUSTAINABLE SITES

Mercer Square's adjacency to neighborhood amenities and alternative transportation options creates an inherent desirability for occupants. The location offers building occupants a short walk to a variety of public transportation options and will be near a future Sound Transit 3 light rail station in South Lake Union. Additionally, bike storage and showering facilities will also be provided to incentivize alternatives to cars. Likewise, charging stations will be made available to support the growing electric vehicle market for emission-free vehicles. Lastly, open space on the site is a key element of the design to connect occupants and visitors to nature. The open space will be thoughtfully landscaped with indigenous plants and other local vegetation to conserve water and promote biophilic design to enhance the connection with nature throughout the project.

Central to our design and sustainability effort for the Project, we have incorporated elements focused on:



Reducing energy consumption and carbon emissions



Responsibly selecting materials to preserve natural resources



Fostering a comfortable and healthy environment for the tenants.



Protecting the Puget Sound from harmful pollutants



Diverting waste to area landfills



Conserving potable water

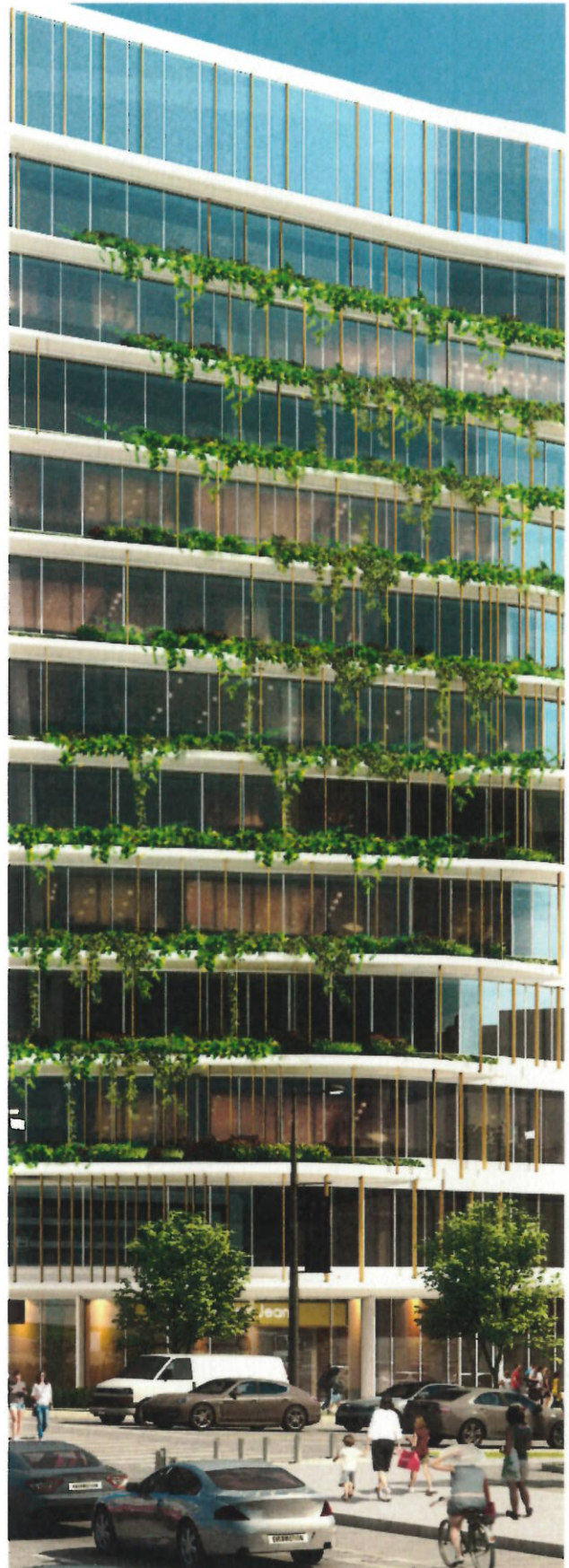
WATER AND ENERGY EFFICIENCY

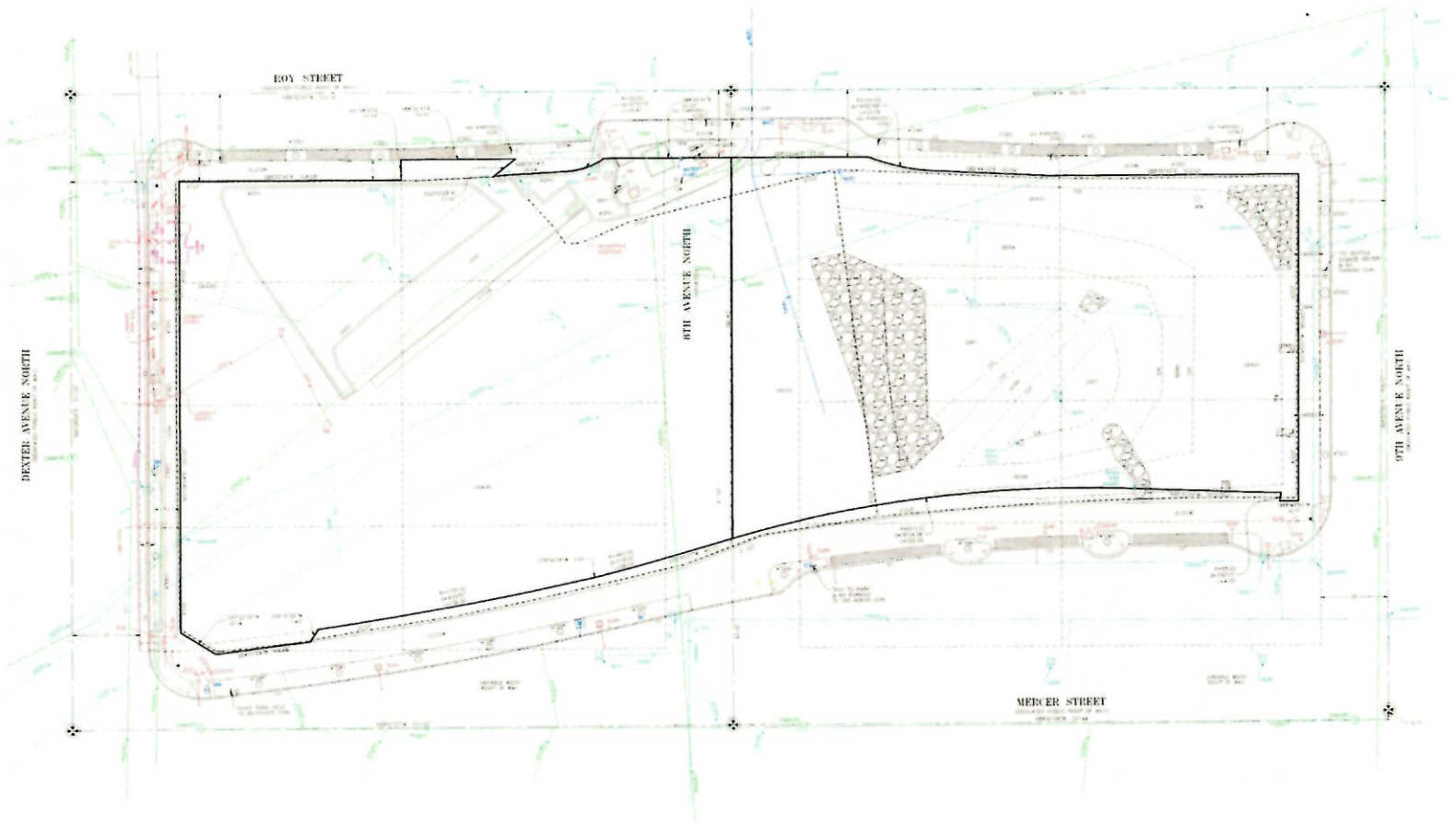
The Project will take full advantage of water use reduction on both the exterior and interior with the implementation of landscaping and low-flow plumbing fixtures. We plan to explore opportunities for rainwater harvesting and gray water recycling strategies, and as part of our integrated design process, the team will establish a goal for reducing the annual energy use by 15% or more based on the 2015 Seattle Energy code

MATERIALS

To ensure a healthy indoor air quality and reduced impact on the environment, materials will be selected with low emissions and reduced VOC content. In addition, preference will be given to raw materials that use best practices to reduce the impact on natural resources - such as recycled content, FSC certified wood, bio-based materials, and extended producer responsibility programs at end of life, as well as regionally procured to further reduce greenhouse gas emissions in shipping while supporting our regional economy.

We believe our design will support the City of Seattle's goal of helping to build a healthier, more equitable, and more prosperous city of Seattle





SITE AND BUILDING UTILITY INFRASTRUCTURE

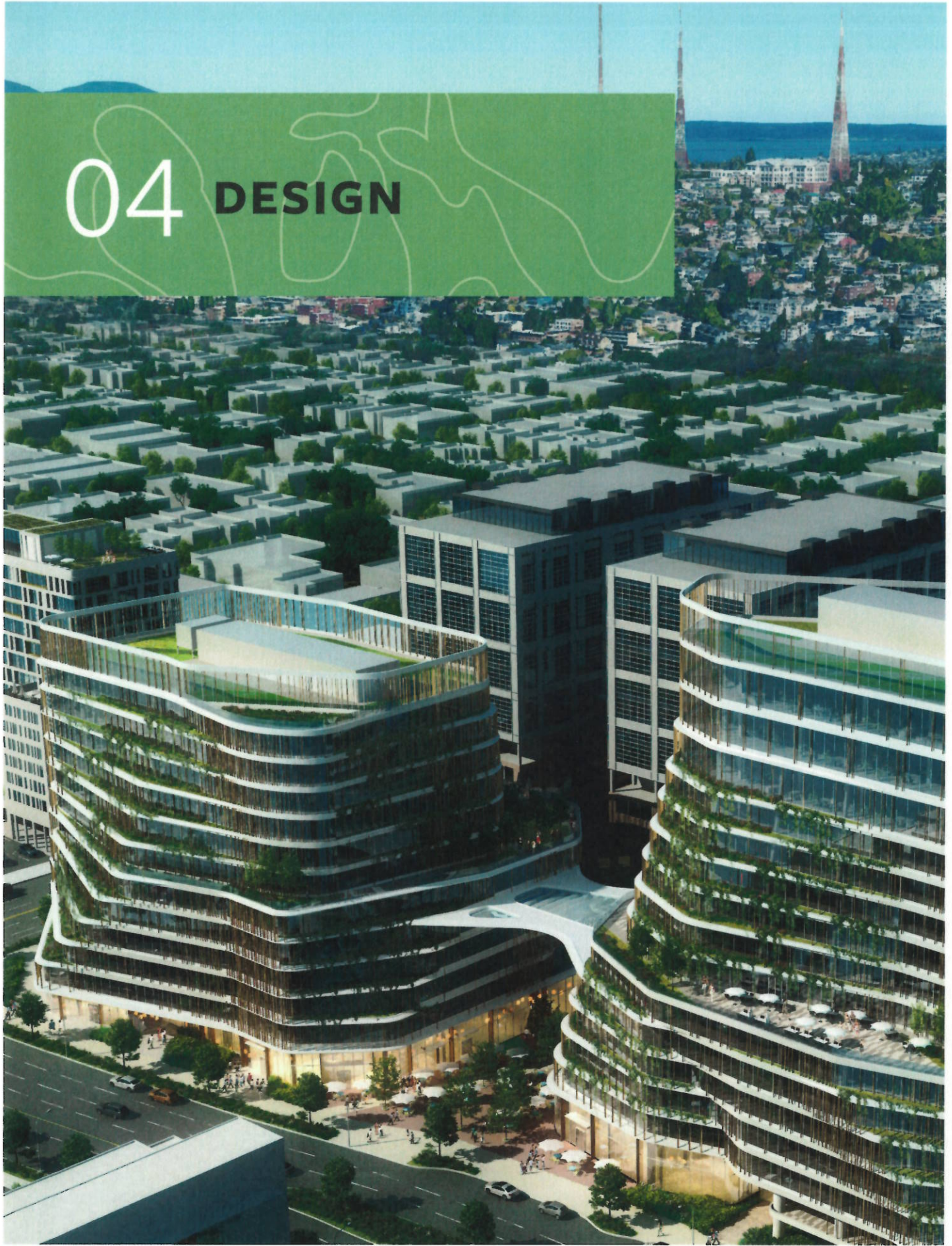
The current plan for addressing the existing utility infrastructure is based on the materials provided as part of the RFP. Sewer service is anticipated to come from the sewer mains in Roy Street and Dexter Avenue with the possibility of reusing the existing sewer laterals upon assessing their condition. Additionally, it's been assumed that King County will allow for buildings to be constructed over the existing sewer infrastructure. The underground parking for the Mercer Blocks development has been configured to allow for 20 feet of clear between King County's sewer infrastructure, which is 45 – 55 feet below the existing surface elevation.

The project team anticipates storm service to come from the dedicated storm drain mains in Roy Street and 9th Avenue, which discharge directly to Lake Union. On-site stormwater management will likely be utilized, with

infiltration as a high priority on a majority of the site(s). Rain gardens/bioretention planters and green roofs are stormwater solutions the project team is currently exploring to achieve on-site stormwater requirements set by the Seattle Department of Construction and Inspections. Additionally, the project team is exploring techniques for capture and reuse of rooftop stormwater.

Water service is anticipated to come from the 12-inch water main in 8th Avenue N. New 6-inch domestic and fire water services are anticipated for the projects. Lastly, power is assumed to be from existing underground Seattle City Light infrastructure and using the upgraded SCL network. There seems to be good underground service to tap into with transformer rooms, which may be combined or separate.

04 DESIGN



DESIGN VISION

The design of Mercer Square finds its foundation in the changing nature of the site and its relationship to Lake Union. This site can be a focal point and destination for several different neighborhoods in the surrounding area. The design aims to create organic masses that stand in contrast to the sharp linear buildings in the immediate neighborhood. The terraced buildings echo the waves of Lake Union and will become a recognizable destination for the City of Seattle.

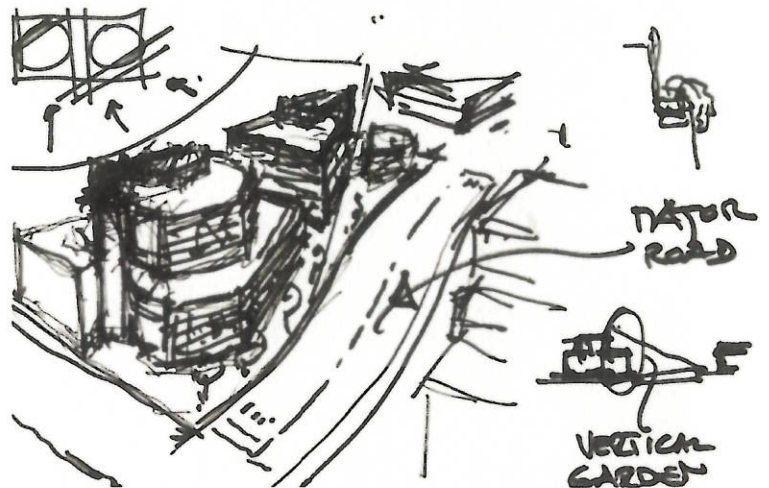
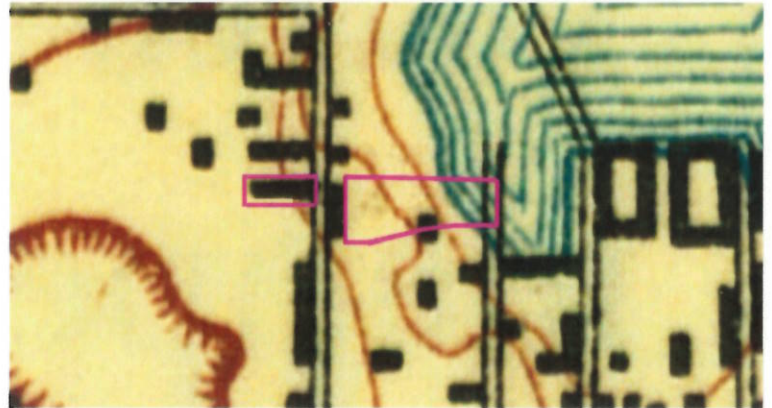
Based on research the team performed, we discovered that in 1894 the site was submerged under water, as evidenced in the image to the right. It wasn't until 1936 that an aerial photo was taken showing the site similar to how we see it today, a major thoroughfare through South Lake Union.

The evolution of this site from lakebed to industrial land, and finally, to a major thoroughfare make it one of the most interesting development sites left in Seattle. The design takes inspiration from the site's connection to land, air and water. We intend to emphasize the residential and water-front nature of the neighborhoods to the north, and the commercial identity of the neighborhood to the south.

MERCER WEST AND MERCER EAST

8th Avenue, nestled in the middle of the block and closed to through traffic on both Roy and Mercer Streets, is destined to become the pulsing heart of this project. It is for this reason that the design team decided to avoid any vehicular cross circulation in this area and focused the design on pedestrian-only activities throughout the day.

The activity space at the ground level between the existing community and the new inhabitants is characterized by retail, office lobbies, a community elementary school and daycare outdoor space, as well as community theater space. These thriving community spaces are marked by the covered outdoor connector of 8th Avenue signifying an urban gateway, a threshold between the south and the north, between ground plane and urban terraces as well as between human connection and nature.



The design finds its foundation in the changing nature of the site.

The advantage of having a vast southern exposure along Mercer offers the opportunity to utilize the facades as a vertical garden where plants become an integral design and sustainability feature of the project.

Planters are located along specific areas of the façade, advancing the design philosophy of bringing nature into the office building. The building incorporates several design features that provide shade to the floor below for better energy consumption. These elements further break the scale, creating a variety of interesting framed views from the inside and a dynamic focal point on the exterior.

The green facades are strategically placed to identify particular zones of the building in relation to the adjacent streets and views from afar. At the intersection of Dexter and Mercer, the corner of the building steps back at every floor starting at the second level, creating a meandering “green waterfall” marking a gateway to this neighborhood. At the opposite corner on 9th Avenue, a similar approach creates various steps at every floor, concluding with a large roof garden terrace located at the top of the podium. As you walk around the site, the corners of the buildings are all articulated in a similar

way, either creating green terraces as the floors recess incrementally to the top, or projecting out to mark special intersections and directions.

Additional articulation was achieved along the facades by recessing the perimeter and corners of the buildings as they rise to the sky to open views from the street level and surrounding sites. This creates less shadows on the ground and the buildings to the north. The design team carefully located these articulations so they can be experienced while walking on the surrounding sidewalks.

Despite the large program designated for the development of this project, attention was given to the scale of the architectural design and how it relates to the surrounding existing and future buildings. Massing is organized in three distinct vertical zones: a pedestrian human scale, represented by articulated retail and lobby facades; a neighborhood scale, represented by the podium levels; and finally, a city scale, represented by the towers. The FAA constraint, which limited the building height in a portion of the Mercer East block, was embraced and made part of the building’s massing design by stepping the tower back at the top floors

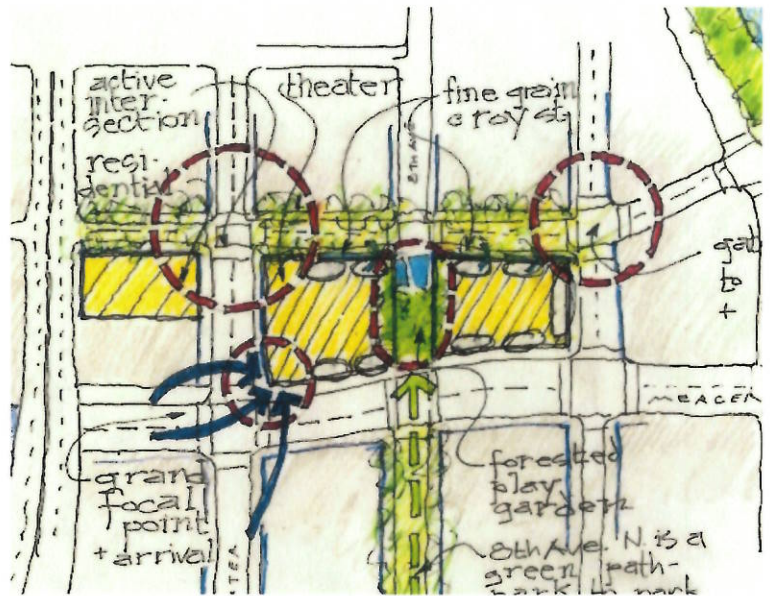


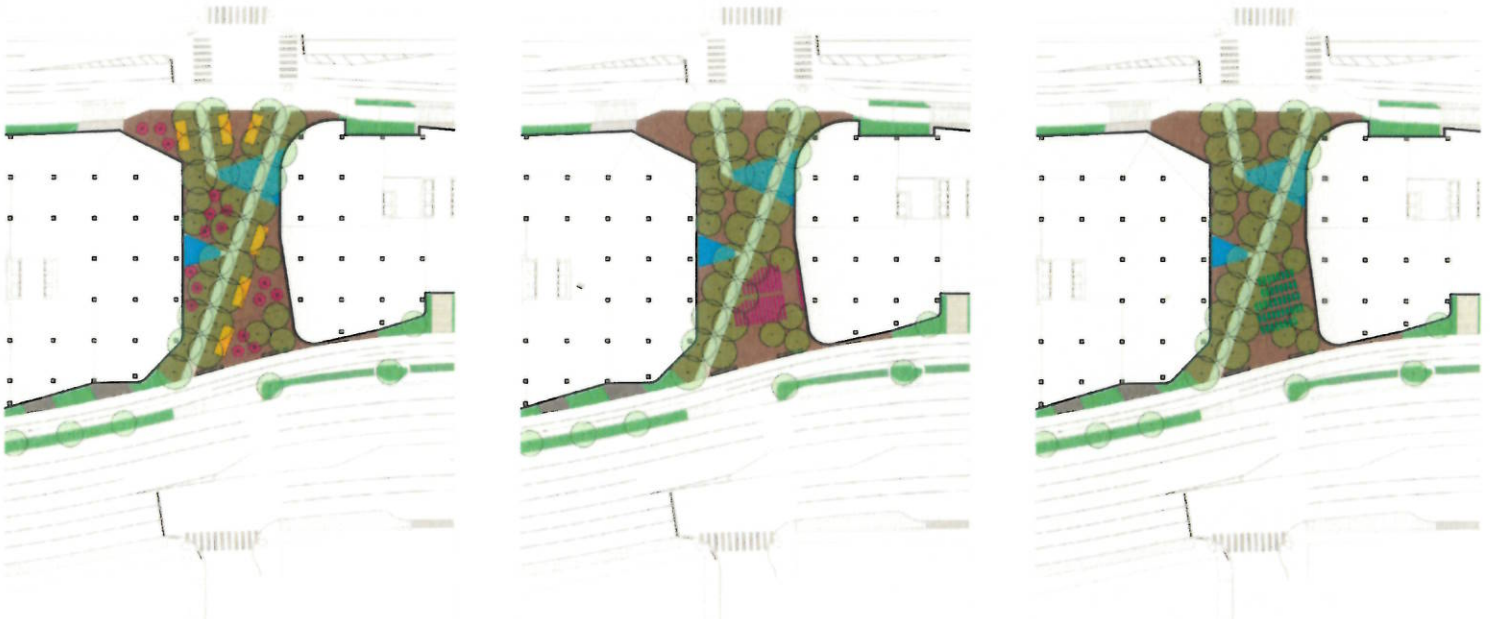
DEXTER

The Dexter block was chosen as the best location for a residential tower and a performance theater (but alternatively, could be a similarly designed office building). The design was inspired by the urban site conditions, the unique program of the building, and the opportunity to be part of the Mercer Square development. Two main design languages are integrated harmoniously. The separate massings reflect the transition in urban scale between the higher density of this area and the lower residential buildings towards the northwest. The ground floor and four shorter towers at the corner of the site define the street edge with smaller openings, breaking down the scale to other similar buildings in the surrounding area. The taller tower is responsive to the distant views and are nestled within the four corners. The design language of the residential tower echoes the office buildings on the Mercer block, with a staggered articulated vertical element along the facades.

