



## Motion No. M2024-19

### Interlocal Agreement with the City of Bothell for Transfer of Development Rights from Bus Base North

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	04/11/2024 04/25/2024	Recommend to Board Final action	Ron Lewis, Executive Director, DECM Bernard van de Kamp, Program Executive, DECM Thatcher Imboden, Director – Community Development <b>Rick Capka, Deputy Program Executive, DECM</b>

### Proposed action

Authorizes the chief executive officer to enter into an interlocal government agreement with the City of Bothell for transfer of development rights from Bus Base North, and to execute and record a transfer of development rights covenant for the Bus Base North property.

### 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 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.

- A separate resolution, Resolution No. R2024-10, approves the CEO's declaration of surplus that the excess development capacity is surplus and do not have a transit use. That resolution is contingent on the Board's approval of this motion.
- This action does not commit Sound Transit to a transaction for the surplus development rights. Any future sale of 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, ST 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 in 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. One 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).

### Interlocal Agreement (ILA)

The ILA governs the severance of development rights from the Bus Base North property and allows for potential future transfers or sales of those development rights to owners of one or more eligible receiving sites as authorized by Bothell municipal code. The development rights can be used to construct additional residential or commercial floor area at other locations within the Regional Growth Center.

The ILA provides that, once the City has issued a building permit for Bus Base North, Sound Transit will execute and record a TDR Covenant to sever 225,000 square feet of gross floor area (the TDR Credits) from the Bus Base North property. This amount satisfies what is required by Bothell code and was calculated based on a recommendation from the TDR study commissioned pursuant to the Funding Agreement and after reviewing current and future space planning needs.

The TDR Credits represent excess, unused development capacity at Bus Base North and are 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 TDR Credits itself at the Bus

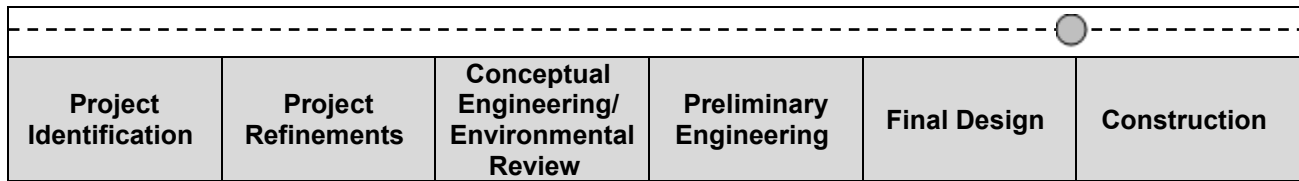
Base North property provided the TDR Credits have not been transferred or sold and are needed to construct additional floor area at the property.

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 ILA. 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.

**Project status**



Projected completion date for Final Design: Q4 2024

Project scope, schedule and budget summary are located on page 120 of the February 2024 Agency Progress Report.

**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 service provided for the Bus Base North in the amount of \$105,000, with a 10 percent contingency of \$10,500, for a total authorized contract amount not to exceed \$115,500.

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**Environmental review** – KH 3/25/24

**Legal review** – JV 3/29/24

## **Motion No. M2024-19**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to enter into an interlocal government agreement with the City of Bothell for transfer of development rights from Bus Base North, and to execute and record a transfer of development rights covenant for the Bus Base North property.

### **Background**

#### Bus Base North

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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 TDR Credits itself at the Bus Base North property provided the TDR Credits have not been transferred or sold and are needed to construct additional floor area at the property.

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**Motion**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to enter into an interlocal government agreement with the City of Bothell for transfer of development rights from Bus Base North, and to execute and record a transfer of development rights covenant for the Bus Base North property.

APPROVED 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