

CITY OF SEATTLE
ORDINANCE 126101
COUNCIL BILL 119802

AN ORDINANCE relating to the Office of Housing and the Department of Finance and Administrative Services; authorizing the acceptance of a transfer of real property near the Mount Baker light rail station from the University of Washington for the purpose of development of affordable housing and other potential educational, research, and clinical uses by the University, including an early learning facility, and for general municipal purposes; placing the property under the jurisdiction of the Office of Housing; authorizing the Department of Finance and Administrative Services to take custodial management of the property, including leasing, collection of rents, payment of expenses, and other property management duties; and ratifying and confirming certain prior acts.

WHEREAS, consistent with Section 7038 of Chapter 413 of the 2019 Laws of Washington, as amended by Section 7009 of Engrossed Substitute Senate Bill 6248 (2020) (“State Budget Bill”), the University of Washington is transferring to The City of Seattle three real property parcels opposite the Mount Baker Link light rail transit station that were previously used for the University of Washington Consolidated Laundry Services, known as the “UW Laundry site”; and

WHEREAS, the State Budget Bill states the transfer is for the purposes of developing affordable housing, including supportive housing, for households at or below 80 percent of the area median income, and for other potential educational, research, and clinical uses by the University of Washington, including an early learning facility; and

WHEREAS, The City of Seattle will receive the parcels at no cost; and

WHEREAS, the State Budget Bill states that the City shall seek to maximize the affordable housing development potential of the property consistent with transit-oriented development principles and that liabilities existing on the property at the time of transfer will transfer with the property; and

1 WHEREAS, consistent with the State Budget Bill, the deed transferring ownership of the
2 property, to be substantially in the form attached to this ordinance as Exhibit A (the
3 “Deed”), includes an indemnity of the University with regards to any environmental
4 liabilities; and

5 WHEREAS, the Deed transferring the property includes a provision that allows the University to
6 reacquire ownership if the property is not developed for affordable housing or other
7 transit-oriented development within ten years, provided that any reversionary interest will
8 terminate at the time of development of affordable housing or any transit-oriented
9 development and the ten-year deadline will be extended if the City is making diligent
10 efforts to develop the property and delays are the result of actions and events outside of
11 the City’s reasonable control, all as more specifically described in the Deed; and

12 WHEREAS, the Office of Housing expects to release a Request for Qualifications for the
13 redevelopment of the UW Laundry site, which is approximately 3 acres; and

14 WHEREAS, there are very limited opportunities to develop affordable housing at this scale
15 within Seattle; and

16 WHEREAS, the Office of Housing has a track record of investing in affordable housing,
17 including supportive housing and mixed-used affordable housing buildings with ground
18 floor non-residential uses; and

19 WHEREAS, development of affordable housing near high capacity transit exhibits good transit-
20 oriented development principles and complies with the Seattle 2035 Comprehensive Plan
21 and regional planning policy; and

22 WHEREAS, affordable housing near high capacity transit provides increased access for low-
23 income households to opportunities in Seattle and reduces existing disparities; and

1 WHEREAS, the Seattle 2035 Comprehensive Plan also identified the Mount Baker station area
2 as a high risk of displacement area, and the development of affordable housing can help
3 stabilize displacement pressures; NOW, THEREFORE,

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

5 Section 1. The Director of the Office of Housing or designee (“OH Director”) is
6 authorized on behalf of The City of Seattle to accept the following described real property
7 (“Property”), situated in the City of Seattle, County of King, State of Washington identified as
8 King County parcel numbers 308500-2100, 713830-0015, and 713880-0025 together with all
9 rights, privileges, and other property pertaining thereto, for the purpose of developing affordable
10 housing, including supportive housing, for households at or below 80 percent of area median
11 income and for other potential educational, research, and clinical uses by the University of
12 Washington, including an early learning facility, and for general municipal purposes:

13 Parcel 308500-2100,
14 Parcel A of Lot Boundary Adjustment No. 2400996 recorded under Recording Number
15 20040331900021, records of King County, Washington;
16 Except that portion conveyed to Central Puget Sound Regional Transit Authority under
17 Recording Number 20110901000445, which is a re-recording of Recording Number
18 20050331002461.
19 Containing 144,680 square feet, more or less.

