



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 119294

Record No.: CB 119294

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125631

In Control: City Clerk

File Created: 06/22/2018

Final Action: 07/27/2018

**Title:** AN ORDINANCE approving and authorizing an amendment to the Development Agreement between The City of Seattle and the Central Puget Sound Regional Transit Authority for real property above and adjacent to the Capitol Hill station; and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Johnson

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Ex A - First Amendment to Development Agreement v2

Drafter: Emilia.Sanchez@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	06/22/2018	sent for review	Council President's Office			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office						
	<b>Notes:</b>						
1	Council President's Office	06/22/2018	sent for review	Planning, Land Use, and Zoning Committee			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Planning, Land Use, and Zoning Committee						
	<b>Notes:</b>						
1	City Council	06/25/2018	referred	Planning, Land Use, and Zoning Committee			
	<b>Action Text:</b> The Council Bill (CB) was referred. to the Planning, Land Use, and Zoning Committee						
	<b>Notes:</b>						

Legislative Summary Continued (CB 119294)

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- |   |  |            |                        |  |      |
|---|--|------------|------------------------|--|------|
| 1 | Planning, Land Use, and Zoning Committee   | 07/18/2018 | pass as amended        |  | Pass |
|   | <b>Action Text:</b> The Committee recommends that City Council pass as amended the Council Bill (CB).          |            |                        |  |      |
|   | <b>Notes:</b>  |            |                        |  |      |
|   |  |            | In Favor: 3            | Chair Johnson, Vice Chair O'Brien, Member Herbold  |      |
|   |  |            | Opposed: 0             |  |      |
| 1 | City Council   | 07/23/2018 | passed                 |  | Pass |
|   | <b>Action Text:</b> The Council Bill (CB) was passed by the following vote, and the President signed the Bill: |            |                        |  |      |
|   |  |            | In Favor: 7            | Councilmember Bagshaw, Councilmember González , Council President Harrell, Councilmember Johnson, Councilmember Juarez, Councilmember Mosqueda, Councilmember Sawant |      |
|   |  |            | Opposed: 0             |  |      |
| 1 | City Clerk   | 07/26/2018 | submitted for          | Mayor  |      |
|   |  |            | Mayor's signature      |  |      |
| 1 | Mayor  | 07/27/2018 | Signed                 |  |      |
| 1 | Mayor  | 07/27/2018 | returned               | City Clerk   |      |
| 1 | City Clerk   | 07/27/2018 | attested by City Clerk |  |      |
|   | <b>Action Text:</b> The Ordinance (Ord) was attested by City Clerk.  |            |                        |  |      |
|   | <b>Notes:</b>  |            |                        |  |      |
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**CITY OF SEATTLE**

**ORDINANCE** 125631

**COUNCIL BILL** 119294

AN ORDINANCE approving and authorizing an amendment to the Development Agreement between The City of Seattle and the Central Puget Sound Regional Transit Authority for real property above and adjacent to the Capitol Hill station; and ratifying and confirming certain prior acts.

WHEREAS, in August 2013 Ordinance 124242 approved and authorized an agreement between The City of Seattle (“City”) and the Central Puget Sound Regional Transit Authority (“Sound Transit”) for future development of real property located above and adjacent to the Capitol Hill light rail station (“Development Agreement”), comprising five sites referred to as Sites A, B-North, B-South, C, and D; and

WHEREAS, pursuant to the Development Agreement, Site B-North of that real property is to be developed as affordable housing for households with incomes not exceeding 60 percent of “median income” as defined in Section 23.84A.025 of the Seattle Municipal Code; and

WHEREAS, Schemata Workshop, Inc., applied for and received a master use permit, permit number 3021177-LU, approving a development (“Project”) on Site B-North, to consist of a 110-unit affordable housing project, serving households with incomes at or below 60 percent of median income;

WHEREAS, to facilitate financing for the Project, the City and Sound Transit desire to amend Section 2.5 and related provisions of the Development Agreement to modify the definition of affordable housing, without changing the requirement that the Project serve households with incomes at or below 60 percent of median income, and to reflect that, pursuant to the master use permit and consistent with the parties’ intent in the Development Agreement, Site B-North may consist of affordable housing dwelling units

1 (which may include affordable live-work units), a manager’s unit, a community center,  
2 and below-grade parking; NOW, THEREFORE,

3 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

4 Section 1. An amendment to the Development Agreement between The City of Seattle  
5 and the Central Puget Sound Regional Transit Authority regarding transit-oriented development  
6 of the Capitol Hill Station is approved and accepted, and the Mayor or the Mayor’s designee is  
7 authorized to execute an amendment to the Development Agreement in substantially the same  
8 form as Exhibit A to this ordinance.

9 Section 2. Any act consistent with the authority of this ordinance taken prior to its  
10 effective date is ratified and confirmed.

