



March 19th 2011

Joint Planning Commission & Tree Board Tour

- City of Edmonds Downtown
- South Lake Union

Revised



**CITY OF WOODINVILLE
17301 133rd Avenue NE
WOODINVILLE, WA 98072
(425) 489-2700 FAX (425) 489-2705**

**NOTICE OF PLANNING COMMISSION
AND TREE BOARD
SPECIAL MEETING**

PURPOSE: MEMBERS OF THE WOODINVILLE PLANNING COMMISSION AND TREE BOARD WILL PARTICIPATE IN A TOUR WITH CITY STAFF TO REVIEW DESIGN ELEMENTS.

DATE/TIME: SATURDAY, March 19, 2011
9:00 AM - 1:00 PM

LOCATION: SOUTH LAKE UNION AND DOWNTOWN EDMONDS (LEAVING FROM WOODINVILLE CITY HALL)

DATED THIS 3RD DAY OF MARCH, 2011

HAL H. HART
DEVELOPMENT SERVICES DIRECTOR

Faxed to: News Media
Emailed to: 1) City Staff, 2) Planning Commission 3) City Attorney
Post: 1) In-house, 2) Post Office & 3) Website



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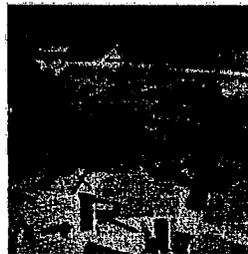
Monday, March 14, 2011

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Citizens take hands-on approach to Westgate, Five Corners planning



Earnest conversation and teamwork as citizens focus on design elements for Westgate and Five Corners neighborhoods.

Stacking blocks of wood and taping pieces of paper to maps, nearly 75 citizens, property owners, City of Edmonds staff and consultants spent four hours on Saturday planning the future of two of Edmonds' most prominent and well-traveled commercial centers — Westgate and Five Corners — and their surrounding neighborhoods.

Participants in the city-sponsored design workshop gathered around tables in the Edmonds Library's Plaza Room, discussing the merits of everything from roundabouts to street-facing businesses to pocket parks to rain gardens.

Sponsored by the City of Edmonds Economic Development Commission in collaboration with the University of Washington Green Futures Lab and the Cascade Land Conservancy, Saturday's workshop was the second in a series of planning meetings for the two commercial sites.

During the first meetings — known as listening sessions — in late January, citizens began to envision ideas for developing Westgate and Five Corners. Saturday's meeting was hands-on, with those attending assigned to one of several Westgate or Five Corners tables covered with large neighborhood maps. Members of each table affixed

pieces of paper in various shapes to represent participants' desired open spaces (such as parks or outdoor eating areas), while wood blocks — stacked according to desired building height — were placed in locations for commercial, residential or mixed-used buildings. University of Washington faculty and students, and professional architects and artists — many of them Edmonds residents — were on hand to provide guidance and answer questions about the process.

Following two hours of discussion, block stacking, sketching and taping, the leader of each table group provided a report on the the table's collective vision for future development. For the seven-acre Five Corners site, it was clear that the city's plan to install a roundabout at the current five-way stop sign was of utmost concern. Many mentioned the importance of incorporating the roundabout into the neighborhood identity, "celebrating it as a gateway to downtown Edmonds as well as marker for community," as one group put it. For Westgate, the focus was on how to make the 30-acre neighborhood that includes a state highway leading to the Edmonds ferry terminal more walkable and pedestrian-friendly. One of the table presenters said his group suggested taking advantage of the ferry traffic to create a "stop, shop and sail" promotion — ferry goers could shop at Westgate and also get a reservation for the ferry.

Stephen Clifton, the city's director of community services/economic development, also attended the workshop, and told *My Edmonds News* he was pleased with the turnout and level of engagement attendees brought to the process. Clifton said he believes that the timing for this type of planning — during an economic downturn — is perfect, since it gives the city an opportunity to lay the groundwork for building code changes that will encourage development once the economy rebounds.

And speaking of code changes, the concept mentioned during Saturday's meeting is "form-based coding" — a term that has come up at recent Edmonds City Council and Planning Board meetings and one that you'll be hearing more about in the coming months. The idea is to develop neighborhoods according to physical form rather than by defining separate uses, as conventional zoning calls for. As a result, form and mass of buildings are regulated in relationship to one another and to the streets and blocks they are on. We've included an illustrated example of how form-based codes compare to traditional zoning [here](#).

Another element of this project was an [online community survey](#), which was posted on the city's website for a few months to capture citizens' opinions on various Westgate and Five Corners design options. Brad Shipley of the University of Washington shared the survey results with the group Saturday. Respondents were broken down by age groups — under 24, 25-44, 45-64 and 65-plus — and Shipley noted that for both Westgate and Five Corners, the top priority for all ages was the creation of more public spaces. He also provided a summary of development preferences — ranging from building scale to services and amenities — preferred by citizens who used an individual clicker survey tool to react to what they saw during the late January "listening sessions."

You can find results of the Westlake survey and listening session [here](#) and those from Five Corners [here](#).

What's next for this project? A summary of Saturday's work will be presented during a public meeting in May, followed by a report to the Edmonds City Council this summer. From there, the Council will hold a public hearing on proposed recommendations with a council vote to follow. More information can be found at the City's [website](#).

Do It in a Day November 5, 2009

Spend a cozy, homey day in Edmonds

Here's an hour-by-hour itinerary for an enjoyable day in homey downtown Edmonds, a charming ferry-dock town north of Seattle.

By Lynn Thompson

Times Snohomish County reporter

◀PREV 1 of 7 NEXT ▶



DEAN RUTZ / THE SEATTLE TIMES

Take a day trip to charming Edmonds where Main Street is lined with diversions from dining to shopping to learning.

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If You Go

Getting there

Take Interstate 5 to Exit 177 for Highway 104 West and follow signs to the Kingston ferry. The highway becomes Edmonds Way. Continue straight until it becomes Fifth Avenue South and leads to downtown and Main Street.

Parking

Edmonds offers free on-street parking for three hours in the central business district around Fifth and Main, but on Saturdays there is all-day free parking one block north of Main underneath City Hall, 121 Fifth Ave. N., and at the Public Safety Complex, 250 Fifth Ave. N. There is also free on-street parking all day once you get more than about two blocks from downtown.

Visitor's tip

Everything is an easy walk from the fountain at Fifth Avenue and Main Street, the center of downtown. Wear walking shoes, and bring an umbrella in case of rain.

More information

Greater Edmonds Chamber of Commerce, www.edmondswa.com, or a sister site, www.everythingedmonds.com.

Do it in a Day

Do It in a Day | Ride the rails to historical 'hub' of Centralia

Do It in a Day | Have a delicious day trip to the agricultural communities of Bow and Edison

Do It in a Day | See more than lavender in rain-shadow town of Sequim

Do It in a Day | History, good food and salty scenery in Port Townsend

Do It in a Day | Change is afoot in bustling Bremerton

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Do It in a Day | Spend a cozy, homey day in Edmonds

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Do It in a Day | Whidbey Island | Kicking back in Coupeville

Do It in a Day | Filling a day in fairly bustling Fairhaven

Do It in a Day | Stretch your legs and mind in laid-back Gig Harbor

Do It in a Day | Lose yourself in La Conner

Do It in a Day | Poulsbo: Hop a ferry to the town they call "Little Norway"

When I was growing up there circa 1960, Edmonds was a quintessential American small town. Within about three blocks we had a bakery, a variety store, a soda fountain, a hardware store and the Princess movie theater, where a Saturday double bill cost 10 cents. One of the great pleasures of returning as an adult is how many of the historic buildings remain and how protective residents are of its now charming and largely intact downtown.

True, the place is a little more upscale than when I was a child. The Buster Brown shoe store where we disposed of our year-old Keds and left with stiff new saddle shoes has been replaced by the decidedly chic Mu Shoe boutique on Main Street, and dozens of other specialty shops selling everything from custom-designed jewelry to cookware to books to cheese.

It's not uncommon to see groups of women out to breakfast, exchanging gift bags and catching up on the news. Or grown daughters treating their mother to lunch

and then a leisurely poke through the downtown shops, most of them within a block or two of the central city fountain at Fifth Avenue and Main.

And where diversity in Edmonds once meant a choice at the bakery among bear claws, apple strudel or maple bars, the town is now truly a jumping-off point for the world. Native son Rick Steves founded his Europe-focused travel empire here and offers free seminars most Thursdays and Saturdays at his Europe Through the Back Door Travel Center, 130 Fourth Ave. N., or in the remodeled Princess, now Edmonds Theatre. A block away, another globe-trotting business, The Savvy Traveler, offers introductions to destinations such as Bali and Bhutan.

Just a 20-minute drive from Seattle, Edmonds may be better known for its summer attractions: vibrant hanging flower baskets, corner gardens and a lively Saturday market. But in the gray months, the downtown offers brightly lit shops, engaging merchants, more than a score of places to eat, and the chance to jet off, for an imagined hour or two, to a South Pacific beach or a warm Parisian cafe.

Here's a timeline for how you could spend a day:

9 a.m.

We ate breakfast at **Chanterelle**, 316 Main St., a light-filled restaurant with wood wainscoting, high windows and freshly baked pastries. For a lighter breakfast, try **Red Twig**, 117 Fifth Ave. S., which also has a variety of fresh pastries, or **Walnut Street Coffee Shop**, 410 Walnut St., south of downtown, where the local Sisters Baking Company supplies the treats.

For more standard American, kid-friendly breakfast fare, try **Claire's Pantry**, 310 Main St., or the **Pancake Haus** at 530 Fifth Ave. S.

10 a.m.

At the theater, we sat in on a free **Rick Steves seminar** on Paris, featuring slides of the grand city in a wintry light, as well as tips on where to stay and what to see. Nov. 21 is Steves' twice-yearly all-day travel festival, which typically attracts thousands of visitors to downtown Edmonds (at the theater and the nearby Edmonds Center for the Arts). The restaurants fill up at lunch time and parking is more challenging. (For more information on the festival, and a calendar of other seminars, see www.ricksteves.com/news/classes/class_menu.htm.)

