

***FL-209 Surplus and
Kent Des Moines TOD
Surplus and Key Business Terms***

*Executive Committee
12/07/23*



Why we are here

- To advance the development transaction on the Kent Des Moines Station North TOD site, including:
 - Approve the CEO's declaration that a portion of one of the parcels included in the North TOD site is surplus upon completion of the Federal Way Link Extension construction
 - Approve key business terms and delegate authority to the CEO to negotiate a TOD transaction

Statute direction on surplus property

80

**≥80% of property
suitable for housing
must be first offered
for affordable housing
creation**

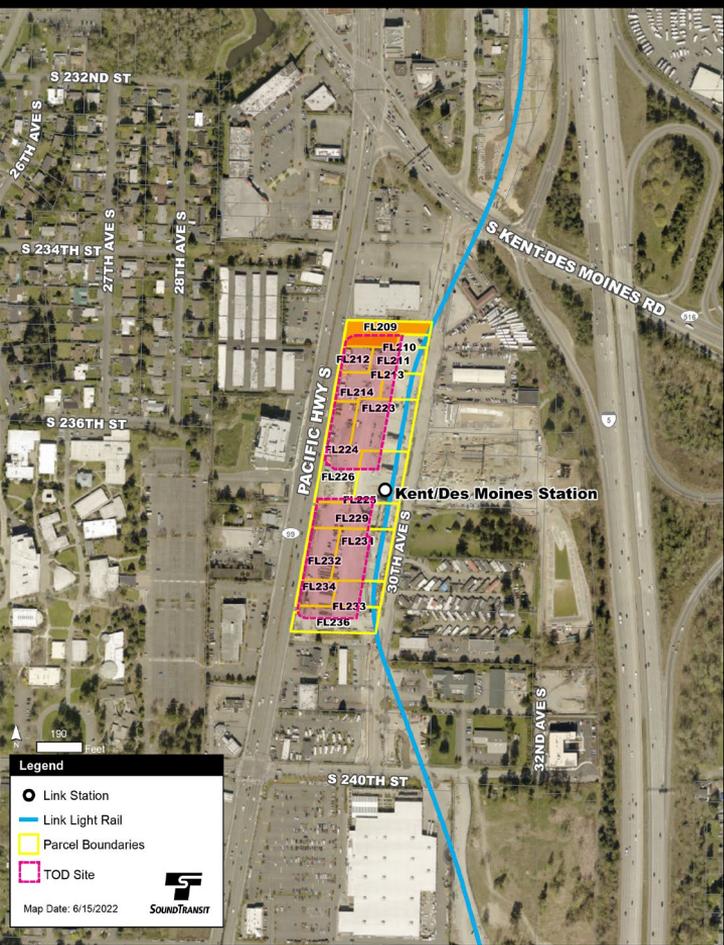
80

**≥80% of created units
must be affordable**

80

**Units must serve
those earning ≤80% of
area median income**

Surplus of parcel FL -209



FL-209

Parcel overview

- Partial surplus totaling 6,300 SF
- Offering strategy previously approved by the Board
- Acquisition completed March 2023

***Kent Des Moines TOD North
Key Business Terms***

Link Light Rail

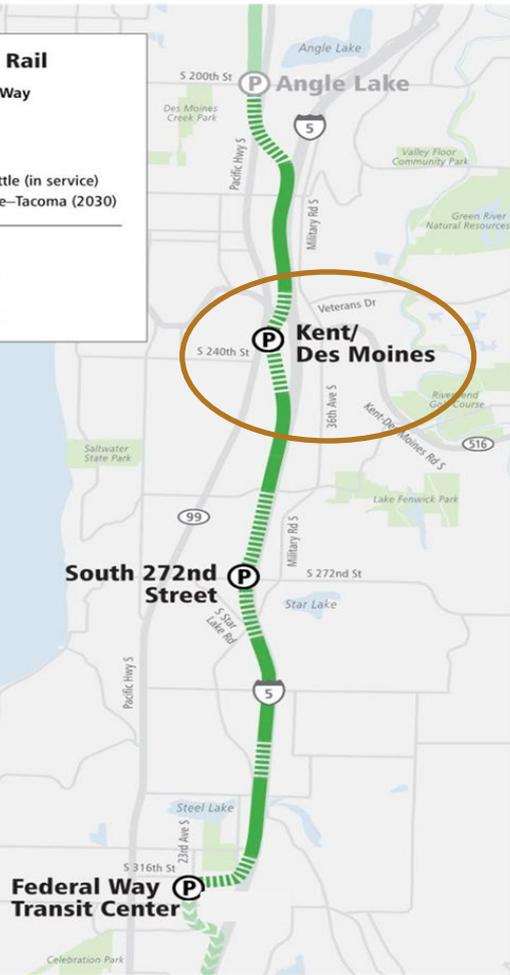
Angle Lake–Federal Way

- Surface
- Elevated

Other service

- Angle Lake–Seattle (in service)
- Federal Way–Fife–Tacoma (2030)

