



# New Downtown Project Elevates Seattle's Skyline

Wright Runstad & Company builds \$570 million project on the University of Washington's Metropolitan Tract that will be the second tallest skyscraper and home to an Amazon.com office

In late 2019, an iconic new skyscraper will elevate the Seattle skyline, rising more than 800 feet above the intersection of Fourth and Union, featuring a wide base that narrows as the building reaches skyward. Wright Runstad & Company, a Seattle-based real estate development and management company and long-time client of Foster Pepper, was chosen by the University of Washington to develop the new skyscraper on the University's Metropolitan Tract in downtown Seattle.

## THE METROPOLITAN TRACT

Development opportunities within the downtown Seattle core are unique and not widely available. This opportunity arose out of a 150-year history.

In 1861, three prominent Seattle families, including Arthur and Mary Denny, Charles and Mary Terry and Edward Lander, gifted more than 10 acres of land, in what would become the heart of downtown Seattle, to establish the University. By 1895, the University had outgrown the land and relocated to its present campus.

The University retained the original site, dubbed the Metropolitan Tract, which it manages in order to generate revenue for the University's educational mission. The Fairmont Olympic Hotel now stands where the first University building once did, and the Metropolitan Tract contains several other notable buildings, such as the Rainier Tower, the Cobb Building, and the Skinner Building (home to the Fifth Avenue Theatre).

## IDENTIFYING A DEVELOPMENT PARTNER

In May 2014, Wright Runstad was selected by the University of Washington Board of Regents to redevelop the low-rise shopping mall formerly operating at Rainier Square. Foster Pepper represented Wright Runstad in the negotiation of the 80-year ground lease with the University. With the ground lease in place, Wright Runstad will develop and manage the new tower and adjacent 12-story hotel. At the end of Wright Runstad's 80-year ground lease, the tower and hotel will be owned by the University.

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Founded in 1972, Wright Runstad is a Seattle-based real estate development and management company known for the development of multiple skyscrapers in Seattle, including Foster Pepper's headquarters at 1111 Third Avenue, 1201 Third Avenue (the former Washington Mutual Tower), 999 Third Avenue Wells Fargo Center, as well as properties in Bellevue, Tacoma, and Portland. Wright Runstad & Company is also currently developing The Spring District, a 36-acre environmentally-sustainable, transit-oriented, mixed-use urban neighborhood in Bellevue that will become the largest transit-oriented development in the state.

With more than four million square feet of developed or managed space with current or pending LEED certification, Wright Runstad is a leader in sustainable development projects in the region.

### THE APPROVAL PROCESS

In December 2015, the Seattle Department of Planning and Development ("DPD") published its decision to approve the project. This approval was later affirmed by the Seattle Department of Construction and Inspection, which had replaced DPD after an internal reorganization by the City of Seattle. The City's permit decision was then appealed by a hospitality workers union. Foster Pepper successfully defended the appeal, and the City issued the Master Use Permit in August 2016.

### THE TENANTS

When complete, Rainier Square will include 1.1 million square feet of space, including 722,000 square feet of office space. In October 2017, Wright Runstad announced it had secured a lease with Amazon.com Inc. for all of the office space, which is the largest single lease Wright Runstad has done. It was also the largest lease in 2017.

Other tenants include an Equinox fitness club and a 20,000-square-foot PCC Community Markets flagship store.

Construction of the project is started in the fall of 2017 and the project is scheduled to open in the summer of 2020.

Numerous Foster Pepper attorneys represented Wright Runstad on this project, from due diligence to securing the ground lease from the University to development financing and working through the City's land use and environmental permitting and appeal processes. Foster Pepper is honored to represent Wright Runstad in this key Seattle development that will change the skyline for the better while delivering more revenue to the University of Washington.