



October 23, 2017

Washington State Legislature
Attn: Senate Transportation Committee; House Transportation Committee
416 Sid Snyder Avenue Southwest
Olympia, WA 98504

RE: Quarterly Transit-Oriented Development Report

Chairs Clibborn and King,

Enclosed is a report on Sound Transit's transit-oriented development system plan, pursuant to RCW 81.112.350. This provision requires quarterly reports of any property transfers over the previous fiscal quarter and any progress made in implementing a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities approved by the voters.

Over the course of 2017, Sound Transit created and resourced the new Office of Land Use Planning and Development to implement the state requirements for using surplus property to facilitate affordable housing and implement the transit-oriented development vision outlined in the ST3 System Plan. Sound Transit is excited to begin moving forward on these new policies, and hopeful that this new office can help spur meaningful change in the Puget Sound region.

The enclosed report summarizes activities to date and a regular quarterly report will be produced on the following schedule:

- Quarter One: April 15
- Quarter Two: July 15
- Quarter Three: October 15
- Quarter Four: January 15

Please do not hesitate to contact me or State Relations Manager, Alex Soldano, with any questions you may have. I look forward to sharing the Agency's progress with you in the months and years to come.

Sincerely,

Peter M. Rogoff
Chief Executive Officer

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Snohomish County Executive

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CHIEF EXECUTIVE OFFICER

Peter M. Rogoff

Sound Transit's Office of Land Use Planning & Development

Transit Oriented Development Quarterly Status Report – 2017 Q1-Q3

Background

RCW 81.112.350 requires Sound Transit to provide quarterly reports of any property transfers over the previous fiscal quarter and any progress made in implementing a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities approved by the voters. Over the course of 2017, Sound Transit created and resourced the new Office of Land Use Planning & Development to implement the state requirements for using surplus property to facilitate affordable housing and implement the transit-oriented development vision outlined in the ST3 System Plan. This report summarizes activities to date and a regular quarterly report will be produced on the following schedule:

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Transfers of Property Q1-Q3 2017

Sound Transit did not transfer any properties subject to RCW 81.112.350(1)(b) during the first three quarters of 2017.

Progress Implementing a Regional Equitable Transit-Oriented Development Strategy

Staffing and Resources: the Office of Land Use Planning & Development was established and resourced in early 2017 to both support the existing property pipeline and integrate into early planning efforts, per the ST3 Regional Transit System Expansion Plan and new state statute. A Director for the office was hired in March and organized the staff into two teams: 1) land use planning and 2) pre-development work and transactions. Two transaction-focused positions were advertised in Q2, with one specifically sought to add affordable housing experience to the team. Through the budgeting process, four additional positions were added and, if approved, will build capacity to support the corridor level planning efforts.

Transactions: Sound Transit Board of Directors in May and June 2017 directed the implementation of RCW 81.112.350 at two sites where Sound Transit owns surplus property in the Roosevelt and First Hill communities in Seattle, WA. Both sites were declared suitable for housing and staff was directed to offer the properties first to qualified entities with the goal of maximizing affordable housing. A *Request For Proposal* (RFP) for each site was issued to qualified entities in Q3 of 2017 and proposals were submitted to Sound Transit for evaluation the same quarter.

Progress Implementing a Regional Equitable Transit-Oriented Development Strategy Continued

Policy Development: Per the ST3 Regional Transit System Expansion Plan, Sound Transit must make any necessary policy changes for implementing a regional equitable TOD strategy within 18 months of voter approval. In order to complete this task Sound Transit began a year-long conversation with the Board of Directors to examine the new statute requirements and consider any policy updates in the context of six transactions moving through the process in 2017. Staff presented the Board with an overview of the TOD work program in February and held a 3-hour Board workshop on April 21, 2017 solely focused on TOD. Staff returned to the Board in September to present guiding principles and a work plan for updating the policy.

