

Development Program - The Stitch															
Development Component	Location of Development Component	Existing SF	Preserved / Demolished	Land Use	Proposed Residential SF	Proposed Commercial SF	Stories	Expected Value	Total Project Costs	Equity Portion	Debt Portion	GAP	Development Profit (Return on Cost)	Unleveraged IRR	Leveraged IRR
King's Court	1 - King County Courthouse	607,123	Preserved	Residential & Retail	269,500 SF	101,382 SF	12 Stories	\$331,072,304	\$228,663,978	\$102,898,790	\$125,765,188	\$0	45%	18.2%	24.5%
Hawk's Nest	2 - King County Correctional Facility	397,411	Demolished	Residential & Retail	544,500 SF	59,740 SF	27 Stories	\$545,641,928	\$367,513,775	\$165,381,199	\$202,132,576	\$0	48%	14.9%	18.2%
Chinook	3 - Chinook Building	350,141	Preserved	Residential, Retail & Office	175,700 SF	97,131 SF	13 Stories	\$234,870,049	\$161,645,932	\$72,740,669	\$88,905,263	\$0	45%	21.0%	27.6%
County Center	4 - King County Administration Building	221,651	Preserved	Retail & Office	0 SF	152,646 SF	9 Stories	\$126,579,941	\$99,429,055	\$42,683,206	\$54,685,980	\$2,059,869	30%	15.4%	20.3%
Goat Hill	5 - Goat Hill Site	274,942	Preserved / Constructed	Residential & Retail	217,250 SF	27,243 SF	22 Stories	\$256,680,046	\$196,993,994	\$88,647,297	\$108,346,697	\$0	30%	12.3%	14.3%
The Argyle	6- 420 4th Avenue Building + Argyle	20,422	Demolished	Residential & Retail	77,000 SF	14,577 SF	8 Stories	\$79,886,127	\$59,348,851	\$26,706,983	\$32,641,868	\$0	35%	11.8%	16.0%
The Yesler	7 - Yesler Building	121,389	Preserved	Residential & Retail	68,250 SF	27,037 SF	7 Stories	\$107,626,426	\$73,483,034	\$33,067,365	\$40,415,669	\$0	46%	30.7%	46.7%
TOTALS		1,993,079 SF			1,352,200 SF	479,756 SF		\$1,682,356,821	\$1,187,078,618	\$532,125,509	\$652,893,240	\$2,059,869	42%	16.5%	21.6%
Infrastructure Allocation															
Item	Site Size (Acres)	Site Cost	Construction Cost	Total Cost	King's Court	Hawk's Nest	Chinook	County Center	Goat Hill	The Argyle	The Yesler				
Public Space (working with Retail)	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Public Terraces (Office)	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Public Terrace (Housing)	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Garage Roof (Rooftop Community Garden)	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Public Space (Retail Roof)	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Housing Terrace	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
Roof Public Space	0.00	\$0	\$7,500,000	\$7,500,000	\$1,071,429	\$2,142,857	\$2,142,857	\$0	\$0	\$535,714	\$1,607,143				
TOTAL	0.00	\$0	\$52,500,000	\$52,500,000	\$7,500,000	\$15,000,000	\$15,000,000	\$0	\$0	\$3,750,000	\$11,250,000				
Development Schedule															
Development Component					King's Court	Hawk's Nest	Chinook	County Center	Goat Hill	The Argyle	The Yesler				
Pre-Development Period					May 1, 2024 to April 30, 2025	May 1, 2028 to April 31, 2029	May 1, 2024 to April 30, 2025	May 1, 2024 to April 30, 2025	May 1, 2025 to April 30, 2026	May 1, 2026 to April 30, 2027	May 1, 2027 to April 31, 2028				
Demolition Period					None	May 1, 2029 to December 31, 2029	None	None	None	May 1, 2027 to August 31, 2027	None				
Construction Period					May 1, 2025 to January 31, 2027	January 1, 2029 to December 31, 2031	May 1, 2025 to January 31, 2027	May 1, 2025 to January 31, 2026	May 1, 2026 to January 31, 2028	September 1, 2027 to April 31, 2029	May 1, 2028 to January 31, 2029				
Close-Out Period					February 1, 2027 to April 30, 2027	January 1, 2032 to April 30, 2032	February 1, 2027 to April 30, 2027	February 1, 2026 to April 30, 2026	February 1, 2028 to April 30, 2028	May 1, 2029 to April 31, 2030	February 1, 2029 to April 31, 2029				
Residential Unit Count & Breakdown - The Stitch				Phasing Breakdown											
Category - For Rent	# of Units	SF	% OF SF TOTAL	Building Name	Market Residential Units	Market Residential SF	Affordable Residential Units	Affordable Residential SF	Retail Units	Retail SF	Office Units	Office SF	Parking Stalls	Parking SF	
Affordable Units	730	547,500	62%	King's Court	200	134,750	200	134,750	12	101,382	0	0	0	0	
Regular Units	456	329,450	38%	Chinook	166	122,700	70	53,000	6	38,268	6	58,863	270	89,515	
For Rent Subtotal	1,186	876,950	100%	County Center	0	0	0	0	10	86,819	6	65,827	0	0	