11:30 a.m.

Almost all the shopping is concentrated in a three-block radius of Fifth and Main. Some of the nearby specialty stores include **Treasures and Teas**, 102 Fifth Ave. S., with more than 150 loose-tea varieties as well as beach-house décor; **The Wooden Spoon** kitchen shop, 104 Fifth Ave. S.; and **The Savvy Traveler**, 112

Fifth Ave. S., where you'll find luggage, clothes and travel guides not carried at Rick Steves' shop.

Across Fifth Avenue is the inviting **Edmonds Bookshop**, 111 Fifth Ave. S. Owner Mary Kay Sneeringer says she fills the store with titles "you really want to read." The shop also carries handmade journals, greeting cards and calendars.

12:30 p.m.

Hungry yet? We weren't after our big breakfast, but there are so many good restaurants downtown that it would have been a dereliction of reporterly duty not to have tried at least one place for lunch. We chose **Olives Cafe and Wine Bar**, 107 Fifth Ave. N., with a delicious selection of soups, salads and sandwiches. Other good choices include **The Loft**, 515 Main St., with its Mediterranean-influenced plates, and **Thai Cottage**, 417 Main St.

1:30 p.m.

Just across the street from Olives is the **Edmonds Historical Museum**, 118 Fifth Ave. N. Housed in a former Carnegie Library, the handsome two-story brick and stucco building will celebrate its centennial next year. The museum has permanent displays of turn-of-the-19th century Edmonds including a Victorian parlor, a kitchen before and after the arrival of electricity, and a room from the once-grand and now demolished Olympic View Hotel.

For a dime, a replica model shingle mill lights up and tells the story of Edmonds' working waterfront around 1910. The docents, mostly retired residents who have lived much of the town's history, preside over the permanent and rotating exhibits with warmth and graciousness. The museum also has a walking-tour map of downtown historic buildings and homes.

2:30 p.m.

Time for a snack? Grab some gourmet cheese, salami and crackers from **The Resident Cheesemonger**, 405 Main St., and head five blocks west to the ferry dock or find a picnic table along Sunset Avenue, weather permitting.

3 p.m.

We happen to love ferry rides across Puget Sound. If you've lucked into a sunny day, depart from the **Edmonds ferry dock** at the foot of Main Street. There are winter sailings at 3:05 and 4:15 p.m. The ferry to Kingston and back takes about 90 minutes and costs \$6.90 apiece.

If the weather is cold or socked in and you want to do a little more shopping, or sample some wine, head south again on Fifth Avenue. **Arista Wine Cellars**, 320 Fifth Ave. S., hosts a free wine tasting on Saturdays from 1 to 4:30 p.m. Next

door is the brightly colored **C'est la Vie** shop featuring unique clothing, gifts and accessories. Just beyond these is **Bluefish**, 420 Fifth Ave. S., where local jeweler Barbara McNaughton will redesign old pieces of jewelry or make a custom piece for a special occasion.

4:30 p.m.

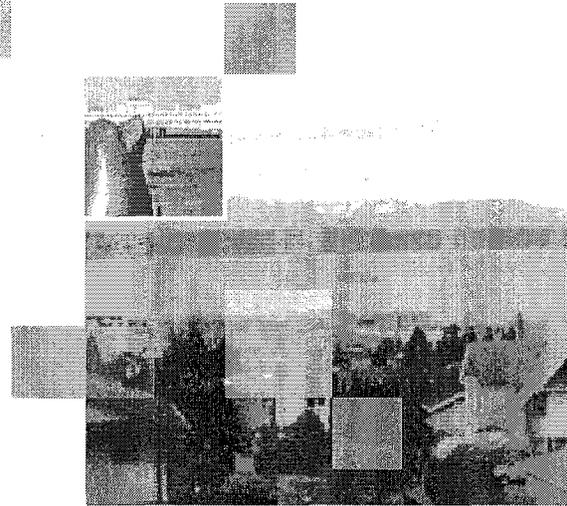
If you still don't want to go home, tiny **Daphne's**, 415-½ Main St., next to the Edmonds Theatre, serves wine and snacks until midnight daily. Sort through your purchases, rest your feet and congratulate yourself that you chose to shop in downtown Edmonds and not one of those crowded malls.

Lynn Thompson: 206-464-8305 or lthompson@seattletimes.com





Featured Project: Downtown Edmonds, WA



The **Downtown Edmonds Economic Enhancement Strategy** was completed by HyettPalma. Located just north of Seattle, the City of Edmonds sits on Puget Sound — with its Downtown adjacent to that beautiful waterfront.

The City of Edmonds enjoys quality-of-life amenities that are in high demand throughout the nation — as well as in the Seattle area. And, its Downtown is economically healthy, physically attractive, and enjoys the patronage of area residents.

Why then was HyettPalma retained to develop an economic enhancement strategy for Downtown Edmonds? Because the community is struggling with success. The enhancement strategy was needed to help maintain all of Downtown's qualities that are highly valued by the community while allowing new economic opportunities to be captured.

As part of the Downtown economic enhancement strategy, HyettPalma recommended several "tenets" that should mold the strategy's implementation. Those are shown in the following excerpt from the Edmonds Downtown Economic Enhancement Strategy, which was written by HyettPalma.

Downtown Edmonds Economic Enhancement Strategy

Today, Downtown Edmonds, Washington, is very strong. Locally, this fact is not fully recognized due to the large number of healthy Downtowns and new town centers within the Seattle region. However, it is a fact that Downtown Edmonds has many assets which other communities spend decades striving to create. These include successful specialty businesses and excellent restaurants; low retail and office vacancy rates along with strong property values; a high level of investor confidence and the support of local government officials; and a growing residential base and a good image throughout the region.

Plus, Downtown Edmonds has additional amenities that many Downtowns do not have. These include an active waterfront, a beautiful natural setting, strong incomes in the trade area, solid and varied transportation options, and a growing visitor market.

This all adds up to a strong foundation upon which Downtown can build an even stronger economy.

Due to all these positive attributes, Downtown is experiencing what could be viewed as "the consequences and pains of success." These include the following.

- Rising demand for, and therefore, rising prices of Downtown real estate.
- Fear on the part of residents that the small town ambiance and quality-of-life, which they greatly value, will be lost.
- Lack of community consensus regarding Downtown's future. Concerns regarding Downtown's future revolve around the issues of growth vs. no growth; allowing greater building heights vs. obstructing views of Puget Sound; and developing Downtown as an area that serves locals vs. tourists.
- Due to the above factors, a continuing and escalating debate is occurring. This debate boils down to the choice of "keep Downtown the same" vs. pursuing "economic development."

The Challenge

The question of how to address Downtown's future cannot be boiled down to an either or decision — i.e., "staying the same" vs. "pursuing economic development." Instead, the challenge facing the community is to:

**Keep Downtown "the same"
— by maintaining its charm, quaintness,
and small town ambiance —
while at the same time managing
change in a way that allows Edmonds
to take advantage of economic
opportunities that will benefit the community.**

The following tenets are being embraced by the community in order to successfully meet this challenge.

Define Economic Development

The definition of "economic development" in Downtown Edmonds is:

**Better serving area residents as well as
better serving the types of visitors
who share the community's values.**

By providing the mix of uses these consumers find compelling, and the ambiance they value and find appealing, all of Downtown's investors will experience an increasing return on their investments. This means that:

An increase in consumer patronage →



**An increase in business
revenues →
Profitable businesses that
can afford Downtown rents**

**→
The increased ability of
property owners to
maintain and upgrade**

properties →

**A thriving and sustainable Downtown economy
that benefits the local community.**

Build a Theme on Your Values

Edmonds is not simply a small town oasis located near a large city — Seattle. The City of Edmonds is a complete city in and of itself, as opposed to being a resort town or bedroom community. Edmonds — and Downtown Edmonds, in particular — affords area residents and visitors a very appealing small town quality-of-life along with all the amenities found in a self-sustaining city. This translates into a friendly, comfortably paced lifestyle where residents are removed from the frantic pace of a large city yet can enjoy all the amenities of city-life at home — e.g., outdoor activities, visual and performing arts, great restaurants, specialty shops, and more.

Therefore, when considering a theme for Downtown Edmonds, that theme is being built on what the community values most about Downtown:

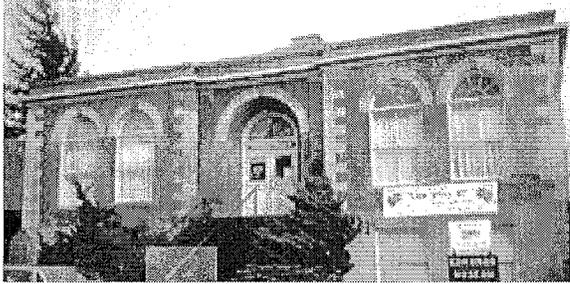
**Its quaint, historic, old-fashioned charm and ambiance,
Its beautiful natural environment,
Its approachability and friendly people, and
Its varied retail, restaurant, and cultural offerings.**

And, the enhancement strategy is being used to ensure that Downtown's theme is not simply physical in nature. Instead, an **economic theme** is being created Downtown by ensuring that its mixture of uses meets the needs and desires of area residents and visitors.

Target Customer Groups

Downtown Edmonds currently attracts the patronage of area residents, Downtown residents, Downtown employees, and area visitors. And, Downtown has the potential to garner increased patronage from these four customer groups. To successfully do so, the following are being kept in mind.

- A Downtown that is cherished by local residents is most often one that tourists find tremendously appealing. So, first and foremost, Downtown must meet the needs and desires of area residents.
- An increase in the number of Downtown residents and office workers will result in more customers for Downtown's businesses and an overall healthier Downtown economy. In addition, with more residents and employees, Downtown will have the possibility of being able to offer what local residents call "basic" businesses — such as a pharmacy — which are greatly desired by



tourists, and heritage tourists.

