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## **Two Prominent Seattle Real Estate Firms Align: Touchstone and Urban Renaissance Group**

***URG acquires Touchstone and will operate it as a wholly-owned subsidiary; Deal includes investment by URG in six Touchstone projects***

***Touchstone owners to remain invested as General Partners with URG in all current projects***

**SEATTLE –December 18, 2014,** – Seattle-based real estate firms Urban Renaissance Group LLC (URG) and Touchstone today announced an alignment that includes investment by URG in six current Touchstone projects.

The transaction also includes the acquisition of Touchstone by URG and retention of all current Touchstone employees. This acquisition enables Touchstone owners Douglas Howe, Jim O’Hanlon and Shawn Parry to step back from day-to-day operation of the firm.

While the owners have sold the Touchstone operating company, they will continue to serve as advisors to it and remain invested as General Partners with URG in all current projects, seeing them through to completion.

“For more than 30 years, we’ve focused on creating great urban projects – and it was important for us to find a partner who would give Touchstone the freedom to continue to do just that,” said Touchstone Founder Douglas Howe. “I’ve known Pat for many years and URG is the right partner to ensure the Touchstone legacy continues.”

“We’ve been looking for the right opportunity to expand our operating platform to include a robust development company,” said URG Founder and Chief Executive Officer Patrick Callahan. “Touchstone’s reputation for innovative and successful urban development is unmatched in this region. Our goal is to give the Touchstone team the freedom to continue doing what they do best.”

### **URG Invests in Active Touchstone Projects**

URG has invested in six current Touchstone projects. The projects are as follows:

- The **Hill7** office development, which is under construction, includes 300,000 sq. ft of office space at Boren Avenue and Stewart Street. This project will deliver in March 2015. An affiliate of Principal Real Estate Investors is the primary investor in the project.
- The **Hilton Garden Inn**, which is also under construction, features 222 hotel rooms at Boren Avenue and Howell Street. An affiliate of AIG is now the primary investor in this project.

The **NorthEdge** office development broke ground earlier this year and features 210,000 sq. ft of office space in Fremont across from Gas Works Park. An affiliate of AIG is now the primary investor in this project.

- The **Troy Block** office development is currently under construction and includes 817,000 sq. ft at Fairview Avenue and Harrison Street in the heart of South Lake Union. An affiliate of USAA Real Estate Co. is the primary investor in the project.
- The **Everett Marriott Courtyard** project in downtown Everett, Wash. is a 156-room hotel that broke ground in October 2014. The project includes approximately 4,300 square feet of ground-floor retail space and is expected to open in spring 2016.
- **Tilt49** in downtown Seattle includes an 11-story, 300,000 sq.ft. office building that is adjacent to a 40-story residential tower. The project is located on the East side of Boren Avenue between Stewart Street and Howell Street. It is expected to start construction in the second quarter of 2015.

As part of the deal, AIG invested in three current Touchstone projects: Hill7 office, the Hilton Garden Inn and NorthEdge.

“Douglas, Jim and Shawn have made a tremendous contribution to Seattle for more than 30 years,” said Urban Renaissance Group Founder and CEO Patrick Callahan. “Their legacy is an important chapter in Seattle’s real estate history and we look forward to working with them as financial partners in these six projects.”

### **Touchstone Acquisition by URG Enables Continued Urban Focus for Both Firms**

URG’s acquisition of Touchstone will mean little change for their seasoned team of professionals. URG will operate the firm as a wholly-owned subsidiary and the Touchstone name will not change. The development strategy of large-scale urban projects will continue.

“Touchstone’s existing seasoned leadership team of A-P Hurd, Troy Black, Kristin Jensen, Joe Polito and Paul Klansnic have done tremendous work in this development cycle and I am confident they will continue their great work in the years ahead,” said Callahan.

Callahan will serve as CEO of Touchstone and continue to serve as CEO of URG.

As the original partners move into advisory roles, Touchstone’s existing leadership team will expand their responsibilities and assume the following positions:

- **A-P Hurd:** President and Chief Development Officer
- **Troy Black:** Chief Financial Officer
- **Kristin Jensen:** Vice President, Development
- **Joe Polito:** Senior Development Manager
- **Paul Klansnic:** Senior Project Manager

“To the outside world, not much at Touchstone will change,” said Touchstone President and Chief Development Officer A-P Hurd. “URG’s involvement gives us greater financial strength and access to additional institutional relationships, which is a plus for this cycle and the next. We are improving our ability to execute, while maintaining our local roots.”