Development Assumptions - The Stitch									
Market Rate Housing Rents and Sales Prices			Commercial Market Leasing Assumptions*			Exit Cap Rate Assumptions			
Unit Type	Average Size (SF)	\$ / SF Sale / \$ per month	Category	Retail	Office	Affordable Rental	5.00%		
Studio For Rent	450	\$2,000	Rental Rate	\$35.00	\$45.00	Market Rate Rental	4.75%		
Studio For Sale	450	\$1,350	Inflation Rate (All Properties, Income/Expenses)	3.00%	3.00%	Office	5.00%		
1BR For Rent	650	\$2,400	Build-Out Tenant Improvements PSF	\$150	\$150	Retail	4.50%		
1BR For Sale	650	\$1,300	New Tenant Leasing Commissions	6.00%	6.00%	Capital Assumptions			
2BR For Rent	1,000	\$3,400	*Market Leasing Assumptions are only for costs to stabilize assets upon construction completion. They do not address on-going market leasing assumptions (TI/LC rates on renewal deals, for example), given that the developments are assumed to be sold upon stabilization.					LTV Percentage	55%
2BR For Sale	1,000	\$1,250						Equity Percentage	45%
3BR For Rent	1,200	\$4,600						Interest Rate	5.25%
3BR For Sale	1,200	\$1,200						Loan Type	Interest-Only

Parking Mix				Project Cost Estimating Parameters	
				Type	Basis
Residential Stalls	765			Office Shell & Core Hard Costs for Construction	\$245 - \$290, Depending on Quality & Storey Count
Commercial Stalls	665			Residential Condominium Hard Costs for Construction	\$260 - \$305, Depending on Quality & Storey Count
SF per Space (including circulation)	330			Retail Hard Costs for Construction	5 - \$290, Depending on Quality & Storey Count (Utilized Office Figure)
Residential User Monthly Rental Rate	\$250			Parking Costs	\$120 PSF Above-Grade, \$130 PSF Below Grade
Commercial User Monthly Rental Rate	\$350			Hard Cost Contingency	10% of Above Costs
Affordable User Monthly Rental Rate	\$150			Municipal Fees and Allowances	Utilized City of Seattle's Fee Estimator
Commercial Operating Expenses (Year 1)				Share of Infrastructure	Site-Dependent Assumption
Recoveries	(Y/N)	Cost \$/SF GLA	Construction Period?	Legal	\$400,000 per Site
Utilities	Yes	\$0.15	No	Land Closing Costs/commissions	2% of Land Acquisition Price
Insurance	Yes	\$0.25	Yes	Design	4% of Total Hard Costs
Taxes	Yes	\$2.50	Yes	Developer Fee	3% of Project Budget
Repairs & Management	Yes	\$1.50	No	Construction Management Fee	2% of Total Hard Costs
Management Fee	Yes	\$0.50	No	Taxes During Construction	Estimated Abatement
Total \$PSF		\$4.90		Insurance	\$6,000 per Unit
Residential Operating Expenses (Year 1)				Marketing, FFE and Preleasing	\$400,000 per Site
Recoveries	(Y/N)	Cost \$/SF GLA	Construction Period?	Operating Deficit	Site-Dependent Assumption
Utilities	es / No (Affordable)	\$0.75	No	Commercial Tenant Improvements	\$150 PSF (Retail & Office)
Insurance	No	\$0.75	Yes	Retail/Office Brokerage	6.00% on a 5-Year Term
Taxes	Yes	\$5.00	Yes	Construction Loan Origination	1% of Loan Amount (Estimated to Eliminate Circular Reference)
Repairs & Management	No	\$2.00	No	Construction Interest	7% of Loan Amount (Estimated to Eliminate Circular Reference)
Management Fee	Yes	\$1.50	No		
Total \$PSF		\$10.00			