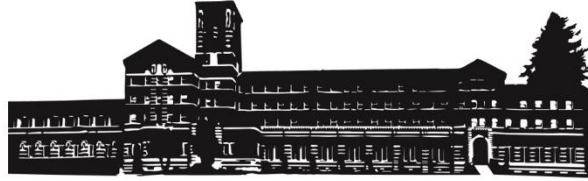




**DANIELS
REAL ESTATE**



About St. Edward Seminary Proposed Project

February 4, 2016

Daniels Real Estate is no stranger to complex, comprehensive, and long-term historic preservation and adaptive reuse projects. Nationally and locally recognized, Daniels Real Estate and its sister company, Nitze-Stagen & Co., Inc., have been responsible for saving significant landmarked buildings from inaction and demolition: Sears Roebuck Warehouse/Starbucks Center, Seattle's Union Station, Merrill Place, the former First United Methodist Church, Cadillac Hotel, Seattle Plumbing Building and more. The Daniels team has won two National Preservation Awards, as well as many local and state awards for their work.

In 2013, Daniels Real Estate partnered with Bastyr University to explore different scenarios that would save the endangered historic St. Edward Seminary building. Engaging an experienced team in historic restoration, the planning team has looked at several scenarios that take into consideration both the history of St. Edward Seminary and the 316-acre state park that surrounds it.

In August 2015, Daniels Real Estate approached State Parks staff with a concept to create a park lodge similar to those found at Yellowstone National Park or Paradise Lodge at Mt. Rainier. The project is more than creating a conference center or place to stay – it's also a recognition of the long-standing ideal that America's great historical places should be set aside and preserved for future generations to enjoy.

The Following Are Commonly Asked Questions and Facts About the Proposed Project

Is it true that when the park was purchased from the Archdiocese of Seattle the plan was to demolish all of the structures and return the land to its natural, forest-like status?

No. The state's intent for buying the property was to use it for active recreational use (not to preserve forest land) In fact, the original comprehensive plan for the park recommended that the seminary building be used as a conference center with overnight lodging. However, funding was never allocated so the building has sat largely vacant. It may be a bit overdue, but that original proposal is what we are recommending today.

At the time of the sale, it was understood that the 'best and highest' use for the land was to subdivide for residential home construction. However, The Archdiocese contacted the state about purchasing the land and it was Governor Dixie Lee Ray who obtained both state and federal funds to acquire the site. Without the leadership of both The Archdiocese and Governor Ray the park would not exist today.

I have been told that the seminary building can stay in its current condition for many more years. So why do we need to activate the building now?

In its current condition, the seminary is now threatened due to years of deferred maintenance.

Saint Edward Seminary operated for 46-years before closing in 1976. It has been closed for more than 40-years (almost as long as open) and the aging seminary building has been in a constant state of disrepair. The building has suffered major water damage that will continue to compound if left alone. There are also major electrical, heating, plumbing and structural codes issues that need to be solved.

State Parks has estimated that it would cost state taxpayers between \$10 to \$16 million depending on the extent of the repairs. And those numbers don't include costs 2/4/2016 associated with any new use for the building. Further delays and inactivity will only increase the cost of repair – all of which would require state taxpayer dollars.

Will the Great Lawn be part of the project?

No. It remains part of the park. The project does not encroach on any green, trail or open spaces.

What will the lodge include? Have there been any changes to your proposal since the last public meeting on August 25, 2015?

There have been no changes to the concept plan for the three buildings.

- The seminary building would be an adaptive reuse to create a conference center with overnight lodging for the attendees. The dining hall will serve as a café/restaurant, the former classrooms will be available for community, business and retreat meetings, and former student housing will become guest rooms with an added spa & fitness amenity in the basement.
- The current parking in between the buildings would be moved below the surface to open up this area for a garden and possible urban farm.
- There are no current plans for the pool building other than to ensure it's protected from ongoing damage by the weather.
- The gymnasium is under a long-term lease with a private party which will be continued.

How much will the new proposal cost?

We estimate that it will cost up to \$50 million dollars to bring the seminary building back to active and productive use.

I have seen proposals that it would be cheaper to allow the building to become a "ruin". Why isn't that a better option?

The seminary building is on the National Register of Historic Places which means that it earned national recognition and requires protection under the National Preservation Act. When the building was nominated the state agreed to these terms and there is no legal method to delist a building and allow it

to become a “ruin.” If the state adopted this course of action, it would be in violation of the National Preservation Act and could be legally challenged at the expense of the state taxpayers.

Is the proposed reuse of the property in alignment with its listing on the National Register of Historic Places?

Yes. It’s our opinion that the proposed adaptive reuse and preservation of the seminary building will be looked upon favorably by all regulatory agencies. Review of the proposed project will include the National Park Service, Washington State Department of Archeology and Historic Preservation, King County, and the City of Kenmore. All work on the seminary building will meet the US Secretary of Interior standards for historic preservation projects.

Tell me about the exchange of land, what are you proposing?

We are acquiring 9.77-acres of property adjacent to the park that is privately owned and was going to be sold for subdivision and residential construction. The land, which is commonly referred to as the McDonald property, includes shoreline access to Lake Washington and frequently park visitors trespass to gain access to the lake. Many visitors mistake the well-worn paths as part of the park’s trail system.