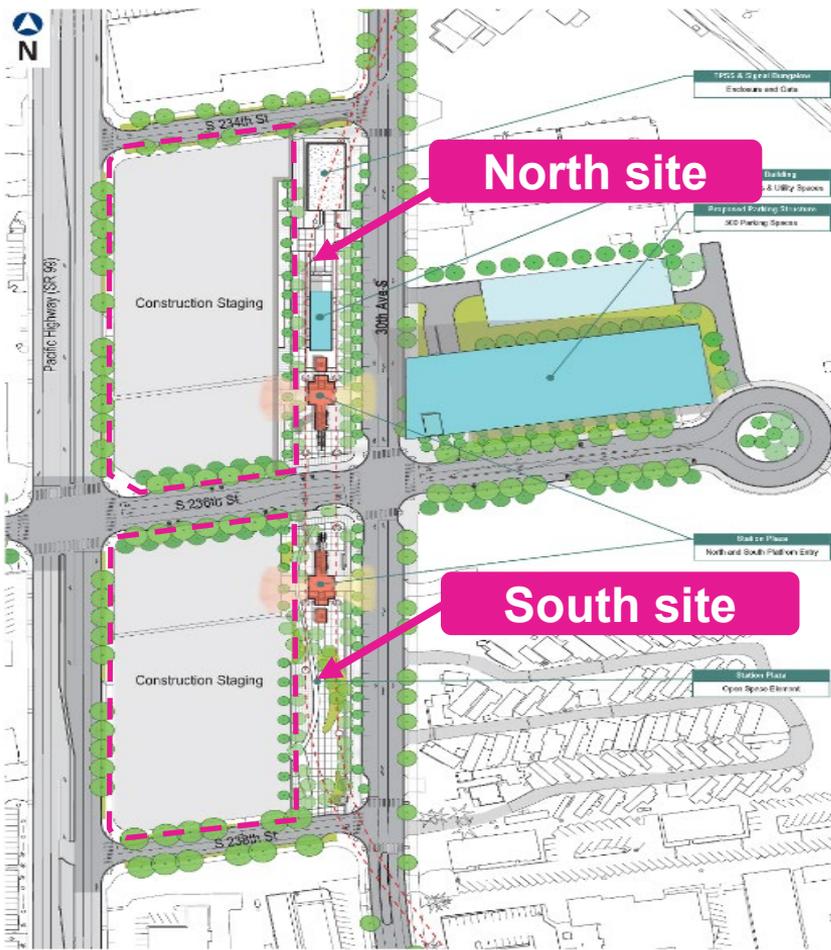
- New station
- Existing station
- New parking
- Existing parking



Board direction

Resolution No. R2022-23

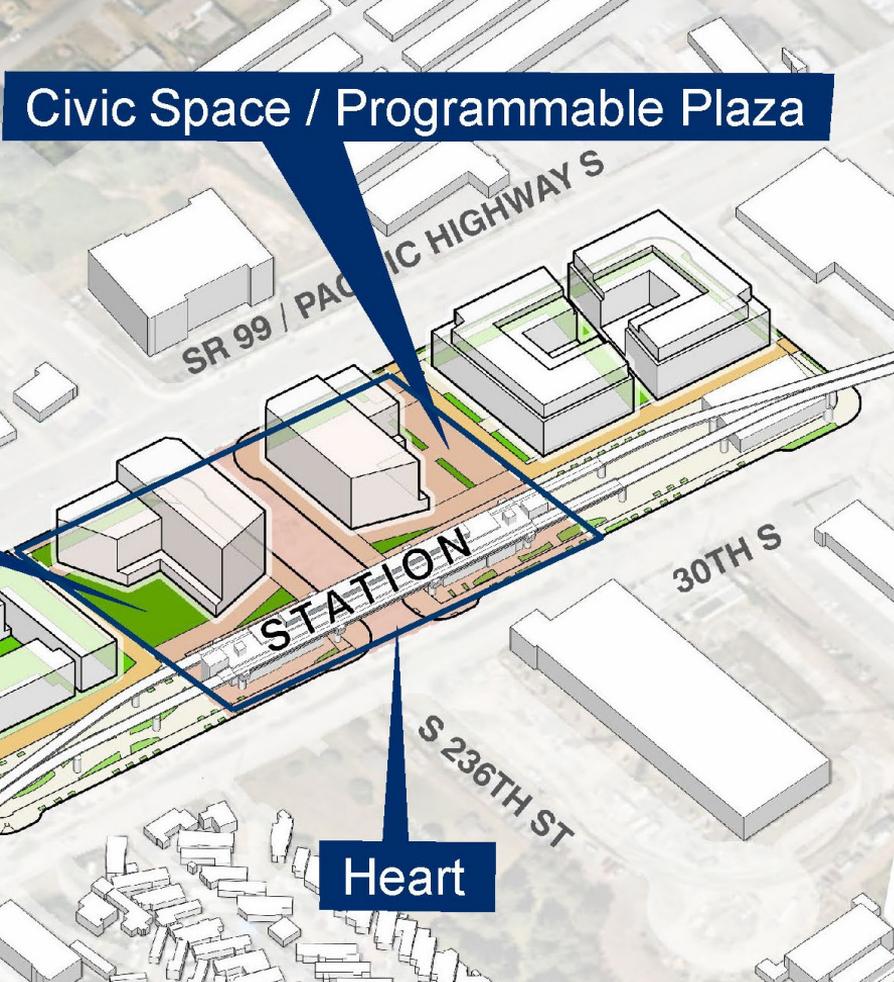
- Approved offering strategy for both North and South
- 1st to qualified entities to create mixed-use, mixed-income projects
- Authorized a discounted land value
- Goal to maximize density and affordable housing
- Goal for community orientation and gathering space