The corner between Dexter Avenue and Roy Street is the anticipated location of the main entrance to the performance theater. Between the residential lobby and the main entrance to the theater, we anticipate the location of a café which will both animate the arrival experience on performance nights and keep the street active during the day, offering an amenity to people waiting for the bus.

The double height of the theater lobby unfolds along Roy St., where the change of elevation rises towards Aurora Avenue. Aurora Avenue exhibits heavy vehicular traffic arriving or passing by at high speed. For this reason, the design team saw the opportunity to locate art work framed within the niches of the walls facing the street.





LANDSCAPE DESIGN

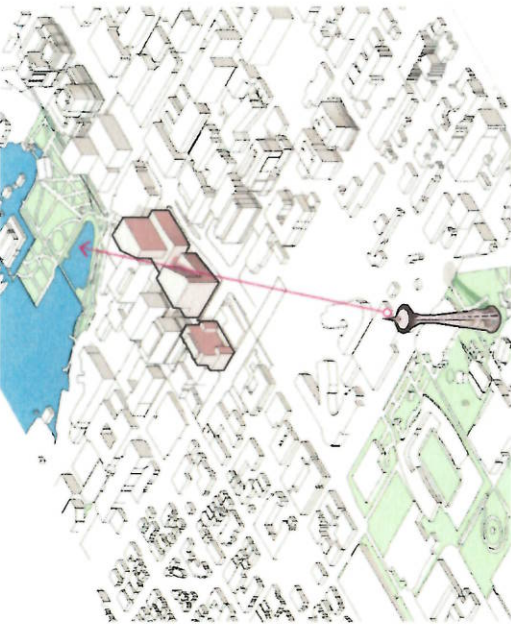
Located between two of Seattle’s most recognized places, Seattle Center and Lake Union, the Mercer Mega Block site holds strong potential to be an urban link and a neighborhood place. Once on the shores of Lake Union, the Mega Block is the product of prioritization of cars over people, and the connection between the city and its freeway over the neighborhood and its lake. Now that South Lake Union has found new life as a thriving urban neighborhood, it is time to root this site back into its local surroundings.

Mercer Square presents a key opportunity to reconnect the neighborhoods north and south of Mercer St to the lake that was once at the heart of it all. The project realizes this by reinforcing the prominence of the city’s street grid to encourage multiple pedestrian pathways. To pull the pedestrian grid through the site, the perimeter streets of Dexter Avenue, 9th Avenue, Roy Street and Mercer Street continue the Seattle landscape and streetscape standards of the adjacent blocks, creating an unbroken urban pedestrian environment.

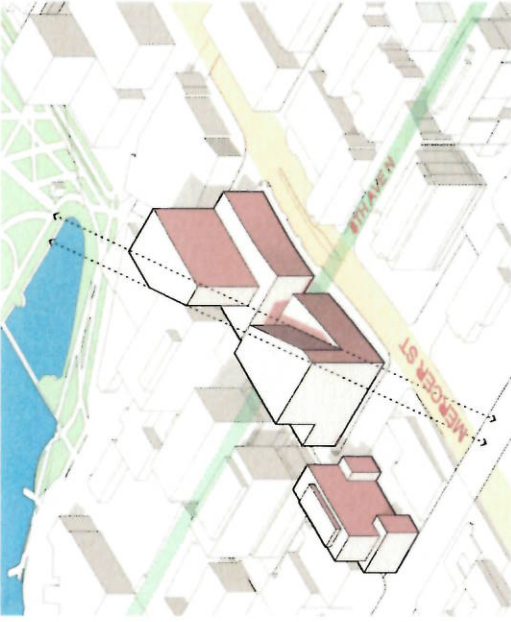
By returning the large assemblage of land back to the neighborhood fabric and drawing the 8th Avenue connection through as a central pedestrian plaza, the design creates a flexible “urban room” that welcomes pedestrians from adjacent sidewalks and offers a place for a variety of public activities. The 8th Avenue urban room provides a venue for people to eat lunch, watch a free performance, or meet up with friends.

Native plantings harken to the historically boggy landscape that once existed, while shaping rooms at key intersections for places of “pause.” This character provides a critical contrast to the scale of larger adjacent streets and a kind of natural detail that brings life into the city.

The design reinforces Mercer & Dexter as a key gateway in the South Lake Union neighborhood by proposing a large specimen tree to serve as a local landmark. Throughout the 8th Avenue urban room and surrounding streetscapes, groupings of native plants recall the lakefront character of the predevelopment site.



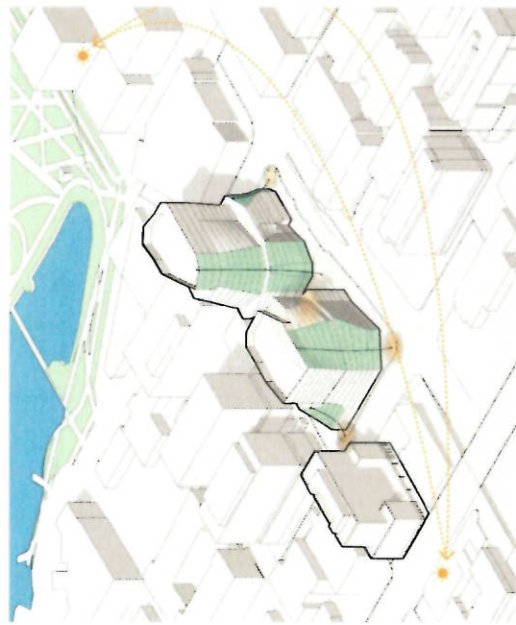
01 SPACE NEEDLE AND LAKE UNION VISUAL CONNECTION



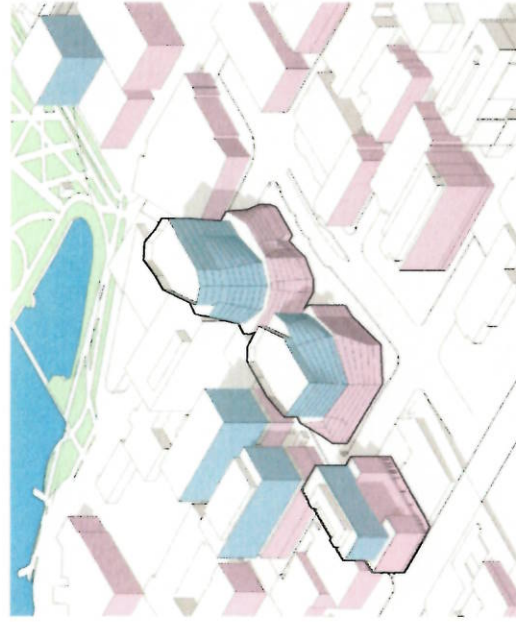
02 PROGRAM MASSING RECONNECTING THE PEDESTRIAN CITY GRID



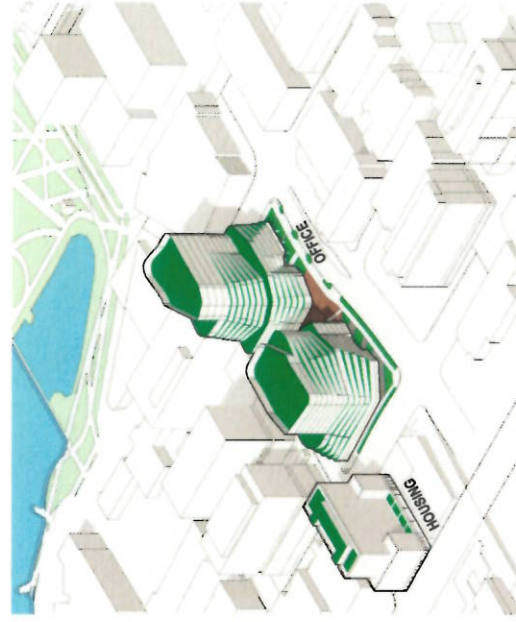
03 STREET LEVEL KEY POINTS



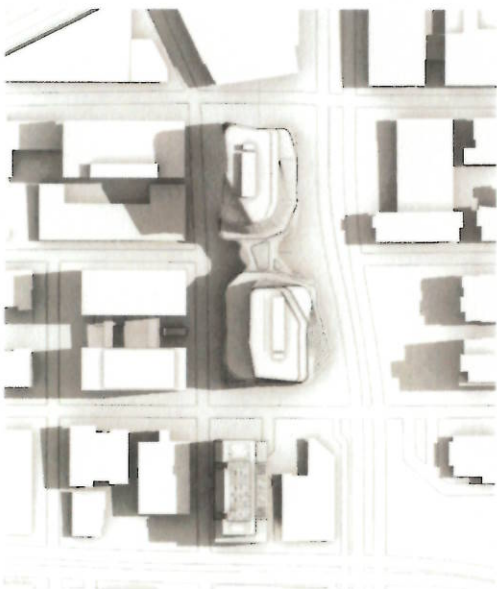
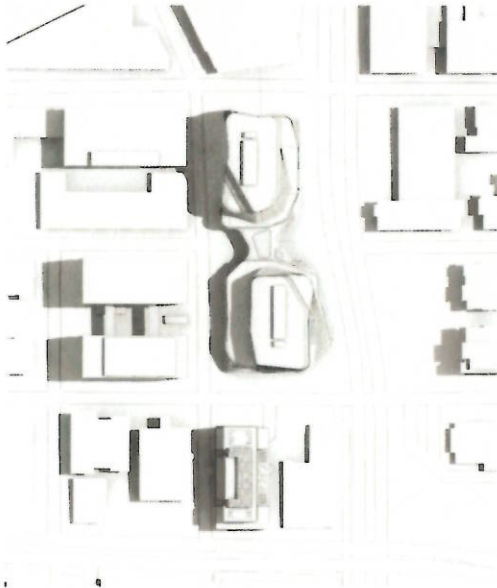
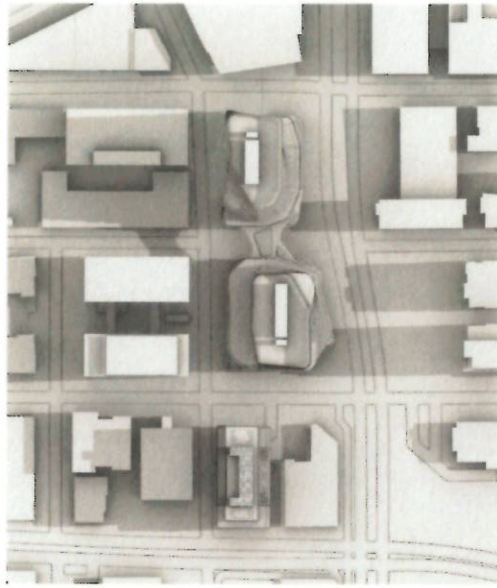
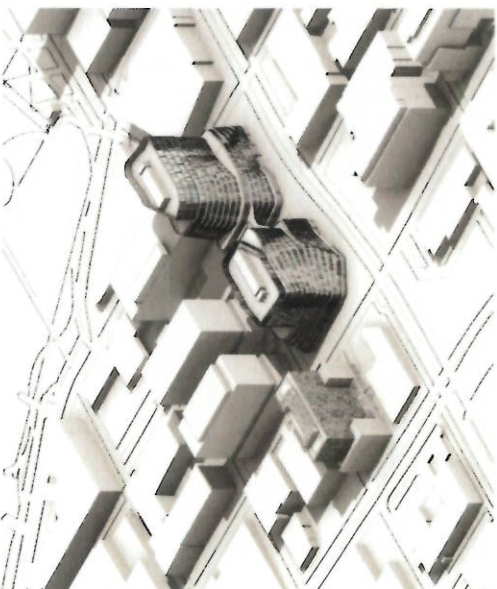
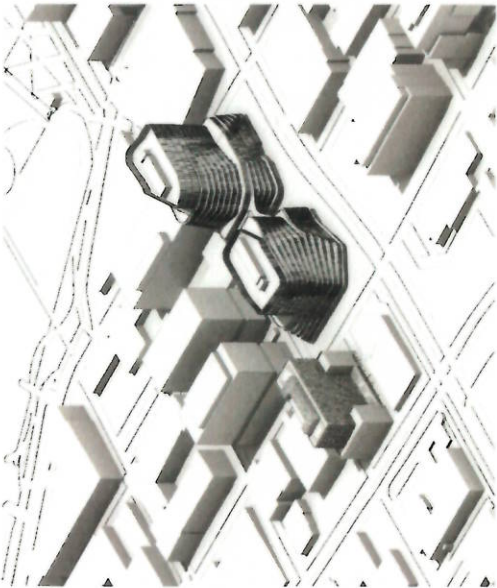
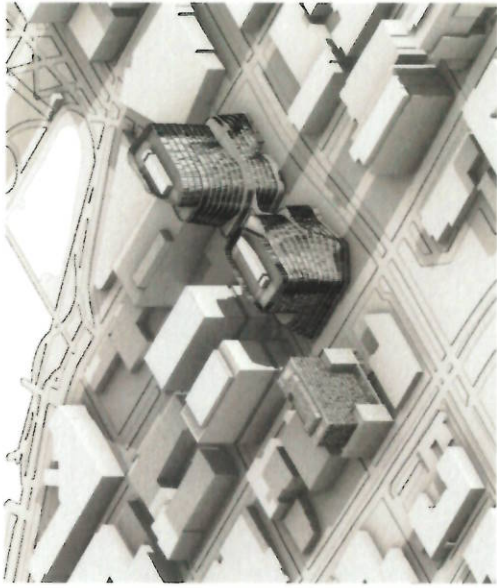
04 KEY FACADES AND GATEWAYS



05 CONTEXT AND MASSING



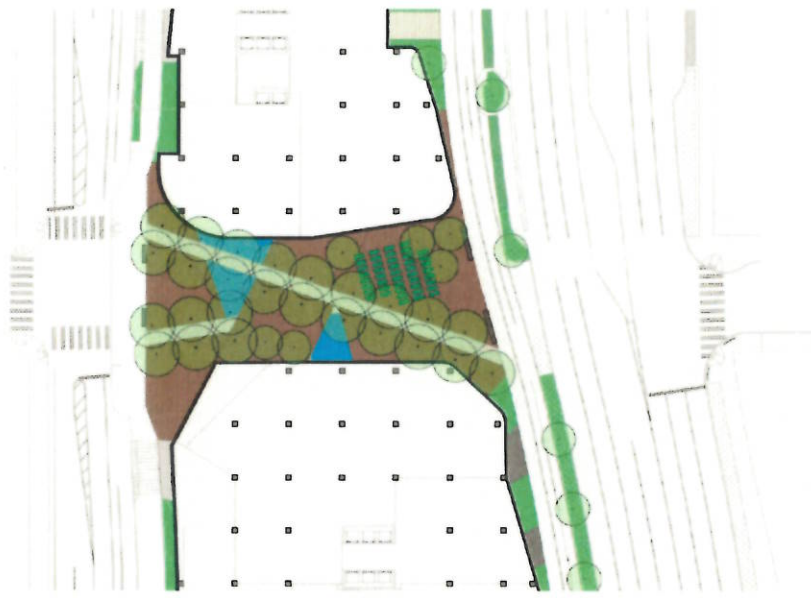
06 FINAL DIAGRAM



Noon: Winter Solstice

Noon: Summer Solstice

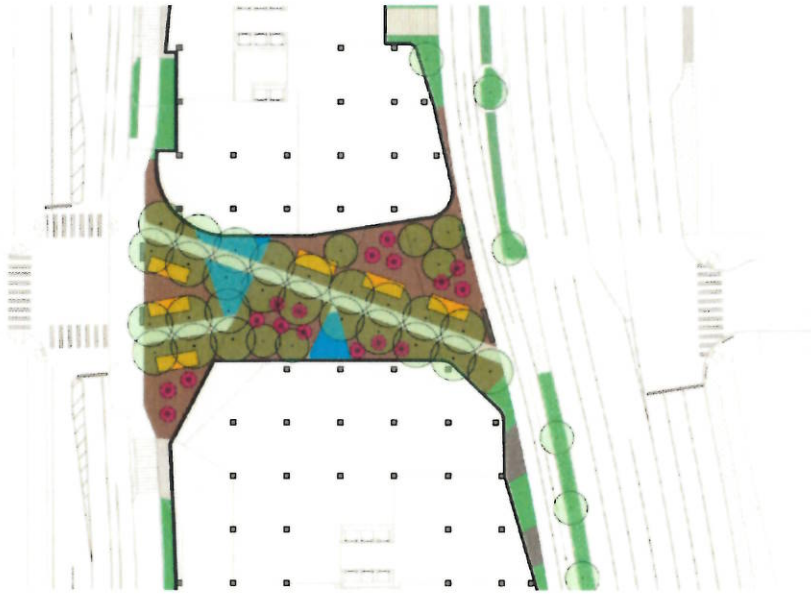
Noon: Spring Equinox



Yoga - 44 people



Movie Event - 230 people



Food Truck Event



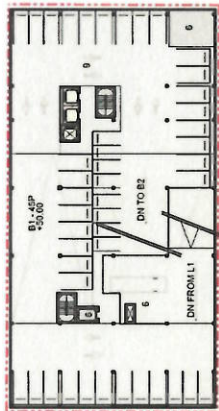
Key
 Food Trucks
 Flexible Seating



GROUND PLAN
1/64" = 1'-0"