- the community.
- The form of tourism development that will be most beneficial to the community entails pursuing tourists who share the values held dear by local residents. Therefore, tourism development for Downtown Edmonds should be targeted at attracting cultural tourists, environmental

Stay Genuine

Downtown is being enhanced as a genuine and authentic Downtown that serves area residents and reflects the values of the community. Downtown Edmonds is not being developed to have a fake or contrived physical theme. And, while Downtown should invite and enjoy the patronage of area tourists, it is not being developed as a "touristy" Downtown of fudge shops, t-shirt shops, and other types of businesses that will not appeal to local residents.

A Clear Gameplan and Teamwork are Essential

For Downtown to reach its full potential, Edmonds understands that the public and private sector entities involved in its further enhancement must:

- Be proactive, instead of reactive, in creating the best future Downtown for the community;
- Work together as a cohesive and unified unit;
- Rally around a common agenda, rather than allowing individual agendas to hold sway; and
- Take action — the enhancement strategy must not become "another plan that sits on the shelf" but a gameplan that is aggressively and diligently implemented to ensure Downtown's best future.

Leadership is Key

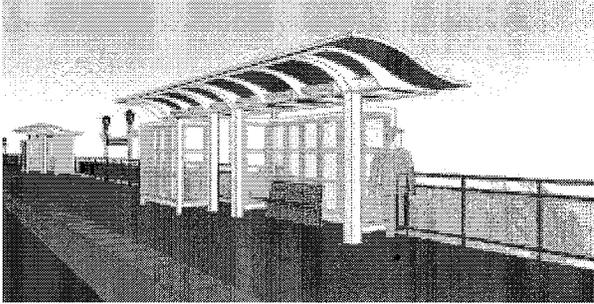
The public and private sector entities involved in implementing the enhancement strategy are providing strong, clear, and courageous leadership to:

- Bring about the kind of change that is in the best interest of the community as a whole;
- Protect the values and quality-of-life which the community holds dear;
- Face those who would take a "head in the sand" approach to change;
- Communicate the ramifications — both positive and negative — of specific actions or inactions related to Downtown's best future; and
- Communicate that "staying the same" (i.e., maintaining Downtown's ambiance) will require strategic change and hard work — rather than inaction.

Read more: <http://myedmondsnews.com/2010/08/sound-transit-to-break-ground-on-new-train-station-wednesday/#ixzz1Gz689kRx>

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Sound Transit to break ground on new train station Wednesday



An artist's drawing of a passenger shelter at the new train station.

Sound Transit is breaking ground for the permanent Edmonds Sounder commuter train station Wednesday, and you are invited to attend. A new train platform on the east side of the tracks will include a larger passenger loading area and new transit shelters. A new transit center at the north end of the station for Community Transit buses will improve the connections between buses, trains and ferries.

Other improvements include upgraded lighting, a newly paved parking lot with better drainage, new landscaping, and secure bike lockers, all resulting in a station area that is more welcoming, attractive and pedestrian-friendly for commuters and residents alike. The project is expected to be complete in spring 2011; during construction, temporary parking will be available for Sounder commuters.

To join Sound Transit at the groundbreaking event, which starts at 11 a.m. at 210 Railroad Ave., RSVP to: events@soundtransit.org.

Edmonds Station will feature two artworks by renowned local artist Gerard Tsutakawa. "Standing Wave," a 15-foot bronze sculpture, will be moved from its temporary location in the SR 104 Mini-Park to its

new home at the north end of the station site. The wave form will be echoed in artist-designed railing features on the station's platform. The two works together reference the movement of the water on Puget Sound.

Construction on Edmonds Sounder rail station to start in mid-August

July 21, 2010

Sound Transit reports that construction is ready to begin on the permanent Sounder commuter rail station in Edmonds. Pellco Construction Inc. has been selected as the contractor for the project and Harris & Associates will provide construction management services. Construction is expected to start in mid-August and will be completed in spring 2011.

Sounder service to Edmonds Station and Amtrak train service will continue during construction. Commuter parking will be impacted and parking areas will shift or be restricted during construction. A temporary parking area south of the station on Admiral Way will provide additional parking capacity. Parking information will be posted at the station and on the [Sound Transit website](#)

The construction team will closely coordinate activity with ongoing work by the BNSF Railway in the area and work by the City of Edmonds to upgrade sewer lines next to the station, Sound Transit said.

For more information, contact Roger Iwata at roger.iwata@soundtransit.org or 206-689-4904.

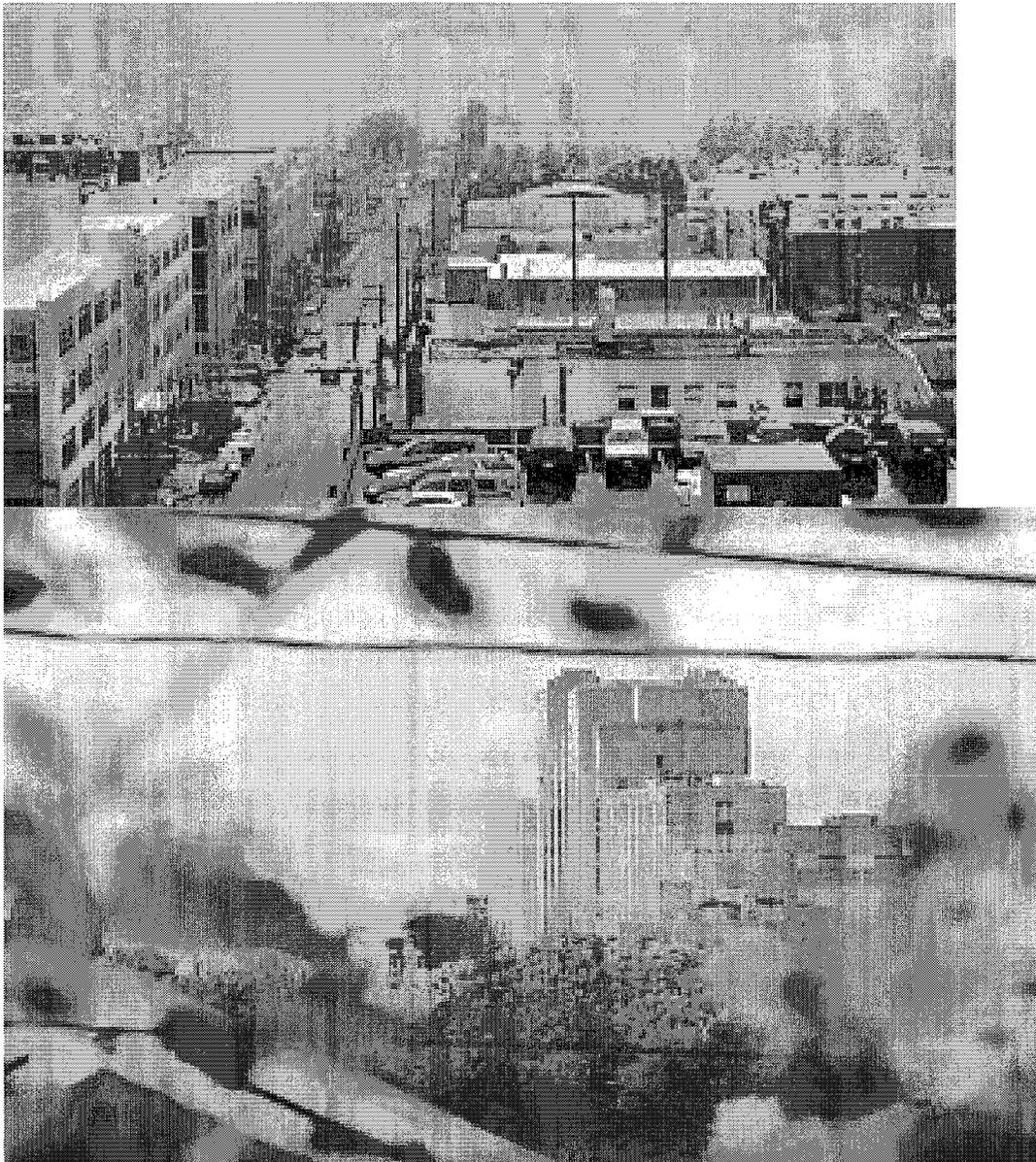
Amazon to make giant move to South Lake Union

South Lake Union wasn't exactly in the development doldrums before Amazon.com's announcement Friday that it will move its corporate headquarters...

December 22, 2007

By Eric Pryne
Seattle Times business reporter

◀PREV 1 of 2 NEXT ▶



arge  enlarge

TOM REESE / THE SEATTLE TIMES

Amazon's new location will include these blocks in the South Lake Union neighborhood. Terry Avenue North, with new buildings along its west side, is at left. The company's local workers now are scattered in five buildings in and around downtown.

Related

- Shuttles are out, but dogs may be in

- Amazon's big footprint (PDF)
- Amazon campus fact sheet (PDF)
- What are your thoughts on the company's move?
- Archive | Compromise may clear way for Amazon move
- Archive | Growth goes full throttle in South Lake Union

New home for Amazon

Employees: Amazon could have 6,000 employees in South Lake Union within five years, the city estimates.

Campus: Plans call for up to 11 buildings, with as much as 1.6 million square feet.

Cost: The company could spend \$1.5 billion over 16 years if it occupies all 11 buildings.

Sources: City of Seattle; regulatory filings

South Lake Union wasn't exactly in the development doldrums before [Amazon.com's](#) announcement Friday that it will move its corporate headquarters to the neighborhood.

Still, the online retailer's long-anticipated commitment to South Lake Union will elevate the fast-changing neighborhood's profile to a new level, observers of the local commercial real-estate scene say.

"This is a Fortune 500 company," said Stuart Williams, a principal with Pacific Real Estate Partners, a brokerage and consulting firm. "Other people will say, 'That neighborhood is good enough for a Fortune 500 company — it should be good enough for us.' "

David Yuan of the architectural firm NBBJ agreed. "I think it's a statement about the coming of age of South Lake Union," he said. "South Lake Union is now a legitimate business address."

