

January 31, 2022

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

RE: Shoreline Place Q1 2022 Status Update

Dear Nate:

It is my pleasure to provide you with an update of our development progress at Shoreline Place:

Market Conditions: The market continues to rebound in fits and starts as retail operators continue to slow play expansion plans and right size space requirements. We have seen multifamily development continue to thrive in the region, especially outside of Seattle proper, but construction costs are making projects difficult to pencil and timelines challenging to project. Our efforts to date have been a reflection of those realities but we remain optimistic about the prospects for Shoreline Place in both the long and short term.

Block D / Former Sears Auto Center Demo: We are excited to let you know that next month (February 2022) we will begin utility work on our site with major demolition work of the former auto center scheduled to begin in March! This is likely to create quite a bit of buzz about the project.

Block E Sitework and Building Construction: In April and May of this year we are scheduled to begin construction of the Block E retail pad and anticipate completing the Block E buildings in January 2023. No retail leases have been signed however we are in negotiations with several restaurants, cafés, fitness studios, financial institutions, and other daily needs shop tenants for the first two retail buildings on Block E. We will make announcements on our social media platforms and website as those transactions are finalized.

Residential: 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, 160th re-channelization and pedestrian crossing, 157th Street improvements and East Plaza by Q3 2023 or sooner with approximately 24 months of construction.

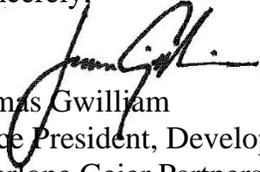
WSDOT: We continue to work (albeit slowly) with WSDOT on a revised entry and access easement off of 160th to reduce cut-through traffic from Westminster Way and improve traffic flow behind Marshalls. We appreciate the City's ongoing assistance helping WSDOT get comfortable with this important change from a traffic perspective.

Governing Documents: We have spent the past several years negotiating and re-drafting a new set of governing documents (CCR's) controlling the private-party relationship between the various parcel ownerships and will continue to work on finalizing those documents.

Signage: In the coming weeks we will be submitting for building permits associated with our signage plan wherein the City will see the new design guidelines and sign code updates along with Shoreline Place branding begin to be implemented.

We look forward to our ongoing partnership with the City of Shoreline on this exciting project. Please feel free to reach out to me directly with any further questions.

Sincerely,



James Gwilliam
Vice President, Development
Merlone Geier Partners