

Capstone Partners Announces Esterra Park, Redmond, WA

A multi-phase 3 million square foot community adjacent to Microsoft

Seattle – February 10, 2014 - Capstone Partners, along with its financial partner Lionstone Investments, announced it has received design approvals for the first phase of its massive 3 million square foot Esterra Park project in Redmond, WA. The 28 acre, sustainable, transit oriented, mixed-use project sits next door to Microsoft's world headquarters. Additionally, the neighborhood has 1.5 million square feet of existing retail, and located adjacent to SR-520. A future light rail station will be across the street.

Esterra Park will be the first true urban live-work campus ever created in the Pacific Northwest with the added benefits of park and hotel components. The project will include over 1.2 million square feet of commercial space, over 1,400 residential units, a 250 room hotel, all surrounding a new 2.7 acre park. Capstone estimates 7,000 - 8,000 people will live and work at Esterra Park. The project is the first phase of Redmond's 170 acre Overlake Village master plan which will house 30,000 - 40,000 people when completed; approximately half the size of South Lake Union.



The name Esterra Park, a blend of “east” and “terra”, draws attention to the unique features of this urban landscape: “Think South Lake Union with a 2 block park right in the middle” said Kristen Lindquist, the park designer from Brumbaugh Associates.

Capstone started demolition Spring of 2013 of the 500,000 square foot hospital and medical buildings. Roadway construction has commenced and building construction will start this summer.

This month, Capstone expects to receive final approval from the Redmond Design Review Board for the first of three office buildings which total over 650,000 square feet of the 1.2 million planned, and that

Capstone will be ready for construction in 2014. “We will be ready to break ground in June on the first building and by year end on the remaining two buildings of this first phase”, said Mike Hubbard of Capstone.



“Designed for technology companies, these buildings have big floor plates, plenty of power, ample parking, situated next to a 2.7 acre park. Tenants will walk across the park to get home, or stop off with friends at new neighborhood bars and restaurants”, said Scott Davis of CBRE, hired to market the office project along with Tim Owens and Scotta Ashcraft. Tim Owens added, “This live/work/stay/play community will house a stout infrastructure which is typically found in a CBD location. We believe tenants in the market will find that Esterra Park is a terrific option to downtown Bellevue.”

When the demand arises, a second office phase will add another 550,000 square feet. Capstone said it will break ground with a 100,000 square foot pre-lease tenant.

Last month, the Redmond Design Review Board gave approval for approximately 500 units to be developed by AvalonBayCommunities. Construction is scheduled to start in the Summer of 2014. These sustainable units are designed to fit the lifestyle of young professional technology savvy workers as well as families. AvalonBay is one of the most active multi-family developers in the region with over 900 units currently under construction in the Capitol Hill, University District and Lynnwood neighborhoods.



Capstone said that the hotel portion of the project will be announced shortly and that construction is expected to begin in the first quarter of 2015.

Capstone is one of the most active developers in the region. In addition to Esterra Park, Capstone is underway on over \$400 million of office, apartment, and industrial projects in Seattle and Portland markets.

Lionstone Investments is a privately owned real estate investment firm that specializes in conceptualizing and executing national investment strategies based on proprietary data interpretation and ideas. The firm focuses on Core, Value-Add, and Opportunistic investments.

For more information, please visit www.capstone-partners.com or contact Mike Hubbard at 206-652-3364, mhubbard@capstone-partners.com or Kirk Johnson at 206-652-3365, kjohnson@capstone-partners.com.