

Investment and Development

Confidential Request for Proposal: Deadline January 24, 2014

RAREST OF LAND ASSEMBLAGES

Ideally located in an established neighborhood near Madrona's urban village, this 36,000-square-foot parcel spanning one half a city block has not been available for purchase in over 100 years. Herein presents a rare opportunity and numerous possibilities to create a vibrant new and complete community in one of the most desirable sections of Seattle.



Executive Summary

The Genesis House Campus Site ("Site," "Property," "Campus") occupies nearly an acre of single-family zoned land in one of Seattle's most well-known and sought-after residential enclaves. Held for several decades by an institutional owner and tucked behind a laurel hedge on a quiet, tree-lined residential street, this property sits just three blocks from Madrona's urban village, minutes from Capitol Hill's cultural attractions and nightlife, and three miles from downtown Seattle. Buyers interested in beginning the purchase process may request our Letter of Intent ("LOI") template.



Property Overview

The largest residentially-zoned parcel available for purchase in Seattle today, this expansive site with flat topography and two curb cuts is bordered to the north by Cherry Street, and to the south by Columbia Street. The original 1878 plat map shows 12 lots with 30' of frontage and 100' of depth each. The current occupant utilizes the four existing buildings as well as all unimproved areas of the site. Potential buyers may request a Due Diligence Package, which includes a Letter of Development Potential from Seattle's Department of Planning and Development.

Quick Facts

- 621 34th Ave Seattle WA 98122
- 36,000 SF or 0.82 acres of land
- SF 5000 zoning
- Leschi/Madrona
- 4 buildings totaling 13,618 SF
- Offering is not priced

An Authentic Seattle Urban Neighborhood

Surrounding The Genesis House Campus is a popular neighborhood known as a cornucopia of shops and services. Residents and visitors alike enjoy taking advantage of the many restaurants and cafés in the area serving hearty breakfasts, ethnic delicacies from Turkish to Thai, wine tastings, cupcakes, even artisan ice cream. A half mile to the south near Lake Washington lies the Leschi Marina, with its serpentine shoreline pathways and picturesque pleasure craft. Here waterfront dining options abound, and include Daniel's Broiler Steak House and BlueWater Bistro. Leschi Mart, the social anchor of the community, has been in continuous operation by the same family since the end of WWII offering the warmth of an Old World neighborhood grocer.

Within three miles to the north of The Genesis House Campus is a collection of the city's most attractive neighborhoods: Denny Blaine, Madison Park, Madrona,

and Washington Park. Their charm is defined in part by a combination of small-town friendliness and cosmopolitan amenities.

These areas also boast a wealth of natural beauty stemming from their proximity to the lake, treed hillsides, and views of Mt Rainier. The curving roads that connect these neighborhoods were fashioned by the Olmsted landscape company in the 19th century.

Seattle's quiet residential lakefront gives way to the west to the dynamic Pike-Pine Corridor filled with trendy restaurants, cafés and galleries. This area is the gateway to Seattle's Capitol Hill neighborhood. Volunteer Park features outdoor Shakespearean theater, an Asian art museum, and the Conservatory's collection of exotic specimen plants. Further down the Hill to the west is Downtown Seattle, the region's economic powerhouse. Amazon, Google, Microsoft, The Gates Foundation, and many other large employers contribute to the creative and financial vibrancy of the robust local economy.

The
Campus has
a Walkscore of
75

"...a leafy
village."
- Seattle
Magazine

AN URBAN VILLAGE



Attractions

- Bottlehouse Wine
- Cupcake Royale
- Glassybaby
- Daniel's Broiler
- Hi-Spot Café
- Madrona Wine Merchants
- Madrona Farmer's Market
- Molly Moon's Ice Cream
- St. Clouds
- Verité Coffee

EXISTING CONDITIONS



A Storied History...

The block was platted in Washington Territory in 1889 as "Ayers & Hoyt's Addition to City of Seattle:... overlooking Lake Washington," just north of the Yesler Avenue Cable Car Line. 34th Street was known as Carroll Street at the time, bounded by streets then known as Milwaukee and California.



The Genesis House Campus

The Property occupies over 36,000 SF of land divided into 12 original single-family building lots measuring 30'x100' and recorded in the first plat. The lots are numbered 1-12 from the north to the south, with Lot #1 on the corner of 34th and Cherry, and Lot #12 on the corner of 34th and James. King County Tax Parcel ID Numbers are:

- 034200-0115-09: Lots 1 & 2
- 034200-0125-07: Lots 3, 4, 5, 6, 7, 8, 9 & 10
- 034200-0175-06: Lots 11 & 12

Lots 1, 2, 11, and 12 are unimproved. Lots 1 and 2 are garden open spaces. Lots 11 and 12 include a playground.