LEGEND

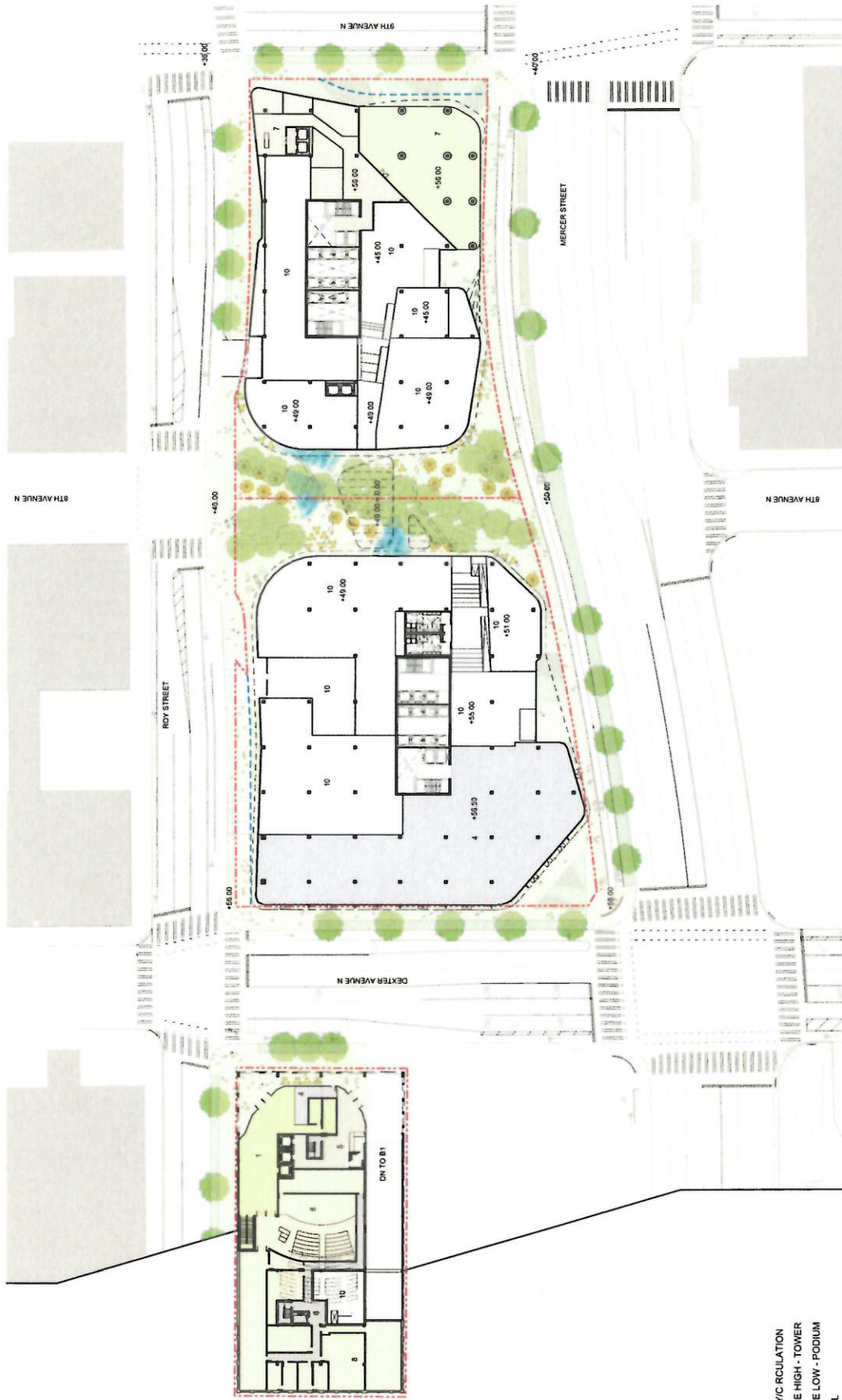
- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOH/MEP
- 7. DAYCARE/PRE-K/K-5 SCHOOL
- 8. THEATER/ THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW



LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOHMEP
- 7. DAYCARE/PRE-K/K-5 SCHOOL
- 8. THEATER/THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

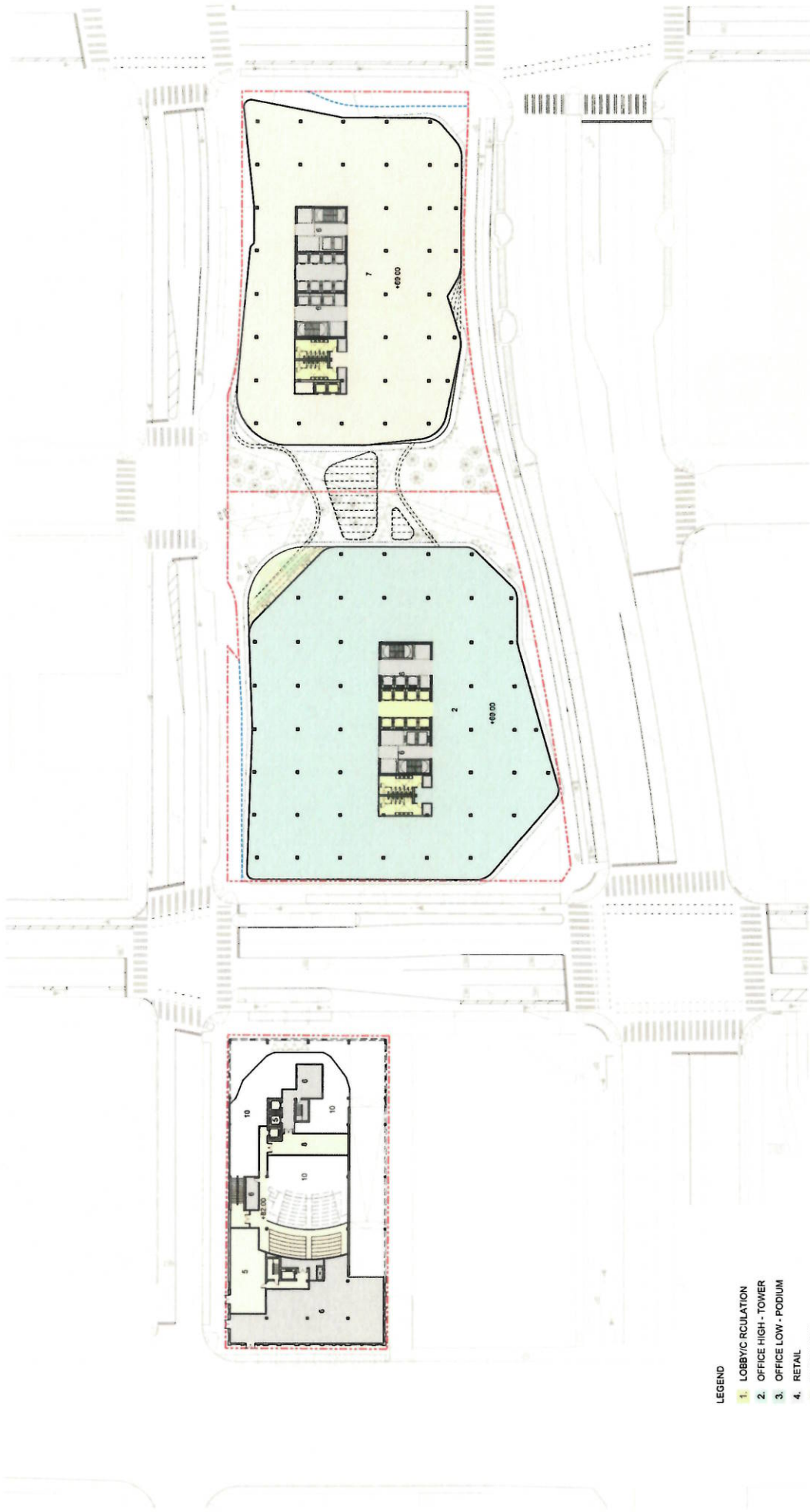
LEVEL 1 OVERALL FLOOR PLAN
1/64" = 1'-0"



LEVEL 1 MEZZANINE OVERALL FLOOR PLAN

1/64" = 1'-0"

- LEGEND**
- 1. LOBBY/CIRCULATION
 - 2. OFFICE HIGH - TOWER
 - 3. OFFICE LOW - PODIUM
 - 4. RETAIL
 - 5. RESIDENTIAL
 - 6. SERVICE/BOHMEP
 - 7. DAYCARE/PRE-K/K-5 SCHOOL
 - 8. THEATER/THEATER SUPPORT
 - 9. PARKING
 - 10. OPEN TO BELOW



I

LEVEL 2 OVERALL FLOOR PLAN
1/64" = 1'-0"

- LEGEND**
- 1. LOBBY/SCULATION
 - 2. OFFICE HIGH - TOWER
 - 3. OFFICE LOW - PODIUM
 - 4. RETAIL
 - 5. RESIDENTIAL
 - 6. SERVICE/BOHMEP
 - 7. DAYCARE/PRE-K/K-5 SCHOOL
 - 8. THEATER/ THEATER SUPPORT
 - 9. PARKING
 - 10. OPEN TO BELOW

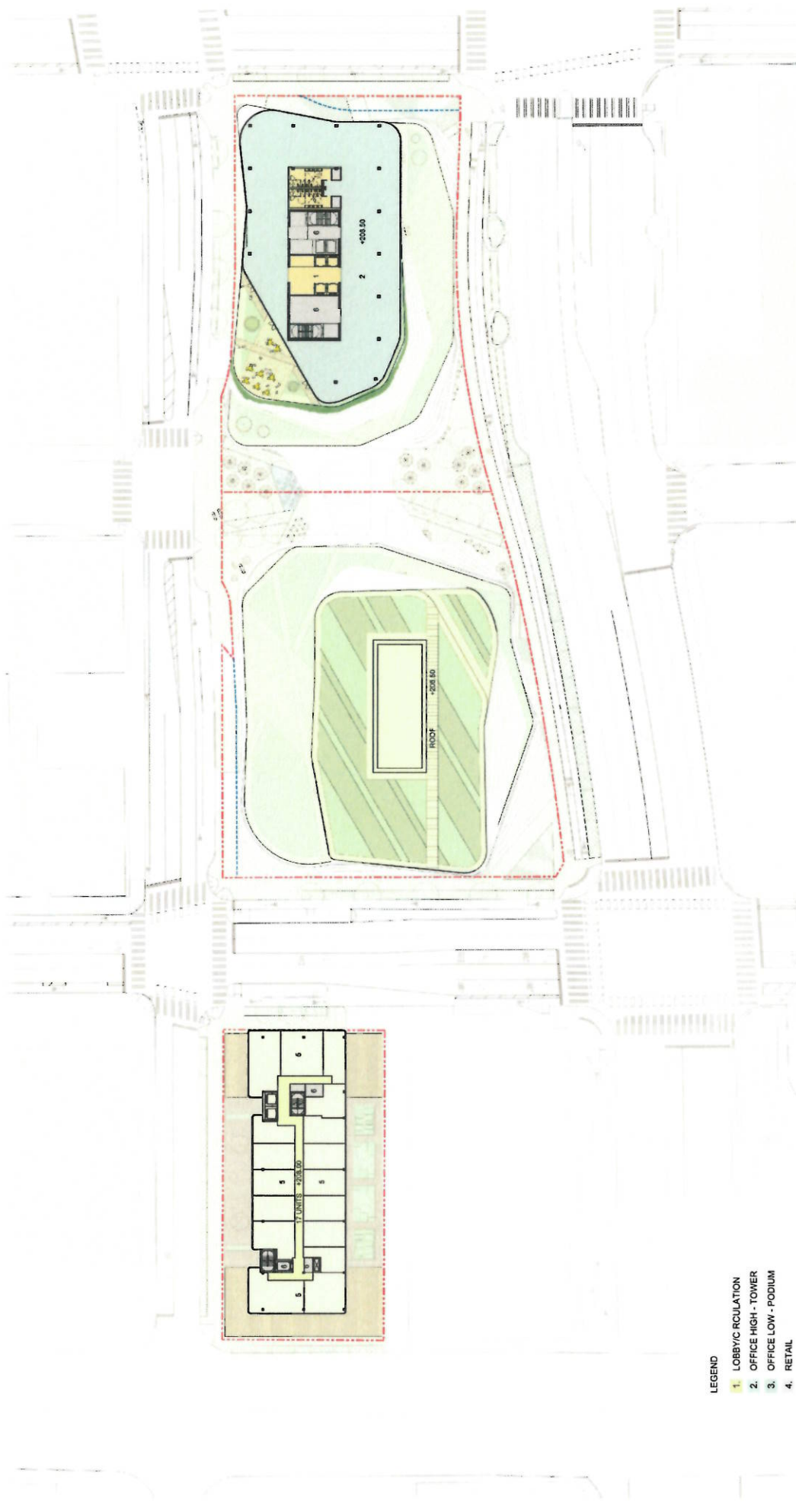


LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOH/MEP
- 7. DAYCARE/PRE-K/K-5 SCHOOL
- 8. THEATER/THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

LEVEL 07 OVERALL FLOORPLAN
 1/64" = 1'-0"



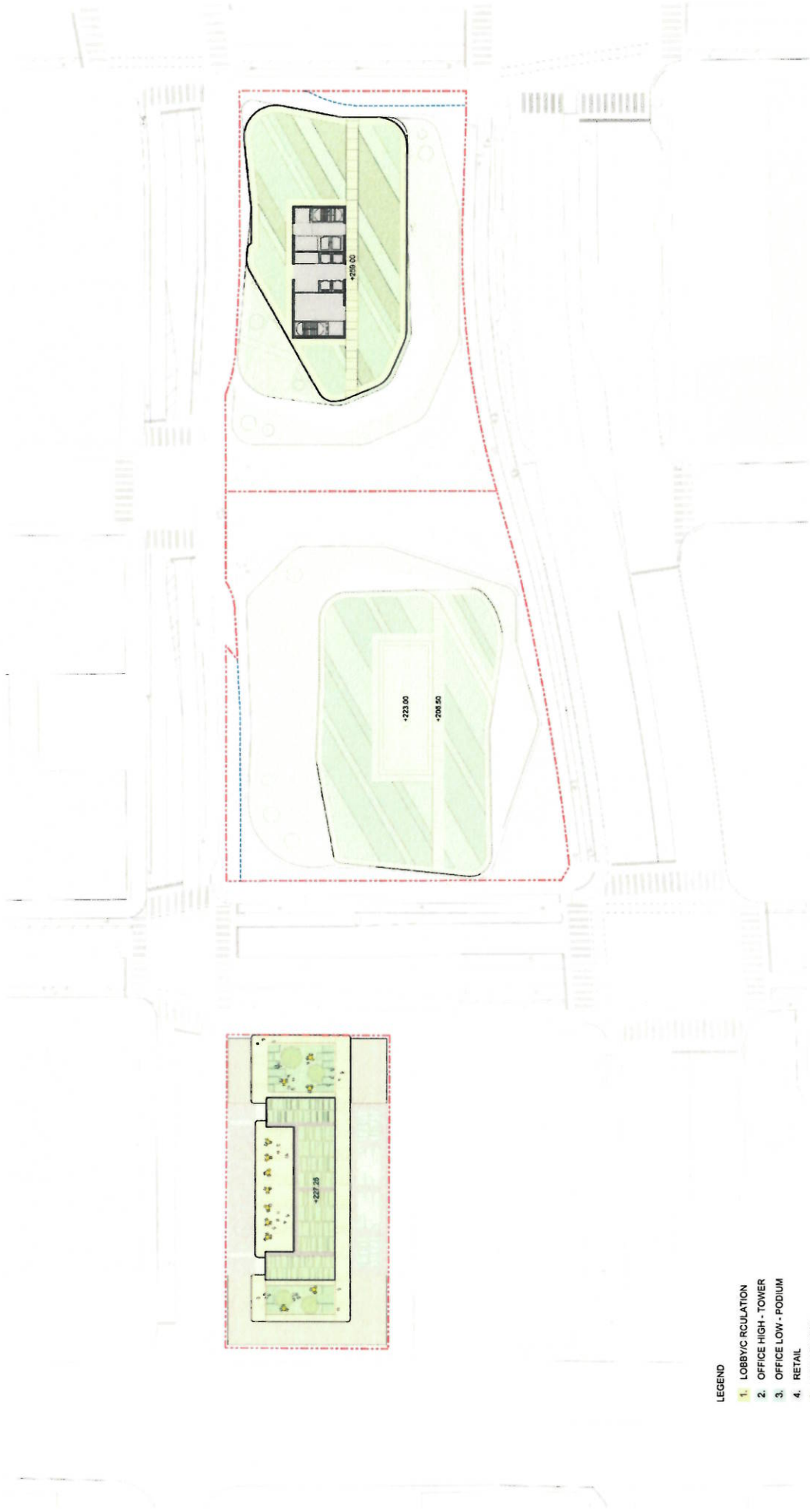


LEVEL 13 OVERALL FLOORPLAN

1/64" = 1'-0"

LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOH/MEP
- 7. DAYCARE/PRE-KK-5 SCHOOL
- 8. THEATER/ THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

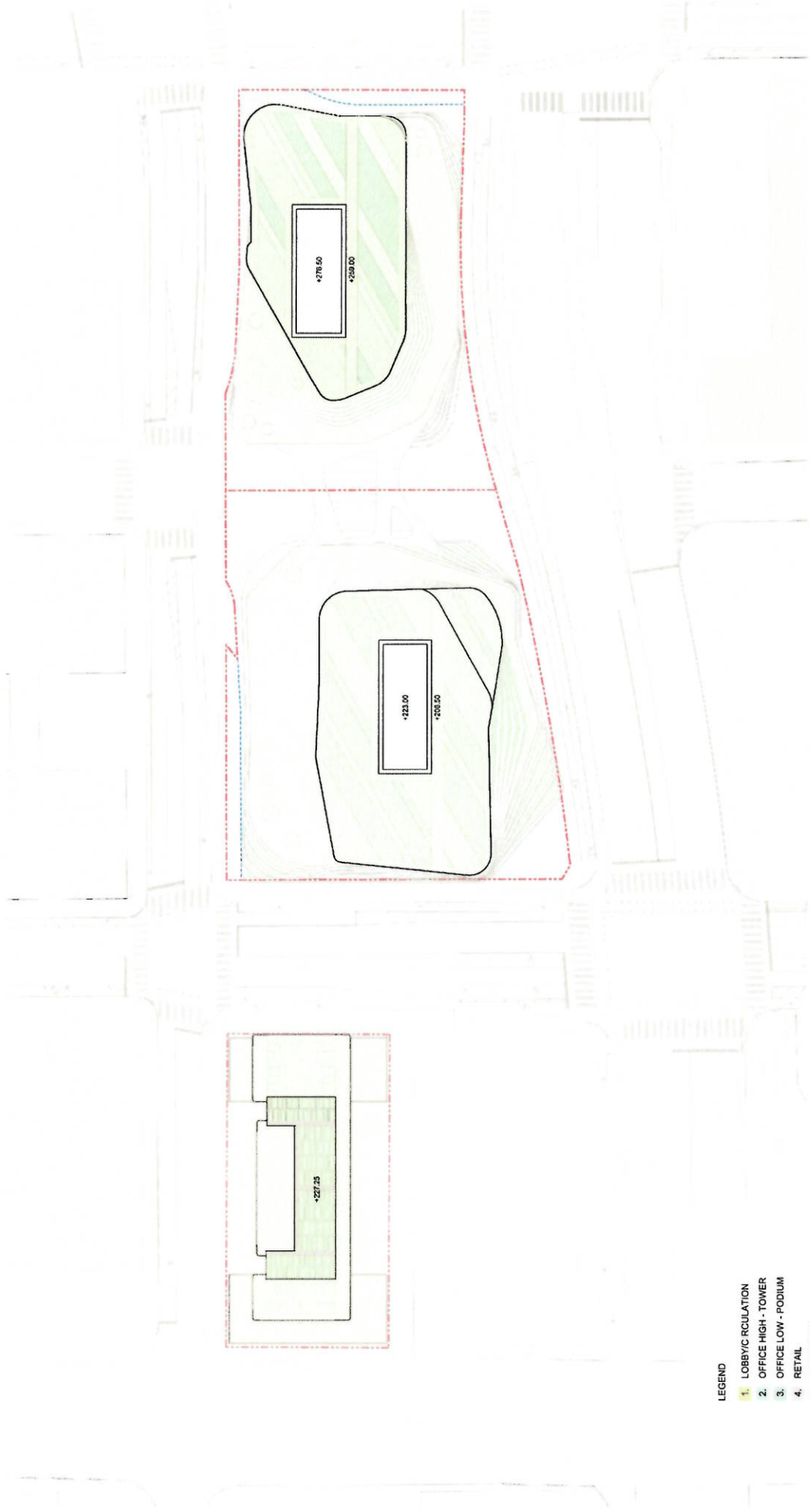


LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOHMEP
- 7. DAYCARE/PRE-K/K-3 SCHOOL
- 8. THEATER/ THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

