



## Resolution No. R2024-10

### Declaration of Surplus for Transferable Development Rights at Bus Base North

Meeting:	Date:	Type of action:	Staff contact:
Board	04/25/2024	Final action	Don Billen, Executive Director, PEPD Bernard van de Kamp, Program Executive, DECM <b>Thatcher Imboden, Director – Community Development</b>

### Proposed action

Approves the chief executive officer's declaration that certain transferable development rights on property acquired for development of Bus Base North in Bothell, Washington is surplus and is no longer needed for a transit purpose, contingent upon approval of Motion No. M2024-19 to authorize an interlocal agreement with the City of Bothell.

### Key features summary

- Sound Transit intends to build a bus base for the Stride bus rapid transit program in the Canyon Park area of Bothell (Bus Base North).
- Canyon Park has been designated as a Regional Growth Center (RGC) by the Puget Sound Regional Council. To satisfy minimum density requirements for RGC's, the City of Bothell updated its subarea plan and land use code to impose a minimum floor area ratio (FAR) on all new development in Canyon Park.
- City and Sound Transit staff determined that due to its facility and site requirements, Bus Base North will not meet the minimum FAR requirements for Canyon Park.
- In 2021, through Motion No. M2021-34, the Sound Transit Board approved a Funding Agreement for Transfer of Development Rights for Bus Base North (the Funding Agreement) by which Sound Transit and Bothell voluntarily agreed to study implementation of a transfer of development rights (TDR) program in Bothell to allow property owners to transfer excess development capacity from eligible sending sites to eligible receiving sites in order to construct additional residential and commercial floor area on the receiving sites. The purpose of the program is twofold: (1) to allow Canyon Park to maintain designation as an RGC and (2) to promote transit-oriented development in Canyon Park.
- On June 13, 2023, Bothell adopted Ordinance No. 2398 establishing a TDR program for Canyon Park. The Ordinance authorizes the City to enter into an interlocal agreement (ILA) with Sound Transit to govern the severance of development rights from Bus Base North and allow for potential future transfer or sale of those development rights by Sound Transit to one or more eligible receiving sites. Sound Transit and Bothell have completed negotiations on the ILA.
- This resolution is contingent on the Board's approval of Motion No. M2024-19, authorizing the CEO to enter into the ILA. The ILA provides for Sound Transit to record a covenant allowing for the

severance and transfer of development rights from Bus Base North. Before Sound Transit can record the covenant, the Board must determine that the development rights are surplus to the agency and do not have a transit purpose. The ILA will be considered by the System Expansion Committee and Board in April 2024.

- This action does not commit Sound Transit to a transaction for the surplus development rights. Any future sale or transfer of development rights will be consistent with Sound Transit property disposition policy and will be brought to the Board for consideration.

## **Background**

### Bus Base North

Consistent with the voter-approved Sound Transit 3 Plan, Sound Transit is developing a bus rapid transit (BRT) program to include service on the Interstate-405 (I-405) and State Route (SR) 522/NE 145th Street corridors. The BRT program includes a new bus operations and maintenance facility, referred to as the Bus Base North, that will be built in the City of Bothell's Canyon Park Regional Growth Center. Construction is anticipated to begin in Q1 2025 and be completed by the Q4 2027.

### Canyon Park Regional Growth Center

Canyon Park has been designated as a Regional Growth Center (RGC) by the Puget Sound Regional Council. As such, Canyon Park is intended to receive a significant portion of growth in the region, with a substantive increase in both population and employment through infill, redevelopment, and new development. In 2020, to satisfy minimum density requirements for RGCs, the City of Bothell updated its subarea plan and land use code to impose a minimum floor area ratio (FAR) for all new development in Canyon Park.

Sound Transit and City staff have determined that, due to its facility and site requirements, Bus Base North will not comply with minimum FAR requirements for Canyon Park. Bus Base North is an essential public facility under state law. The City's plan for Canyon Park is dependent on transit investments, specifically the BRT program, to meet projected growth.

In 2021, the Sound Transit Board approved a Funding Agreement for Transfer of Development Rights (TDR) for Bus Base North by which Sound Transit and the City agreed to study and consider the feasibility of a program to transfer development rights from underutilized sites such as Bus Base North to allow additional residential and commercial development on eligible receiving sites in Canyon Park. On June 13, 2023, the Bothell City Council adopted Ordinance No. 2398 to amend the Bothell Municipal Code to create a new TDR program (the TDR Ordinance).

Sound Transit and the City have negotiated an Interlocal Agreement governing the severance and potential transfer of development rights from Bus Base North to other eligible sites as contemplated in the TDR Ordinance. The Interlocal Agreement is the subject of Motion No. M2024-19.