Engagement: A robust public engagement process for Roosevelt Station TOD was conducted including three workshops, two open houses, and a public survey. This was a partnership between Sound Transit, the City of Seattle and the Roosevelt Neighborhood Association and yielded guiding principles to help inform the RFP. Similarly, an engagement process occurred in June for the First Hill property that was a partnership between Sound Transit and the First Hill Improvement Association. Sound Transit has ongoing participation in the Seattle Design Review process for the Capitol Hill sites. Additionally, staff have held dozens of briefings and given presentations to stakeholder groups, organizations, local jurisdictions and interested parties on Sound Transit's TOD approach, surplus property disposition requirements, and the policy questions at hand.

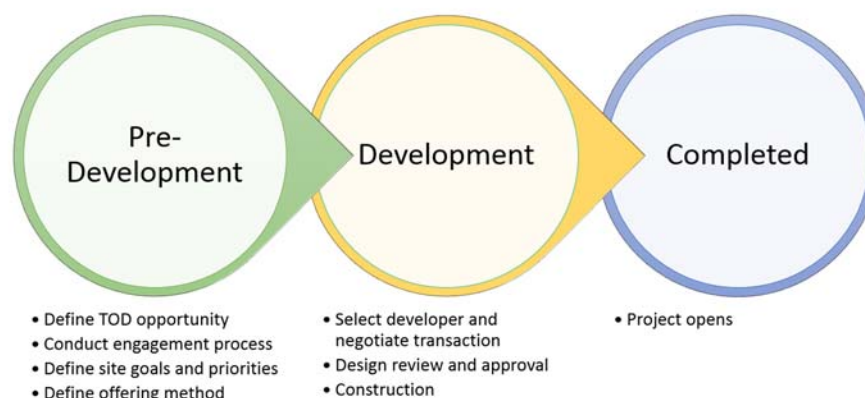
Program Look Ahead

Sound Transit staff expect to select developers for the Roosevelt and First Hill properties and bring action to the Sound Transit Board of Directors to enter into negotiations by the end of the year. Staff plan to begin an engagement process for the Angle Lake Station TOD site in fall of 2017 and also have discussions with the Board regarding Site D on Capitol Hill in the fourth quarter.

Please refer to the "Attachment A: Sound Transit Transit-Oriented Development: Current and Future Projects" for site/project specific status.

Sound Transit's 2017 Fourth Quarter report will be circulated January 15, 2018.

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects
October 15, 2017



Pre-Development Projects		
Project	Description	Status
Roosevelt Central Site	Location: Roosevelt Station, Seattle Site Area: 53,000 SF (1.2 acres) Zoning: NC3-P-85 Neighborhood Commercial 3 Program: 225-300 Affordable Units (target of 60% AMI and below)	Resolution R2017-20 (05/25/17): Sound Transit (ST) Board declared property suitable for housing, directed staff to first offer to qualified entities via a process that prioritizes development of maximum affordability to those earning 60 percent AMI and establish a base price in offering commensurate to achieving that outcome. ST and the Seattle Office of Housing issued a joint RFP on August 4, 2017 and responses were submitted September 22, 2017.
Capitol Hill Site D	Location: Capitol Hill Station, Seattle Site Area: 10,383 SF (0.24 acres) Zoning: NC3-P-40 Neighborhood Commercial 3 (Development Agreement between ST and City of Seattle allows height up to 85ft) Program: TBD	Seattle Central College (SCC) negotiated a Right to Negotiate Exclusively (Right of First Offer) for Site D when ST acquired a tunnel easement from the college for the University Link extension. SCC and ST have been discussing options for meeting both the College's expansion goals and ST's affordable housing requirements over the past year and anticipate reaching an MOU in Fall 2017.
First Hill	Location: Seattle Site Area: 21,000 SF (0.48 acres) Zoning: NC3-P-160 Neighborhood Commercial 3 Program: 122 – 257 Units (target of maximum density and affordability, no greater than 80% AMI)	Resolution R2017-23 (6/22/17): ST Board declared property suitable for housing, directed staff to first offer to qualified entities via a process that seeks to maximize affordability and density and reflect agency, local municipality and community goals. ST issued an RFP on July 31, 2017 and responses were submitted by September 13, 2017.

