

Sound Transit's Office of Land Use Planning & Development  
Transit Oriented Development Quarterly Status Report – Q4 2017

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. This report summarizes activities over the fourth quarter of 2017 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.

Transfers of Property Q4 2017

Sound Transit did not transfer any properties subject to RCW 81.112.350(1)(b) during the fourth quarter 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. Two Sr. TOD Project Managers and three Sr. Land Use Planners positions were filled during the fourth quarter. These positions will add capacity to support early project delivery on corridor teams, and in bringing transactions to the market.

**Transactions:** The Sound Transit Board of Directors in November directed the implementation of RCW 81.112.350 at three sites where Sound Transit owns surplus property in the Roosevelt, First Hill and Capitol Hill communities in Seattle, WA.

In Roosevelt, the Board agreed to enter into negotiations with the joint venture of Bellwether Housing and Mercy Housing Northwest, both qualified entities as defined in RCW 81.112.350, to sell or lease a parcel next to the new light rail station located at 65th & Roosevelt for the construction of 245 affordable housing units. All of these units will be affordable to families making 60 percent of the Area Median Income (AMI) or less, 40 percent of the units will be affordable to those making between 30-50 percent AMI, and 42 percent of the units will be family sized units of either two or three bedrooms. The appraised value of the site is \$18.5 million and the Board authorized staff to negotiate the transaction at a significantly reduced price of \$6.75 million. Staff are negotiating transaction documents with the selected qualified entities and anticipate returning to the Sound Transit Board in the first half of 2018.

On First Hill, Sound Transit owns property at Boylston Avenue and E Madison Street that is zoned for high-rise construction and has an appraised value of \$8.64 million. High-rise construction is often untenable for affordable housing developers due to higher construction and land costs, but the site offers an opportunity to add a significant number of affordable units in a neighborhood served by high-frequency transit. In order to achieve an ambitious project, the Board approved entering into

transaction negotiations to transfer the land at no cost to two nonprofit housing developers, Bellwether Housing and Plymouth Housing Group, both qualified entities as defined in RCW 81.112.350. The two developers proposed an ambitious 13 story, 308 unit project affordable to households making between 30 and 60 percent AMI. Eliminating land costs better enable the developers to realize their project concept, including family size units and units set aside for seniors experiencing homelessness.

Staff are currently negotiating transaction documents with Bellwether Housing and Plymouth Housing Group for the First Hill property and anticipate returning to the Sound Transit Board in 2018. Successful transaction negotiations will result in a project that achieves the project vision, as presented in the proposal, and maintains fundamental project elements including:

- Achieving a high density of affordable housing (a minimum of 80 percent of housing units) within a high rise structure that provides housing opportunities for a resident population of the same approximate size as in the proposal
- Providing a range of unit sizes, including family-sized units
- Providing units affordable at a range of income levels up to 60 percent AMI, and including units set aside for households with extremely low incomes
- Providing an active ground floor program that is accessible to the larger First Hill community (e.g., retail and community space)

In order for the Board to consider transferring the First Hill property at no cost, the final proposed transaction documents will need to incorporate all the above project elements.

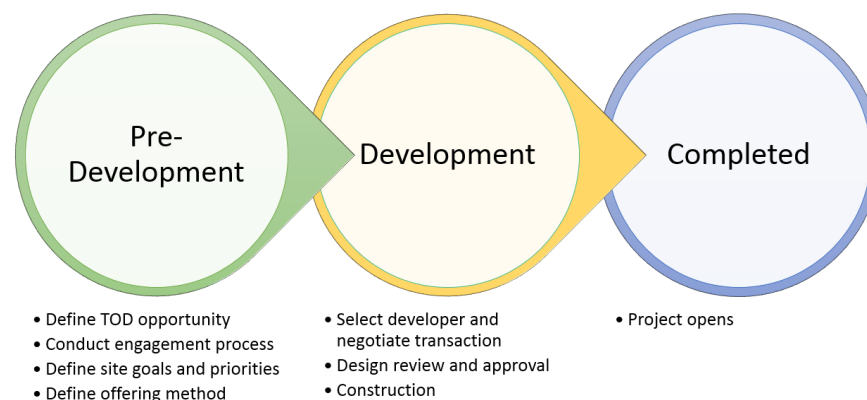
On Capitol Hill, the Board approved an agreement to facilitate a land swap with Seattle Central College (SCC) that will allow the campus to expand its footprint on Sound Transit-owned land at 1827 Broadway adjacent to the west entrance to Capitol Hill Station, also known as 'Site D'. SCC previously negotiated a right of first offer for Site D when Sound Transit acquired tunnel easements from SCC. The approved agreement with SCC reflects the college's offering right and delivers affordable housing in the Capitol Hill Station area by swapping nearby SCC property that is not ideal for its campus expansion. In return, Sound Transit will obtain from SCC two nearby parcels on Broadway between Pike and Pine. The two SCC parcels are worth more than Site D and SCC is required to receive full value for its property. As a part of the transaction, Sound Transit will enter into negotiations with Capitol Hill Housing (CHH), which will pay SCC the difference in land value between Site D and the SCC properties. CHH will subsequently develop a mixed use project that includes approximately 78 units of affordable housing and ground level retail space. Capitol Hill Housing will make a payment to Sound Transit for the land value of the retail space but otherwise will not pay Sound Transit any remaining land value for housing development. This land swap will allow more affordable housing to be built than could have otherwise been accomplished on Site D alone, and supports the college's campus expansion plans. Staff are negotiating transaction documents with SCC and CHH and anticipate returning to the Sound Transit Board in 2018.