Lot 3 is currently improved as accessory surface parking serving the group home.

The Genesis House Campus buildings comprise over 13,000 SF

Four institutional structures measuring a total of 13,518 SF occupy lots 4-10. Three of these structures were built in the early 1900's and then connected by a new structure in 1985, when the older structures were substantially renovated, including new building systems.

At the time of this offering, the entire Campus is functioning as a community-based residential addiction treatment center with full-time staff.

FOUR CAMPUS BUILDINGS	A. DORMITORY	B. CHILDCARE CENTER	C. MAIN LIVING AREA	D. CARRIAGE HOUSE
	8 bedrooms, 5 bathrooms, 2 offices, kitchen, storage rooms	4 offices, daycare, kitchen, bathroom, skill building room	5 offices, 7 bedrooms, 2 bathrooms, dining area, living room, kitchen, gym	2 offices with meeting room, bathroom
	<ul style="list-style-type: none"> • 4,402 SF • 3 levels • Built 1907, 1985 	<ul style="list-style-type: none"> • 1,242 SF • 1 level • Built 1985 	<ul style="list-style-type: none"> • 6,630 SF • 3 levels • Built 1900, 1985 	<ul style="list-style-type: none"> • 1,344 SF • 2 levels • Built 1907, 1985

REAL ESTATE ECONOMICS



The Seattle Economy

A 2013 Martin Prosperity Institute report describes Seattle as “the second best-performing urban area in the world for economic development.” Researchers scored 61 global cities on talent, technology, tolerance and quality of place. Seattle is one of just eight cities to receive an A+ grade.



Market Statistics Indicate Profitable Development Potential

A variety of factors suggest that new homes in this area will sell for an excess of \$1M. In 2013, 29 existing older homes in Madrona and Leschi sold for \$1M or higher, with an average market time of 22 days. During this period, there were four newly-constructed homes that sold for an average price of \$1.42M, with an average market time of 51 days.

Sales of lots comparable to the Campus do not exist. Most vacant lots or homes slated to be demolished are less desirable than the Campus. They lack the level topography and adjacency of multiple lots, features of this Property that increase aesthetic appeal and open more development options.

As a development site, The Genesis House Campus presents other intangible benefits as well. Existing

improvements and entitlements will simplify redevelopment. Designing and building the block-long community as a whole may result in higher profit margins. The Site also offers a builder the brand equity accruing from a thoughtfully-designed project in a well-known location. This type of project may very well garner prominent professional awards and recognition.

The speculative investor seeking land to hold for future appreciation may find a safe harbor at the Site as well. According to Zillow, neighborhood property values increased by 10% in 2013; and The Urban Land Institute’s Emerging Trends Report for 2014, which analyzed investment, development and homebuilding nationwide, concluded that Seattle is the nation’s sixth strongest market overall.

In 2013, two adjacent 4,000 SF sloped lots in Madison Valley sold for \$346K each

2013 MADRONA/LESCHI HOMES SALES \$1M+



Average size:

Average price per SF:

Average sale price:

Average days on market:

Year built:

EXISTING HOMES

3,600 SF

\$374/SF

\$1.1M–\$1.9M

22 days

1910–2009

NEW CONSTRUCTION

3,500 SF

\$401/SF

\$1.2M–\$1.8M

51 days

2012–2013

DEVELOPMENT OPTIONS

The Expansive Site Warrants the Attention of a Creative and Visionary Developer

The Genesis House site is as substantial in scale and potential as it is rare for such a prime location. The Property offers several possible profitable development and investment options including residential single-family development, institutional reuse and speculative investment.

Residential Development

Unlike most infill home sites in Seattle which are scattered and sloped, the Property is well suited for multiple luxury single-family dwellings designed together as a complete and integrated community occupying an entire block face.

There are no mapped environmentally-critical areas on the site. Although zoned as Residential SF 5000, the City may recognize at least some of the platted 3,000 SF legacy lots as separate building sites. The City may also approve additional lots smaller than 5,000 SF. The Letter of Development Potential available in our Buyer Due Diligence package details these land use issues.

The most successful development outcome will likely not only address the opportunities of scale, but also creatively respond to the context and history of the location. The surrounding area features a tapestry of classic yet popular Seattle building styles. Many of these homes are depicted in Caroline T.