#### **Alignment Marks Another Major Growth Milestone for URG**

For URG, this acquisition and series of investments marks another growth milestone for the active commercial real estate firm.

URG manages a portfolio of approximately six million square feet of office and retail properties, growing substantially since its inception in 2006, making URG one of the largest locally owned real estate firms in the region.

URG experienced another transformative event in November 2012 when the Seattle based investment firm Joshua Green Corporation acquired a substantial stake in the firm. The investment by Joshua Green Corporation provided URG with substantial investment potential and an even larger platform.

“There is a high level of excitement within our organization for this deal, as it complements the outstanding team at URG with the talented development group from Touchstone,” said Stan McCammon, President and CEO of the Joshua Green Corporation. “Our relationship with URG has allowed us to think about investing in real estate in a manner that could not have previously been pursued by our firm.”

URG has been an active player in the Pacific Northwest real estate market, with the purchase of the Plaza 600 Building in downtown Seattle in 2012, the Five Centerpointe building in Portland, Ore. in 2012, the former Zulily Building in Seattle’s SODO neighborhood in early 2014, and the former Oregonian Building in downtown Portland in September 2014. In addition, URG is nearing completion of its award-winning renovation of the 1600 Seventh Avenue office building in downtown Seattle.

Seattle-based Heartland, LLC served as Touchstone’s advisor, developing and executing the strategic alignment announced today.

"The work the Touchstone partners have done – including partnering with URG, the Joshua Green Corporation, AIG and numerous other institutional investors - and cultivating a strong internal team to ensure the continued growth and prosperity of the organization that they formed 30 years ago, is an outstanding example for our industry," said Jim Reinhardtsen, Founding Principal at Heartland. "We applaud their long-term thinking, which created a sustainable path for both the Touchstone platform and an expanded platform for URG."

**About Urban Renaissance Group** *Urban Renaissance Group LLC* is a Seattle based full-service commercial real estate company and operating partner engaged in acquisitions, development, asset management, property management and ownership in Seattle, Bellevue, Denver and Portland. The strategic premise of the Urban Renaissance Group is that the form of the American city and its villages will change during the next 20 years. Urban Renaissance Group acts as a catalyst that understands and ignites that change, thereby generating economic prosperity for the community, superior returns for its investors, as well as opportunities for its employees. Learn more at [www.urbanrengroup.com](http://www.urbanrengroup.com).

**About Touchstone** Touchstone is a Seattle-based developer with more than 30 years of experience developing commercial real estate across the Puget Sound region. Touchstone is committed to sustainable long-term growth for our region, and builds highly-efficient, transit-oriented office, hotel and mixed-use projects primarily in close-in urban neighborhoods. Learn more at [www.touchstonecorp.com](http://www.touchstonecorp.com).

**About AIG** American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG is one of the largest insurance companies in the world. AIG companies serve commercial, institutional and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange. Learn more at: [www.aig.com](http://www.aig.com).

**About Joshua Green Corporation** The Joshua Green Corporation is a Seattle investment company that is privately owned by descendants of Joshua Green. The company has its roots in the shipping industry dating back to the late 1800's, and then expanded in the 1920's into banking and insurance with its acquisition of People's Bank and its investment in Safeco Insurance. The Joshua Green Corporation invests for the long term, seeking to create value by investing in companies with good management teams and good long-term business prospects. Learn more at [www.joshuagreencorp.com](http://www.joshuagreencorp.com)

**About Heartland LLC** Heartland LLC is a Seattle-based real estate advisory and investment firm with 30 years' experience designing, analyzing and implementing strategies to manage risk and optimize value in all aspects of both the built and natural environment. Heartland specializes in public and private sector advising, capital markets, investment and brokerage work. In all cases, the company combines strategy development with rigorous analytics and execution capabilities to provide tailored services that help its diverse client base define and implement their vision. Learn more at: [www.heartlandllc.com/](http://www.heartlandllc.com/)

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