What was offered

North & South TOD

- RFPs issued simultaneously December 2022
- Approximately 2 acres at each site
- Offered at discount to qualified entities for affordable housing
- Pre-committed funds from WA State Housing Finance Commission & King County



What was expected

Initial strategy assumed:

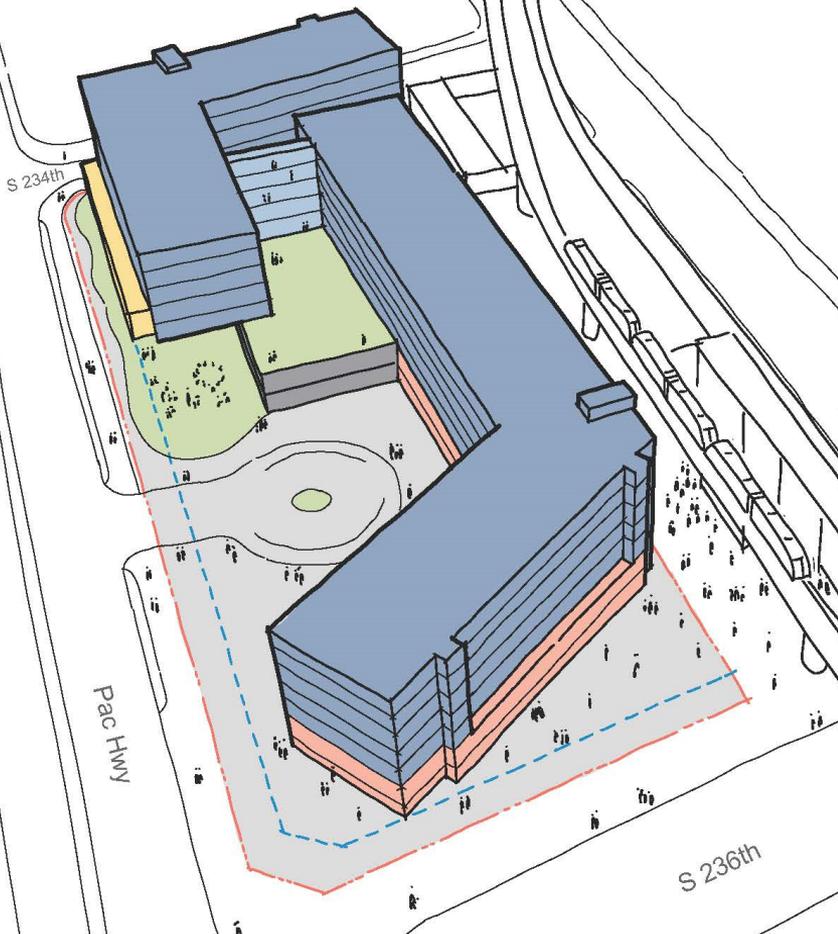
- 2+ buildings on each site
- Each site would have market and affordable outcomes
- Multiple interested proposers with range of concepts
- Proposers would subdivide each site