20
21 Parcel 713830-0015
22 Lots 3 through 6, inclusive, Block 1 of Rainier Valley Addition to the City of Seattle,
23 according to the plat thereof recorded in Volume 12 of Plats, page 97, in King County,
24 Washington.
25 Containing 13,680 square feet, more or less.

26
27 Parcel 713880-0025
28 Lots 3 through 14, inclusive, Block 6, Rainier Valley 2nd Addition to the City of Seattle,
29 as recorded in Volume 13 of Plats, Page 77, in King County, Washington;

30
31 Except the South 30 feet of said Lots 3 through 8, inclusive, condemned for street
32 purposes in King County Superior Court Case No. 83253, as provided for under
33 Ordinance No. 25148 of the City of Seattle;

1 Together with the vacated East and West alley adjoining said Lots in said Block as
2 vacated by Ordinance No. 82793 of the City of Seattle;
3 Also Together with that portion of vacated 27th Avenue South that would attach by order
4 of law, as vacated by Ordinance No. 91132 of the City of Seattle, lying Southerly of the
5 South margin of South Stevens Street and Northerly of the North margin of South
6 Winthrop Street as established in King County Superior Court Cause No. 83253, as
7 provided for under Ordinance No. 25148 of the City of Seattle;
8 Except that portion conveyed to Central Puget Sound Regional Transit Authority under
9 Recording Number 20110901000445, which is a re-recording of Recording Number
10 20050331002461.
11 Containing 20,732 square feet, more or less.

12 The deed is to be substantially in the form attached to this ordinance as Exhibit A.

13 Section 2. The OH Director is authorized, on behalf of The City of Seattle, to execute
14 such documents as deemed necessary to accept the Property from the University of Washington,
15 including but not limited to an assignment and assumption of leases and contracts, and upon
16 acceptance the Property shall be under the jurisdiction of the Office of Housing.

17 Section 3. The Director of the Department of Finance and Administrative Services or
18 designee is authorized, in consultation with the OH Director, to provide custodial management of
19 the Property including leasing, collection of rents, payments of expenses, and other property
20 management duties, and will be reimbursed for net expenses from the Office of Housing on a
21 yearly basis.

22 Section 4. Any act consistent with the authority of this ordinance taken after its passage
23 and prior to its effective date is ratified and confirmed.

1 Section 5. 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 22nd day of June, 2020,
5 and signed by me in open session in authentication of its passage this 22nd day of
6 June, 2020.



7 _____
8 President _____ of the City Council

9 Approved by me this _____ day of _____, 2020.

10 **Returned Unsigned by Mayor**

11 _____
Jenny A. Durkan, Mayor

12 Filed by me this 26th day of June, 2020.



13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)
16
17
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21 Exhibits:
22 Exhibit A – Deed for UW Properties

Name & Return Address:

City of Seattle Office of Housing

PO Box 94725, Seattle WA 98124-4725

Attention: Laurie Olson

Washington State Recorder's Cover Sheet (RCW 65.04) Please print legibly or type information.

Document Title(s) BARGAIN AND SALE DEED
Grantor(s) BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON ____ Additional Names on Page ____ of Document
Grantee(s) CITY OF SEATTLE ____ Additional Names on Page ____ of Document
Legal Description (Abbreviated: i.e., lot, block & subdivision name or number OR section/township/range and quarter/quarter section) PARCEL A: LBA NO. 2400966 REC. NO. 20040331900021; PARCEL B: LOTS 3-14 BLK 6 RAINIER VALLEY END ADD VOL. 13 PG 77; PARCEL C: LOTS 3-6 BLK 1 RAINIER VALLEY ADD VOL. 12 PG 97 Complete Legal Description on Page <u>2</u> of Document
Auditor's Reference Number(s)
Assessor's Property Tax Parcel/Account Number(s) 308500-2100; 713880-0025; 713830-0015
Non Standard Fee \$50.00 By signing below, you agree to pay the \$50.00 non standard fee. I am requesting an emergency non standard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document. _____ Signature of Party Requesting Non Standard Recording NOTE: Do not sign above or pay additional \$50.00 fee if document meets margin/formatting requirements. The Auditor/Recorder will rely on the information provided on this cover sheet. Staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