**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 staff began a year-long conversation with the Board of Directors to examine the new statutory requirements and consider policy updates in the context of transactions in the 2017 TOD work program. Starting in November, staff co-hosted a series of policy focused workshops with the Housing Development Consortium and members of the “Transit Access Coalition” (FutureWise, Cascade Bike Club, Puget Sound Sage, Transportation Choices Coalition, etc.). In December, staff reported back to the Board the lessons learned over the past year and identified policy priorities for the forthcoming update. Staff will continue working in the first quarter of 2018 with the Board and regional stakeholders on updating the policy.

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

Sound Transit’s 2018 First Quarter report will be circulated April 15, 2018.

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects  
 January 15, 2018



Pre-Development Projects		
Project	Description	Status
<b>Beacon Hill Remnant</b>	<p><b>Location:</b> Beacon Hill Station, Seattle</p> <p><b>Site Area:</b> 2,400 SF (0.06 acre)</p> <p><b>Zoning:</b> NC2P-65 Neighborhood Commercial 2</p> <p><b>Program:</b> Parcel size limits development; not currently in the pipeline</p>	<p>ST received an "Unsolicited Proposal" from a developer who has acquired property adjacent to our remnant parcel and would like to acquire this small parcel to complete their assemblage. The developer proposes to develop 130 units of housing, including 28 units affordable to households making between 65 and 80 percent of the area median income and ground floor retail. ST advertised the receipt of the unsolicited proposal and offered the opportunity for other proposals to be submitted, with priority given to any proposals from non-profit developers, housing authorities or local jurisdictions, per RCW 81.112.350. No additional proposals were submitted and ST is advancing negotiations with the developer. The agreement is expected to go to the Sound Transit Board in 2018.</p>
<b>Redmond Technology Center</b>	<p><b>Location:</b> Redmond Technology Center Station, Redmond</p> <p><b>Site Area:</b> 53,000 SF (1.2 acres)</p> <p><b>Zoning:</b> OBAT</p> <p><b>Program:</b> Anticipate 60 affordable housing units or ≥\$4million to fund affordable housing project within ½ mile of future ST station in Redmond</p>	<p>ST and the City of Redmond are considering a transaction in which ST would transfer the property to the City, including the requirements for affordable housing. If the City sells the property, the proceeds, or no less than \$4 million, would go to an affordable housing project within ½ mile of future light rail station in Redmond. ST and the City could be in a position to bring deal points to the ST Board for consideration in the January 2018.</p>

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects  
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Pre-Development Projects Continued		
<b>Columbia City</b>	<p><b>Location:</b> Columbia City Station, Seattle</p> <p><b>Site Area:</b> 34,966 SF (0.80 acres) across four properties</p> <p><b>Zoning:</b> LR-2/LR-3 Multifamily residential/townhome</p> <p><b>Program:</b> Anticipate 35-53 Units, affordability TBD</p>	<p>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 in 2018 as to when to conduct community engagement and to offer the properties for redevelopment.</p>
<b>Angle Lake</b>	<p><b>Location:</b> Angle Lake Station, SeaTac</p> <p><b>Site Area:</b> 34,000 (0.78 acres)</p> <p><b>Zoning:</b> ABC Aviation Business</p> <p><b>Program:</b> Anticipate 100-125 Units, affordability TBD</p>	<p>The engagement process with the local jurisdiction and community will began Q1 2018. ST Board direction on offering the property is anticipated to be sought in early 2018.</p>
<b>Airport Kiss &amp; Ride</b>	<p><b>Location:</b> SeaTac/Airport Station, SeaTac</p> <p><b>Site Area:</b> 19,428 SF (0.45 acres)</p> <p><b>Zoning:</b> CB-C Community Business in Urban Center</p> <p><b>Program:</b> TBD</p>	<p>ST is defining operational requirements needing to remain with the parcel in conjunction with an air-rights TOD project. ST anticipates setting a timeline to advance this property into development in Q1 2018 and selecting a developer in Q3 2018.</p>
<b>Operations and Maintenance Facility: East</b>	<p><b>Location:</b> Spring District/120<sup>th</sup> Station, Bellevue</p> <p><b>Site Area:</b> 282,715 SF (6.5 acres anticipated post construction)</p> <p><b>Zoning:</b> BR-OR-2</p> <p><b>Program:</b> TBD</p>	<p>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 up to 1.2 million square feet of mixed-use development, facilitating a future development offering. Discussions are beginning with the affordable housing community to define a scope for affordable housing on this site.</p>