Swope's "Classic Houses of Seattle: High Style to Vernacular, 1870-1950."

Styles represented include Craftsman, Tudor, Neoclassical, Shingle and Queen Anne with several Modernist designs, as are luminary architects ranging from Ellsworth Storey to George Suyama.

The sophistication and affluence of the area combined with the lack of new construction create great opportunity for a new development vision. A new community in Leschi/Madrona may also benefit substantially by incorporating the latest home technology, Green features, or new urbanist design.

Institutional Reuse

The Site's proximity to the affluent and stable communities of Lake Washington make it a viable candidate for potential continued institutional use. Institutional uses, except for nursing homes and adult family homes, however, are restricted in the single-family zones. Allowed administrative conditional uses include only community centers, childcare centers,

private schools, religious facilities, libraries, existing institutes for advanced study, and other similar institutions. Although non-conforming uses including institutional uses may be permitted, buyers are advised to thoroughly investigate the feasibility of their specific intended use.

Speculative Land Investment

The relatively low returns of more liquid investments combined with factors of scarcity and the strong local economy make the Property a promising candidate for land investment.



The 360-foot-long block is flat

SF 5000 zoning

Lot coverage

- Maximum 35% or 1,000 SF for lots 5,000 SF or greater
- For lots less than 5,000 SF, 15% more than the above

Height limit

- Max of 30' for lots wider than 30'
- Max of 25' for lots 30' wide or less

Roof pitch

- Max 35% or maximum of 1,000 SF

Parking

- 1 per dwelling unit

Accessory dwelling units

- Attached and detached ADU's are permitted in single-family zones
- Detached ADU's may be up to 1,000 SF

TRANSACTION STRUCTURE

Contact Us For The Due Diligence Package and to Schedule a Tour

In order to permit continued use of the Property after closing through late-2014, the Seller is employing the following purchase process and transaction structure:

First steps

1. Request due diligence package
2. Schedule a property tour on one of the tour dates listed below
3. Submit Letter of Intent no later than 5:00 p.m. on Friday, January 24th via email to edwardk@ekreg.com

Letter of Intent Terms Phase

Genesis House will consider only LOI's with the following terms:

Due diligence (feasibility) period of no more than 60 days, with closing no more than 20 days after expiration of feasibility period.

All cash only, with no financing contingency.

Earnest money will be 5% of offer price to be paid in cash at execution of contract. It will become nonrefundable at expiration of feasibility period.

Title and escrow will be through First American Title Insurance Company National Commercial Services in Seattle. The Seller will pay the cost of standard coverage policy only. Additional extended coverage costs (including cost of any survey needed to obtain extended coverage) will be paid by Buyer. Title will be conveyed by special warranty deed.

Sale to be on an "as-is" and "where-is" basis with no warranties by Seller other than Seller's authority to sell the Property. Buyer must waive the right to receive all but environmental section of the Washington State Seller Disclosure Statement (Form 17).

Buyer must agree to lease the property back to Seller for a term of 6 to 12 months.

Prior to entering into a Contract, prospective buyers will also need to provide evidence of their ability to perform financially. They should also include evidence of a successful track record with similar projects.

Contract Phase

The Seller will engage the Buyer with the intent of entering into a purchase and sale contract no later than March 21, 2014. The contract will be drafted by the Seller.

Confidential offering

This Confidential Request for Proposal ("RFP") is being delivered to a limited number of parties who may be

LOI's will be reviewed on January 24, 2014

interested in the Property. By acceptance hereof, each recipient agrees to not reproduce or use in whole or in part the information contained herein or any other information that is not already public, and to use this RFP only to evaluate the offering.

EK Group does not represent or warrant the accuracy of the information contained in this RFP. Nothing contained in this RFP should be construed as a representation by any person as to the future possibilities or performance of the Property. Potential buyers should conduct their own due diligence.

Due Diligence Materials

- Letter of Intent (LOI) Template
- Preliminary Title Report
- Seattle DPD Development Letter
- Property Photos

Property Tours 1-3 pm

- Monday, December 23, 2013
- Monday, December 30, 2013
- Friday, January 3, 2014
- Friday, January 10, 2014

Transaction Process

- Submission of LOI's: January 24, 2014
- Contract date: March 21, 2014
- Feasibility Period: 60 days or less
- Closing: 20 days from Feasibility

Broker Cooperation

- Available, contact listing broker

Exclusive Listing Broker

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