LEVEL 16 OVERALL FLOORPLAN

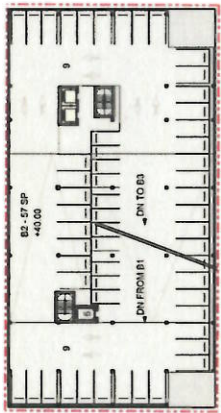
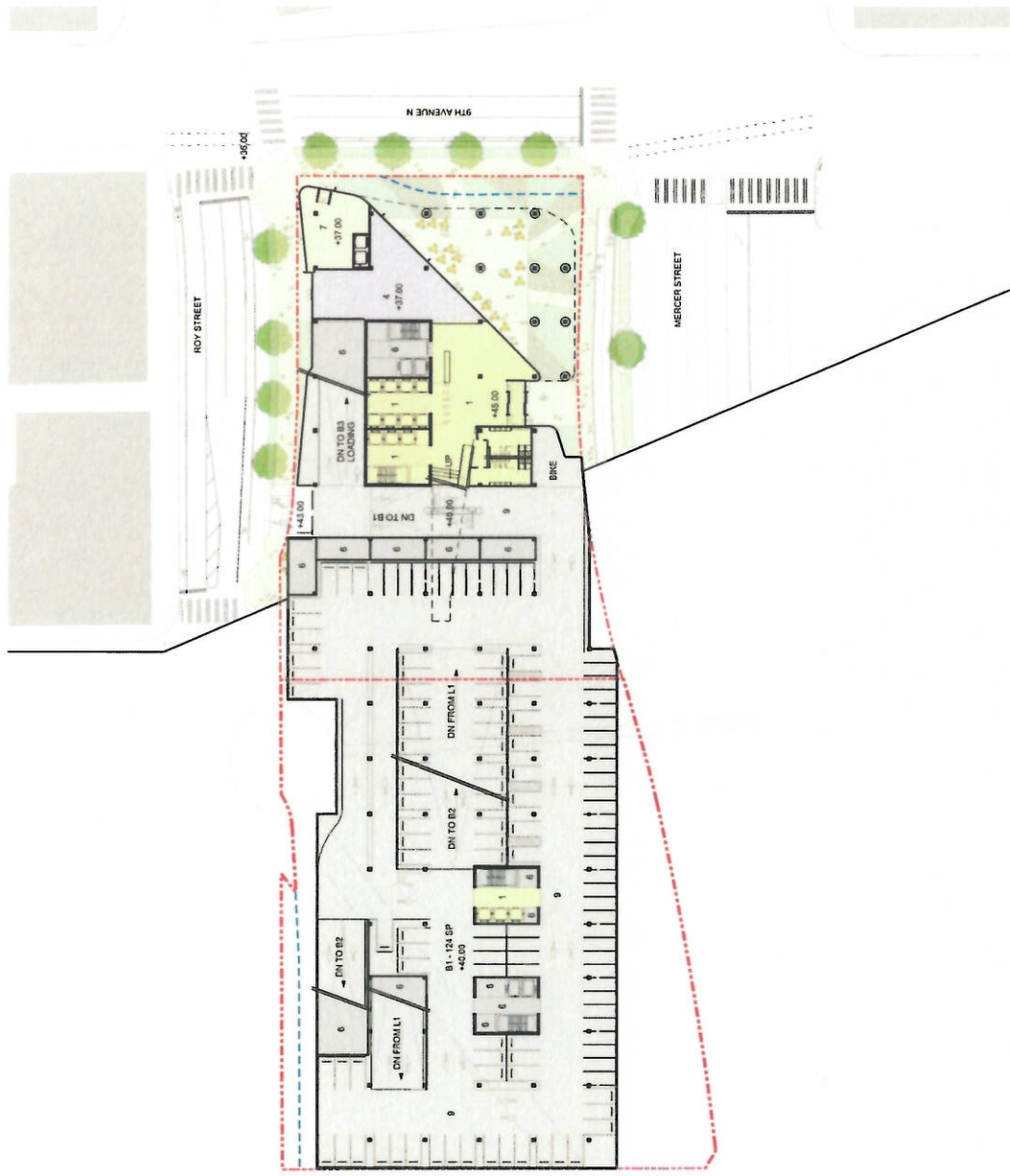
1/64" = 1'-0"



- LEGEND
- 1. LOBBY/CIRCULATION
 - 2. OFFICE HIGH - TOWER
 - 3. OFFICE LOW - PODIUM
 - 4. RETAIL
 - 5. RESIDENTIAL
 - 6. SERVICE/BOH/MEP
 - 7. DAYCARE/PRE-K/K-5 SCHOOL
 - 8. THEATER/THEATER SUPPORT
 - 9. PARKING
 - 10. OPEN TO BELOW

OVERALL ROOF PLAN

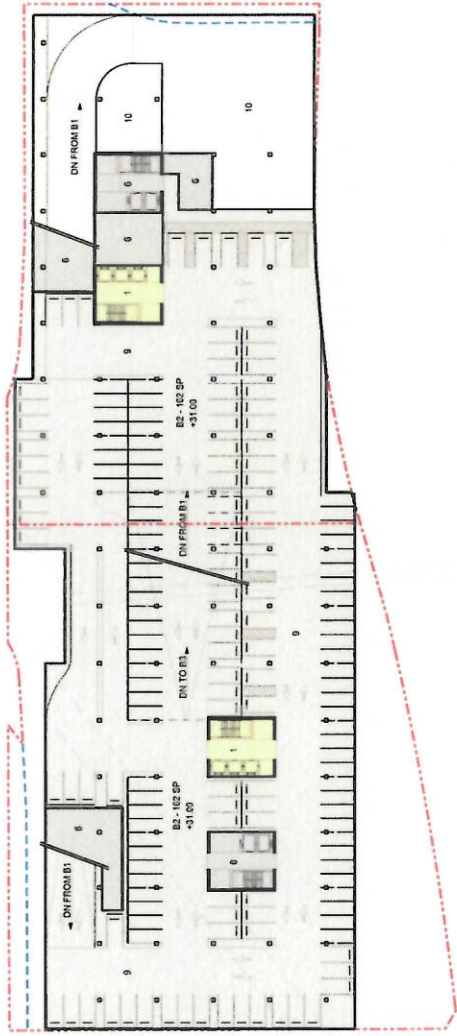
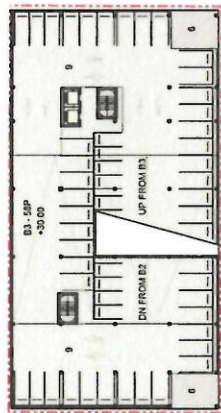
1/64" = 1'-0"



LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOH/MEP
- 7. DAYCARE/PRE-K/K-S SCHOOL
- 8. THEATER/THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

LEVEL B1 OVERALL FLOOR PLAN
1/64" = 1'-0"



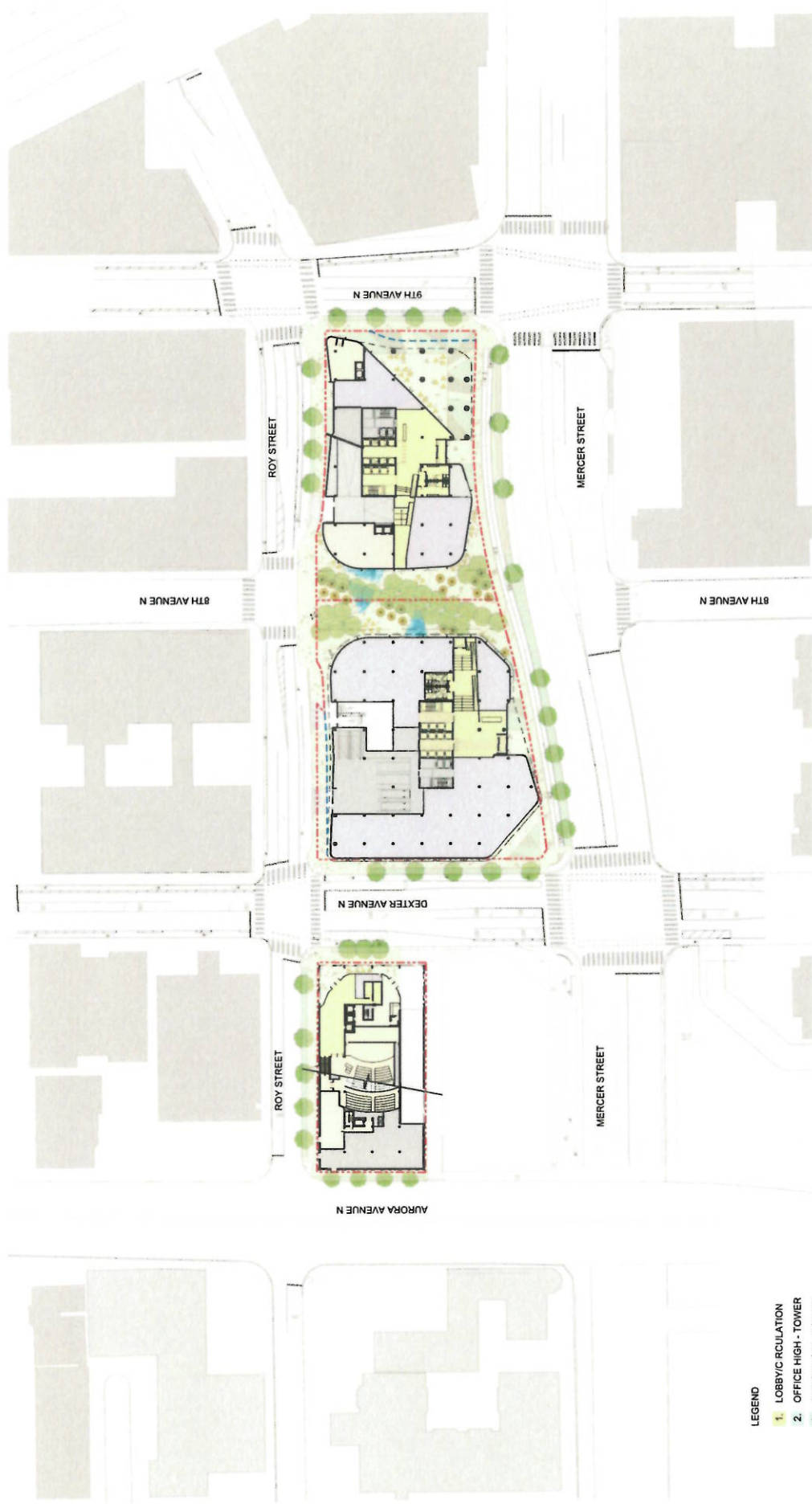
LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOH/MEP
- 7. DAYCARE/PRE-K/K-5 SCHOOL
- 8. THEATER/THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

LEVEL B2 OVERALL FLOOR PLAN

1/64" = 1'-0"

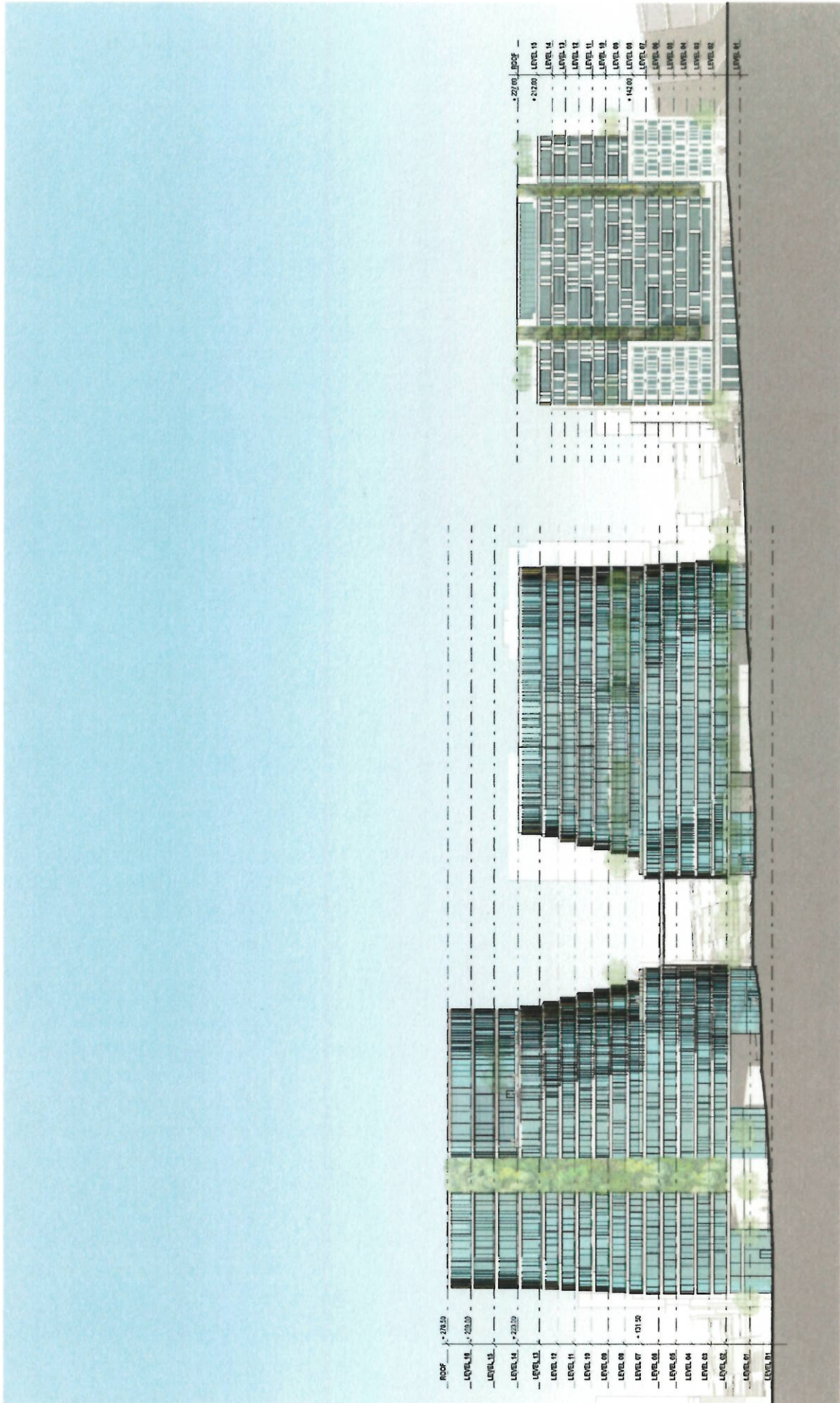
Please note that plans for level B3 and B4 were not included due to page limitations. The loading dock for Mercer East is located on B3.



LEGEND

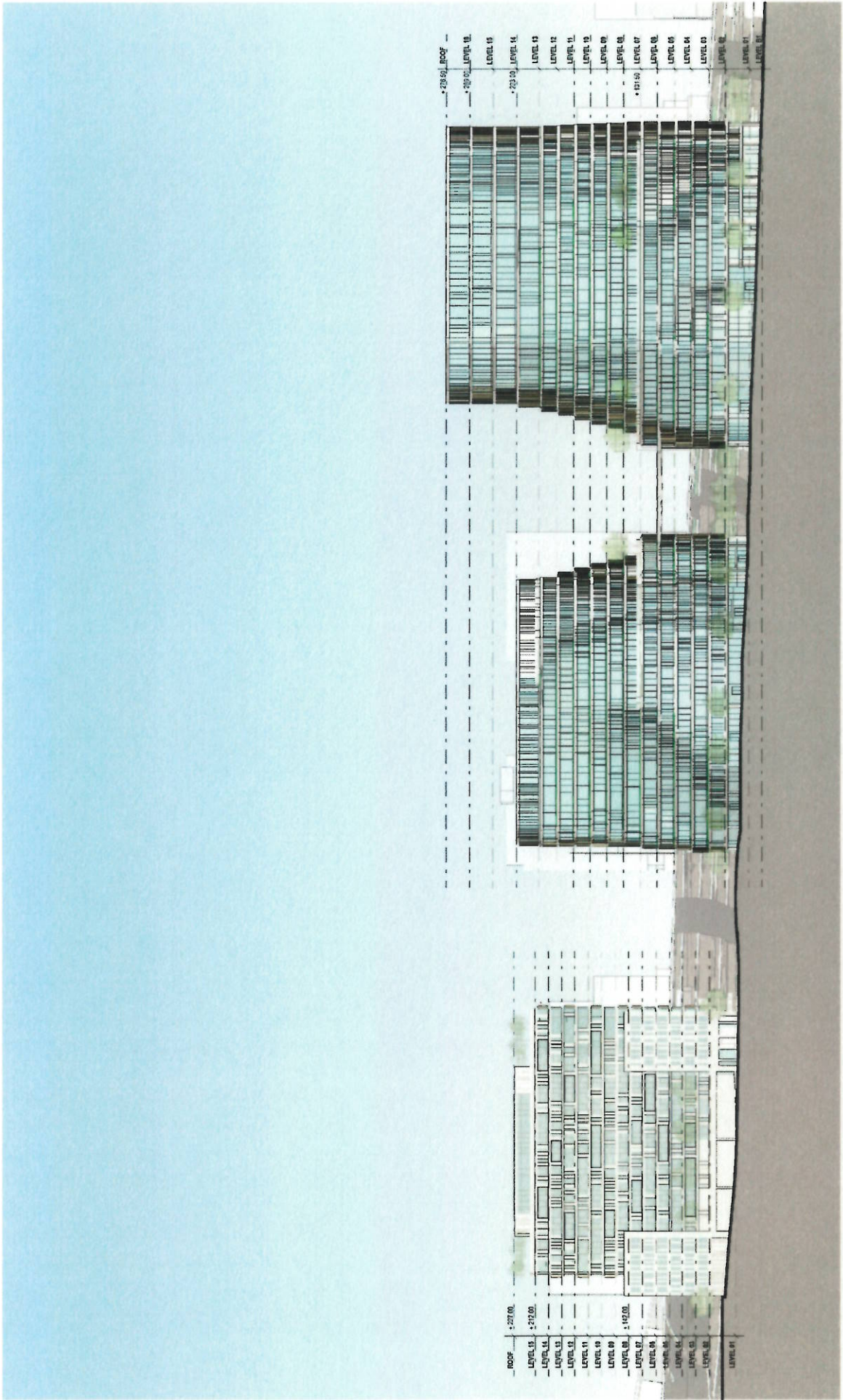
- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BOHMEP
- 7. DAYCARE/PRE-K/K-5 SCHOOL
- 8. THEATER/THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW

SITE CONTEXT PLAN
1:100 = 1'-0"



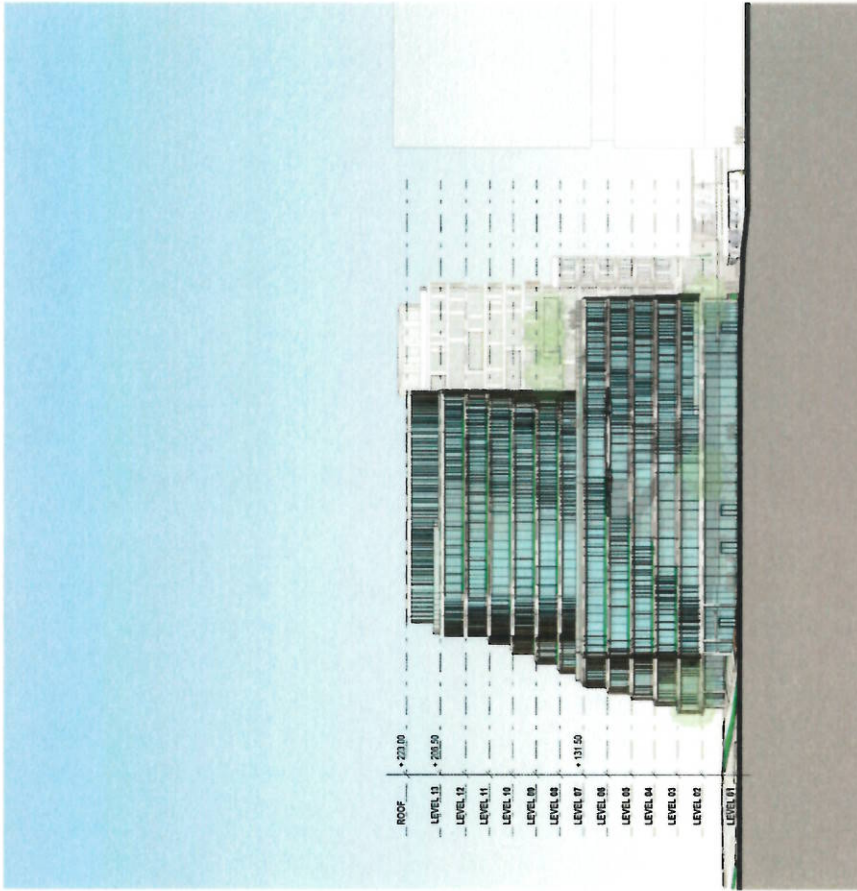
ELEVATION NORTH

SCALE 1" = 64'-0"



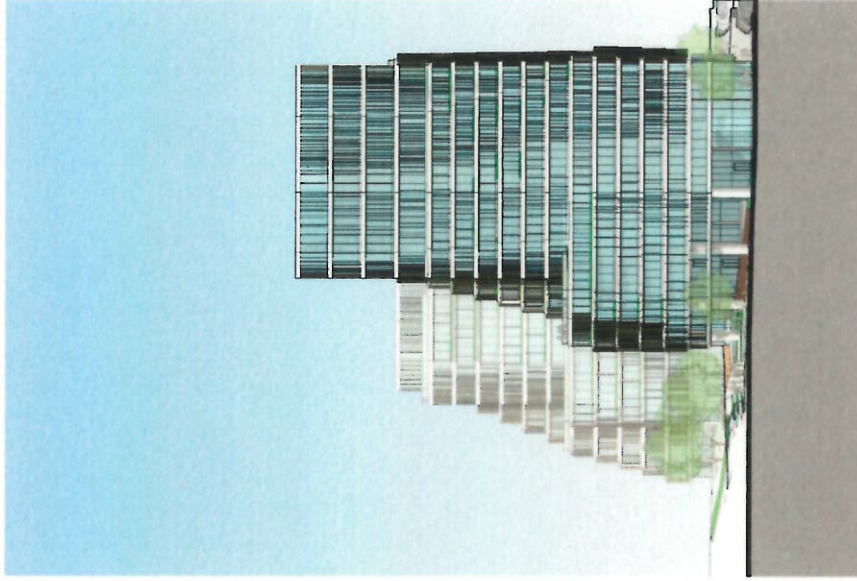
ELEVATION SOUTH

SCALE 1" = 64'-0"



