

## CITY COUNCIL AGENDA TOPIC

Resolution authorizing execution of an Exclusive Negotiations Agreement with Su Land Inc. for the redevelopment of the City-owned 130th parcels.

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## EXECUTIVE SUMMARY

This Resolution authorizes execution of an Exclusive Negotiations Agreement (ENA) with Su Land Inc. (also referred to as Su Development) for the redevelopment of the City-owned 130th parcels. The ENA formalizes a period of exclusive discussions to refine the project scope, negotiate public benefits, establish financial and development terms, and align on the delivery of the mixed-use project and Sound Transit park-and-ride facility. Su Development was selected through the City's March 2025 competitive process, and approval of the ENA enables the developer to begin due diligence and conceptual design for the Sound Transit garage while providing the structured framework needed to advance negotiations. Under the ENA, both the City and Su Development agree to negotiate diligently and in good faith toward finalizing key project agreements that will return to Council for consideration.

## ACTION

## RECOMMENDATION

Move to adopt Resolution No. 10581

## BACKGROUND/ANALYSIS

The city-owned 130th parcels are a long-term public-private partnership opportunity for the city, Sound Transit, and a private developer to deliver multiple community goals around public transit access, economic development, cultural access, and housing. In 2019, the city and Sound Transit negotiated the conveyance of three parcels adjacent to the BelRed Link Light Rail Station to maximize housing and economic activity around the station. Under the terms of the Memorandum of Understanding between the agencies, these parcels would initially function as an interim surface park-and-ride facility, and the city would subsequently be responsible for advancing transit-oriented development (TOD) consistent with Sound Transit's TOD policy, strategic plan, and access requirements. The city is responsible for ensuring the future mixed-use development meets Sound Transit's standards and specifications for a park-and-ride, results in a high-quality pedestrian-oriented environment, supports district-wide TOD objectives, and maintains strong integration with light rail. Sound Transit participates directly in key phases of the project, including developer selection and early project scoping.

In 2021, the city received an unsolicited proposal from Vulcan for redevelopment of the property. After determining the proposal aligned with project objectives, the city initiated a Notice of Intent negotiation process. A Notice of Intent to sell the property was issued in 2022, requiring delivery of a mixed-use development with TOD outcomes. Due in part to market shifts in 2023, Vulcan's proposed financial terms were not feasible for the city, and negotiations concluded. The city subsequently prepared a competitive procurement process to identify a qualified developer.

On March 10, 2025, the city issued a Request for Proposals to select a developer to purchase the 130th parcels and deliver a mixed-use development and Sound Transit park-and-ride facility. Five proposals were received from local and national firms. A seven-member evaluation committee—comprised of City subject matter experts and Sound Transit's TOD staff—reviewed the proposals and developer qualifications. The committee selected Bellevue-based Su Development as the preferred developer based on the merits of the proposal which delivers the required park-and-ride garage first, maximizes housing delivery, and supports economic development goals for BelRed.

The next step in the developer negotiation process is executing an Exclusive Negotiations Agreement. The ENA establishes a defined period during which the City and Su Development agree to negotiate exclusively with one another to refine the project scope, public benefits, financial terms—including property purchase price and garage payment structure—and development milestones. Execution of the ENA enables the developer to begin preliminary due diligence and conceptual design work for the Sound Transit garage, while providing the city with the framework needed to align expectations and advance toward subsequent project agreements. If the ENA period does not result in a successful agreement, the city would reserve the right to initiate negotiations with the second-ranked developer identified by the evaluation committee, subject to City Council consideration and direction.

#### Next Steps:

- Staff will advance negotiations for a Purchase and Sale Agreement, Developer Agreement, and supporting contracts.
- 2026 Fourth Quarter – Return to Council with an update on negotiated details and request approval of legal agreements.
- 2027 – Su Development begins design work on Sound Transit park-and-ride garage.

## POLICY & FISCAL IMPACTS

### Policy Impact

This redevelopment effort and associated negotiations align with the city's BelRed Subarea Plan and Economic Development Plan which focus on maximizing development around light rail stations, promoting a mix of uses and services, and supporting the BelRed Arts District:

#### Bellevue Comprehensive Plan, BelRed Subarea Plan S-BR-13.

Concentrate the majority of BelRed development into a series of mixed-use, pedestrian-friendly and transit-oriented development nodes around light rail stations, with higher density and height therein, as enabled through a land use incentive system. Within each node, provide for tiered building heights with maximums at the center.

## Bellevue Economic Development Plan.

The 130th TOD project advances Bellevue's 2020 Economic Development Plan by supporting workforce access, sustainable growth, and long-term economic resilience, while also strengthening the creative economy and neighborhood-serving retail envisioned for the BelRed Arts District. The draft 2026 Economic Development Plan will come to Council for consideration in February 2026 and recommends stronger housing growth, improving access to high-capacity transit, and further establishing the Arts District as a unique business district within the city. By concentrating new housing—including affordable units—adjacent to high-capacity light rail, the project improves access to jobs, reduces commute burdens, and helps address the growing mismatch between employment growth and housing availability identified in the Plan. The inclusion of small-scale, neighborhood-oriented retail and flexible ground-floor spaces supports local entrepreneurs, creative businesses, and arts-related uses, reinforcing the BelRed Arts District as a destination and employment center.

## **Fiscal Impact**

The future development will further catalyze the BelRed subarea and activity that creates jobs, fosters economic activity, and attracts new businesses in ways that support individuals and City revenues. The adopted 2025-2026 General Fund budget and 2025-2030 Capital Improvement Program supports work on the city's responsibilities in this redevelopment partnership.

## **OPTIONS**

1. Adopt the Resolution authorizing execution of an Exclusive Negotiations Agreement with Su Land Inc. for the redevelopment of the City-owned 130th parcels.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS**

- A. Draft Exclusive Negotiations Agreement (ENA)
- B. Project and Neighborhood Maps
- C. Request For Proposal issued March 10, 2025

Proposed Resolution No. 10581

## **AVAILABLE IN COUNCIL LIBRARY**

2022 BelRed Arts District Implementation Plan  
BelRed Subarea Plan  
Economic Development Plan  
2019 Conveyance Agreement (MOU)