

January 25, 2021

Nathan Daum  
Economic Development Program Manager  
City of Shoreline  
17500 Midvale Avenue N.  
Shoreline, WA 98133

**RE: Shoreline Place Q1 2021 Status Update**

Dear Nate:

Much has transpired at a macroeconomic level since our last update in February, 2020.

Market Conditions: The Covid Pandemic has led to a pull back from retailers in all categories thereby reducing our leasing velocity and anticipated timeline for Block E retail. Residential development has also been slowed as capital markets regain their footing from the pandemic induced economic slowdown. Despite these challenges, Merlone Geier has been actively involved in advancing the design and construction plans for Shoreline Place to the greatest extent possible. Following are key updates in response to our efforts and the status of the project.

Block D / Former Sears Auto Center Demo Permit: In November we secured our demo permit for the former Auto Center. We have yet to determine a specific date of when we anticipate commencing that work.

Block E Leasing and Building Design: No retail leases have been signed. We are in negotiations and in conversations with several sit down and fast casual restaurants, cafés, fitness studios, financial institutions, and other miscellaneous shop tenants for the first two retail buildings on Block E. We are on track to commence construction of these buildings during Q3 2021.

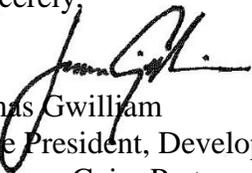
Residential: In Q4 2019 we conducted a robust search to identify a multifamily residential development partner for the first phase of residential. Unfortunately conversations cooled during the majority of 2020. We are continuing to discuss the site with several regionally focused development partners with Block D as the first multifamily phase. It is our hope that with the City's assistance in providing timely review of the multifamily plans we will be able to commence construction on the first phase of multifamily with the associated ground floor retail, 160<sup>th</sup> re-channelization and pedestrian crossing, 157<sup>th</sup> Street improvements and East Plaza by Q4 2021 or sooner with approximately 24 months of construction bringing an opening of those units by Q1 2024.

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Shoreline Farmers Market: The long-term goal of redeveloping the entire property has presented some challenges related to the Shoreline Farmers Market (SFM) being located on Merlone Geier's property for the 2021 season. After evaluating numerous options we believe that now is the appropriate time for the SFM to identify a property offsite until the time when Block C in our masterplan is constructed. One recommendation would be that the City consider offering Westminster Way for the Summer 2021 season. We look forward to a partnership with the SFM going forward. We regret that we are unable to provide an ideal location in the short term due to construction but are excited about the long-term prospects as construction comes to completion in the future.

We look forward to our ongoing partnership with the City of Shoreline on this exciting project.

Sincerely,



James Gwilliam  
Vice President, Development  
Merlone Geier Partners