BARGAIN AND SALE DEED

THE GRANTOR, the **BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON**, a state institution of higher education and an agency of the State of Washington for and in consideration of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration in hand paid, bargains, sells, and conveys to **CITY OF SEATTLE**, a municipal corporation of the State of Washington, situated in the County of King, State of Washington:

Abbreviated Legal:

PARCEL A LBA NO. 2400966 REC. NO. 20040331900021,
PARCEL B LOTS 3-14 BLK 6 RAINIER VALLEY END ADD VOL. 13 PG 77,
PARCEL C LOTS 3-6 BLK 1 RAINIER VALLEY ADD VOL. 12 PG 97

Additional legal on Exhibit A

Tax Parcel Number(s): 308500-2100, 713880-0025, 713830-0015

Subject to: Exceptions listed in Exhibit B, Covenant described in Exhibit C, and Conditional Reversion described in Exhibit D, attached hereto and incorporated herein.

Dated: June _____, 2020

Board of Regents of the University of Washington,
a state institution of higher education and an agency
of the State of Washington

By: _____
Jeanette L. Henderson
Executive Director of Real Estate

STATE OF WASHINGTON)
COUNTY OF KING)

On this ____ day of _____, 20____, before me personally appeared **Jeanette L. Henderson**, to me known as the **Executive Director of Real Estate of the University of Washington**, who on oath stated that she was authorized to execute this instrument and acknowledged it to be the free and voluntary act and deed of said University of Washington as approved by the **BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON**, a state institution of higher education and an agency of the state of Washington, for the uses and purposes mentioned in the instrument.

Signature: _____
Print Name: _____
Notary Public in and for the State of Washington
Residing at: _____
My Commission expires on: _____

EXHIBIT A
LEGAL DESCRIPTION

Parcel A: 2901 27th Ave S, Seattle WA 98144 (Tax Parcel # 308500-2100)

Parcel A of Lot Boundary Adjustment No. 2400996 recorded under Recording Number 20040331900021, records of King County, Washington;

Except that portion conveyed to Central Puget Sound Regional Transit Authority under Recording Number 20110901000445, which is a re-recording of Recording Number 20050331002461.

Parcel B: 2700 S Winthrop St, Seattle WA 98144 (Tax Parcel # 713880-0025)

Lots 3 through 14, inclusive, Block 6, Rainier Valley 2nd Addition to the City of Seattle, as recorded in Volume 13 of Plats, Page 77, in King County, Washington;

Except the South 30 feet of said Lots 3 through 8, inclusive, condemned for street purposes in King County Superior Court Case No. 83253, as provided for under Ordinance No. 25148 of the City of Seattle;

Together with the vacated East and West alley adjoining said Lots in said Block as vacated by Ordinance No. 82793 of the City of Seattle;

Also Together with that portion of vacated 27th Avenue South that would attach by order of law, as vacated by Ordinance No. 91132 of the City of Seattle, lying Southerly of the South margin of South Stevens Street and Northerly of the North margin of South Winthrop Street as established in King County Superior Court Cause No. 83253, as provided for under Ordinance No. 25148 of the City of Seattle;

Except that portion conveyed to Central Puget Sound Regional Transit Authority under Recording Number 20110901000445, which is a re-recording of Recording Number 20050331002461.