### Declaration of Surplus

This action approves the CEO's Declaration of Surplus that 225,000 square feet of gross floor area at Bus Base North are surplus to the agency and not needed for a transit purpose. This amount is more than is required to be severed under the TDR Ordinance. Sound Transit agreed to this amount based on a recommendation from the TDR study commissioned pursuant to the Funding Agreement and after reviewing current and future space planning needs.

The ILA provides for Sound Transit to record a TDR Covenant against the Bus Base North property to sever 225,000 square feet of gross floor area from the site. This amount represents excess, unused development capacity at Bus Base North and is akin to air rights which can be bought and sold. After recording the TDR Covenant, Sound Transit will still have approximately 171,000 square feet of

additional, unused development capacity to expand Bus Base North in the future. Sound Transit may also elect to use some or all of the development rights itself provided the development rights have not been transferred or sold and are needed to construct additional floor area at the property.

After recording the TDR Covenant, Sound Transit will use commercially reasonable good faith efforts to pursue a potential transfer or sale of development rights to one or more receiving sites on terms and conditions acceptable to Sound Transit. The sale or transfer of development rights is voluntary and at Sound Transit's discretion. Sound Transit may transfer some or all of the development rights for affordable housing at no or reduced cost if authorized by currently applicable laws and Sound Transit policies. Sound Transit may also elect to sell the development rights for fair market value, as determined by an appraisal. The sale or transfer of development rights is not required as a condition of permitting Bus Base North.

#### Future Board Involvement

No further Board action is anticipated with respect to the surplus action. However, any future disposition of development rights would be presented to the Board for decision-making consistent with the Board-approved disposition policy and agency procedures.

### **Fiscal information**

This action has no fiscal impact to Sound Transit. A future sale or transfer of development rights to a receiving site could have a fiscal impact and will be brought back to the Board for consideration.

### **Time constraints**

The Bothell City Council is expected to act on the ILA this month. A one-month delay would delay execution of the ILA and could delay Sound Transit's application for a conditional use permit for Bus Base North.

### **Prior Board/Committee actions**

Motion No. M2021-34: Authorized the chief executive officer to execute a Transfer of Development Rights Program agreement with the City of Bothell for Sound Transit to reimburse the City for services provided for the Bus Base North in the amount of \$105,000, with a 10 percent contingency of \$10,500, for a total authorized agreement amount not to exceed \$115,500.

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**Environmental review** – KH 3/25/24

**Legal review** – JV 3/25/24



## Resolution No. R2024-10

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority approving the chief executive officer's declaration that certain transferable development rights on property acquired for the Bus Base North in Bothell, Washington is surplus and is no longer needed for a transit purpose, contingent upon approval of Motion No. M2024-19 to authorize an interlocal agreement with the City of Bothell.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit intends to build a bus base for the Stride bus rapid transit program (Bus Base North) in the Canyon Park area of Bothell; and

WHEREAS, Canyon Park has been designated as a Regional Growth Center (RGC) by the Puget Sound Regional Council. To satisfy minimum density requirements for RGCs, Bothell updated its subarea plan and land use code to impose a minimum floor area ratio (FAR) on all new development in Canyon Park; and

WHEREAS, City and Sound Transit staff determined that due to its facility and site requirements, Bus Base North will not meet minimum FAR requirements for Canyon Park; and

WHEREAS, the City adopted Ordinance 2398 to establish a transfer of development rights (TDR) program for Canyon Park. The Ordinance authorizes the City to enter into an interlocal agreement with Sound Transit to govern the severance of development rights from Bus Base North and allow for potential future transfer or sale of development rights from Bus Base North to one or more eligible receiving sites.

WHEREAS, Sound Transit and the City have negotiated an interlocal agreement whereby, upon issuance of building permits for Bus Base North, Sound Transit will sever 225,000 square feet of unused development capacity (the TDR credits) from Bus Base North and offer the TDR credits for sale or transfer to eligible receiving sites to allow the receiving sites to construct additional residential or commercial floor area at the receiving sites; and

WHEREAS, before Sound Transit can sever the TDR credits from the Bus Base North property, the Board must determine the TDR credits are surplus to the agency and do not have a transit purpose; and

WHEREAS, Sound Transit has determined that it has sufficient capacity to surplus the TDR Credits while maintaining additional, unutilized development capacity at Bus Base North should Sound Transit need to expand the facility; and

WHEREAS, Sound Transit will offer the TDR credits for sale or transfer consistent with applicable law and Sound Transit policy, including the Equitable Transit-Oriented Development Policy, which may include selling the TDR credits below market value including no-cost transfers to support affordable housing development.

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer's declaration of surplus for TDR Credits equal to 225,000 square feet of gross floor area at Bus Base North in Bothell, Washington is approved.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on \_\_\_\_\_.

\_\_\_\_\_  
Dow Constantine  
Board Chair

**Attest:**

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Kathryn Flores  
Board Administrator