Amazon has agreed to lease up to 1.6 million square feet in up to 11 new buildings to be constructed by developers Vulcan and Schnitzer West along Terry Avenue North and Boren Avenue North between John and Mercer streets. Construction on the first four buildings is scheduled to start next month, and all 11 should be ready for occupancy in 2010 and 2011, the companies said in a joint statement.

Amazon's local workers now are scattered in five buildings in and around downtown Seattle, including its current headquarters at the Pacific Medical Center on Beacon Hill.

The company does not disclose how many people it employs in the area. But city planners estimated this fall that Amazon could bring 6,000 employees to South Lake Union over the next five years.

Amazon spokeswoman Patty Smith said the company is pleased to be staying in Seattle and excited about South Lake Union. "We think it offers many amenities, not to mention great access to public transportation," she said.

"Plus, the fact that we have a unified headquarters will improve employee collaboration."

Transformation of the once-moribund South Lake Union neighborhood has been a high priority of Mayor Greg Nickels, who said Amazon's move "hails the great things happening in South Lake Union."

Since 2003, according to a recent city report, 2.4 million square feet of commercial space and 1,850 apartments and condos have been built or are under construction in the area. Nearly 7,000 jobs have been created, the report says.

Vulcan, owned by Microsoft co-founder Paul Allen, is by far the neighborhood's largest developer. The company says it has completed 1.7 million square feet of projects and has 1 million under construction.

Amazon isn't the first high-profile tenant to lease office space in South Lake Union. Microsoft has committed to 100,000 square feet in Vulcan's new Westlake/Terry Building. Group Health is moving its headquarters there.

Nor is Amazon the first company to make such a big commitment to the neighborhood. The Fred Hutchinson Cancer Research Center has 1.3 million square feet of lab and office space. The University of Washington's medical-research operations plan to occupy 850,000 square feet by 2018, spokesman Bob Roseth said.

Still, Williams, Yuan and others said, Amazon is South Lake Union's biggest catch yet. It is the second-largest publicly traded company headquartered in Washington, with a market value that now exceeds Starbucks, Washington Mutual and Nordstrom — combined.

"They could have gone anywhere," Williams said.

Most of South Lake Union's big tenants so far have been biotech companies, he added, and Amazon helps boost the neighborhood's appeal to other prospective tenants.

A major corporate headquarters such as Amazon in the South Lake Union area will have a spinoff effect, said Patrick Callahan, founder of the Urban Renaissance Group, a development firm. Amazon vendors and potential partners will consider locating nearby, he said.

Amazon also should spur more retail and residential development in the neighborhood, Callahan added. "Some people who work at Amazon will consider living there. They certainly will shop there."

Amazon's move had been rumored for months. Wright Runstad, the company's landlord on Beacon Hill, said last month that it had started showing the Amazon space to prospective tenants, even though the lease isn't scheduled to expire for more than two years.

The last apparent obstacle was removed Monday, when the City Council approved a land-use-code change Vulcan had sought to allow taller buildings — up to 165 feet — on some of the property slated for Amazon's campus.

The companies wouldn't discuss terms of the deal. But Amazon said in a filing Friday with the Securities and Exchange Commission that it had committed to lease about 800,000 square feet for up to 16 years for about \$700 million.

It also said it had an option to lease another 800,000 square feet — including the taller buildings the City Council authorized Monday — for another \$800 million, and would pay a \$40 million termination fee if it chooses not to occupy that space.

Neither Amazon spokeswoman Smith nor Vulcan Vice President Ada Healey would say when Amazon must decide about the optional space. But the first of those buildings is scheduled to break ground in July 2009.

And Healey said Vulcan is confident enough about those buildings that it is starting design.

If all 11 buildings are built, they will include 1.635 million square feet of office and 100,000 square feet of street-level retail, Vulcan said.

The campus will include courtyards and public open space, Vulcan said. All the buildings will be within a block of stops on the new South Lake Union Streetcar.

Amazon's move to South Lake Union, together with Starbucks' expansion in Pioneer Square and the Gates Foundation's pending move to Lower Queen Anne, suggests downtown may be bigger than it used to be, Callahan said.

"In my opinion, downtown now is from Safeco Field all the way to Lake Union and the Seattle Center."

Seattle Times business reporter Amy Martinez contributed to this story.

Eric Pryne: 206-464-2231 or epryne@seattletimes.com

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Amazon to set up shop in South Lake Union

By DAN RICHMAN
P-I REPORTER

Amazon.com of Seattle on Friday confirmed months of speculation that it will move its corporate headquarters to a six-block campus in South Lake Union.

The online-retailing giant said it will lease up to 1.6 million square feet in as many as 11 planned buildings at the heart of that neighborhood, along Terry and Boren avenues north between Mercer and John streets. Initial move-in is expected in mid-2010, with full occupancy in all buildings roughly a year later.

The move will let the company serve its customers better by "enhancing employee collaboration and productivity," Tim Halladay, vice president of real estate and finance operations at Amazon, said in a statement.

Since 1999, Amazon has maintained its headquarters and administrative offices in the historic Pacific Medical Center on Beacon Hill. It also houses employees in other offices in Seattle.

Mayor Greg Nickels said the move will bring thousands of jobs into the neighborhood.

"I'm pleased the company has decided to stay right here in its hometown," he said in a statement.

City Councilwoman Jan Drago said the announcement ensures that "one of the world's most innovative companies will remain in Seattle for years to come."

Amazon will occupy the buildings under leases from Vulcan Real Estate, the land's owner, ranging from 14 years to 16 years, said Ada Healey, Vulcan's vice president of real estate.

Vulcan Inc., which is owned by Mercer Island billionaire and Microsoft co-founder Paul Allen, is the single largest private landowner in South Lake Union.

In a federal filing Friday, Amazon said it will pay about \$700 million to lease roughly 800,000 square feet for up to 16 years. That payment includes rent, operating expenses and tenant improvements, Amazon said.

The company also reserved the right to occupy another 800,000 square feet for \$800 million, subject to a termination fee of up to about \$40 million if it chooses not to take that additional space.

Vulcan owns about 30 percent of the land in South Lake Union, a neighborhood bordered by Lake Union, Interstate 5, Denny Way and Aurora Avenue. Its holdings represent about 10 million square feet of buildable property, meaning that the Amazon project could occupy as much as 16 percent.

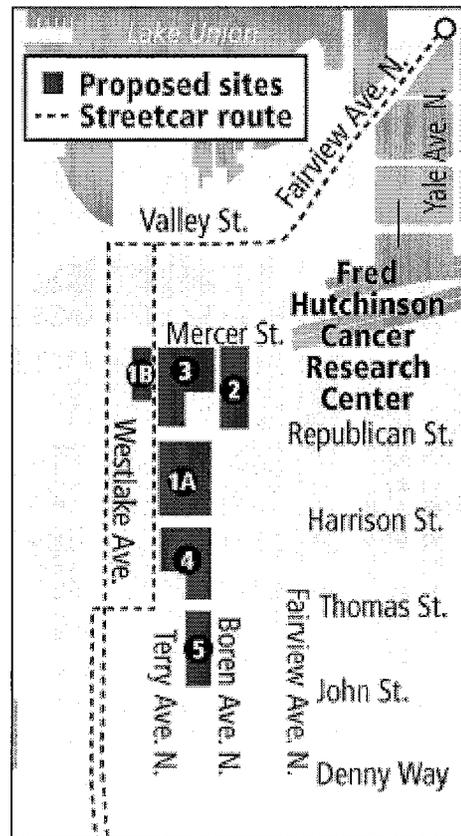
The Amazon project will proceed in five phases, with construction slated to begin on the earliest four buildings that make up the first phase in January, to be occupied in May 2010. The last of the project is scheduled to get underway by October 2009 and to be occupied by August 2011.

Vulcan said the buildings will be eco-friendly and will earn Leadership in Energy and Environmental Design, or LEED, certification upon completion. Each of the project's buildings will include office and street-level retail space.

About 100,000 square feet of retail space will be created, Vulcan said. No retail tenants have signed on yet, but "many, many retailers are interested in being part of South Lake Union," Healey said.

The first phase of Amazon's headquarters will be built with Vulcan as master developer and Schnitzer West LLC, a Seattle-

AMAZON'S NEW HEADQUARTERS



Building phases

- ① ② ③ ④ 4 buildings. 441,246 square feet. Begins Jan. 2008. Occupancy May 2010.
- ② 1 building. 168,846 square feet. Begins Jan. 2009. Occupancy August 2010.
- ③ 2 buildings: 274,765 square feet. Begins March 2009. Occupancy March 2011.
- ④ Up to 3 buildings. 516,000 square feet. Begins July 2009. Occupancy May 2011.
- ⑤ 1 building. 335,000 square feet. Begins October 2009. Occupancy August 2011.

SEATTLE P-1

area commercial developer, as a joint venture partner. Vulcan will develop the remainder of the project itself.

The project, which is on or near the new Seattle streetcar line, will include courtyard plazas, pockets of open green space and a piece of public art in an outdoor plaza, Vulcan said.

Three of the buildings may be up to 12 stories, after a Wednesday vote by the Seattle City Council approved height increases within a part of the area to be built. That area is bounded by Terry and Boren avenues north and by John and Harrison streets. The company said extra height will let it house more employees in fewer buildings.

In exchange for the city's concession, Amazon pledged to develop buildings in that area to the highest LEED standards and agreed to help reduce the number of single-occupancy vehicles coming into the neighborhood.

Vulcan, in turn, said it will contribute about \$6.4 million for affordable housing in a region to be determined by the city.

In about 1998, Amazon signed a 10-year lease on 186,000 square feet of office space in its current headquarters on Beacon Hill, now officially called the Amazon.com Building. The next year it moved in from 1516 Second Ave.

A \$40 million addition in 1999 more than doubled Amazon's leased space, to 398,000 square feet, and expanded the building's capacity to 1,195 people.

Amazon also houses staff members near Union Station and at a building on Rainier Avenue South, among other places.