Parcel C: 2600 S Forest St, Seattle WA 98144 (Tax Parcel # 713830-0015)

Lots 3 through 6, inclusive, Block 1 of Rainier Valley Addition to the City of Seattle, according to the plat thereof recorded in Volume 12 of Plats, page 97, in King County, Washington;

ALL SITUATE IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON

EXHIBIT B
PERMITTED EXCEPTIONS

10. Side Sewer Easement
Recording Date: September 30, 1963
[Recording No.: 5644400](#)
Width: 6 feet
Affects: An undisclosed portion of said Land along the line as constructed in Parcel A
11. Agreement
Recording Date: September 30, 1963
[Recording No.: 5644401](#)
Regarding: Temporary permit to construct a side sewer in Parcel A
12. Memorandum of Drainage Control Plan
Recording Date: August 10, 1983
[Recording No.: 8308100859](#)
Affects: Parcels A and B
13. Public Place Indemnity Agreement
Recording Date: June 17, 1992
[Recording No.: 9206171145](#)
Affects: Parcel C
14. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document:
Reserved by: Central Puget Sound Regional Transit Authority
Purpose: Light rail system
Recording Date: March 31, 2005
[Recording No.: 20050331002460](#)
Affects: Portion of Parcel C
15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Central Puget Sound Regional Transit Authority
Purpose: Guideway
Recording Date: March 31, 2005
[Recording No.: 20050331002462](#)
Affects: Portion of Parcel A
16. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:
Reserved by: Central Puget Sound Regional Transit Authority
Purpose: Light rail system
Recording Date: March 31, 2005
[Recording No.: 20050331002463](#)
Affects: Portion of Parcels A and B
17. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:
Reserved by: Central Puget Sound Regional Transit Authority
Purpose: Ingress and egress
Recording Date: December 10, 2009
[Recording No.: 20091210000419](#)
Affects: Portion of Parcel A
18. An unrecorded "Master Implementation Agreement for Sound Transit at University Medical Center Consolidation Laundry" with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document:
Entitled: Statutory Warranty Deed
By and between: The Board of Regents of the University of Washington and Central Puget Sound Regional Transit Authority, dba Sound Transit
Recording Date: September 1, 2011
[Recording No.: 20110901000445](#)
Said deed is a rerecording of deed recorded under recording number 20050331002461.
19. Any unrecorded leaseholds, right of vendors and holders of security interests on personal property installed upon the Land and rights of tenants to remove trade fixtures at the expiration of the terms.

EXHIBIT C
COVENANT
REGARDING ENVIRONMENTAL CONDITIONS

The Property is conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S INTENDED USES AND PURPOSES. Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property and assumes Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property. Grantee also releases, covenants not to sue, and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses including but not limited to fees and costs of regulatory agencies, attorneys, contractors and consultants, and liabilities arising out of, or in any way connected with, the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgements, releases and covenants herein touch and concern the Property, restrict the use of the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns.

For purposes of this Covenant, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; lead, flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; and any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.

Grantee's release and covenant not to sue shall include both claims by Grantee against Grantor and any cross-claims, third-party claims or other claims against Grantor by Grantee based upon claims made against Grantee by any third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. This Covenant means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.

This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation. This Covenant is not intended, nor shall it, release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.

EXHIBIT D
CONDITIONAL REVERSION

Condition Subsequent / Power of Termination. This conveyance is subject to the following condition and power of termination which shall be binding on the Grantee and its successors and assigns:

1. Condition Subsequent. The real property described as Parcels A and B on Exhibit A of this Deed (“Potential Reversionary Parcels”) hereto and all rights of Grantee hereunder to the Potential Reversionary Parcels are subject to a condition subsequent upon the occurrence of which Grantor shall have the right, subject to the limitations and releases set forth below, to terminate, by notice to Grantee, the estate conveyed under this deed to such property and all rights of all persons claiming by or through Grantee, whereupon fee simple title to the Potential Reversionary Parcels (or portions thereof not previously released) shall revert entirely in Grantor. The condition subsequent shall have occurred unless the following shall have occurred on or before June 30, 2030 (“Affordable Housing Construction Financing Deadline”): Grantee or its successor or assign shall have obtained and committed funds (which may include construction loan funds and other types of financing typical for affordable housing transactions) to facilitate commencement of construction of affordable housing.
2. Parcel No. 713830-0015. Notwithstanding anything to the contrary, Grantor shall not have any reversionary rights or condition subsequent rights to Parcel 713830-0015 described as Parcel C on Exhibit A of this Deed.
3. The Affordable Housing Construction Financing Deadline shall be extended if and to the extent that Grantor’s actions result in delays to the development of affordable housing on the Potential Reversionary Parcels, including but not limited to if Grantor causes delays in Grantee’s request for proposals/request for qualifications process. The Affordable Housing Construction Financing Deadline shall also be extended if and to the extent that Grantee is making diligent efforts to cause the Potential Reversionary Parcels to be developed for affordable housing, and actions and events outside of Grantee’s reasonable control result in delays, including but not limited to lawsuits, earthquake or other acts of God, strikes, acts of public enemy, riots, insurrections, epidemics or pandemics, or economic or other events significantly impacting the ability to develop affordable housing in Seattle. In order to qualify for an extension under this Section 3, Grantee shall provide notice to Grantor within thirty (30) days of any such action or event resulting in delays.
4. Phased Development and Boundary Line Adjustments. Grantee may cause the Potential Reversionary Parcels to be developed in phases and may subject the Potential Reversionary Parcels to one or more boundary line adjustments, may declare a condominium, and or may subdivide the Potential Reversionary Parcels without any need for Grantor’s approval. In case of any change to the boundaries or legal descriptions of the Potential Reversionary Parcels, the reversionary rights described in Section 1 above shall continue in effect as to the real property legally described as Parcels A and B on Exhibit A of this Deed. If Grantee causes the Potential Reversionary Parcels to be developed in phases, the reversionary rights described in Section 1 above shall be released from any portion of the Potential Reversionary Parcels being developed for affordable housing at the earlier of (1) commencement of construction of any affordable housing improvements exceeding One Million Dollars in anticipated costs to construct, (2) closing of construction financing of any affordable housing improvements, or (3) transfer of the property to a developer by way of deed or long-term ground lease for affordable housing construction purposes, provided that construction is reasonably anticipated to occur within 90 days of such transfer. Development for affordable housing may include other uses consistent with transit-oriented development purposes, including but not limited to commercial, institutional, transit, community spaces and other public spaces and public benefits such as greenspace, parking, sidewalks, storage, etc. In case of development of affordable housing which includes other uses consistent with transit-oriented development, the reversionary rights described in Section 1 shall also be released from any portion of the Potential Reversionary Parcels being developed for the other uses.
5. Transit-Oriented Developments Other Than Affordable Housing. Provided that Grantee is seeking to maximize the affordable housing development potential of the property consistent with transit-oriented development principles, Grantor shall release its reversionary rights described in Section 1 above from any real property being developed for any transit-oriented development improvements at the earlier of (1) commencement of construction of any transit oriented development improvements exceeding One Million Dollars in anticipated costs to construct, (2) closing of financing of any transit

oriented development improvements, or (3) transfer of the property to a developer by way of deed or long-term ground lease for transit-oriented development construction, provided that construction is reasonably anticipated to occur within 90 days of such transfer. Such improvements may include, but are not limited to, right of way improvements, utility improvements, and parks and recreation improvements.

6. Termination of Reversionary Rights Upon Completion of Minimum Affordable Housing Units. In addition to the termination of reversionary rights set forth in Sections 4 and 5 above, any Grantor reversionary rights still existing with respect to any remaining portion of the Potential Reversionary Parcels shall terminate upon issuance of certificate(s) of occupancy for at least 200 units of affordable housing constructed on the Potential Reversionary Parcels, and any reversionary rights shall be held in abeyance during construction of such units.
7. Termination of Reversionary Rights and Confirmation of Release by Quit Claim Deed. Grantor's reversionary rights shall (i) upon satisfaction of any of the conditions described in Sections 4 and 5 above, automatically terminate as to that portion of the property being developed, and (ii) upon satisfaction of the condition described in Section 6 above, automatically terminate entirely. In addition, and in order to clear any cloud upon the title of the property, upon request of Grantee, Grantor shall provide a quit claim deed to confirm the release its reversionary rights (i) as to any applicable portion of the real property being developed at the time of the condition being satisfied in Sections 4 and 5 above, and (ii) as to the entirety of the property at the time of the condition being satisfied in Section 6 above.
8. Affordable housing shall mean housing that is affordable for rental or homeowner purposes to households at or below eighty percent of the area median income.