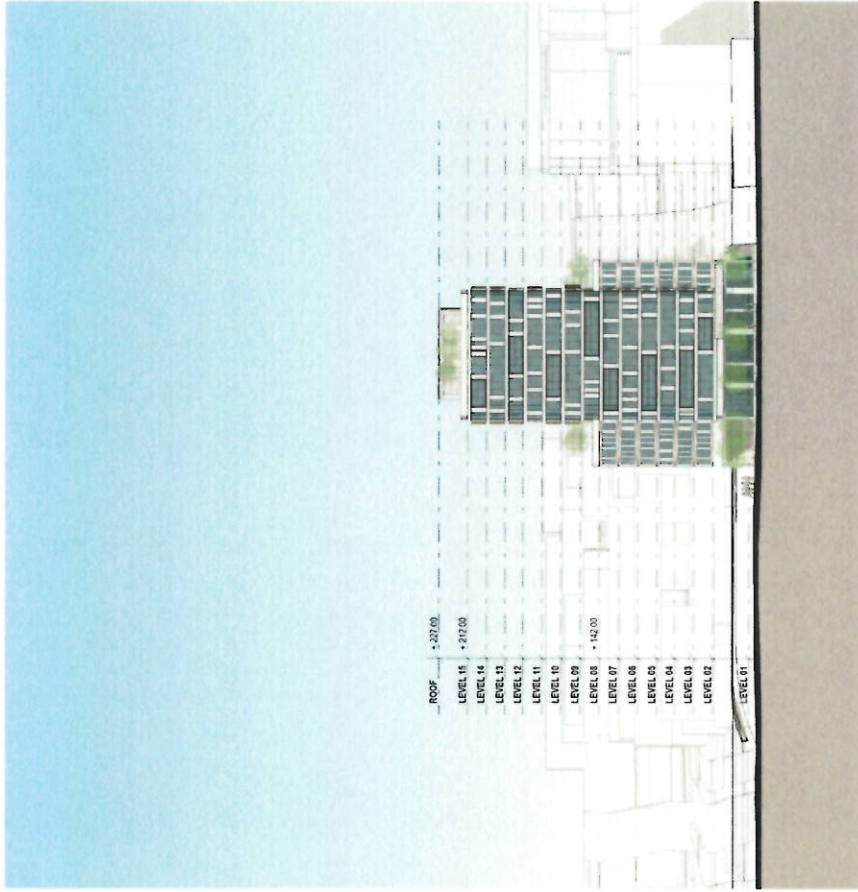
MERCER W
ELEVATION EAST

SCALE 1" = 64'-0"



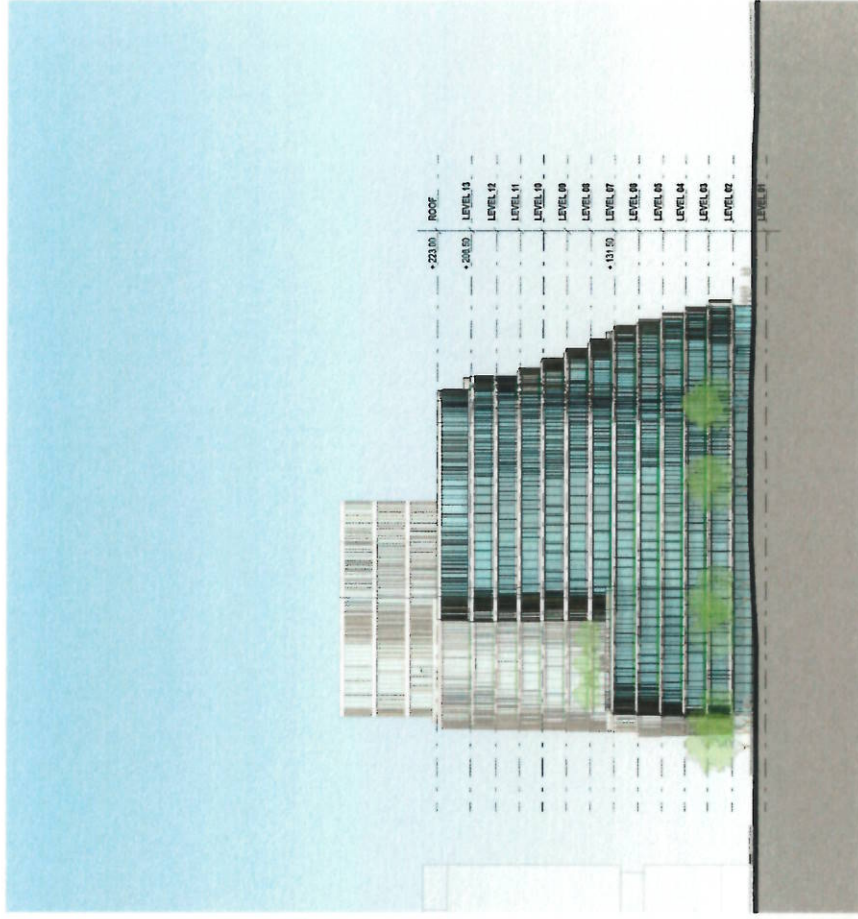
MERCER E
ELEVATION EAST

SCALE 1" = 64'-0"



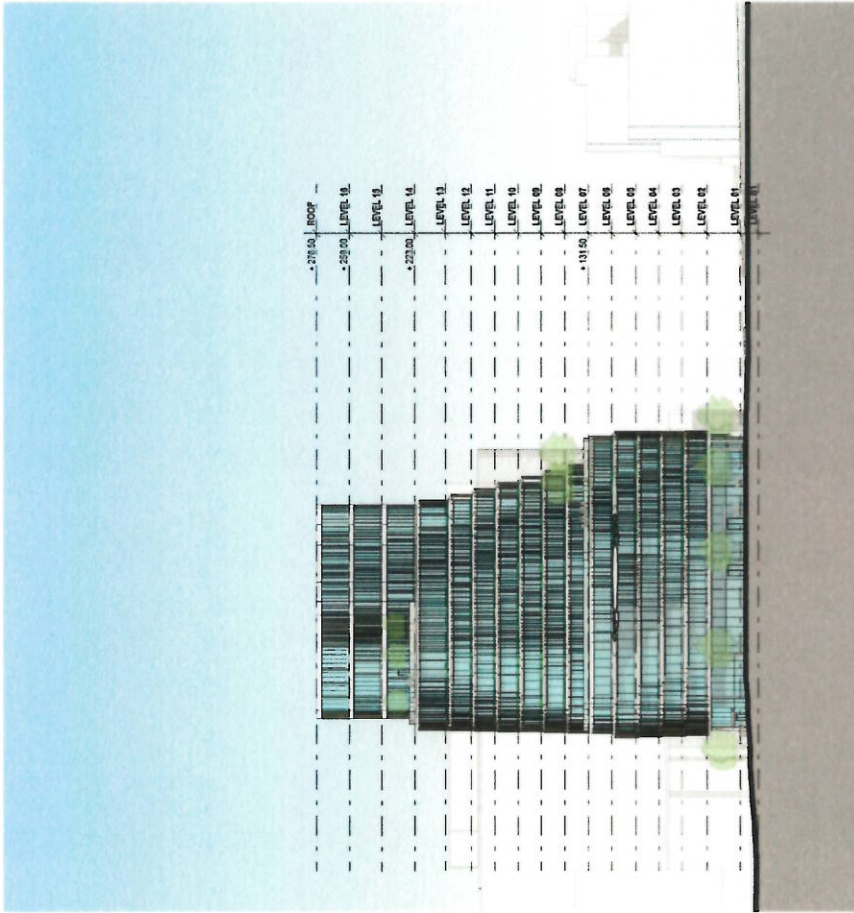
**DEXTER
ELEVATION EAST**

SCALE 1" = 64'-0"



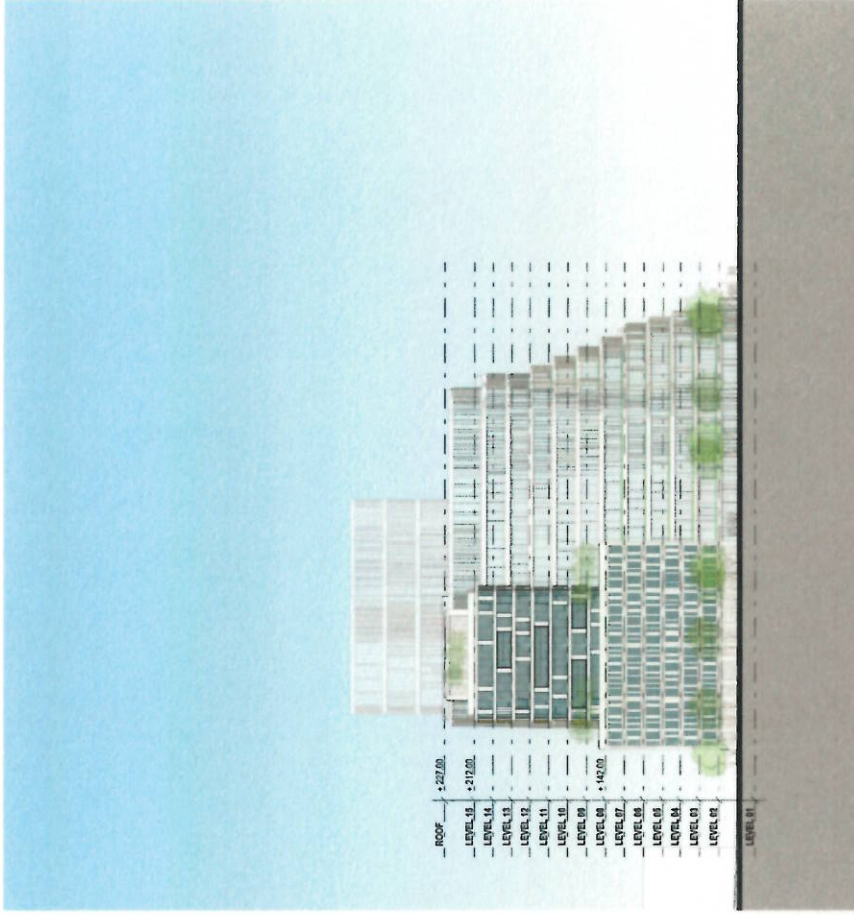
**MERCER W
ELEVATION WEST**

SCALE 1" = 64'-0"



MERCER E
ELEVATION WEST

SCALE 1" = 64'-0"



DEXTER
ELEVATION WEST

SCALE 1" = 64'-0"

LEGEND

- 1. LOBBY/CIRCULATION
- 2. OFFICE HIGH - TOWER
- 3. OFFICE LOW - PODIUM
- 4. RETAIL
- 5. RESIDENTIAL
- 6. SERVICE/BIHMEP
- 7. DAYCARE/PRE-K/SCHOOL
- 8. THEATER/ THEATER SUPPORT
- 9. PARKING
- 10. OPEN TO BELOW



OVERALL BUILDING SECTION
1/64" = 1'-0"





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PORTMAN RECURRING EXPENSES



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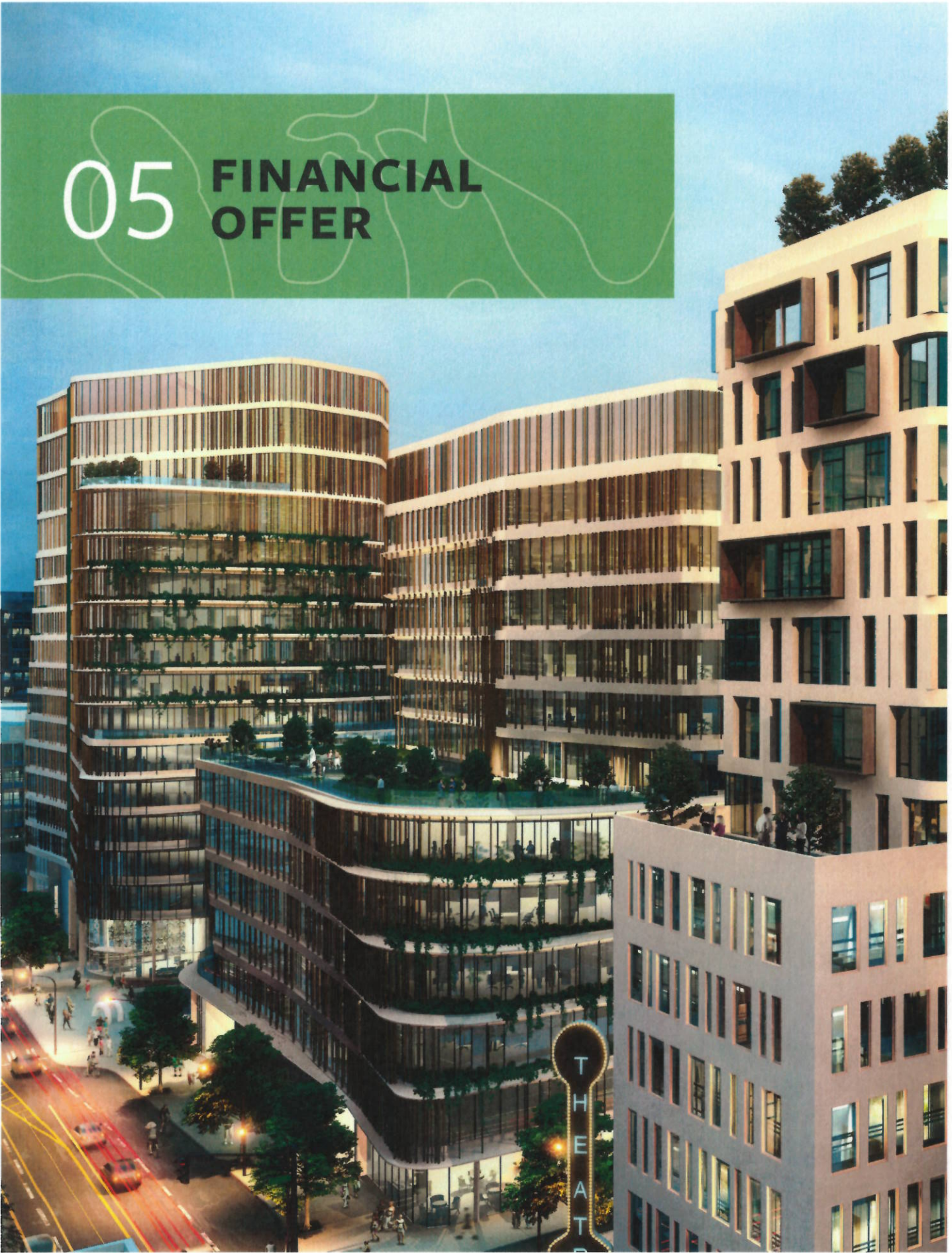
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PORTMAN HOLDINGS CORPORATION

05 FINANCIAL OFFER



FEE SIMPLE

NO AFFORDABLE HOUSING

Parties	<ul style="list-style-type: none"> + Buyer: A to be formed joint venture between Touchstone LLC, or an affiliate of same, and Portman Holdings LLC, or an affiliate of the same. + Seller: The City of Seattle
Property	Parcel #'s: 224900-0006, 224900-0055, 224900-0120
Purchase Price	\$140,000,000 <ul style="list-style-type: none"> + Mercer Blocks - \$110,000,000 + Dexter Block - \$30,000,000
Due Diligence Period	90 days to complete property reports, investigations, and feasibility analysis (“Contingencies”).
Due Diligence Period Extension:	90 days <ul style="list-style-type: none"> + Buyer shall have the right to extend the Due Diligence Period dependent on the results of Buyer’s reports, investigations, and feasibility analysis.
Earnest Money:	\$3,000,000 <ul style="list-style-type: none"> + \$300,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period. + \$2,700,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period Extension or when Buyer waives all Contingencies, whichever is sooner. + Notwithstanding the timing of earnest money noted above, no earnest money shall become non-refundable until a Disposition and Development Agreement (“DDA”) has been fully executed between Buyer and Seller.
Option Period:	2 years <ul style="list-style-type: none"> + Buyer will be diligently pursuing entitlements, permits, and approvals during the Option Period and Option Period Extensions. + Buyer can terminate the agreement at any point during the Option Period or Option Period Extensions.
Option Period Extensions:	2 – 1 year extensions <ul style="list-style-type: none"> + Buyer shall deposit an additional \$500,000 of Earnest Money that is non-refundable and applicable to the Purchase Price at the beginning of each Option Period Extension.
Closing	90 days

FEE SIMPLE

AFFORDABLE HOUSING

Parties	<ul style="list-style-type: none"> + Buyer: A to be formed joint venture between Touchstone LLC, or an affiliate of same, and Portman Holdings LLC, or an affiliate of the same. + Seller: The City of Seattle
Property	Parcel #'s: 224900-0006, 224900-0055, 224900-0120
Purchase Price	\$85,000,000 <ul style="list-style-type: none"> + Mercer Blocks - \$85,000,000 + Dexter Block - \$0
Affordable Units	Approximately 241 units at 60% Area Median Income. (175 affordable units per the RFP requirements plus approximately 66 performance-based Mandatory Housing Affordability (“MHA”) units to satisfy the Mercer Blocks MHA requirement.)
Due Diligence Period	90 days to complete property reports, investigations, and feasibility analysis (“Contingencies”).
Due Diligence Period Extension:	90 days <ul style="list-style-type: none"> + Buyer shall have the right to extend the Due Diligence Period dependent on the results of Buyer’s reports, investigations, and feasibility analysis.
Earnest Money:	\$3,000,000 <ul style="list-style-type: none"> + 300,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period. + \$2,700,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period Extension or when Buyer waives all Contingencies, whichever is sooner. + Notwithstanding the timing of earnest money noted above, no earnest money shall become non-refundable until a Disposition and Development Agreement (“DDA”) has been fully executed between Buyer and Seller.
Option Period:	2 years <ul style="list-style-type: none"> + Buyer will be diligently pursuing entitlements, permits, and approvals during the Option Period and Option Period Extensions. + Buyer can terminate the agreement at any point during the Option Period or Option Period Extensions.
Option Period Extensions:	2 – 1 year extensions <ul style="list-style-type: none"> + Buyer shall deposit an additional \$500,000 of Earnest Money that is non-refundable and applicable to the Purchase Price at the beginning of each Option Period Extension.
Closing	90 days

GROUND LEASE

NO AFFORDABLE HOUSING

Parties	<ul style="list-style-type: none"> + Lessee: A to be formed joint venture between Touchstone LLC, or an affiliate of same, and Portman Holdings LLC, or an affiliate of the same. + Lessor: The City of Seattle
Property	Parcel #'s: 224900-0006, 224900-0055, 224900-0120
Land Value	\$140,000,000 <ul style="list-style-type: none"> + Mercer Blocks - \$110,000,000 + Dexter Block - \$30,000,000
Ground Lease Term	99 Years
Ground Rent Return	5.5%
Initial Ground Rent	\$7,700,000
Due Diligence Period	90 days to complete property reports, investigations, and feasibility analysis (“Contingencies”).
Due Diligence Period Extension	90 days <ul style="list-style-type: none"> + Lessee shall have the right to extend the Due Diligence Period dependent on the results of Lessee’s reports, investigations, and feasibility analysis.
Earnest Money	\$3,000,000 <ul style="list-style-type: none"> + \$300,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period. + \$2,700,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period Extension or when Lessee waives all Contingencies, whichever is sooner. + Notwithstanding the timing of earnest money noted above, no earnest money shall become non-refundable until a Disposition and Development Agreement (“DDA”) has been fully executed between Lessor and Lessee.
Option Period	2 years <ul style="list-style-type: none"> + Lessee will be diligently pursuing entitlements, permits, and approvals during the Option Period and Option Period Extensions. + Lessee can terminate the agreement at any point during the Option Period or Option Period Extensions.
Option Period Extensions	2 – 1 year extensions <ul style="list-style-type: none"> + Lessee shall deposit an additional \$500,000 of Earnest Money that is non-refundable and applicable to the Purchase Price at the beginning of each Option Period Extension.

Closing	90 days
Security Deposit	Earnest Money shall be converted to a Security Deposit and released to Lessee when the project achieves a Temporary Certificate of Occupancy (TCO).
Construction & Stabilization Ground Rent	<p>+ Years 1 & 2 (“Construction Period”): Annual Ground Rent shall be \$1,000,000.</p> <p>+ Years 3, 4, & 5 (“Stabilization Period”): Annual Ground Rent shall be 25% in Year 3, 50% in Year 4, and 75% in Year 5 of Initial Ground Rent. Notwithstanding the foregoing, if the project achieves 85% occupancy or higher at any time during the Stabilization Period, Annual Ground Rent shall convert to the full amount of Initial Annual Ground Rent.</p>
Ground Rent Periodic Adjustments	10% increases every 5 years
Fair Market Land Value Revaluations	Revaluations to Fair Market Value shall occur in years 26, 51, and 76 and will be subject to a 15% cap based on then existing rent. Fair Market Value Adjustments shall occur after Periodic Adjustments in the same year. “Fair Market Value” shall mean the value based upon the then-existing use of the Property as if vacant and (a) subject to then existing encumbrances affecting the land but excluding this Lease; (b) subject to the zoning in effect on the Commencement Date; and (c) excluding the value of any improvements on the Property.
Notes	Mercer Blocks and Dexter Block shall be separate ground leases. Additionally, other structures, such as a partial pre-paid ground lease or a revenue-based ground lease can be considered.