The company didn't return phone calls seeking details and comment Friday.

P-I reporter Dan Richman can be reached at 206-448-8032 or danrichman@seattlepi.com.

1

2

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4

Feds award Seattle \$30 million to fix the Mercer Mess

February 2010

It appears Seattle will finally have the money to fix the Mercer Mess.

On Wednesday, Sen. Patty Murray's office announced a \$30 million stimulus grant to the Mercer Corridor Project. That just about covers the project's remaining tab so Seattle can move forward on the long-debated plan to convert one-way Mercer Street into a two-way boulevard through South Lake Union.

"This funding is a critical piece of the puzzle for a project that is central to the economy of our state and the Puget Sound region," Murray said in a statement. "Rebuilding the Mercer Corridor is going to create direct construction jobs, improve port and highway access and reduce commute times in an area that contains some of our most vital employers."

Murray said she was informed of the decision Tuesday by U.S. Transportation Secretary Ray LaHood.

The first phase of the Mercer project, known as Mercer East, is priced at \$190 million. It also would reduce Valley Street to two lanes in both directions, with wider sidewalks and bike lanes. The reconfigured Mercer corridor would serve as north portal to the deep-bore tunnel that the state Transportation Department plans as a replacement for the Alaskan Way Viaduct.

The money was awarded through the Transportation Investments Generating Economic Recovery (TIGER) grant program, which Murray fought to include in the stimulus bill as chair of the senate's transportation appropriations committee. About \$56 billion in applications from around the country competed for \$1.5 billion available. The only other Washington state project to benefit was a highway corridor project in Spokane — out of about \$1.6 billion in applications from this state.

The Mercer Project beat out two other significant local projects, including the South Park Bridge and the State Route 520 bridge replacement plan. The South Park Bridge, a major freight connection in South Seattle, is falling apart. Owned by King County, officials had applied for \$99 million to build a new bridge. Without it, officials say they may need to close the bridge this year for safety reasons.

Both projects could possibly benefit from a \$600 million grant program included in the 2010 federal transportation spending bill.

A year ago, state lawmakers doling out federal transportation dollars snubbed Seattle and then-Mayor Greg Nickels, who was counting on federal help for a \$50 million shortfall in the Mercer financing plan. Without the money, the City Council voted to approve preparations for the Mercer project, but delayed construction until all the financing was in place. With the grant, and bids coming in low in the recession-affected construction market, financing the first phase should no longer be a question.

City officials say fixing the "Mercer Mess," a circuitous routing of traffic through South Lake Union that clogs with 80,000 vehicles per day, is critical to the city's future transportation needs. Skeptics, however, deride the plan as a handout to Vulcan, the company owned by Paul Allen and the primary developer in South Lake Union. Vulcan contributed about \$36 million. Still, critics huff at the costs and point to studies that show congestion may not improve. A second phase, known as Mercer West, would transform Mercer all the way west to the waterfront and would add another \$100 million.

The grant program was aimed at ready-to-go projects that would improve congestion, safety and sustainability; generate jobs; and be substantially completed by 2012. It was geared more toward large projects with complex financing plans.

Murray is expected to join Gov. Chris Gregoire during a public event Thursday to discuss the award.

"After decades of studies and reports, we are finally solving the Mercer Mess," Gregoire said in a statement. "This project will improve a critical freight corridor and help people get to their jobs in a neighborhood that is expected to add thousands of new jobs over the next few years. With the Mercer corridor project underway, we are taking a major step forward in our efforts to replace the Alaskan Way Viaduct."

From the City of Seattle

Mercer Corridor Project – Phase I

****For the latest Construction Updates, please click here****

Subscribe to email alerts about the Mercer Corridor Project

9/8/2010 Groundbreaking ceremony was held at Mercer Street and Westlake Ave N. **Click here** to view photos.

8/9/2010 Contractor received Notice to Proceed.

7/13/2010 A construction contract between the City and Gary Merlino Construction Company, Inc. was executed.

6/16/2010 The Mercer Corridor Project construction contract was awarded to local contractor, Gary Merlino Construction Company, Inc.

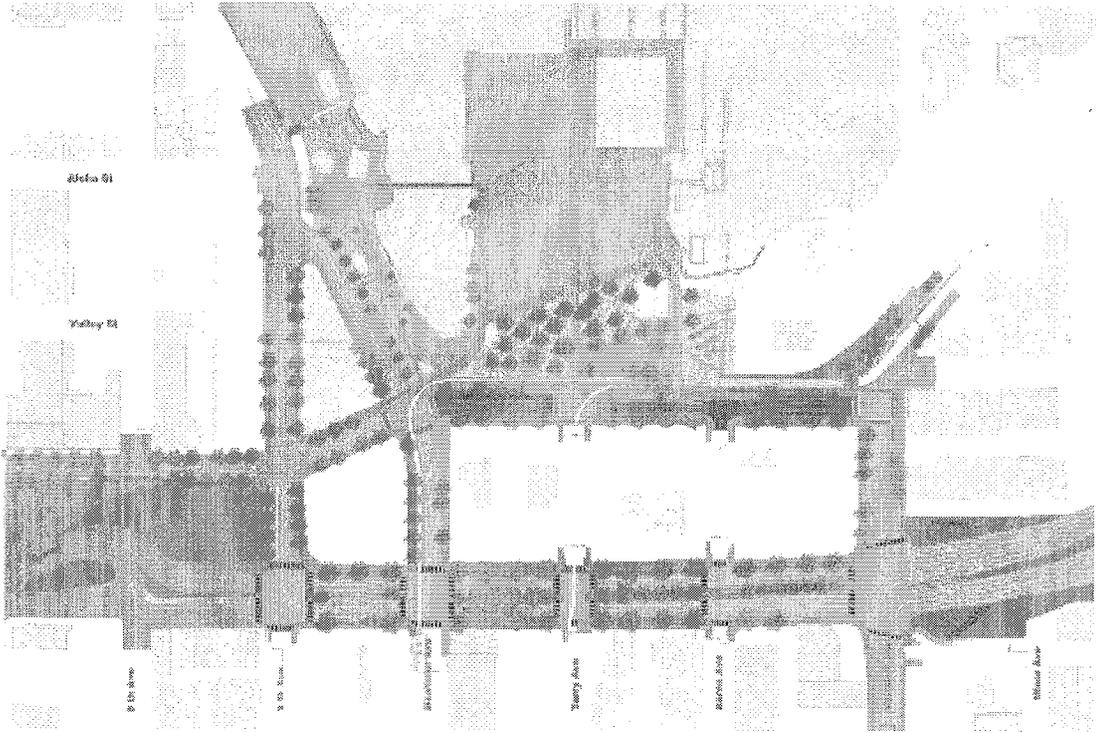
Read Past Project News

The "Mercer Mess" is a major bottleneck in the Seattle area, hindering access to Seattle's fastest growing neighborhood, South Lake Union. The existing Mercer Street and Valley Street couplet were constructed in the late 1950s as a temporary solution to outdated traffic problems. After more than 40 years of debate, Seattle is ready to fix the Mercer Mess.

On February 16, Seattle was awarded \$30 million in federal stimulus. This is the last piece of the puzzle to build improvements including widening Mercer to create a two-way boulevard, reconstructing Valley Street as a local access street, providing new and wider sidewalks, improving connections to transit and adding bicycle lanes. The project replaces major utility infrastructure and integrates many environmentally friendly and sustainable design features. It supports the Alaskan Way Viaduct Replacement Project (SR 99) and rebuilds the street grid in South Lake Union.

The Mercer Corridor Project is shovel-ready.

The Future of Mercer East (Phase I)

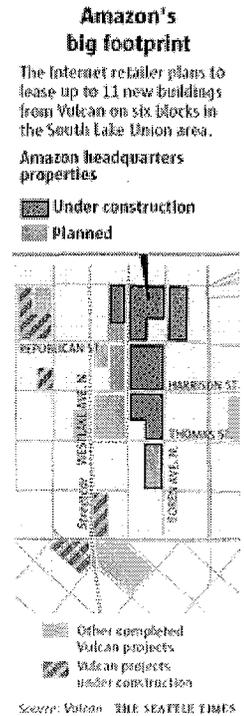
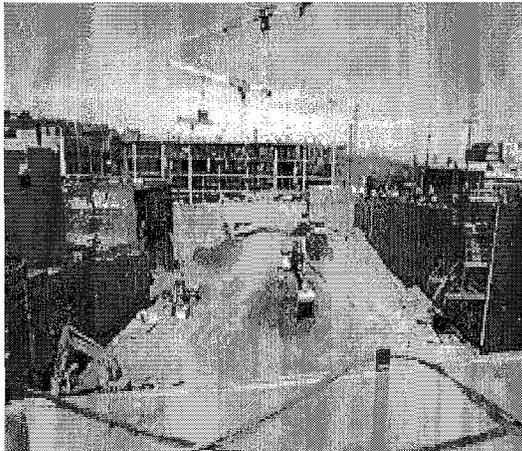


No second thoughts for Amazon over huge South Lake Union development

Amazon.com says it has no regrets about its new headquarters complex in South Lake Union, despite the real-estate downturn.

By Eric Pryne
Seattle Times business reporter

◀PREV 1 of 3 NEXT ▶



Construction is under way on Vulcan Real Estate's huge 11-building development for Amazon.com headquarters in South Lake Union. GREG GILBERT / THE SEATTLE TIMES



Groundbreaking of new Amazon.com headquarters
[Play video now](#)

ADVERTISING

Sixteen months ago, Amazon.com pulled the trigger on one of the biggest real-estate deals in Seattle history, signing long-term leases that gave Vulcan Real Estate the go-ahead to build the online retailer a huge South Lake Union headquarters complex.

That was in December 2007. The local office market looks a lot different today.

The downtown vacancy rate, propelled by Washington Mutual's collapse, is climbing. Lease rates have dropped.

New downtown office buildings containing more than 2 million square feet, most of it still unleased, are slated to come on the market before the end of the year.