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects

October 15, 2017

Columbia City	Location: Columbia City Station, Seattle Site Area: 34,966 SF (0.80 acres) across four properties Zoning: LR-2/LR-3 Multifamily residential/townhome Program: Anticipate 35-53 Units, affordability TBD	ST has had initial conversations with community leadership and the City of Seattle regarding the timing of the broader engagement process. ST is coordinating with the Seattle Office of Housing on affordable housing gap funding availability and considerations around when and how to offer the properties to the qualified entities. ST Board direction will be sought prior to offering the property. ST anticipates setting a timeframe by the end of 2017 as to when to conduct community engagement and to offer the properties for redevelopment.
Angle Lake	Location: Angle Lake Station, SeaTac Site Area: 34,000 (0.78 acres) Zoning: ABC Aviation Business Program: Anticipate 100-125 Units, affordability TBD	The engagement process with the local jurisdiction and community will began this fall. ST Board direction on offering the property is anticipated to be sought in late 2017 / early 2018.
Airport Kiss & Ride	Location: SeaTac Site Area: 19,428 SF (0.45 acres) Zoning: CB-C Community Business in Urban Center Program: TBD	ST is defining operational requirements needing to remain with the parcel in conjunction with a TOD project. ST anticipates setting a timeline to advance this property into development by the end of 2017.
Operations Maintenance Facility: East	Location: Bel-Red Corridor, Bellevue Site Area: 282,715 SF (6.5 acres anticipated post construction) Zoning: BR-OR-2 Program: TBD	A Master Development Plan (MDP) has been submitted to the City of Bellevue and is anticipated to be approved in Q1 of 2018. This MDP will create land use entitlements for the site to facilitate future development offering. Discussions are beginning with the affordable housing community to define a program for this site.
Development Projects		
Project	Description	Status
Capitol Hill Sites A, B-North, B-South & C	Location: Capitol Hill Station, Seattle Developer: Gerding Edlen & Capitol Hill Housing Program: 428 Mixed-income units (176 Affordable Units, 252 Market Rate Units); 30,000 SF retail Site Area: 105,890 SF (2.43 acres)	Design review is complete and construction is expected to begin mid-2018; scheduled to open in 2020

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects

October 15, 2017

Completed Projects		
Project	Description	Status
Senior City	Location: Federal Way Transit Center, Federal Way Developer: Korean Women's Association Program: 62 Affordable Units (Senior – 1BR); 3,125 SF common room Site Area: 30,834 SF (0.71 acres) Project Cost: \$16.9 million	Opened in 2010
Mount Baker Lofts	Location: Mount Baker Station, Seattle Developer: Artspace USA Program: 57 Affordable Units (Artist's Studio); 10,000 SF retail (12 bays) Site Area: 23,064 (0.53 acres) Project Cost: \$18 million	Opened in 2014
Othello Plaza	Location: Othello Station, Seattle Developer: Mercy Housing Northwest Program: 108 Affordable Units (1-3 BR @ 3-% - 80% AMI); 7,450 SF retail Site Area: 31,870 (0.73 acres) Cost: \$29.8 million	Opened in 2017

Future / Potential Sites: these sites are either currently in the TOD Strategic Plan and not yet moved to market or are anticipated to become TOD sites for projects in design. Please note, any site identified as “potential/Future” could change as a result of design modifications or project needs.

Project	Corridor	Parcel	Block (< 2 acres)	Master (> 2 acres)	Approximate Offer Timing
Redmond Technology Center Station – TOD site	East	+			2018
Mount Baker Station – TOD sites	Central		+		2018
Overlake Village Station – TOD site	East		+		2018-2019
Shoreline/185 th Station – TOD site	North	+			2018-2019
U District Station – Roosevelt Way site	Central	+			2018-2019
Kent Sounder Station – Potential Future TOD site	South	+			2018-2019
Pine Street Triangle – TOD site	Central	+			2018-2019
Roosevelt Station – North and South TOD sites	Central	+			2019
Northgate Station – Potential Future TOD site	Central		+		2019-2020
Lynnwood Transit Center – Potential Future TOD sites	North			+	2019-2020
Kent-Des Moines Station – Potential Future TOD sites	South			+	2019-2020
Federal Way Transit Center – Potential Future TOD sites	South			+	2019-2020
Southeast Redmond Station – Potential Future TOD sites	East			+	2019-2020