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects  
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Development Projects		
Project	Description	Status
<b>Roosevelt Central Site</b>	<p><b>Location:</b> Roosevelt Station, Seattle  <b>Site Area:</b> 54,000 SF (1.2 acres)  <b>Zoning:</b> NC3-P-85 Neighborhood Commercial 3  <b>Program:</b> 245 Affordable Units (target of 60% AMI and below)</p>	<p>In November 2017, the Sound Transit Board authorized staff to negotiate with the joint venture of Bellwether Housing, Inc. and Mercy Housing Northwest, Inc. for land transaction agreements for a mixed-use affordable housing transit-oriented development project. The preliminary project concept includes approximately:</p> <ul style="list-style-type: none"> <li>• 245 housing units</li> <li>• 100 percent of the housing units affordable long-term to those earning at or below 60 percent of area median income (AMI), with over 40 percent of the units affordable to those earning 30 percent or 50 percent AMI</li> <li>• 42 percent of the units sized for larger families (2 and 3 bedroom units)</li> <li>• A mix of additional community-serving uses, including retail, daycare, and a community room</li> <li>• A discounted \$6.75 million payment to Sound Transit for the land</li> </ul> <p>Final transaction agreements are anticipated to be considered by the Sound Transit Board in the first half of 2018.</p>
<b>Capitol Hill Site D</b>	<p><b>Location:</b> Capitol Hill Station, Seattle  <b>Site Area:</b> 10,383 SF (0.24 acres)  <b>Zoning:</b> NC3-P-40 Neighborhood Commercial 3 (Development Agreement between ST and City of Seattle allows height up to 85ft)  <b>Program:</b> 78 Affordable Units</p>	<p>In November 2017, the Sound Transit Board authorized staff to negotiate with Seattle Central College (SCC) and Capitol Hill Housing (CHH) to exchange property at a discounted price in order to facilitate equitable transit-oriented development in the Capitol Hill Station Area.</p> <p>The MOU proposes to exchange SCC owned property for ST owned Site D. ST will work with CHH to develop approximately 78-units of affordable housing on the SCC properties, which would result in the creation of approximately 34 additional affordable units beyond what could be accomplished on ST's Site D.</p> <p>SCC plans to incorporate Site D into an adjacent SCC-owned parcel to be redeveloped as a primary entrance to the college that anticipates including additional classrooms, student services, bookstore, and faculty space. The SCC project would better connect students and faculty to Capitol Hill Station and support additional ridership as the college continues its growth.</p>

Attachment A - Sound Transit Transit-Oriented Development: Current and Future Projects  
 January 15, 2018

<b>Development Projects Continued</b>		
<b>Capitol Hill Sites A, B-North, B-South &amp; C</b>	<p><b>Location:</b> Capitol Hill Station, Seattle</p> <p><b>Developer:</b> Gerding Edlen &amp; Capitol Hill Housing</p> <p><b>Program:</b> 428 Mixed-income units (176 Affordable Units, 252 Market Rate Units); 30,000 SF retail</p> <p><b>Site Area:</b> 105,890 SF (2.43 acres)</p>	<p>Design review is complete, permits are expected in Q1 of 2018 and construction is expected to begin mid-2018; scheduled to open in 2020</p>
<b>First Hill</b>	<p><b>Location:</b> Seattle</p> <p><b>Site Area:</b> 21,000 SF (0.48 acres)</p> <p><b>Zoning:</b> NC3-P-160 Neighborhood Commercial 3</p> <p><b>Program:</b> 13 story high-rise with over 300 units serving populations making 30-60% AMI</p>	<p>In November 2017, the Sound Transit Board authorized staff to negotiate with the joint venture of Bellwether Housing, Inc. and Plymouth Housing Group, Inc. for land transaction agreements for a mixed-use affordable housing transit-oriented development project and anticipate returning to the Sound Transit Board in 2018.</p> <p>Successful transaction negotiations will result in a project that achieves the project vision, as presented in the proposal, and maintains fundamental project elements including:</p> <ul style="list-style-type: none"> <li>• Achieving a high density of affordable housing (a minimum of 80 percent of housing units) within a high rise structure that provides housing opportunities for a resident population of the same approximate size as in the proposal</li> <li>• Providing a range of unit sizes, including family-sized units</li> <li>• Providing units affordable at a range of income levels up to 60 percent AMI, and including units set aside for households with extremely low incomes</li> <li>• Providing an active ground floor program that is accessible to the larger First Hill community (e.g., retail and community space)</li> </ul> <p>In order for the Board to consider transferring the First Hill property at no cost, the final proposed transaction documents will need to incorporate all the above project elements.</p>

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



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

<b>Project</b>	<b>Corridor</b>	<b>Parcel</b>	<b>Block ( &lt; 2 acres)</b>	<b>Master ( &gt; 2 acres)</b>	<b>Approximate Offer Timing</b>
Mount Baker Station – TOD sites	Central		+		2018
Overlake Village Station – TOD site	East		+		2018-2019
Shoreline/185 <sup>th</sup> 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			+	2020
Graham Street Station – Orcas site	Central	+			TBD
Rainier Valley Remnant Parcels – Various	Central	+			TBD
Rainier Beach Station – TOD sites	Central		+		TBD