Sharon Coleman, Vulcan's real-estate-development director, told an industry gathering this month that, considering all those changes, the South Lake Union deal might not have come together if negotiations with Amazon had stretched on for six more months.

But an Amazon spokeswoman said Monday that the online retailer is having no second thoughts about its \$700 million-plus investment.

"We're pleased ... to have a unified headquarters where all of our associates can be in very close proximity to one another," said Patty Smith, Amazon's director of corporate communications.

"This space was designed with us in mind. ... Ultimately, that's going to be of benefit to us and our customers."

Smith spoke to reporters at a Vulcan groundbreaking ceremony for the newest and largest buildings to start construction in the 11-building, 1.7 million-square-foot complex.

Senior Amazon executives did not attend. But Gov. Chris Gregoire and Seattle Mayor Greg Nickels did, hailing Amazon's move as good news for tough times.

"Today we're celebrating one company that's doing well," Nickels said. He predicted 20,000 people would work in South Lake Union by 2012, more than double today's number.

Amazon's Seattle employees — it won't disclose the number — are scattered in several buildings in and near downtown, including its headquarters at the Pacific Medical Center on Beacon Hill.

The company originally agreed to lease 820,000 square feet in South Lake Union from Vulcan for up to 16 years. Last year, it exercised an option to lease an additional 540,000 square feet — two 12-story buildings that were the subject of Monday's ceremony.

Work on those buildings, between Thomas and Harrison streets and Terry and Boren avenues north, began earlier this year.

Amazon said in a regulatory filing late last year that it also had decided to occupy a planned 330,000-square-foot building on Boren, between Thomas and John streets, but still could back out if it pays a \$10 million termination fee.

Vulcan officials revealed Monday that groundbreaking for that 12-story building, originally announced for this October, won't happen until May 2010, and the building would be finished in 2012 instead of 2011.

Vulcan spokeswoman Lora Lee said in an e-mail that the earlier dates were estimates, and the "time frame was updated/confirmed" after Amazon exercised its option on the 330,000-square-foot building last year.

Amazon's Smith said she didn't know whether Amazon would occupy all the space it has agreed to lease, or sublease some. "We intend to move our associates into space as it becomes available," she said.

The first buildings on the campus are scheduled for completion next year. Lee said the recession has resulted in some "modest savings" in construction costs.

Amazon has held up better than most retailers this recession, posting year-over-year sales growth through the fourth quarter. It will release first-quarter financial results Thursday.

Its stock closed Monday at \$77.57, more than double its 52-week low of \$34.68 in November, but still down from \$91.26 on the day 16 months ago that it announced its move to South Lake Union.

Seattle Times business reporter Amy Martinez contributed to this report.

Eric Pryne: 206-464-2231 or epryne@seattletimes.com



Tuesday, June 28, 2005

South Lake Union streetcar wins council's OK

By KATHY MULADY
SEATTLE POST-INTELLIGENCER REPORTER

The Seattle City Council gave the go-ahead to the South Lake Union streetcar yesterday, approving a plan to pay for construction and operation, using only limited and specific money from the city's general fund.

Private property owners along the route will pay more than half of the cost of building the streetcar line, which is a key part of Mayor Greg Nickels' effort to redevelop the neighborhood as a biotechnology hub and upscale urban neighborhood.

The rest of the construction money is expected to come from state and regional public transportation grants.

"Initially I was a skeptic, given all the other funding priorities that we have," Councilman Richard Conlin, head of the council's Transportation Committee, said yesterday.

"We set some very stringent requirements that they would have to meet to make this work, and the mayor's plan meets the criteria."

Council members were adamant that the South Lake Union streetcar isn't a project to itself, but should be viewed as the first leg of a system that will eventually stretch into other neighborhoods.

The 2.6-mile line approved by the council yesterday will run from Fred Hutchinson Cancer Research Center to Westlake. Supporters say the streetcar could be running by late 2007.

Before construction starts, the council still has to approve formation of a Local Improvement District to tax businesses along the route.

The council voted 7 to 2 to support the plan, with Nick Licata and Peter Steinbrueck voting against it

During the first two years, the operating and maintenance costs will be covered by private sponsorships and fares. After that, King County Metro Transit will help pay for the operation.

Licata said he is concerned that using Metro's resources could leave other neighborhoods with reduced bus service in the future.

He asked the council not to use Metro's resources to run the streetcar until more studies are done to understand the impact on other neighborhoods.

"It's about creating a level playing field, it is a very moderate, rational approach," he said.

Licata's proposal was supported only by himself, Steinbrueck and Councilman Tom Rasmussen.

The council chambers were stocked yesterday with both supporters and opponents of the streetcar plan.

Linda Averill, a Metro bus driver who is running for election against Council President Jan Drago, said that "by robbing bus service hours from Metro, it does so at the expense of poor and working people who rely on Metro to get themselves to work, the grocery store, doctor's appointments and more."

Jim Falconer, co-chairman of the Build the Streetcar Committee, emphasized that the bulk of the streetcar construction cost is being paid with private funds.

"It will benefit an area greater than South Lake Union," he said.

James Kelly, president of the Urban League of Metropolitan Seattle, said, "We can truly have a community streetcar system."

Steinbrueck said he is concerned about potential financial risks.

He said he worries that the cost of the system will be higher than expected, that it will take money away from basic transportation improvements needed in South Lake Union, and that it will use general fund money that could be put toward sidewalks, bike paths and other basic street improvements in the neighborhood.

"I love streetcars," Steinbrueck said. "But in this case, it is a luxury. I am not sure that we have seen the final price tag.

He added that more people live in Southeast Seattle and have been clamoring for transportation.

"We need to deal with basic needs before we invest in a luxury system," he said. "There is something wrong here, something is upside down."

Councilwoman Jean Godden, however, has been an enthusiastic supporter.

"I am excited and proud to be among the people who helped make it work," she said, calling Licata's proposal to study allocation of bus hours "more of a roadblock than an amendment.

"This isn't Paul Allen's streetcar, it belongs to Fred Hutchinson and the University of Washington and The Seattle Times and Rosetta Merck," said Godden, naming some South Lake Union businesses that will benefit from the streetcar.

Microsoft billionaire Allen's Vulcan company is a major player in South Lake Union redevelopment.

The city has designated South Lake Union as an Urban Center, meaning that it should absorb higher concentrations of jobs and housing than some other neighborhoods.

According to city studies, South Lake Union could have 10,000 more residents and thousands more jobs in 20 years.

"This is a great day for everyone who wants to see more job and housing growth in the heart of our city," said Nickels.

Webtowns

More headlines and info from **Downtown, Eastlake.**

P-I reporter Kathy Mulady can be reached at 206-448-8029 or kathymulady@seattlepi.com



Two more Amazon South Lake Union buildings officially open

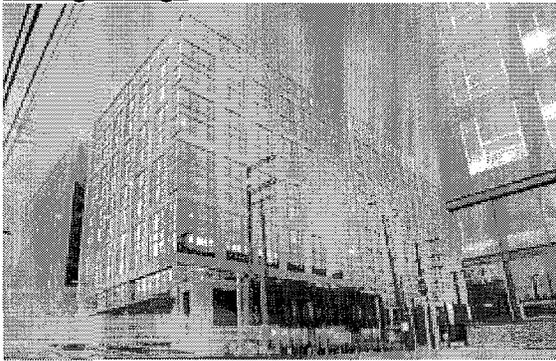
Puget Sound Business Journal

Date: Monday, March 7, 2011, 10:15am PST

Related:

[Commercial Real Estate, Retailing & Restaurants](#)

[Enlarge Image](#)



Amazon.com Inc. is opening more buildings at its new South Lake Union headquarters.

[Amazon.com Inc.](#)'s next phase of its new South Lake Union headquarters has officially opened, according to developer [Vulcan Real Estate](#).

Vulcan said that two new Amazon (NASDAQ: AMZN) office buildings — on the northeast corner of Terry Avenue and Republican Street and along Mercer Street between Boren Avenue and Terry — are fully occupied. Vulcan, billionaire **Paul Allen**'s real estate division, said the two new buildings, called Phase III of Amazon.com's new South Lake Union headquarters, total 237,000 square feet of office space and 40,000 square feet of retail.

Vulcan added that Phase IV of Seattle-based online retailer Amazon's new headquarters is under construction and includes three more buildings expected to open this spring. The final phase, with another office building, has broken ground and is expected to open in 2013.

When completed, Amazon's new headquarters will total 1.9 million square feet of office space and about 100,000 square feet of retail space, including three new **Tom Douglas** restaurants expected to open this spring.

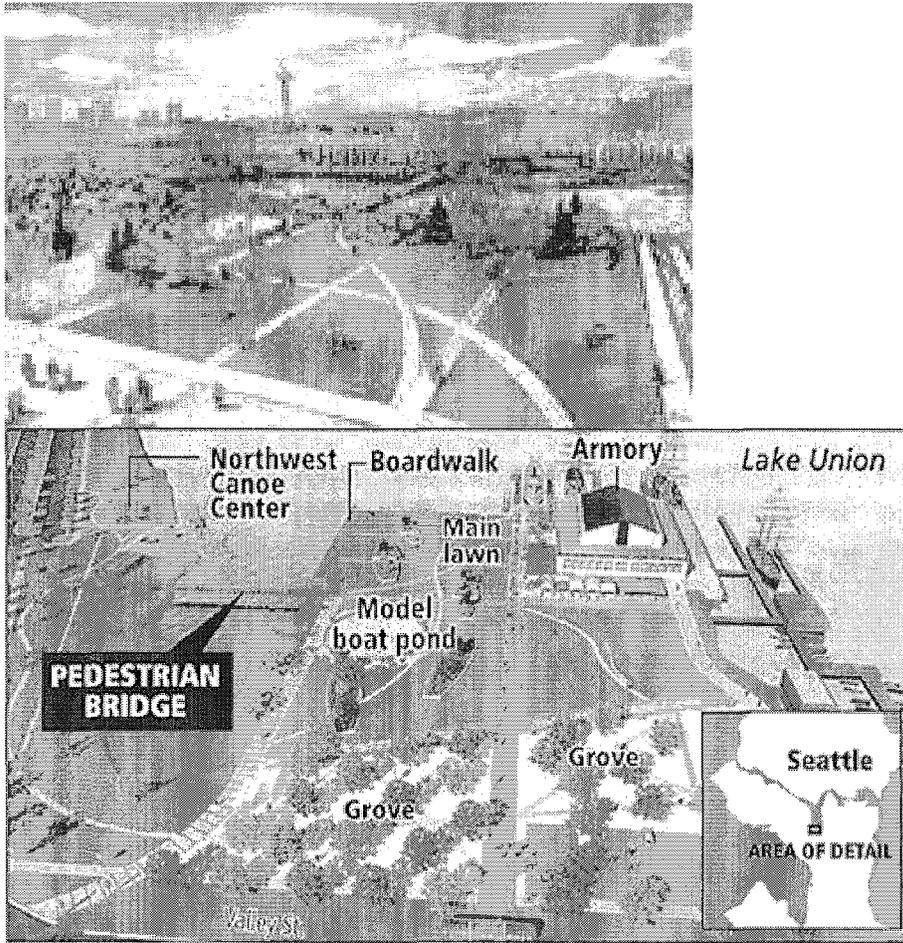
Vulcan said it doesn't know how many people will be working in the new headquarters.