The proposal is a land exchange in which State Parks would acquire the 9.77-acre property in exchange for the 4.99 acres under our proposed project. This exchange would expand the overall footprint of the park and allow park visitors to legally access additional portions of the shoreline.

I have been told the McDonald property that will be exchanged has little or no value. How can this be of equal value to the St. Edward property?

While it’s true that the McDonald property is full of critical areas with steep slopes that make it difficult and challenging to develop, it’s not accurate to say that it can’t be developed. The property was poised to be developed for private, residential homes with lakefront access.

Under Federal law the land exchange is also about equal recreational value and it will be up to an independent appraiser hired by State Parks to determine the value of both parcels. Only then will a determination of equal value be made.

The McDonald property is an undeveloped heavily forested site that doesn’t exist anywhere else on Lake Washington. Without question it has recreational and ecological value which will be reflected in the independent appraisal.

How much of a footprint or park land will be included in the proposed reuse?

Based on public comments in August, we have refined our plan and reduced the footprint from 8.7-acres to just under 5.0-acres which includes minimal spacing around the three buildings. The proposed urban farm area to harvest organic greens for the café has been eliminated.

Will the public have access to the property and the buildings upon completion?

Definitely, that is part of the overall vision and proposal. First, State Parks has required that the exchange of property will contain perpetual easements that allow the public to cross the property and access the buildings. Second, we plan to have the café and spa open to the public during normal park hours. Obviously lodging spaces will be reserved for guests, but the common spaces will be open for all to enjoy.

What happens to the Park Rangers' office in the gymnasium? Are we losing our Rangers?

No. The state park rangers would never be displaced by our project. In the long-term State Parks intends to build a new office and maintenance facility to better serve the park in the future. But for the short-term, they have a ten-year lease for \$10.00 per year to remain in their current space in the gymnasium.

Will this proposal require a large number of trees in the park to be removed and clear cutting to meet the additional parking requirements?

No. There is no requirement or desire to remove or trim any trees as a result of the proposed project. No trees that exist within the 4.99-acre property proposed for the land exchange will be impacted. It is possible that a few trees may be removed or trimmed to accommodate the replacement parking but this would be fully studied and open to future public comment.

Will the trail that runs along the main access road be removed?

No. Our proposal was carefully developed to respect the surrounding park use and no trails or open space in the park will be disturbed.

Will the children's play area be moved or removed?

No. The play area will remain as it is today with improvements that will include better ADA access.

Is the Park's Department going to sell or lease the Great Lawn for use by the proposed project?

No. None of the Great Lawn area is included in the proposal.

Will you need to make major improvements to the utilities resulting in a large construction project that will cut right through the park land?

We have completed an extensive due diligence of the property and the existing utilities are more than adequate to service our proposal. The underground pipes look to be in good shape thanks to improvements made by State Parks in recent years.

Will the proposed project take all of the current parking in the park?

No. The total number of parking stalls available to the public will remain exactly the same. There are 69 vehicular and 4 bus parking stalls located on the proposed property to be exchanged. All of this parking will be relocated in the same general area.

The current upper parking lot between the buildings and the north parking lot adjacent to the gymnasium will become part of the new use. The current plan is to replace the upper parking lot with a one story underground garage (that will not be visible to the public) with the surface area landscaped as a garden amenity. No changes are planned for the north parking lot.

How will public and vehicular access to the property be modified?

The current access road will remain as it is today. There are no plans to make any improvements other than repairing the current damaged pavement and potentially improving drainage in some areas.

Will the project use the current access road that runs past the play area and ends in the circle drive?

No. Visitors will gain access to the seminary building's front door and the circle drive through a new controlled access road that will run around the north side of the property. It will not run through the Great Lawn area. The project will receive an easement from the state for use of the circle drive and the main access road into the park. State Parks will be granted similar easements to address underground utilities and public access that run through the exchanged property.

The project is close to Bastyr University. Will there be any benefits for the students?

Yes. Bastyr University and Daniels Real Estate are collaborating on how to include both educational and employment opportunities for the students in the café and spa.

Traffic along Kenmore Way is already a challenge at peak travel times. Will the project have to mitigate any additional traffic impacts?

Yes. As part of the environmental assessment and City of Kenmore permitting process, there will be many issues and impacts studied. Traffic is one of the required issues and a study is currently underway using the city's published standards.

What will be the ecological impacts of the proposal on the park?

The use of the buildings will have no significant impact on the park as it currently exists and the proposal would be in keeping with what existed prior to the sale of the property to the state. Like the traffic study, these impacts will be studied as part of the City of Kenmore's permitting process.

Why is Daniels Real Estate involved?

We are mission-based, local, family real estate firm. The principals of the company have been together for almost 30-years and the company is known for taking on challenging and complex projects with a commitment to quality and an aim to enhance the surrounding community.

With the same senior management team on this project that redeveloped local iconic buildings such as Starbucks Center, Union Station, Frye Art Museum, Stadium Place, The Mark, Gridiron and Merrill Place, we want to help save the St. Edward Seminary building from inaction and further deterioration.

Washington state has a lot of competing and compelling needs; spending taxpayer money to close, barricade, fence, and possibly demolish a nationally recognized historic building (by one of the leading regional architects of the last century) should not be one of those needs.