

**CITY COUNCIL REGULAR SESSION**

Ordinance amending the 2021-2027 General Capital Investment Program (CIP) Plan to increase the budget for the Public-Private Partnerships – BelRed Transit-Oriented Development (TOD) Project (CIP Plan No. CD-48) by \$2,000,000 and decrease the budget for the Station Area Planning Implementation – East Main/South Bellevue Project (CIP Plan No. CD-30) by \$2,000,000; providing for severability; and establishing an effective date.

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*Community Development*

**EXECUTIVE SUMMARY**

This Ordinance amends the 2021-2027 General CIP to increase the budget for the Public-Private Partnerships - BelRed TOD Project by \$2,000,000 and decrease the budget for the Station Area Planning Implementation - East Main/South Bellevue Project by \$2,000,000.

**RECOMMENDATION**

Move to adopt Ordinance No. 6680.

**BACKGROUND/ANALYSIS**

The conclusion of the East Main planning and code work provides an opportunity to shift some budgeted funds to support another important City-led project. The proposed budget amendment to increase funds to CD-48, Public-Private Partnerships – BelRed TOD, will facilitate strategic TOD efforts on City-owned parcels adjacent to the BelRed light rail station. The TOD include two sites consisting of property conveyed to the City by Sound Transit, which are referred to as the “L Shaped Site”, and an additional property purchased by the City, referred to as the “Kelly Site”. Specific objectives for these sites include advancing affordable housing, creatively delivering community-servicing facilities, and meeting contractual obligations to develop Sound Transit parking facilities. The budget transfer will help ensure the housing development and parking garage are delivered within the timeframe laid out in the Sound Transit Conveyance Agreement and support catalytic placemaking projects and partnerships that advance development of a BelRed arts district.

Sound Transit purchased the “L” Shaped Site at 130<sup>th</sup> Avenue and Spring Boulevard for construction staging and a permanent surface park-and-ride facility for East Link’s BelRed Station. However, the BelRed Plan (2009) envisions a more urban outcome in the station area, and surface parking did not fit this vision. As a result, the City sought a bespoke agreement with Sound Transit to better utilize the site. Ultimately, Sound Transit agreed to transfer the property to the City through a Conveyance Agreement, under the condition that the City provide a 302-stall park-and-ride. To meet certain obligations of the agreement with Sound Transit, the City commenced construction of an interim park-and-ride facility on the site while it evaluated the opportunities for permanent redevelopment.

Over the past several years, the City worked in earnest to evaluate opportunities for the “L” Shaped Site. In Q1 2022, the City completed a competitive process and selected a developer with the intent to deliver a mixed-income project with significant affordable housing and the Sound Transit facility while also supporting the goal of developing an arts district in BelRed. While the “L” Shaped Site is under construction, additional offsite parking is needed to ensure 302 stalls remain available for Sound Transit customers. The additional funds will support delivery of interim parking, expenses associated with developer negotiations and procurement, supporting studies, staff time, and other expenses associated with delivering affordable housing and other public benefits to the BelRed neighborhood.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The requested increase in CD-48 funding supports implementation of policy related to the 2009 BelRed Subarea Plan, Affordable Housing Strategy, Economic Development Plan, and commitments in the 2015 Memorandum of Understanding (MOU) and Conveyance Agreement. The impacts of rising construction costs, approaching deadlines in the Conveyance Agreement, and resources needed to support affordable artist housing make implementing the policies above a challenge without this budget transfer. A majority of the CD-48 fund balance has been expended on necessary project consultants and ensuring delivery of 300 interim parking stalls before revenue service begins.

Redevelopment of the TOD sites helps the City achieve specific objectives, including:

#### 2015 MOU with Sound Transit

Development of these parcels is subject to provision of a 300-stall public park-and-ride facility to be open and available at the time of East Link revenue service. Note: Interim facilities will be available until the permanent garage is complete.

#### Economic Development Plan

CB2.2. Develop additional public-private partnership tools and funding mechanisms;  
R2. Encourage preservation of existing spaces and the creation of new spaces that are suitable for independent retail, neighborhood services, restaurant, and beverage establishments; and  
CE2. Develop the built and institutional infrastructure needed to position the BelRed Arts District as a regional destination.

The redevelopment of the TOD sites will support implementation of the vision for BelRed as a mixed-use urban neighborhood, with a significant amount of new housing, retail, and services. In addition, 130<sup>th</sup> TOD parcels present the City with a generational opportunity to directly shape and advance the City’s goal of developing an arts district in BelRed. This includes examining creative public-private partnership opportunities that can deliver an anchor location for the arts in BelRed that drives economic development and creative placemaking goals, generates revenue, and/or reduces the costs of delivering needed community-serving facilities. The permanent parking garage must then be complete and operational by June 2028.

### **Fiscal Impact**

This action will authorize a net-zero budget transfer in the 2021-2027 General Capital Investment Program (CIP) Fund from Station Area Planning Implementation (East Main/South) (CIP Plan No. CD-

30) to Public-Private Partnership – BelRed TOD (CIP Plan No. CD-48) in the amount of \$2,000,000. There are sufficient funds in CIP Plan No. CD-30 to complete this transfer.

## **OPTIONS**

1. Adopt the Ordinance amending the 2021-2027 General Capital Investment Program (CIP) Plan to increase the budget for the Public-Private Partnerships – BelRed Transit-Oriented Development (TOD) Project (CIP Plan No. CD-48) by \$2,000,000 and decrease the budget for the Station Area Planning Implementation – East Main/South Bellevue Project (CIP Plan No. CD-30) by \$2,000,000; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

## **ATTACHMENTS**

- A. Vicinity Map
  - B. CIP Project Description (CD-30)
  - C. CIP Project Description (CD-48)
- Proposed Ordinance No. 6680

## **AVAILABLE IN COUNCIL LIBRARY**

N/A