Kent Des Moines North TOD

Selected Developer



Proposed development



goal of 220 housing units



community center



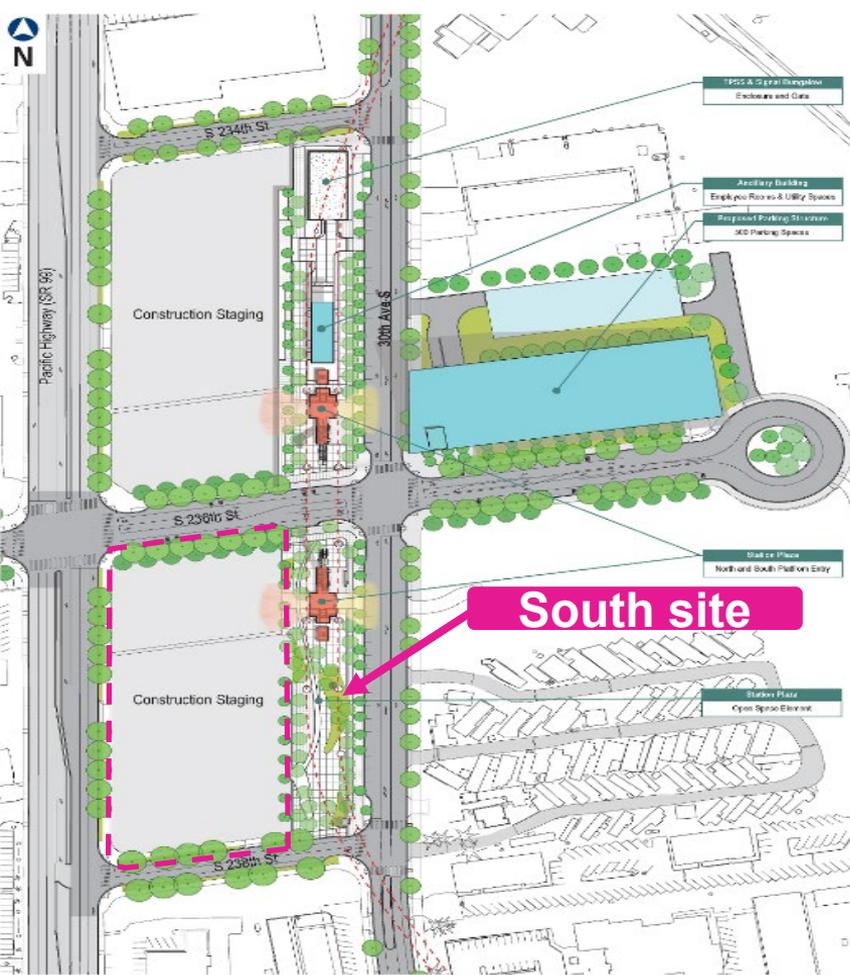
early learning center



nonprofit office space



neighborhood retail



Kent Des Moines South TOD

- Following the North all affordable proposal, a South site addendum requiring market-rate housing was issued to meet DA and Board direction
- No sufficiently responsive proposals received
- Ongoing work with stakeholders and city, with proposed revised offering strategy for Board to consider in 2024

Action 1: Approve North key business terms

Category	Agreement
Buyer	<ul style="list-style-type: none">• Mercy Housing Northwest
Purchase Price	<ul style="list-style-type: none">• \$250,000
Number of Units	<ul style="list-style-type: none">• Minimum of 175 with a goal of 220 units
Affordability	<ul style="list-style-type: none">• 100% at or below 80% AMI
Deeper Affordability	<ul style="list-style-type: none">• Affordability average of 60% AMI with units targeting households at 30%-80% AMI

Action 1: Approve North key business terms

Category	Agreement
Commercial/ Retail Uses	<ul style="list-style-type: none">• Minimum of 15,000 sf with a target of 35,000 sf targeted at community, early learning, nonprofit and retail uses• Minimum of 1,500 sf with a target of 4,500 of ground floor neighborhood retail
Sustainability	<ul style="list-style-type: none">• Minimum of Evergreen Sustainable Development Standard v4 or LEED Mid-rise v4
Affordable Housing Covenant	<ul style="list-style-type: none">• Covenant will be recorded on title to restrict property to affordable housing use for 50+ years



Discounted land purchase

Discount impact:

- Up to 220 affordable housing units
- Deep affordability
- Family-sized units
- Units set aside for individuals with Intellectual and Developmental Disabilities
- Discount leverages affordable housing financing 16 to 1



Action 2: Delegation of authority to CEO

Recommendation –
Authorize the CEO to:

- Execute the purchase and sale agreement and related documents
- Approve any amendments, as necessary
- All subject to Board-approved key business terms



Next steps

If approved by Board:

- Negotiate legal agreements
- Developer to design, permit, and finance project
- Sound Transit to review designs
- Developer start construction in 2025 (projected)

Thank you.



 [soundtransit.org](https://www.soundtransit.org)