“Amazon.com doesn’t disclose the number of employees working in each building. There will be thousands of employees in all of the buildings when they’re completed, but they don’t disclose the specific number of total employees,” a Vulcan spokeswoman said in a statement.

Read more: [Two more Amazon South Lake Union buildings officially open | Puget Sound Business Journal](#)

The Emerald City gets a new lakefront gem

September 25, 2010



Source: City of Seattle

SEATTLE P-I

SEATTLE - A sparkling new gem has been revealed the Emerald City. The new South Lake Union Park is officially open to the public. The 12-acre park is an open space that connects the city to Lake Union. It's taken nearly 10 years to get to this point, but supporters promise it was well worth the wait.

"This new park is a true interactive multicultural outdoor experience, and it's right at our front door," said Gary Glant of the Seattle Parks Foundation.

The \$31 million park was paid for with a 2000 voter approved park levy, private donations, and grant money. During the construction more than 2000 tons of

contaminated soil, garbage and 200 rotting pilings were hauled away. In their place you will find new trails set in between grassy areas, a new model boat pond as well as an interactive water fountain.

"I'm glad my 2-year-old son can see parks are more than just monkey bars, take a look around, there is so much to see and appreciate," said visitor Gary Radon.

The park has cost cutting features built in. They include slow growing grass, which requires less cutting, and a water recirculation system at the fountain. Low energy lights are also scattered around the park.

Some of the new features include history poles that highlight the background of the park location, and Native American contributions.

The park also seems to have acquired a permanent resident. A blue heron, who arrived during construction and has nested in a nearby tree.

"What a lovely way to illustrate the open space, a blue heron living in the heart of the city, it doesn't get more special than that," said Karen Daubert of the Seattle Parks Foundation.

BATTELLE SEATTLE RESEARCH CENTER MOVING TO SOUTH LAKE UNION

Battelle will move its Seattle research operations to a new space in May 2004 to accommodate and consolidate its growing staff.

The move to the 1100 Dexter Building in South Lake Union is being called one of Seattle's largest lease transactions of 2003, according to Dean Erickson, a principal of TriMet Development LLC, which owns the building along with the Starwood Capital Group. "Battelle is the ideal tenant for this space and for the area," Erickson said.

Battelle, one of the world's largest, private research and development organizations, employs about 140 people in Seattle at two locations. The move will allow consolidation of those employees, and allow for future growth, in the 50,000-square feet of space in the 100,000-square foot Dexter building.

A variety of work is conducted from the Seattle Research Center including:

- Public health research and evaluation.

- Science and policy leadership in the field of nonproliferation of weapons of mass destruction through Pacific Northwest National Laboratory (PNNL), a Department of Energy facility operated by Battelle.
- Human factors and transportation research.
- Water and natural resource management.

It's also the home of PNNL's Center for Global Security.

"We were attracted to this area because of its concentration of life sciences companies, its proximity to downtown, and its easy access to the Seattle education community," said Dawn Nelson, Facility Manager for the Battelle site. "The location and high quality of the building and its excellent conference facilities will allow for better interaction with Battelle's growing international clientele. It's a very positive move for Battelle and an excellent home for our Pacific Northwest Center for Global Security."

Battelle is a global leader in science and technology. It develops and commercializes technology and manages laboratories for government and commercial customers. Headquartered in Columbus, Ohio, Battelle and the national labs it manages or co-manages have 16,000 staff members and conduct more than \$2.7 billion in annual research and development. Battelle innovations include the development of the office copier machine (Xerox), pioneering work on the compact disc, and medical technology advancements. Battelle has operated

Pacific Northwest National Laboratory since 1965. Most PNNL staff and facilities are located in Richland, Washington.

For more information, visit www.battelle.org or contact Katy Delaney, Media Relations Manager, at (614) 424-5544 or delaneyk@battelle.org.

exus for Biotech Research and Development

South Lake Union neighborhood reshapes into hub for burgeoning industry

A drive through the South Lake Union neighborhood of Seattle reveals an industrial area dotted with apartment buildings, offices, wooden boat launches, the blue cupolas of a Russian church, and an elementary school. In just a few years, the neighborhood will retain some of its edge of city bordering on an urban lakefront appeal as it acquires mixed use commercial, residential, office, and retail space and becomes a prime location for the city's biotech industries. People will be able to live, work, learn, and play in the neighborhood. They will walk along its pedestrian-friendly streets to offices, shops, eateries, or parks.



South Lake Union forms the backdrop for the renovation of the UW Medicine at 815 Mercer building.

Among those participating in South Lake Union's re-development is UW Medicine. Biomedical research facilities are being created to fit with the neighborhood's growing role as a technological hub. The nearness of academic research and high-tech industry will foster collaborative projects that could lead to better diagnostic techniques, drug treatments, and other medical advances.

South Lake Union is key to UW Medicine's ability to lead a significant portion of the nation's biomedical research enterprise well into the 21st Century," said Dr. Paul Ramsey, dean of the UW School of Medicine and vice president for medical affairs. "The opportunities for research collaboration across organizational and disciplinary lines are already enormous here, and the future holds much promise for UW Medicine to develop new interdisciplinary initiatives."

rough UW Medicine has had a presence in the South Lake Union area since 1999, when researchers in microbiology, laboratory medicine, and bioengineering first occupied the Rosen Building, it expanded that presence in 2004 with the renovation of the former Washington Natural Gas building at 815 Mercer St. by Vulcan Inc., the company leading the re-development of South Lake Union.

School of Medicine researchers will move into the 815 Mercer building in early 2005. Although they belong to many different disciplines and departments, the researchers will be united by their interest in viable clinical applications and their ties to industry.

Overall, what we're envisioning for South Lake Union are synergistic centers and programs focused on translational medicine - taking basic science research and applying it to clinical problems," said Dr. Albert Berger, vice dean for research and graduate education and professor of physiology and biophysics. "The scientists moving to South Lake Union have a strong interest in studying diseases, trying to understand their fundamental mechanisms, and developing better diagnostic techniques, cures, and preventions."

located in the 815 Mercer building will be the Center for Translational Medicine in Women's Health, with Dr. Mary L. "Nora" Disis, associate professor of medicine serve as the center's director. Researchers will study such as breast, ovarian, and cervical cancer. They focus on these types of cancer, as well as vaccines and how to prevent or treat cancer, or stop its re-occurrence.

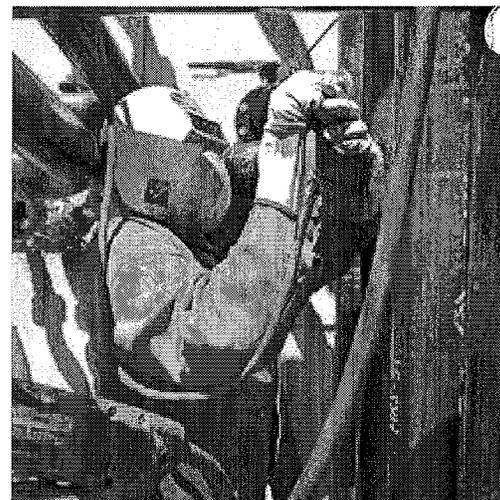
We hope that over the years, as we recruit people from other types of cancers affecting women, but also to cardiovascular disease," said Disis.

In fact, researchers from Disis' group have already moved to the UW Center for Cardiovascular Biology and the UW Medicine presence in South Lake Union, on the 10th floor. In that center, investigators will use cellular and molecular techniques to better understand cardiovascular disease, one of the leading causes of death in the United States.

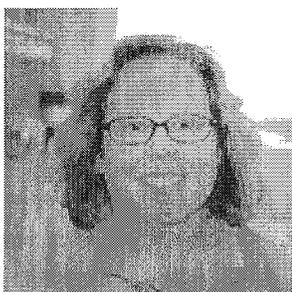
Both centers are examples of a new paradigm in biomedical research at the UW, scientists say: one that attempts to solve a particular problem without being constrained by departments or disciplines.

The big thing that this represents is the opportunity to build a program where people are at the same place at the same time working on a similar problem," said Dr. Charles Murry, associate professor of pathology and director of the Center for Cardiovascular Biology and Regenerative Medicine. "At any university, by nature of the organizational structure, it's a piecemeal operation. You're working together, but not located together. Because this space will be based on research centers, not on departments, it will allow us to be located together. We're getting brand new labs and we'll have as our nearest neighbors those people who will be our best collaborators."

The new UW Medicine research space at South Lake Union will also put researchers in close proximity to their counterparts in the biotech industry, said Dr. Disis, giving the facility "a totally different feel."



Construction workers handle various responsibilities in creating facilities for technology development.