GROUND LEASE

AFFORDABLE HOUSING

Parties	<ul style="list-style-type: none"> + Lessee: A to be formed joint venture between Touchstone LLC, or an affiliate of same, and Portman Holdings LLC, or an affiliate of the same. + Lessor: The City of Seattle
Property	Parcel #'s: 224900-0006, 224900-0055, 224900-0120
Land Value	<p>\$85,000,000</p> <ul style="list-style-type: none"> + Mercer Blocks - \$85,000,000, shall be a Ground Lease per the terms indicated below. + Dexter Block - \$0, shall be transferred Fee Simple.
Affordable Units	Approximately 241 units. (175 affordable units per the RFP requirements plus approximately 66 performance-based Mandatory Housing Affordability (“MHA”) units to satisfy the Mercer Blocks MHA requirement.)
Ground Lease Term	99 Years
Ground Rent Return	5.5%
Initial Ground Rent	\$4,675,000
Due Diligence Period	90 days to complete property reports, investigations, and feasibility analysis (“Contingencies”).
Due Diligence Period Extension	<p>90 days</p> <ul style="list-style-type: none"> + Lessee shall have the right to extend the Due Diligence Period dependent on the results of Lessee’s reports, investigations, and feasibility analysis.
Earnest Money	<p>\$3,000,000</p> <ul style="list-style-type: none"> + \$300,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period. + \$2,700,000 shall become non-refundable and applicable to the Purchase Price at the expiration of the Due Diligence Period Extension or when Lessee waives all Contingencies, whichever is sooner. + Notwithstanding the timing of earnest money noted above, no earnest money shall become non-refundable until a Disposition and Development Agreement (“DDA”) has been fully executed between Lessor and Lessee.
Option Period	<p>2 years</p> <ul style="list-style-type: none"> + Lessee will be diligently pursuing entitlements, permits, and approvals during the Option Period and Option Period Extensions. + Lessee can terminate the agreement at any point during the Option Period or Option Period Extensions.

Option Period Extensions	2 – 1 year extensions + Lessee shall deposit an additional \$500,000 of Earnest Money that is non-refundable and applicable to the Purchase Price at the beginning of each Option Period Extension.
Closing	90 days
Security Deposit	Earnest Money shall be converted to a Security Deposit and released to Lessee when the project achieves a Temporary Certificate of Occupancy (TCO).
Construction & Stabilization Ground Rent	+ Years 1 & 2 (“Construction Period”): Annual Ground Rent shall be \$650,000. + Years 3, 4, & 5 (“Stabilization Period”): Ground Rent shall be 25% in Year 3, 50% in Year 4, and 75% in Year 5 of Initial Annual Ground Rent. Notwithstanding the foregoing, if the project achieves 85% occupancy or higher at any time during the Stabilization Period, Ground Rent shall convert to the full amount of Initial Annual Ground Rent.
Ground Rent Periodic Adjustments	10% increases every 5 years
Fair Market Land Value Revaluations	Revaluations to Fair Market Value, taking into account initial Land Value, shall occur in years 26, 51, and 76 and will be subject to a 15% cap based on then existing rent. Fair Market Value Adjustments shall occur after Periodic Adjustments in the same year. “Fair Market Value” shall mean the value based upon the then-existing use of the Property as if vacant and (a) subject to then existing encumbrances affecting the land but excluding this Lease; (b) subject to the zoning in effect on the Commencement Date; and (c) excluding the value of any improvements on the Property.
Notes	Other structures, such as a partial pre-paid ground lease or a revenue-based ground lease can be considered.

06 PROJECT FINANCING PLAN



PROJECT FINANCING PLAN

Touchstone and Portman Holdings have capitalized their projects in several ways over the years. With projects of this scale, prior to construction, we typically partner with institutional equity capital (e.g. life companies such as Principal, AIG and USAA). Our extensive experience and track record with these structures and partners is evidenced by the list of projects and financial partners provided in Appendices C.3 through C.6 submitted separately as proprietary and confidential.

DEVELOPMENT VENTURE

With Mercer Square, Touchstone and Portman will enter into a to-be-formed development joint venture (“JV”). This JV will be responsible for financing the project and act as the General Partner (“GP”) and developer for the project. It is important to note that during our proposed Option Period, Touchstone and Portman will be investing millions of dollars in entitling the project, well before bringing in our capital partner. Once we have entitlements in hand and are ready to commence construction, we will then partner with a limited capital partner (“LP”) such as the ones mentioned above.

TOTAL PROJECT COSTS AND CAPITAL STACK

The estimated total project cost under a fee simple development across all three blocks (Mercer East, Mercer West and Dexter Block – assuming office use on all three) is approximately \$750,000,000. This is a scale we are accustomed to; over the past ten years, Touchstone and Portman have financed and delivered six speculative office projects with a total value of \$2.0 billion.

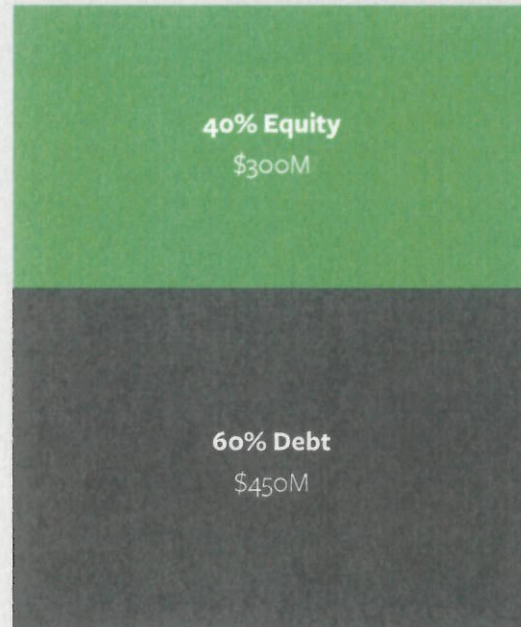
The sources of funding for this project will include equity from the to be formed JV, LP Equity and an approximately 60% construction loan from a traditional

debt source such as the commercial banks who have expressed interest in the attached letters. With construction starting in two to four years, it’s hard to predict exactly what rates, terms and yields will be at the time; however, neither Touchstone nor Portman have a history of over leveraging their projects. Our financial models include a forward Libor curve to better forecast interest rates in the future. All other debt assumptions and expected financial terms have been submitted under in Appendix C.7 under closed envelope as confidential and proprietary.

*We have included several letters of interest from equity partners and lenders that we have worked with in the past.

FEE SIMPLE CAPITAL STACK MERCER & DEXTER BLOCKS

Total Capitalization - \$750M

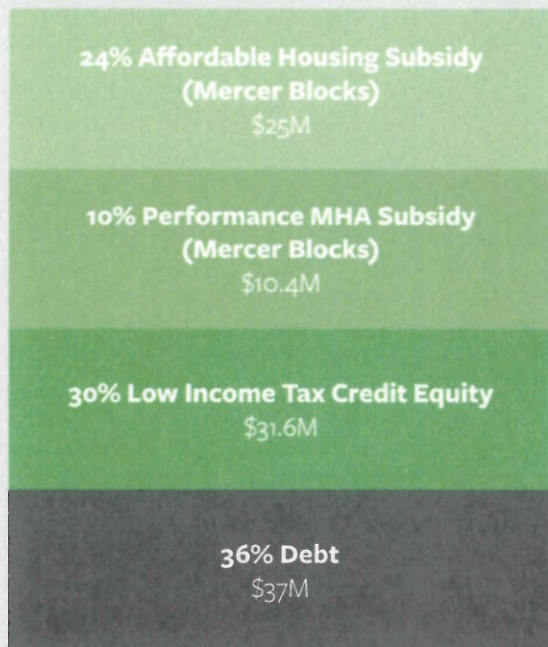


AFFORDABLE HOUSING STRUCTURE

Should the affordable housing proposal be selected, this component of the project is anticipated to be financed as follows: (i) roughly one third of the project will be financed through tax-exempt bonds/debt; (ii) another third will be financed by 4% Low Income Housing Tax Credits or tax-exempt bonds; and (iii) for the remaining third of the project costs, we have proposed that the Dexter Block land be gifted at zero or minimal cost, and that the remaining “gap” will be provided for as a discount in value to the Mercer Blocks, resulting in a future cash payment from the developer of Mercer Block.

AFFORDABLE HOUSING CAPITAL STACK - DEXTER BLOCK

Total Capitalization - \$104M



PERFORMING ARTS CENTER

We anticipate that any theater subsidy required will be financed by well-capitalized performing arts groups, as well as a capital campaign seeking contributions from multiple benefactors. It has not been determined whether or not a subsidy will be needed. A more

complete market analysis of large meeting space, performing arts space and rents will need to be performed in the future.

FINANCING RISKS

Any real estate development project, and particularly those of this scale, are never without risks and it's not possible to predict all events that may impact the financing of such projects. With that said, we monitor the capital markets closely, with the objective of structuring our developments in a way that allows flexibility based on the current climate of the capital markets.

CAPITAL MARKETS

First and foremost, a national or global economic interruption or geopolitical event could constrain capital available for this project and require more time to assemble appropriate financing. While we cannot reasonably predict the next global meltdown or consequential event, we have experienced significant downturns in the past and have always been able to eventually get our projects financed and developed. The individual and combined balance sheets of Touchstone and Portman are strong, providing us with the staying power to be able to endure capital market disruptions.

COST OF CONSTRUCTION (MATERIALS AND LABOR)

Rapidly rising construction costs are another risk on a development of this scale. Construction costs have been rising across the country, but the increases have been especially acute in Seattle. These increases can be attributed to several factors (labor shortages, tariffs, etc.). We mitigate these risks by maintaining strong relationships with well-capitalized and qualified general contractors. Our project strategy is to integrate the general contractor into the project at the schematic design phase, so that we have buy-in from all parties and can realize any synergistic relationships early on. This involvement allows us to track cost trends in real time and respond accordingly.

GROUND LEASES VERSUS FEE OWNERSHIP

Certain ground lease structures can narrow the pool of capital partners and lenders. We have extensive experience with ground lease structures. Combined, our team has financed over \$2.6 billion of ground leases over the past 10 years. We have proposed ground lease terms that we believe are financeable based on recent experience. With that said, increased complexity associated with the ground lease may make the project more difficult to finance.

SITE SPECIFIC RISKS

A preliminary review of the site and the disclosed environmental and geotechnical reports indicate potential issues with contamination cleanup and liability. While we are comfortable with significant environmental cleanup, the complexities relating to ongoing liability can slow the process down to obtain project financing. Touchstone and Portman have extensive experience with highly contaminated sites (NorthEdge, Troy Block and The Westin Charlotte). We understand the steps and processes needed to resolve all cleanup and liability issues.

MARKET DYNAMICS

Finally, while we believe leasing demand will continue to be robust (see market demand analysis below), we are prepared for an environment of slowing absorption of space by major tenants. Touchstone has more experience in financing and building speculative office buildings in Seattle than any other Seattle-based developer. The team has completed over 2 million SF over the last 10 years. As mentioned above, Touchstone and Portman have commenced construction on seven speculative buildings over the course of the last 10 years. Specific to this site, one mitigation strategy in the event of a slowing market would be to phase the three blocks. Breaking the project into three separate and smaller projects would make the lease-up risk more palatable to our capital partners.

MARKET DEMAND AND ANALYSIS

Touchstone has been developing in the Puget Sound for nearly four decades and, along with Urban Renaissance Group, internally tracks market conditions as well as consistently reviews all major market reports from the major brokerage and research firms like JLL. Additionally, our Team continually speaks with other market leaders and major employers and their representatives to understand where and how the growth or contraction is occurring. This continuous tracking and research is what has led us to submit a proposal with predominantly office use.

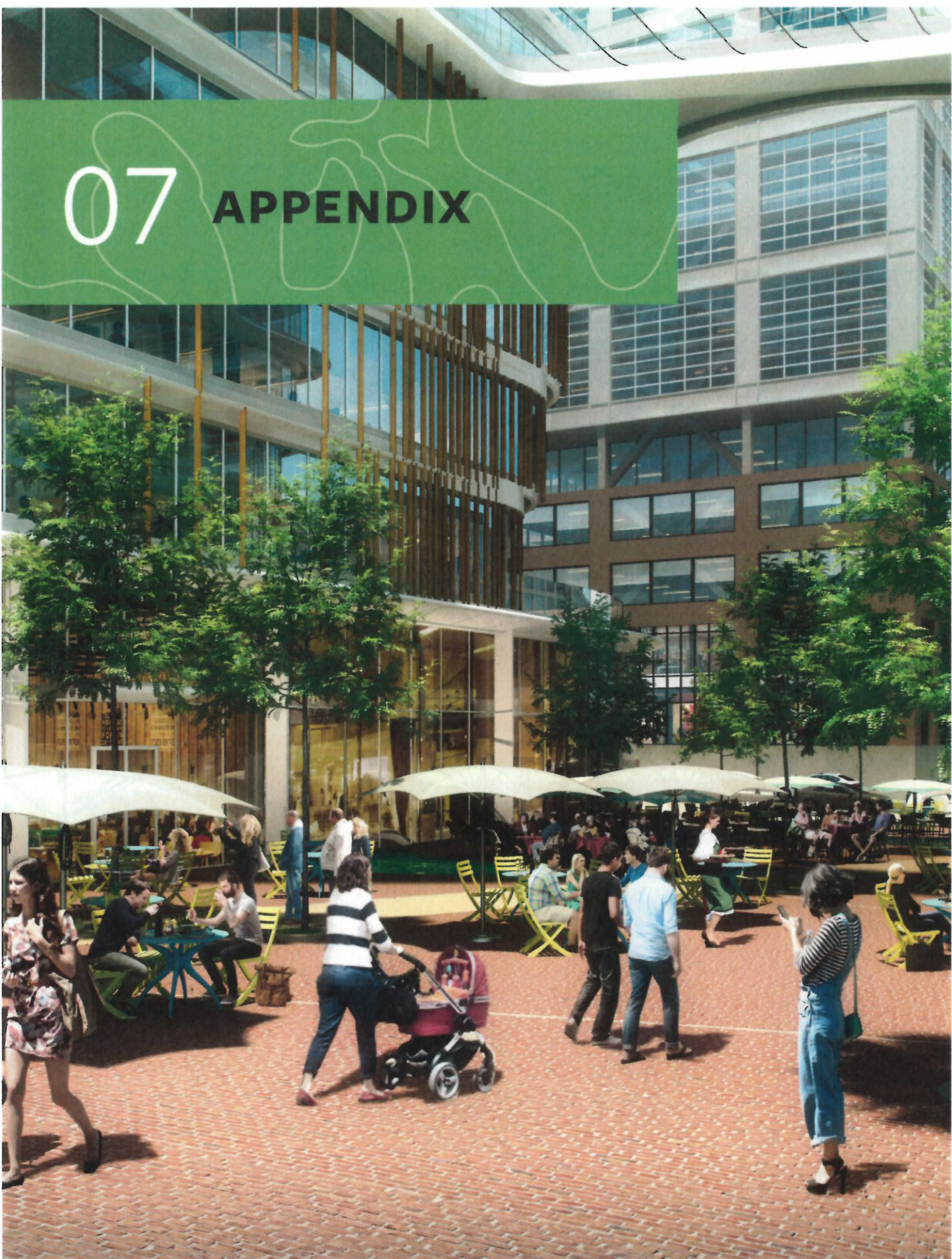
Known as one of the strongest markets in the country (ranked #1 in ULI's 2018 Emerging Trends), Seattle's office absorption rates continue to be strong. And, with office supply constrained, we see the need for more space in South Lake Union and the prospect for strong rent growth.

To this end, the Puget Sound has consistently shown strong employment growth and the need for more office space in the South Lake Union neighborhood. As mentioned in our Project Concept and Public Benefits section, this office growth has been largely supported by technology tenants. We believe this growth will continue in the immediate future.

We can provide specific metrics and analysis upon request.

All supporting proformas have been submitted in the templates provided as Appendix c.7 and under separate envelope as confidential and proprietary.

07 APPENDIX



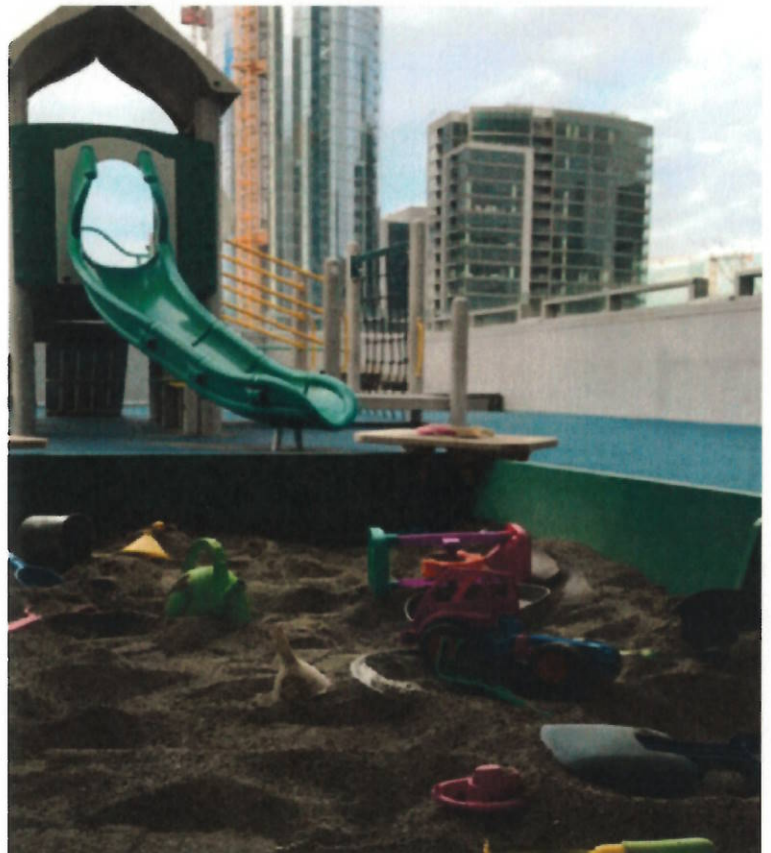
C.3 PAST PROJECT QUALIFICATIONS

FORM C.3 - FIRM QUALIFICATIONS
WEST 8TH BUILDING



TOUCHSTONE PROJECT 1 of 6				
Project Name	West 8 th Building			
Project Address	2001 8 th Avenue			
City and State	Seattle Washington			
PROJECT DATA				
Size of Project	Gross Square Footage	500,000 SF (building)	Acreage	.78 AC
Construction Type	Type 1 (Structural Steel)			
Level of LEED Certification	Gold			
Number of Stories	28			
Construction Start Date	December 2006			
Construction Completion Date	June 2009			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
Full city block development with 28 story office tower including 15,000 sf of retail space.				
2. Describe any community benefits and open space that characterize this project.				
A Bright Horizons childcare facility was integrated into the building with a 2 nd level outdoor play area, separate street drop-off zone, and dedicated elevator. An expansive 4 th floor exterior deck is provided for tenant use providing views to the Space Needle.				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
West 8 th creates a strong urban edge with a variety of active uses, including a daycare with an outdoor play area. Additionally, West 8 th achieved LEED Gold by incorporating many sustainable features into the design of the building.				
Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.				