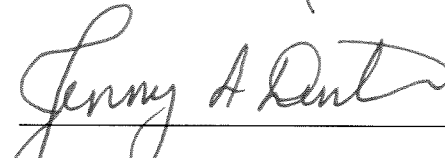
1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 23<sup>rd</sup> day of July, 2018,  
5 and signed by me in open session in authentication of its passage this 23<sup>rd</sup> day of  
6 July, 2018.

7 

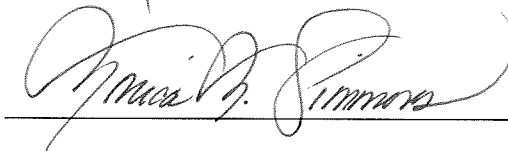
8 President \_\_\_\_\_ of the City Council

9 Approved by me this 27<sup>th</sup> day of July, 2018.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 27<sup>th</sup> day of July, 2018.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Exhibits:

17 Exhibit A – First Amendment to Development Agreement between The City of Seattle and  
18 Central Puget Sound Regional Transit Authority Regarding Capitol Hill Station Transit-  
19 Oriented Development

Ex A - First Amendment to Development Agreement  
V2a

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Central Puget Sound Regional Transit Authority  
Attn: Real Property Division  
401 S. Jackson Street  
Seattle, WA 98104-2826

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT  
BETWEEN**

**THE CITY OF SEATTLE  
AND  
CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY**

**REGARDING  
CAPITOL HILL STATION TRANSIT ORIENTED DEVELOPMENT**

Between: THE CITY OF SEATTLE, WASHINGTON

And: CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY  
(SOUND TRANSIT)

ABBR. LEGAL DESCRIPTION: PARCELS A THROUGH D, INCLUSIVE, OF LOT BOUNDARY ADJUSTMENT RECORDED UNDER RECORDING NO. 20131113900003; LOTS A AND B OF LOT BOUNDARY ADJUSTMENT RECORDED UNDER RECORDING NO. 20131107900003; AND LOTS A AND B OF LOT BOUNDARY ADJUSTMENT RECORDED UNDER RECORDING NO. 20131113900005.

ASSESSOR'S TAX PARCEL NO.(S): 6003002025, 6003002020, 6003501105, 6003501135, 6003001380, 6003001385, 6003001315, 6003001380

REFERENCE OF AFFECTED DOCUMENTS: 20150504000410

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

Between

THE CITY OF SEATTLE

And

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

Regarding

CAPITOL HILL STATION TRANSIT ORIENTED DEVELOPMENT

This First Amendment to Development Agreement (“Amendment”) is entered into by and between THE CITY OF SEATTLE (“City”), a Washington municipal corporation, and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY (“Sound Transit”), a regional transit authority created pursuant to Chapter. 81.104 RCW and Chapter 81.112 RCW (together the “Parties”).

**RECITALS**

- A. Sound Transit and the City entered into that certain Development Agreement recorded on May 4, 2015 under King County recording number 20150504000410 (the “Development Agreement”) with respect to the development of the real property legally described on Exhibit A hereto, comprising five sites referred to as Sites A, B-North, B-South, C, and D.
- B. Pursuant to the Development Agreement, Site B-North is to be developed as “Affordable Housing” for households with incomes not exceeding 60% of “median income” as defined in SMC 23.84A.025 (“Median Income”). The Parties did not intend for the below-grade portions of Site B-North to be developed as Affordable Housing.
- C. As anticipated in the Development Agreement, the City approved a lot boundary adjustment (“LBA”) to establish legal lots that correspond to certain Development Agreement Sites. *See* LBA No. 3015588, recorded under King County recording number 20131113900003. “Parcel C” in the LBA corresponds to Site B-North.
- D. Schemata Workshop, Inc., applied for and received a Master Use Permit, permit number 3021177-LU (the “MUP”), approving a development (the “Project”) on Parcel C (corresponding to Site B-North), to consist of a 110-unit affordable housing project, serving households with incomes at or below 60% of Median Income, with a community center, located above a 30-stall parking garage accessory to development proposed for LBA Parcel D (corresponding to Site B-South).

- E. Parcel C (corresponding to Site B-North) has been subjected to the Washington Condominium Act, RCW Chapter 64.34, pursuant to a Condominium Declaration for Station House Condominium (“Declaration”) executed by Sound Transit, as Declarant, and recorded under King County Recording No. 20180619000672. The Declaration created two condominium units: the “Affordable Housing Unit” and the “Garage Unit.” The Parties do not intend for the Garage Unit to be developed as Affordable Housing.
- F. To facilitate financing for the Project, the Parties desire to amend Section 2.5 and related provisions of the Development Agreement to modify the definition of “Affordable Housing” and to reflect that, pursuant to the MUP and consistent with the Parties’ intent in the Development Agreement, Site B-North may consist of affordable housing dwelling units (which may include affordable live-work units), a manager’s unit, a community center, and below-grade parking.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the City and Sound Transit hereby agree to amend the Development Agreement as follows:

1. Recital K of the Development Agreement is amended as follows [*new text underlined, deleted text struck through*]:

K. Sound Transit will dispose of Sites A, B-South, and C by means of a competitive process that will begin with a Request for Qualifications (“RFQ”), followed by a Request for Proposals (“RFP”). Responses for Sites A, B-South, and C will be evaluated concurrently to allow developers to submit individual proposals for each parcel and allow master developers to complete for two or more parcels with a single development proposal. Sound Transit will dispose of Site D through a similar process if Seattle Central Community College does not acquire Site D pursuant to a prior agreement with Sound Transit. Sound Transit will dispose of Site B-North in cooperation with the City’s Office of Housing by offering that Site for development ~~exclusively~~ as affordable housing. The timing of these processes will depend upon site availability after construction of the Station is complete, as determined by the Sound Transit Board.

2. Section 2.5 of the Development Agreement is amended as follows (with Section 2.6, unchanged, shown for context) [*new text underlined, deleted text struck through*]:

**2.5** Site B-North shall be developed ~~exclusively~~ as Affordable Housing, which development may also include: affordable live-work units that do not include retail use, a manager’s unit; a below-grade parking garage accessory to a site other than Site B-North; and a community center consistent with Section 2.6. For purposes of this Agreement, “Affordable Housing” means ~~affordable housing as defined in SMC 23.84A.016, for households with:~~ (a) that is subject to income



and rent restrictions in any regulatory agreement required by The City of Seattle Office of Housing or its successor agency with respect to the development or financing of the housing on Site B-North; or (b) in the absence of any such regulatory agreement, serving residents with household incomes at the time of initial occupancy not exceeding 60% of area “median income” as defined in SMC 23.84A.025, with rents that do not exceed 30% of 60% of median income. “Affordable Housing” may include live-work units that do not include a retail use.

**2.6** Notwithstanding the limitations imposed by Sections 2.2, 2.4, and 2.5, a community center as defined in SMC 23.84A.018 shall be permitted within the first 40 vertical feet on Sites A, B-North, C, and D. The area of any community center shall be exempt from FAR calculations.

3. Section 5.1 of the Development Agreement is amended as follows [*new text underlined, deleted text struck through*]:

**5.1** Site B-North shall be developed consistent with Sections 2.5 and 2.6 ~~exclusively as Affordable Housing.~~

4. Section 11.1 of the Development Agreement is amended as follows [*new text underlined, deleted text struck through*]:

**11.1** During the MUP process, DPD may approve applications that vary in minor ways from the requirements of this Agreement. A minor variation is one that: (a) is consistent with the intent of this Agreement to achieve high-quality transit-oriented development near the Station; (b) will not result in significantly greater impacts than are allowed by this Agreement; and (c) will provide at least as much open space, amenity area, and Affordable Housing and Affordable Units as would a project that does not vary from the requirements of this Agreement. A minor variation may not approve greater height than is authorized by this Agreement. Any variation reflected in plans approved by DPD for permit purposes is considered to comply with this Agreement for all purposes. For purposes of this Agreement, “DPD” shall include the Seattle Department of Construction and Inspections and any successor City department.

5. Section 13.1 of the Development Agreement is amended as follows [*new text underlined, deleted text struck through*]:

**13.1** Sound Transit will offer Site B-North ~~to not-for-profit developers for development solely as of~~ Affordable Housing consistent with Sections 2.5 and 2.6. Sound Transit will provide for City participation in the RFQ/P process for this Site so that the City may assist in evaluating the proposals and may offer appropriate City financing.

IN WITNESS WHEREOF, each of the parties has executed this Amendment by its authorized representative.

**CENTRAL PUGET SOUND REGIONAL  
TRANSIT AUTHORITY,**  
a Washington municipal corporation

By: \_\_\_\_\_  
Peter Rogoff  
Chief Executive Officer

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Sound Transit legal counsel

STATE OF WASHINGTON )

) ss

COUNTY OF KING )

I certify that I know or have satisfactory evidence that Peter Rogoff is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Chief Executive Officer of the Central Puget Sound Regional Transit Authority to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

WITNESS my hand and official seal this \_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

Print Name \_\_\_\_\_

**THE CITY OF SEATTLE,**  
a Washington municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized by Ordinance No. \_\_\_\_\_

STATE OF WASHINGTON )

) ss

COUNTY OF KING )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that she/he signed this instrument, on oath stated that she/he is authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of The City of Seattle to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

WITNESS my hand and official seal this \_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

Print Name \_\_\_\_\_



**Exhibit A**

**Legal Description**

Parcels A through D, inclusive, of Lot Boundary Adjustment recorded under Recording No. 20131113900003.

Lots A and B of Lot Boundary Adjustment recorded under Recording No. 20131107900003.

Lots A and B of Lot Boundary Adjustment recorded under Recording No. 20131113900005.

Situate in the City of Seattle, County of King, State of Washington.