Cancer vaccine researcher Dr. Nora Disis is among several UW medical scientists moving to South Lake Union labs.

in the Division of Medical Oncology. She will study the types of cancer prevalent in women, and hope to design new diagnostic tools for immune-system based therapies that could

into center, we can expand, not only to other important women's diseases, such as

discussed collaborating with people in the Regenerative Medicine, another large part of projects related to cardiovascular disease in

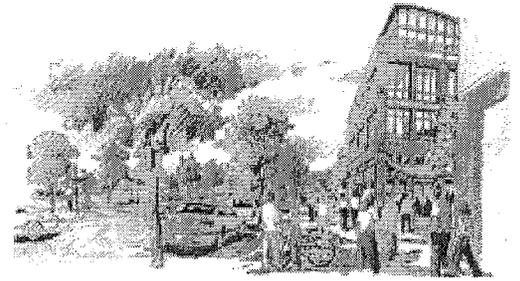
being near other players in the biotech industry could also provide a vital source of funding, researchers said.

"For translational science, you can't do it exclusively funded by federal sources," Hurrey said. "When you need to scale up and move it forward, you can't do it with funding from the National Institutes of Health. It's very important to develop that public/private relationship."

That's why the UW operations moving to South Lake Union hope to translate scientific research into useful, marketable products.

Because the School of Medicine is interested in moving research from laboratories to clinical applications, it's essential that the research there be of interest to the private sector," said Dr. Berger. "A lot of researchers moving to South Lake Union have connections to the private sector in pharmaceuticals and biotechnology. The point of South Lake Union is to create a nexus of biotech research and development."

That nexus will include current and future biotech research facilities of such institutions as Children's Hospital and Regional Medical Center, the Fred Hutchinson Cancer Research Center, the Seattle Biomedical Research Institute, Merck, and MyoGenetics.



A sketch of the pedestrian-friendly promenades planned for South Lake Union.

Development note

Funding construction takes a vision of what expanded space, ease of communication, and close collaboration can mean for researchers and patients. A number of generous visionaries are supporting the South Lake Union research hub, among them Jeff and Susan Brotman, Orin Smith, Scott and Laurie Oki, and KeyBank.



Friday, April 25, 2003

Allen leads the way as South Lake Union development booms

By TODD BISHOP
SEATTLE POST-INTELLIGENCER REPORTER

Cement trucks jockey for position at a work site on Minor Avenue. A few blocks away, a crane moves the pieces of a new research building into place. And a short distance from there, the concrete outline of a four-story biotech building is taking shape.

This isn't a flashback to the boom times of the late 1990s. It's the scene today in the South Lake Union area, where a wave of new construction is defying the economic slump.

Each of the three buildings is going up on land owned by Vulcan Inc., Paul Allen's investment company. The billionaire co-founder of Microsoft Corp. has been pursuing an ambitious slate of projects in the Seattle neighborhood at a time when most real estate developers are keeping their proposed buildings on ice for lack of companies to fill them.

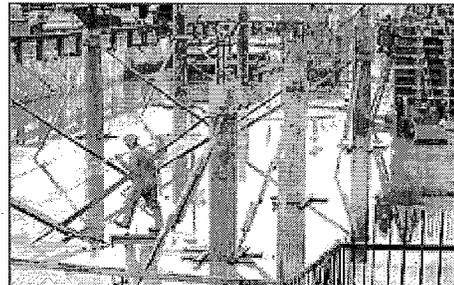
Although Vulcan's proposed projects range from commercial to residential, much of the buzz has centered on the area's emergence as a place for biotech and biomedical research. That movement was given new momentum in the city this week when the Bill & Melinda Gates Foundation announced a \$70 million grant for human genome research at the University of Washington.

In the South Lake Union neighborhood, the University of Washington is proposing a medical research campus that could ultimately cover two full blocks owned by Vulcan.

Pharmaceutical giant Merck & Co. has leased one of the Vulcan buildings under construction. The Seattle Biomedical Research Institute and the research arm of Children's Hospital and Regional Medical Center will occupy another.

Ultimately, Vulcan could develop as much as 9 million square feet on the nearly 50 acres of land it has assembled in the area. That's approximately equivalent to six 76-story Bank of America Towers.

"We see the development that's going to happen as a major economic driver," said Ada Healey, Vulcan's vice president of real estate. "We see this as a job



zoom

Dan DeLong / P-I

A worker walks over the foundation of what will be the Alcyone Apartments in the South Lake Union area of Seattle.

machine, and we see it also as creating a hub where the Puget Sound region can compete in this very aggressive economic environment."

Some people see in the South Lake Union plans an unprecedented chance for the region to improve.

"Ten years from now, we'll look back on this and say, 'Wow, why didn't we think of that sooner?' It's going to be extraordinary," said Jeffrey Brotman, chairman of Issaquah-based Costco Wholesale Corp. and a UW regent who is leading the fundraising effort for the medical research campus. "It's going to transform the city and what we're recognized for, from jets to biology."

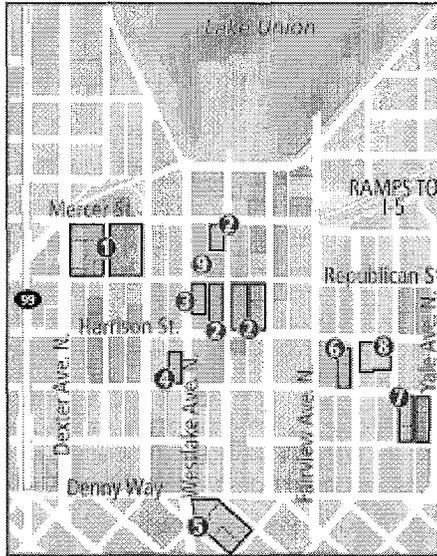
The situation in South Lake Union, with Allen owning so much developable land next to a major downtown, should be embraced by the region as a rare opportunity, Brotman said. He said he considers it unfair to Allen when people ask why one of the world's richest men doesn't just put up the money for the project himself.

"This is a commercial corporation that he has set up. They have taken commercial risks, and they're doing transactions that are commercially reasonable," Brotman said. "Why should we treat him any differently than when we buy an airplane from Boeing or a piece of software from Microsoft or a gallon of mayonnaise from Costco?"

ON THE RISE IN SOUTH LAKE UNION

Paul Allen's Vulcan Inc. and its partners plan a variety of commercial and residential projects in Seattle's South Lake Union neighborhood, where the Microsoft co-founder's investment company owns nearly 50 acres of property. Buildings are currently under construction for Merck & Co., the Seattle Biomedical Research Institute and Children's Hospital. Vulcan and Harbor Properties are also building an apartment complex across from the Cascade Playground.

-  Vulcan properties
-  Proposed buildings
-  Under construction



1 Possible UW research campus: As much as 750,000 square feet of lab and administrative space in a renovated Washington Natural Gas building and several proposed structures.

2 Interurban Exchange: Planned four-building, 500,000-square-foot complex. One building under construction for Merck.

3 428 Westlake: Proposed office building, to be occupied in part by CollinsWoerman Architecture.

4 307 Westlake: Five-story building under construction, to be occupied by Seattle Biomedical Research Institute and Children's Hospital.

Source: Vulcan Inc.

5 2200 Westlake: Proposed commercial and residential complex to be anchored by QFC grocery store.

6 Alcyone: 162-unit apartment complex under construction.

7 221 Yale: Proposed mixed-use complex that would include NBBJ architectural firm's headquarters.

8 Cascade Playground: Vulcan proposing to help upgrade city-owned park.

9 Rosen Building: Existing building owned by Vulcan and occupied by UW researchers.

SEATTLE POST-INTELLIGENCER

Mayor Greg Nickels is another strong supporter of development in the South Lake Union area. He presented a plan last month to encourage growth in the neighborhood by making substantial improvements to its electrical and transportation infrastructure. One component of the plan would link South Lake Union to downtown via a streetcar system.

Individual employees of Vulcan have contributed a total of \$1,788 to Nickels' 2005 re-election campaign, according to city elections records. That's more than the employees of any other private employer have so far contributed to the campaign.

Vulcan has helped its own cause by landing some sizable tenants in the midst of the tough economy. People in the real estate business attribute that fact to several key advantages enjoyed by the company in the South Lake Union neighborhood.

"What he's got is a vision for a community. To the people that he's talking to, that's very attractive," said Rob Aigner, executive managing director with real estate company Colliers International. Biotech firms "tend to be attracted to a community much more than just a workplace, and to the extent that you can provide that, it acts as a magnet."

Although it goes unspoken, Allen's prominence as an investor and philanthropist also may help his company's efforts to land tenants.

"Given the fact that he is such a large player, I do get the sense that those that want to be associated with him in his growth over time are best served by being involved early in the game," Aigner said. "I believe that there's some of that going on, too."

Allen, for example, is a major donor to the University of Washington. Architectural firm NBBJ, which plans to move to a Vulcan project in the neighborhood, designed Vulcan's headquarters building south of downtown Seattle and is the architect for Interurban Exchange, a four-building complex that Vulcan is developing with Schnitzer Northwest.

But Vulcan dismissed the notion that such relationships have played a role in the deals it has made.

"The marketplace in Seattle is diverse and extremely competitive," said spokesman Michael Nank. "Companies searching for office or retail space are naturally looking at their bottom line and will shop around for the most competitive deal."

Helping the company is the South Lake Union neighborhood's position in the middle of the region's biotech and biomedical community, near such institutions as the Fred Hutchinson Cancer Research Center and the University of Washington.

The Seattle Biomedical Research Institute was attracted to the area by its potential to become a regional hub for life-sciences research, biotechnology, recreation, education, housing and the arts, said Jim Gore, chief operating officer of the non-profit institute. Those aspects, he said, made the neighborhood an "ideal location."

The institute expects to bring about 175 employees to the neighborhood when it moves next year from its current location on the south side of the Lake Washington Ship Canal, Gore said. It plans to add at least 125 more employees during its first year or two of operation there.

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