FORM C.3 - FIRM QUALIFICATIONS
WEST 8TH BUILDING



TOUCHSTONE PROJECT 2 of 6				
Project Name	Hill7			
Project Address	1099 Stewart Street (office) & 1821 Boren Ave (hotel)			
City and State	Seattle, WA			
PROJECT DATA				
Size of Project	Gross Square Footage	440,000 SF (building)	Acreage	.65 acres
Construction Type	Type I (concrete)			
Level of LEED Certification	Office tower is LEED Gold			
Number of Stories	11 floors office + 14 floors hotel			
Construction Start Date	July 2013			
Construction Completion Date	March 2015			
Was the project completed on time? If not, why?	The office was portion was completed on time and the hotel delivered ahead of schedule			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>Located along Seattle's Boren Avenue between Stewart and Howell Streets, Hill7 is a ground-up development comprising 285,000 square feet of technology office, a 222-key Hilton Garden Inn, and three levels of shared underground parking.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>By developing the full length of the Boren block (as well as the other side of Boren for the Tilt49 Project) there was an opportunity to dramatically improve the pedestrian experience for the walkers traveling between Capitol Hill and South Lake Union. The sidewalk was pulled onto the project site allowing for full weather protection and a landscaped buffer from the heavily trafficked Boren Avenue. The building soffit above the walkway is clad with mirrored panels that bounce light and reflection of movement between the exterior and interior of the building which adds to the activation of the area. Additionally, the retail and hotel lobby provide an interesting and engaging experience for pedestrians.</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>Hill7 is a thoughtful mixed-used development that combines office and hotel use into one cohesive urban design. The Boren Avenue streetscape features transparent glazing with a variety of uses to activate the pedestrian experience. Additionally, the office building lobby incorporates local business micro retail into an open retail concept.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
HILL7

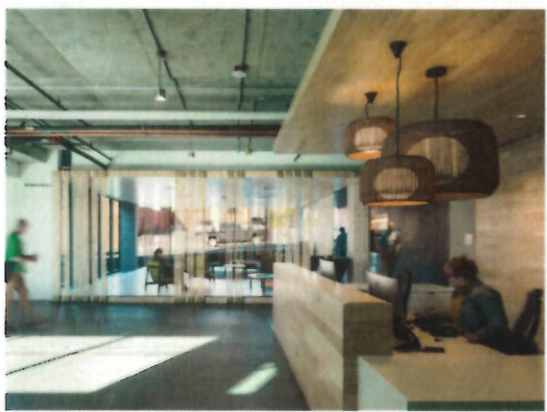


FORM C.3 - FIRM QUALIFICATIONS
NORTHEdge TECHNOLOGY CENTER



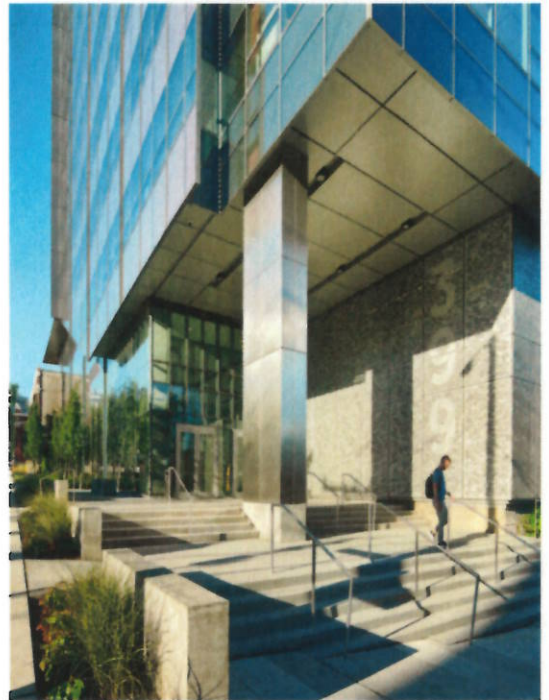
TOUCHSTONE PROJECT 3 of 6				
Project Name	NorthEdge Technology Center			
Project Address	1621 North 34 th Street			
City and State	Seattle Washington			
PROJECT DATA				
Size of Project	Gross Square Footage	211,000 SF (building)	Acreage	1.8 AC
Construction Type	Type 1 (Concrete)			
Level of LEED Certification	Silver			
Number of Stories	4 stories			
Construction Start Date	July 2014			
Construction Completion Date	May 2016			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>Redevelopment of a full city block including demolition of existing structures and cleanup of contamination from prior site uses. The new building includes 2 levels of below grade with 314 parking stalls, and 4 levels of office. Sitework included extensive dewatering due to proximity to Lake Union, and extensive cleanup of contaminated soil from prior site uses (large petroleum storage tanks). The building exterior is a combination of painted aluminum panels and rusted metal panels.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The south side of the site is bordered by the Burke Gilman trail; extra wide sidewalks were provided adjacent to the trail as well as benches and bike racks. A rooftop viewing platform with public access was also included which provides viewing of Lake Union and the Wallingford/Fremont neighborhoods.</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>NorthEdge was designed to thoughtfully integrate with the adjacent the adjacent public amenity, the Burke Gilman trail. Moreover, the building includes a public rooftop viewing deck with street level elevator access to enable the public to experience the views. Lastly, the building construction involved a cleanup of contaminated soils from previous uses.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
NORTHEDGE TECHNOLOGY CENTER



TOUCHSTONE PROJECT 4 of 6				
Project Name		Troy Block		
Project Address		300 Boren Avenue North		
City and State		Seattle Washington		
PROJECT DATA				
Size of Project	Gross Square Footage	811,00 SF (building)	Acreage	2.5 AC
Construction Type		Type 1 (Concrete)		
Level of LEED Certification		Gold		
Number of Stories		South Tower - 12 stores; North Tower - 13 stories		
Construction Start Date		June 2014		
Construction Completion Date		March 2017		
Was the project completed on time? If not, why?		Yes		
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
Redevelopment of a full city block including retaining two landmark building facades and incorporating them into the new project. Prior uses including a dry-cleaning operation; redevelopment included private money to complete cleanup of the site and removal of contaminated soils.				
2. Describe any community benefits and open space that characterize this project.				
The project design includes a meandering cross block public pedestrian corridor - with commissioned artwork pieces; restored artifacts and signs from the site prior site uses; new benches, seat steps and creative landscaping – all to encourage public and tenant use of open air spaces.				
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 Troy Block successfully integrates two landmark building facades to create a sense of place and connection to local history and culture. The landscape design and open space encourages and prioritizes the pedestrian. Additionally, there was an emphasis placed on creative use of art in the open space cross block public pedestrian corridor. Lastly, the redevelopment involved a large contaminated cleanup; over 100,000 tons of contaminated soils were removed, and an extensive groundwater treatment system was installed.				
Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.				

FORM C.3 - FIRM QUALIFICATIONS
TROY BLOCK



THOMPSON HOTEL & SEQUEL APARTMENTS



TOUCHSTONE PROJECT 5 of 6				
Project Name	Thompson Hotel & Sequel Apartments			
Project Address	1900 1 st Avenue			
City and State	Seattle, WA			
PROJECT DATA				
Size of Project	Gross Square Footage	170,000 SF (building)	Acreage	.45 acres
Construction Type	Type I (concrete)			
Level of LEED Certification	None			
Number of Stories	12			
Construction Start Date	August 2014			
Construction Completion Date	March 2016			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
The Thompson Seattle Hotel and Sequel Apartments is a mixed-use development that occupies the intersection of Stewart Street and First Avenue. The project includes a 158 key hotel and 93 apartments.				
2. Describe any community benefits and open space that characterize this project.				
The project is designed to provide an active urban edge for a prominent corner on 1 st Avenue. The inviting landscaping, retail, and local ground floor restaurant contribute to an improved pedestrian experience along 1 st Avenue. An interior courtyard borrows from the context of the neighborhood, where similar outdoor gathering places have allowed pedestrians to connect with each other within the urban landscape. Like the nearby public market where the demarcation of inside/outside lines is blurred, the protected space welcomes guests and residents to this urban oasis, as well as those passing through. The courtyard functions as an entry to the hotel and apartment complex as well as spillover restaurant space, bringing daylight into interior spaces.				
3. Describe how the referenced project is most relevant to elements of the scope as required by the City and described in the RFP.				
Thompson Hotel and Sequel Apartments successfully create a strong urban mixed-use experience through design excellence on a prominent gateway corner of 1 st Avenue. The building design caters to pedestrians with the inclusion of multiple active edges and opportunities for discovery with an internal courtyard. The building uses and design creates a development that gives a prominent corner a sense of uniqueness and character.				
Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.				

FORM C.3 - FIRM QUALIFICATIONS
THOMPSON HOTEL &
SEQUEL APARTMENTS



TOUCHSTONE PROJECT 6 of 6				
Project Name	Tilt49			
Project Address	1812 Boren Avenue			
City and State	Seattle, WA			
PROJECT DATA				
Size of Project	Gross Square Footage	291,000 SF (building)	Acreage	.68 acres
Construction Type	Type I (concrete)			
Level of LEED Certification	Gold			
Number of Stories	11			
Construction Start Date	April 2015			
Construction Completion Date	May 2017			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>Tilt49 is a mixed-use residential and office project in the Denny Triangle. The project includes 11 floors of office with 31,000 SF floor plates, a 7,000 SF deck on level 9, and a lobby featuring food retail and other "pop-up" amenity spaces. Touchstone entitled the entire half block (office and residential) to maximize uses and minimize infrastructure with a shared parking structure. Touchstone sold the entitled residential tower before construction commenced.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>By developing the full length of the Boren block (as well as the other side of Boren for the Hill7 Project) there was an opportunity to dramatically improve the pedestrian experience for the walkers traveling between Capitol Hill and South Lake Union. The sidewalk was pulled onto the project site allowing for full weather protection and a landscaped buffer from the heavily trafficked Boren Avenue. Additionally, the streetscape includes three cubed spaces to house programmed amenities and pop-up retail. These spaces further activate the street front and provide ever changing amenities for tenants and the public. Along Stewart Street, street trees and landscaping were enhanced, and the public sidewalk was widened to 13' width allowing opportunity for Mighty-O donuts to provide outdoor dining.</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>Tilt49 places an emphasis on sustainability and supports the building occupants health. The design includes increased fresh air ventilation and operable windows, well-lit and creatively enhanced exit stairs, bicycle access right off Stewart Street (planned for future dedicated bike lane), showers and lockers, drinking fountains with water fillers on every floor, low VOC construction and eco-friendly cleaning, as well as active programming of lobby level pop-up spaces. The project achieved LEED Gold.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
TILT49



PORTMAN HOLDINGS PROJECT 1 of 4				
Project Name	Coda			
Project Address	756 West Peachtree Street Northwest			
City and State	Atlanta, Georgia			
PROJECT DATA				
Size of Project	Gross Square Footage	660,000	Acreage	2.2
Construction Type	High Rise – Post-Tension Concrete			
Level of LEED Certification	LEED Gold Pending			
Number of Stories	21			
Construction Start Date	December 2016			
Construction Completion Date	March 2019			
Was the project completed on time? If not, why?	Under Construction; On Schedule			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>Coda is located in Midtown Atlanta, specifically Tech Square, which features the highest density of startups, corporate innovators, and academic researchers in the southeastern United States. Coda will provide companies the rare opportunity to co-locate with others who are embedded in the Georgia Tech innovation ecosystem. The 21-story tower will provide tenants with 37,000 square foot floor plates, an 80,000 square foot high performance data center, 25,000 square feet of street-level retail, and a 20,000 square foot outdoor plaza. To foster innovation amongst the unique and innovative tenancy, numerous collaborative areas are embedded within the design to provide tenants the opportunity to interact with others occupying the building.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>In addition to Coda's sleek innovation and robust technological advances, The Collective will provide vibrancy and serve as a dining destination, custom to Coda. Comprising of 25,000 square feet of street-level restaurants, The Collective will wrap the historic Crum & Forster building. Offering a vast range of cuisines and flavors found from around the world, The Collective will bring a true marketplace atmosphere to Coda. With its unique environment, The Collective will provide gathering, meeting, and dining hotspots that overlook the 20,000 square foot outdoor plaza.</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>Coda serves as a beacon for the City of Atlanta, attracting the nation's top talent by providing an incubator space to many of the world's most forward-thinking companies. It's seamless integration with the surrounding neighborhood and the Georgia Tech campus provides a truly inspirational environment for building occupants, while allowing area residents multiple points of interaction with the project.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
CODA

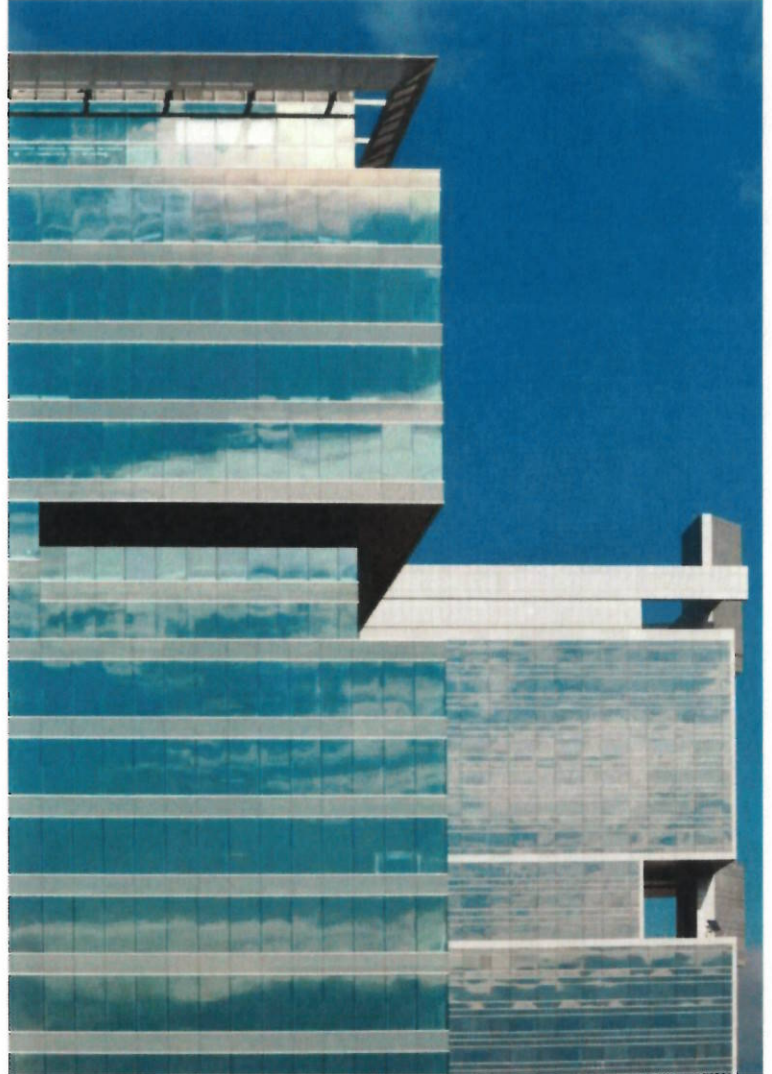
PORTMAN HOLDINGS



PORTMAN HOLDINGS PROJECT 2 of 4				
Project Name	615 South College			
Project Address	615 South College Street			
City and State	Charlotte, North Carolina			
PROJECT DATA				
Size of Project	Gross Square Footage	371,000	Acreage	2.0
Construction Type	Type I-A			
Level of LEED Certification	LEED Gold Certification			
Number of Stories	18			
Construction Start Date	September 2015			
Construction Completion Date	May 2017			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>615 South College is a transit-oriented, trophy office tower located in the front row of Charlotte's thriving Uptown submarket. The project epitomizes today's desired office environment with a mixed-use, urban environment, a modern aesthetic, soaring 10' finished ceiling heights, floor-to-ceiling glass windows providing panoramic views, multiple two-story balconies, a full complement of amenities, and direct access to mass-transit.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>The third floor of the building provides access to an urban amenity deck with access to Uptown Charlotte's first light-rail stop on the LYNX Blue Line. The project is located in the epicenter of Uptown Charlotte, providing a true 24/7 neighborhood with walkable housing, dining, and entertainment.</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>Designed to meet the needs of modern tenants and accommodate any industry as evidenced by the Property's unique tenant mix, 615 South College offers a full range of amenities while seamlessly integrating with the urban environment in which it is located. 615 South College is connected to Charlotte's largest hotel, the 700-room Portman Holdings-developed Westin Charlotte, which further supports Portman Holdings' ability to develop groundbreaking, mixed-use projects in burgeoning urban environments.</p>				
Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.				

FORM C.3 - FIRM QUALIFICATIONS
615 SOUTH COLLEGE

PORTMAN HOLDINGS



PORTMAN HOLDINGS PROJECT 3 of 4				
Project Name	Lane Field			
Project Address	900 & 901 Bayfront Court			
City and State	San Diego, California			
PROJECT DATA				
Size of Project	Gross Square Footage	1,000,000	Acreage	5.2
Construction Type	Type I-A			
Level of LEED Certification	N/A			
Number of Stories	17 (900 Bayfront Court) & 19 (901 Bayfront Court)			
Construction Start Date	May 2016			
Construction Completion Date	September 2018			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>Fronting the San Diego Bay, Lane Field contained two phases to redevelop 5.2 acres of irreplaceable waterfront real estate in Downtown San Diego. Phase I consisted of a dual-branded 400-room SpringHill Suites and Residence Inn, with nearly 27,000 square feet of retail. Phase II of the project included the 400-room Intercontinental San Diego as well as four signature dining venues.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Lane Field occupies the historic grounds formally home to the San Diego Padres. As part of the project, the northeast corner of Broadway and Harbor Drive was redeveloped into an open, multi-use space for events. The new park commemorates the ballpark built by Depression-era workers to accommodate the move of the Pacific Coast League Hollywood Stars (renamed the Padres) to San Diego in 1936. The park features views of the San Diego Bay and has become a popular destination for visitors and locals alike.</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>Located on the San Diego waterfront, with easy access to local hotspots, attractions and recreation, Lane Field brings together guests and locals with nearly 60,000 square feet of cafés, restaurants, boutiques, and other shops. Additionally, Lane Field Park is one of San Diego's premier outdoor event venues, capable of hosting events with up to 3,000 guests.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
LANE FIELD

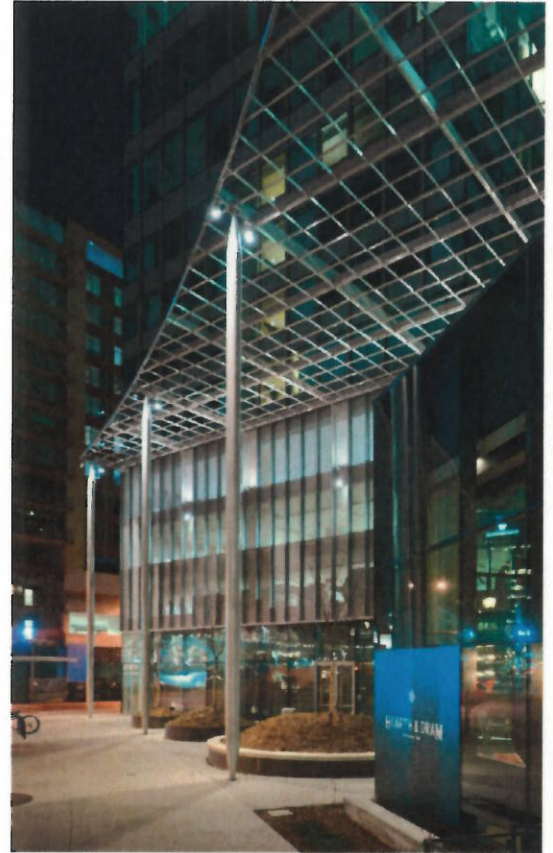
PORTMAN HOLDINGS



PORTMAN HOLDINGS PROJECT 4 of 4				
Project Name	Union Tower West			
Project Address	1801 Wewatta Street			
City and State	Denver, Colorado			
PROJECT DATA				
Size of Project	Gross Square Footage	295,000	Acreage	1.15
Construction Type	Type I-A			
Level of LEED Certification	LEED BD+C New Construction v3 Certified			
Number of Stories	12			
Construction Start Date	April 2015			
Construction Completion Date	January 2017			
Was the project completed on time? If not, why?	Yes			
Address the following questions in relation to the above referenced project:				
1. Provide a brief narrative that describes the nature of the development.				
<p>The Class AA mixed-use Union Tower West is located in the heart of Denver's thriving Union Station neighborhood. Union Tower West features a 180-room Hotel Indigo on floors 4-8, 101,000 square feet of trophy office space on floors 9-12, and the Hearth & Dram restaurant on the ground floor. Additionally, a parking garage consisting of approximately 200 parking spaces is located on floors 2-4.</p>				
2. Describe any community benefits and open space that characterize this project.				
<p>Union Tower West is situated in one of the most sought-after locations in Denver; just steps to the commuter rail and light rail platforms, across from Denver Union Station, one block from the 16th Street Pedestrian Mall, and surrounded by Denver's top retail, restaurants, and hotels.</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>Once handling over 80 trains per day, Union Station, the project namesake, has long been at the center of Denver's urban core and has become the focal point for redevelopment efforts in Denver. Union Tower West capitalizes on the area's increasing popularity through integration with the surrounding neighborhood. Key to the success of the project, Union Tower West provides connectivity to multiple transit options and gives building occupants the opportunity to connect with street-level.</p>				
<p>Provide up to two (2) pages of illustrations (photographs, drawings, and computer generated art) no larger than 8x10" which may be used to illustrate each project. These can be before-and after shots, interiors, elevations, sections, or other visual descriptions of project quality.</p>				

FORM C.3 - FIRM QUALIFICATIONS
UNION TOWER WEST

PORTMAN HOLDINGS



DEBT AND EQUITY INTEREST LETTERS



AIG Global Real Estate
30 Pine Street, 4th Floor
New York, NY 10005
Gustavo Sarago
Vice President
646.857.2281

September 17, 2018

Portman Holdings, LLC
303 Peachtree Center NE
Suite 575
Atlanta, GA 30303

RE: Mercer Mega Block

Portman Holdings and URG Touchstone Team:

On behalf of AIG Global Real Estate, we appreciate you contacting us regarding the Mercer Mega Block site in Seattle's South Lake Union submarket. We would like to extend our gratitude for your confidence in AIG Global Real Estate as a financial partner in, both, previous deals and future opportunities. As a capital partner to both Portman and URG/Touchstone on various projects with development costs totaling in excess of \$400M during the past five years, AIG Global Real Estate has enjoyed tremendous success with both Portman and URG/Touchstone. These developments were successfully completed on-time and on-budget and have performed ahead of AIG's financial projections.

AIG Global Real Estate has an active allocation for mixed-use developments and maintains a portfolio of assets of a similar scale to the proposed project. With nearly 30 years of experience, more than 100 real estate professionals, and approximately \$18 billion in assets under management, we are well-positioned to participate in an opportunity of this magnitude.

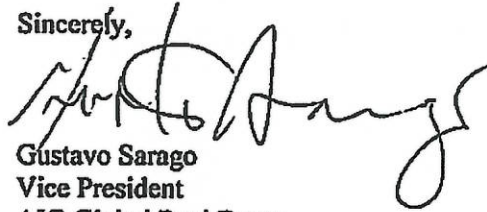
Seattle remains an attractive investment market for AIG Global Real Estate. We understand that the current project plans include approximately 225,000 square feet of residential, 715,000 square feet of office, 41,000 square feet of retail, a 29,000 square foot theatre, a 46,000 square foot school, and 1,000 underground parking spaces. Considering the market fundamentals, our understanding of the opportunity, our longstanding relationship, and our knowledge of the capability of Portman Holdings and URG/Touchstone to successfully execute this project, we believe that the proposed project could be successfully capitalized by AIG Global Real Estate. Additionally, AIG Global Real Estate and Portman Holdings have a long and fruitful relationship dating back to the early 1990s, and we hope to continue to build upon our shared history.

Given the early stage of this specific opportunity, our involvement is still subject to underwriting and investment committee review and approval. Therefore, this

letter should not be deemed to constitute or form the basis of an offer, acceptance, counteroffer, agreement, nor other binding obligation and shall not create any obligation or liability (including any obligation to start or continue negotiations), and no course of conduct or deal (including discussion, negotiation, email, nor other correspondence of the exchange of any other documents) shall create any binding obligations.

We are thrilled to be considered for this investment opportunity and the prospect of partnering once again. We recognize the importance of this project to the City of Seattle and the people that will come to use the future facilities. We look forward to potentially working with the Portman Holdings and URG Touchstone team.

