

# ***OMFE Mixed Use TOD***

*Key Business Term Revisions*

*System Expansion Committee*

*04/09/2026*



# *Why we are here*

- Seeking approval for revised key business terms for a mixed-use Transit-Oriented Development (TOD) at the Operations and Maintenance Facility East in Bellevue, Washington

# ***Project Timeline***

- **2019** TOD Request for Proposals issued
- **2020** Site awarded to a team led by BRIDGE Housing
- **2021** ST Board approves Key Business Terms
- **2023** Market-rate multifamily developer exited project
- **2023** Project/partnership revisions proposed to expedite affordable housing and move project forward
- **2023** Board approves revised Key Business Terms - Affordable
- **2025** Affordable project begins construction

# What was offered

- ±7 acres at OMF East
- Permitted with Master Development Plan



# ST Board Approval 2021

## Affordable Multifamily (sites 3,6)

- 230 affordable housing units

## Market Multifamily (sites 4,5)

- 260 housing units

## Office (sites 1,2)

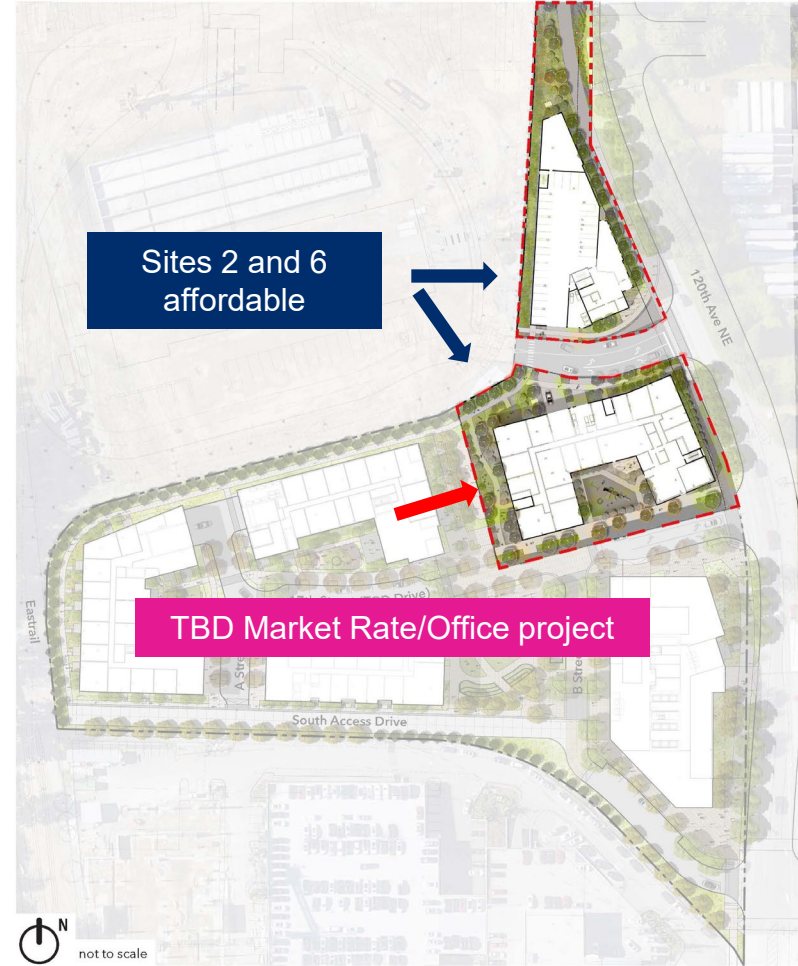
- 375,000+ square feet



# ST Board Approval 2023

## Affordable Multifamily

- Sites 2 and 6
- 234 Affordable homes
- Added 3-bedroom homes
- Commitment to return to board with revised terms for the rest of the development.



# Key Revisions 2026

## Multifamily/Office Concept

- Increase Multifamily outcome
- Decrease Office outcome

## Financial

- Property re-appraised in 2025
- 2026-2046 lease revenue increased by \$14.4M since previous key terms approval



# Multifamily Key Term Highlights

| Category              | Term  |
|-----------------------|---|
| Agreement             | One or two 99-year ground lease(s)  |
| Developer             | Touchstone LLC, a URG Company   |
| Homes                 | Minimum 411 homes, with a goal of 500   |
| Transaction           | \$22,800,000 Initial Land Value <ul style="list-style-type: none"><li>• 5.25% rent return</li><li>• CPI adjustments during predevelopment period</li><li>• Lesser of CPI or 3% adjustments during lease</li><li>• Revaluation in lease years 30 and 60</li><li>• Ramp up ground rent in lease years 1-3</li></ul> |
| Predevelopment period | 48 months <ul style="list-style-type: none"><li>• \$100,000 payable in each of years 3 and 4</li><li>• \$ 500,000 lease commencement fee</li></ul>  |
| Sustainability        | LEED Mid-rise v4, or LEED Residential v4.1 Silver, plus ESDS 5.1A Building performance Standard – New Const.  |

# Office Key Term Highlights

| Category              | Term  |
|-----------------------|---|
| Agreement             | 99-year ground lease  |
| Developer             | Touchstone LLC, a URG Company   |
| Office square feet    | Minimum 190,000 GSF, with a goal of 225,000 GSF   |
| Transaction           | \$17,000,000 Initial Land Value <ul style="list-style-type: none"><li>• 5.25% rent return</li><li>• CPI adjustments during predevelopment period</li><li>• Lesser of CPI or 3% adjustments during lease</li><li>• Revaluation in lease years 30 and 60</li><li>• Ramp up ground rent in lease years 1-3</li></ul> |
| Predevelopment period | 48 months with 2 One-year extension options <ul style="list-style-type: none"><li>• \$50,000 payable in years 3 and 4</li><li>• \$150,000/year extension fees</li><li>• \$400,000 lease commencement fee</li></ul>  |
| Change of Use         | Applicable in years 2-4 of predevelopment period w/ appraisal.  |
| Sustainability        | LEED for New Construction or Core & Shell v4 or v4.1 Silver.  |

# Next Steps

## Key Dates

- **2026** Finalize legal agreements
- **2028** Change of use provision active (office)
- **2030** Change of use provision inactive (office)
- **2030 - 2032** Outside date of predevelopment agreements



*Thank you.*



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