Sincerely,

A handwritten signature in black ink, appearing to read "Gustavo Sarago". The signature is fluid and cursive, with a large, stylized initial "G".

Gustavo Sarago
Vice President
AIG Global Real Estate



Bank OZK

Real Estate
Specialties Group

September 19, 2018

Touchstone LLC
1425 4th Ave.
Seattle, WA 98121

RE: Mercer Mega Block

Touchstone and Portman Holdings Teams:

Thank you for contacting us regarding your pursuit of the Mercer Mega Block in Seattle's South Lake Union neighborhood. Bank OZK has provided debt capital to a number of projects in the Seattle area, including Touchstone's NorthEdge and Tilt49 office developments, as well as the Hilton Garden Inn in downtown Seattle. Collectively, Bank OZK has provided loans of over \$180MM on Touchstone's projects and look forward to continuing our relationship on future projects.

We remain interested in Touchstone's future projects and the plan you have put together with Portman Holdings for the Mercer Mega Block is consistent with the types of projects Bank OZK is interested in. We welcome the opportunity to underwrite this project should it move forward.

We are keenly interested in lending to projects like these in cities with strong fundamentals like Seattle. Additionally, we are always looking to continue and develop relationships with our development partners that have a proven track record of executing projects like the Mercer Mega Block. We have complete confidence that the Touchstone and Portman teams can successfully execute a project of this scale and profile and look forward to looking at this opportunity further.

Sincerely,

Mason Ross Jr.
Executive Vice President - Originations
Bank OZK



Invesco Real Estate
101 California Street
Suite 1800
San Francisco, CA 94111
P 415.445.3345 F 415.445.7549
www.invesco.com

October 1, 2018

Touchstone LLC
1425 4th Ave., Suite 200
Seattle, WA 98121

RE: Mercer Mega Block

Touchstone and Portman Holdings Teams:

I am writing this letter of recommendation on behalf of Touchstone and Portman Holdings as they pursue the Mercer Mega Block property, which we know is one of the premier development sites in Seattle's South Lake Union submarket. Invesco is currently partnering with Touchstone's sister company, Urban Renaissance Group, in the development of a 140,000sf office building in Portland's emerging Goose Hollow neighborhood. We are also familiar with Touchstone's many projects in Seattle, including major office and mixed-use properties that Invesco has recently considered for acquisition (upon the completion and stabilization of the projects). These include Troy Block, Northedge, Hill 7 and Tilt 49, all located proximate to the Mercer Mega Block site.

We are also of course familiar with Portman Holdings and their longstanding reputation as a leading national and international development company. It is my opinion that Touchstone and Portman Holdings teams are well-equipped to execute on a development of this scale and vision.

We understand that the current project will include over one million square feet spread over the blocks and featuring a range of uses, including office, residential, retail, and potentially educational and art related uses. While Invesco does not typically invest in major projects prior to full entitlement for development, we will certainly strongly consider the investment opportunity as the project progresses.

Invesco is a longstanding owner of office, residential, and retail properties in the urban and first ring suburban markets of Seattle and Bellevue. We have a strong interest in growing our portfolio in the Northwest. These plans are very likely to include Touchstone and Urban Renaissance Group.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. [unclear]", written in a cursive style.

Managing Director
Head of US Fund Management

September 20, 2018

Portman Holdings, LLC
303 Peachtree Center NE
Suite 575
Atlanta, GA 30303

RE: Mercer Mega Block

Portman Holdings and URG Touchstone Team:

We are pleased to hear that the Portman Holdings and URG Touchstone team will be pursuing the acquisition of 2.86-acres in Seattle's South Lake Union submarket. Given our experience working with your team, we believe Portman Holdings and URG Touchstone is well-positioned to execute on this project to the highest degree and look forward to being involved should you be selected to develop the site. We understand that the current project includes approximately 225,000 square feet of residential, 715,000 square feet of office, 41,000 square feet of retail, a 29,000 square foot theatre, a 46,000 square foot school, and 1,000 underground parking spaces. Currently, this project is at too early a stage for full capital commitments; however, we stand ready to further review, underwrite and assess the opportunity as it further progresses.

We value our relationship with Portman Holdings which began through our partnership on Coda, a mixed-use project in the Midtown submarket of Atlanta, consisting of a 650,000 square foot office building, approximately 30,000 SF of retail space, and 600 underground parking spaces. JP Morgan served as the lead bank for the construction loan on the project, which amounted to \$153,000,000, with total project cost of approximately \$278,000,000.

Our group maintains interest in strong markets like Seattle and welcomes conversation surrounding the future capital needs of this project and your firm.

Sincerely,



Kurt E. Schwarz
Senior Client Executive, Real Estate Banking
J.P.Morgan Real Estate Banking

Principal Real Estate Investors



Principal Global Investors
801 Grand Avenue Des Moines, Iowa 50392-0001
T +1 800.533.1390
www.principalglobal.com

September 24, 2018
Touchstone LLC
1425 4th Ave.
Seattle, WA 98121

RE: Mercer Mega Block

Touchstone and Portman Holdings Teams:

We are pleased to hear that the Touchstone and Portman Holdings teams are pursuing development of the Mercer Mega Block in Seattle's South Lake Union submarket. We've enjoyed working with the Touchstone team on past projects and welcome the opportunity to evaluate future partnerships such as this. We think the Touchstone and Portman Holdings teams are well-equipped to execute on a development of this scale and vision.

We understand that the current project includes approximately 225,000 square feet of residential, 715,000 square feet of office, 41,000 square feet of retail, a 29,000 square foot theatre, 46,000 square feet for educational facilities (school and/or daycare), and 1,000 underground parking spaces. This project is in too early of a stage to provide any capital commitment; however, we welcome the opportunity to underwrite and assess this opportunity as it progresses further.

We value our relationship with Touchstone which began through our partnerships on Hill7 and Tilt49 in the Denny Triangle neighborhood in downtown Seattle. Hill7 was a mixed-use project consisting of a 290,000 square foot office building, retail, underground parking, and a hotel. Tilt49 was another mixed-use project consisting of 300,000 SF of office and retail space, underground parking, and an adjacent 40-story apartment tower. Principal served as the primary equity capital partner on both projects and collectively contributed over \$100M of equity on total costs exceeding \$270M.

Principal has made a number of investments in the Puget Sound and has continuing interests to invest in the region further. We look forward to additional opportunities such as the Mercer Mega Block that will allow us to grow our relationship and provide additional investment in Seattle.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay Fisher', written over a horizontal line.

Jay Fisher
Investment Director
Principal Global Investors



Joe Pella
Georgia CRE Market Manager
Senior Vice President

SunTrust Bank
1155 Peachtree St. NE
Suite 300
Atlanta, GA 30309
Tel 404.813.0476
joseph.pella@suntrust.com

September 17, 2018

Portman Holdings, LLC
303 Peachtree Center NE
Suite 575
Atlanta, GA 30303

RE: Mercer Mega Block

Portman Holdings and URG Touchstone Team:

Thank you for including SunTrust in your early discussions regarding your pursuit of the Mercer Mega Block site in Seattle. SunTrust understands that the 2.86-acre site is located in the South Lake Union submarket. We recognize that the current project includes approximately 225,000 square feet of residential, 715,000 square feet of office, 41,000 square feet of retail, a 29,000 square foot theatre, a 46,000 square foot school, and 1,000 underground parking spaces. While we are unable to make any capital commitments at this stage, we look forward to further underwriting and assessing the opportunity as it progresses.

We have a very strong and long-standing relationship with Portman Holdings and have partnered together on multiple projects in the past, including:

- **SunTrust Plaza:** Approximately 1,200,000 square feet of Class A office in Downtown Atlanta acquired via a joint venture in 1997.
- **SunTrust Plaza Garden Offices:** Approximately 650,000 square feet of Class A office in Downtown Atlanta developed via a joint venture in 1999.
- **Anthem Technology Center:** Approximately 352,000 square feet of Class A office in Midtown Atlanta financed via a construction loan of approximately \$110 million in 2018.

We look forward to receiving further information about the project and exploring with you the potential of working together on this opportunity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Pella", is written over a light blue horizontal line.

Joe Pella
Senior Vice President
SunTrust Commercial Real Estate Banking



October 1, 2018

Portman Holdings, LLC
303 Peachtree Center NE
Suite 575
Atlanta, GA 30303

RE: Mercer Mega Block

Portman Holdings and Touchstone Team:

Thank you for reaching out to USAA Real Estate regarding your pursuit of the 2.86-acre Mercer Mega Block site in Seattle. USAA Real Estate has invested in the Seattle market, specifically the South Lake Union submarket, and looks forward to continuing our growing relationship with Portman Holdings and Touchstone. Should Portman Holdings and Touchstone be chosen to develop the project, we look forward to underwriting and, subject to market and investment committee approval, being the JV equity partner in the project.

USAA Real Estate partnered with Touchstone on another project in South Lake Union, Troy Block, which consisted of approximately 812,000 square feet of office and retail space and a 1,120-space underground parking garage. USAA Real Estate served as the equity partner on the project with total costs in excess of \$35 million.

USAA Real Estate understands that the project consists of three unique sites with the potential for a variety of uses, including residential, commercial, or mixed-use. We recognize that the current project plans include approximately 225,000 square feet of residential, 715,000 square feet of office, 41,000 square feet of retail, a 29,000 square foot theatre, a 46,000 square foot school, and 1,000 underground parking spaces. Based upon current market conditions and the team's capabilities as a developer and operator of complex real estate assets, USAA Real Estate intends to facilitate conversation regarding investment in the project, subject to above.

While this letter shall not serve as a commitment of capital, USAA Real Estate is prepared to continue discussions regarding capital needs should Portman Holdings and Touchstone be selected to develop the Mercer Mega Block site. We look forward to the potential of working with the Portman Holdings and Touchstone team on this project.

Thank you for your consideration.

Regards,

A handwritten signature in black ink, appearing to read "Dirk P.D. Mosis III".

Dirk P.D. Mosis III
Executive Managing Director

The background is a solid green color with white, abstract, hand-drawn line art. The lines are fluid and organic, creating various shapes and patterns across the page. The text is centered in the upper portion of the page.

ARTS AND THEATER INTEREST LETTERS



September 21st 2018

To Whom It May Concern:

On behalf of the Cornish Dance department, I am writing to express interest in the proposed development of the Dexter Ave/Mercer Street site by Touchstone.

Cornish was founded in 1914, by visionary Nellie Cornish, and has grown to serve approximately 700 students across multiple arts disciplines, becoming the premiere arts college in the Puget Sound with an internationally recognized list of alumni who are leaders in their fields. It's annual budget is over thirty million and the rate of return on its endowment is approximately 13%.

The Cornish dance department, of which I have been the Chair since December 2015, has faced a shortage of studio space for a number of years and has been looking to find studios for use in the South Lake Union area near its main campus for classes, rehearsals, and other projects.

We support the creation of a world class dance center in Seattle that can match the achievements and expectation we have of our students and distinguished alumni.

Faithfully,

A handwritten signature in black ink that reads "V. Watts".

Victoria Watts, PhD
Chair, Department of Dance



John Bradshaw, Managing Director · George Mount, Artistic Director

September 19, 2018

To Whom It May Concern,

I am writing to express Seattle Shakespeare Company's interest in Touchstone, a URG Company's proposed development of the Dexter Avenue North/Mercer Street block site in Seattle.

Seattle Shakespeare Company was founded in 1991 with the goal of bringing high-quality, professional productions of Shakespeare and the classics to local audiences. In 2008, Wooden O Theatre, producers of free Shakespeare in our region's parks, merged with Seattle Shakespeare, bringing together Washington's most active and acclaimed classical theatres.

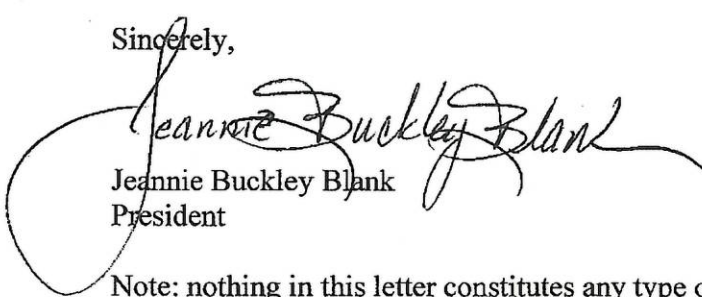
We currently serve more than 54,000 students and audience members annually through four arms of programming: 1) an indoor season of five plays, 2) Wooden O's outdoor season of free Shakespeare in our region's parks, 3) in-school and out-of-school education programs for youth, and 4) touring outreach productions that span Washington State.

Seattle Shakespeare Company is Washington State's only year-round, professional classical theatre company with a strong educational component. We operate with a budget of \$2 million, a board of 26 trustees, a staff of 21, and a pool of more than 250 artists. Seattle Shakespeare Company is debt free and financially secure and has finished the past 14 of 15 years with a positive balance enabling us to build reserves and maintain a healthy equity position.

We have been part of the Lower Queen Anne neighborhood for the past 18 years, being in residence at Seattle Center. While we have seen tremendous growth in the past 10 years, we are limited by our current venues. Our Facilities Committee continues to explore different options for the theatre going forward. We are interested in being part of a development that could provide a long-term home for our theatre.

We support Touchstone's plans for a combined affordable housing and arts venue and look forward to further discussions.

Sincerely,


Jeannie Buckley Blank
President

Note: nothing in this letter constitutes any type of agreement or commitment by Seattle Shakespeare Company to the Dexter Avenue/Mercer Street site/project or any other. Any agreement or commitment would require a formal vote by our Board of Directors.

ARC DANCE

September 13, 2018

To Whom It May Concern,

On behalf of ARC Dance Productions, I am writing to express interest in the proposed development of the Dexter Ave site by Touchstone.

Since 1999, ARC has presented mixed repertory work and specializes in producing a wide variety of dance programming, that reaches 10,000 to 40,000 community members annually. ARC Dance continues to offer accessible and evocative productions to Seattle audiences. The Company has fostered collaborations with other artists, combined aerial dance with classical ballet, and merged various performing arts medias, making ARC Dance a prominent contributor to Seattle's dance community.

In 2004, Arc School of Ballet (ASB) was launched to offer high quality classical ballet training to the Seattle community. ASB offers programs for dancers of all ages, from beginner to the professional-bound dancer. ARC Dance Company and Arc School of Ballet occupy a 9,000 square foot facility in North Ballard. The facility includes multiple studios, a cross-training center, and a performance space.

While ARC has produced a regular summer season at Seattle Center's Leo Kreielsheimer Theatre for ten years, one of ARC's primary challenges remains securing an appropriate performance venue on a consistent basis throughout the year. We are interested in being part of a development that would provide an ongoing, available performance venue for our productions.

Sincerely,



Marie Chong
Artistic Director

Nothing in this letter constitutes any type of agreement or commitment by ARC Dance Productions to the 400 Queen Anne Avenue site project or any other. Any such agreement or commitment would require a formal vote by ARC's Board of Directors.

ARC Dance Productions is a 501c(3) non-profit corporation under the Internal Revenue Code. Tax ID #91-1976719

The Power of Live Performance. Get Closer to Dance!

Mail: PO Box 9997 Seattle, WA 98109 | Studios: 9250 14th Ave NW Seattle, WA 98117 | www.arcdance.org

September 21, 2018

To whom it may concern,

On behalf of Karin Stevens Dance (KSD), I am writing to express interest in Touchstone's proposed development of the Dexter Ave/Mercer Street site.

Founded in 2009 by choreographer, dance artist, and Seattle native Karin Stevens, KSD creates imaginative contemporary dance works capturing the breadth of the moving human experience. Collaborating with local music, theater, and visual artists, KSD's celebrated body of work finds itself at the intersection of art and ecology, offering immersive audience experiences connecting us more deeply to ourselves, each other, and the environment.

Over the last nine years, KSD has presented and independently produced 12 evening length concerts, toured regionally and internationally, and hosted community conversations and classes reaching a total audience of over 8,000 people.

Since my appointment as Board President in 2013, I have witnessed the astounding growth of this organization both financially and artistically. We operate with a budget of \$85,000, and our work is made possible by the tireless efforts of a few key private contractors including two arts administrators and Artistic Director & Choreographer Karin Stevens. Our board of directors is sustained by dedicated volunteers including myself, a treasurer, and secretary.

Since its inception, KSD has not had a permanent space to call home, renting rehearsal and performance space for each new project at various venues throughout Seattle. Now, KSD finds itself poised to take the next step in leading vital conversations through the medium of dance, while also positioning itself to better bridge the relationship between our home-grown dance artists and the Seattle audiences who need to experience their work. I believe KSD is the perfect example of an artist driven organization that would make a center for Seattle contemporary dance a great success.

We are interested in being part of a development that could provide a long-term home for our dance company and look forward to further discussions about this project.

Best,



Todd Bullock
Board President, Karin Stevens Dance

*This is intended as a letter of intent and is not to be construed as a legally binding agreement by Karin Stevens Dance to commit resources or engage in this project. Doing so would require further examination of the final terms and a vote by the Board of Directors.



5609 34th Ave SW, Seattle WA, 98126 · 206-552-0694 · [www. KhambattaDance.org](http://www.KhambattaDance.org)

September 20, 2018

To Whom It May Concern,

On behalf of the Seattle International Dance Festival (SIDF) and Khambatta Dance Company, I am writing to express interest in the proposed development of the Dexter Ave and Mercer St site by Touchstone.

Arriving in Seattle in 2001 from New York City, Khambatta Dance Company, which produces SIDF, has presented its programming both in Seattle and throughout the world, including Asia, Europe, Russia, and North and South America at venues such as The World Expo (Lisbon), The National Center for the Performing Arts (Mumbai), The French National Choreographic Center of Tours, Vancouver International Dance Festival, Spoleto Festival USA, and many others.

SIDF began in 2006 with one international company and two local companies over one weekend and since has grown to a 17-day event in various indoor and outdoor locations, presenting local, national and international companies to audiences of over 5,000. It has presented companies from over 35 countries.

Khambatta Dance Company has secured a pledge of \$500K to \$1million from one of its funders for a project of this type. The company has been looking for a venue for several years in South Lake Union (and almost took over the former KEXP building), and counts among its partners in the area, both Vulcan and Amazon. As a result of this search, it has developed a plan that would allow it to use one or two studios (full and/or part time) and a theater for 6-8 weeks a year. Having a venue of the caliber proposed in this location would allow the company and the festival's to grow in its service to the artists and residents of the city of Seattle.

Yours Truly,

A handwritten signature in black ink, appearing to read "Cyrus Khambatta", with a long horizontal flourish extending to the right.

Cyrus Khambatta
Artistic Director

Please note this is intended as a letter of intent and is not to be construed as a legally binding agreement by Khambatta Dance Company or The Seattle International Dance Festival to commit resources or engage in this project. Doing so would require further examination of the final terms and a vote by the Board of Directors.

Khambatta Dance Company (KDC) and The Seattle International Dance Festival (SIDF) are DBA names of the Phfft Company, Inc., a federally recognized non-profit 501(c)3 arts organization, making your donation tax-deductible.



SPECTRUM DANCE THEATER
DONALD BYRD

Joe Polito, Vice President of Development Touchstone
1425 Fourth Avenue, Suite 200
Seattle, Washington 98101

Dear Mr. Polito:

On behalf of the Spectrum Dance Theater, I am writing to express interest in the proposed development of the Mercer and Dexter Ave site by Touchstone.

Spectrum was founded in 1982 and is comprised of three organizational components: the professional Company, the School, and Community Engagement programs. Its unique vision and commitment to inclusion, invites broad public participation through thought-provoking dance productions, community classes, and educational trainings. Through performances, educational offerings, touring, and community programming, Spectrum reaches anywhere from 10,000 to upwards of 50,000 community members annually.

Spectrum Dance Theater Company is the largest contemporary dance company in the Puget Sound with an annual budget of \$1.4 million. The professional Company has been looking for a high-quality theater for presentation of its work for a number of years.

Sincerely,

Tera Beach
Executive Director,
SPECTRUM DANCE THEATER



September 21, 2018

Dear Joe,

On behalf of Whim W'Him, I am writing to express interest in the proposed development of the Dexter/Mercer site by Touchstone. A facility would help us fulfill our mission and secure our future.

Whim W'Him is an award-winning contemporary dance company founded in 2009 by Olivier Wevers. Our mission is to provide a platform centered around choreography and dance for artists to explore their craft through innovation and collaboration. In our short history we have produced more than 50 contemporary dance works by 30+ international choreographers. Our budget is \$600,000 and 70% of our income comes from individual contributions. The company's 7 dancers receive a competitive wage and benefits. We are a performing arts organization that does not have a dance school or receive tuition from students.

Company leadership values providing access to high-quality dance experiences. Each year we serve 10,000 people through our programs. Our annual season offers 3 evening length productions over 6 weeks. We partner with local nonprofits and offer limited outreach programming. We want to offer more programs in the community and serve more people through contemporary dance. Access to a purpose built facility for dance would enable us to continue our growth and reach.

We are in support of a shared space for the dance community that will elevate the art form and garner audiences.

A handwritten signature in black ink, appearing to read 'Krina Turner'.

Krina Turner
Executive Director

Please note this is intended as a letter of intent and is not to be construed as a legally binding agreement by Whim W'Him to commit resources or engage in this project. Doing so would require further examination of the final terms and a vote by the Whim W'Him Board of Directors.