

WHEN RECORDED RETURN TO:  
City of Bellevue  
City Attorney's Office  
PO Box 90012  
Bellevue, WA 98009-9012  
Attn: Mary Kate Berens

**Document Title:**                      **Development Agreement**

**Grantors:**                              Bellevue 116<sup>th</sup> Avenue, LLC, a Delaware limited liability company  
TARGET CORP., a Minnesota Corporation

**Grantee:**                                City of Bellevue, a municipal corporation

**Legal Description:**  
**Abbreviated Legal Description:** [insert]

**Full Legal Description:**    See Exhibit A attached.

**Assessor's Tax Parcel Nos.:**      Portion of 3325059012; 3325059042

**Reference Nos. of Documents Released or Assigned:** N/A

## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (“Agreement” or “Development Agreement”) is entered into as of the effective date, by and between the **CITY OF BELLEVUE**, a Washington municipal corporation (“City”), Bellevue 116<sup>th</sup> Avenue, LLC, a Delaware limited liability company (“Owner”) and **TARGET CORPORATION**, a Minnesota corporation (“Target”).

### RECITALS

- A. Intent. This Development Agreement is for the purposes of setting forth the applicable development standards and other provisions related to the development described herein, and is adopted pursuant to the authority provided in RCW 36.70B.170 *et seq.*
- B. The City Council adopted Ordinance 5803, significantly updating the Wilburton/NE 8<sup>th</sup> Street Subarea Plan (the “Wilburton Plan”). The Wilburton Plan establishes a vision for growth and development, including expanding the areas appropriate for mixed commercial uses. Policies within the Wilburton Subarea include:
- Policy S-WI-2. Support the provision of commercial services in Wilburton that complement Downtown such as large retail and auto sales; mixed use opportunities; and services that provide convenient shopping for the adjacent neighborhoods. Implement this through zoning and development regulations.
- C. The Wilburton Plan encourages particular design considerations which should be implemented at the project permitting stage, including:
- Policy S-WI-51. Encourage buildings developed in the Auto Row area, bounded by I-405, NE 8<sup>th</sup> Street, 120<sup>th</sup> Avenue NE and SE 5<sup>th</sup> Street, to enhance the area’s urban design character and pedestrian environment. Buildings should be sited near the street front, with limited intervening surface parking, and include street oriented pedestrian entrances. Where buildings are visible from streets and pedestrian corridors, they should be designed with visual interest and landscaping.
- D. The City Council adopted Ordinance \_\_\_\_\_ implementing certain policies of the Wilburton Plan. In particular, Ordinance \_\_\_\_\_ allows for retail uses in excess of 100,000 square feet in size through a development agreement outlining applicable design guidelines intended to address the bulk and scale of a retail building of such size.
- E. The City has adopted and approved a project within its Capital Improvement Plan to extend NE 4<sup>th</sup> Street in the Wilburton/NE 8<sup>th</sup> Subarea. The capital project will extend NE 4<sup>th</sup> from its current terminus at 116<sup>th</sup> Ave NE across property owned by Owner and others to the existing 120<sup>th</sup> Avenue NE (the “NE 4<sup>th</sup> Extension”). The City has obtained all the property rights that it needs for the NE 4<sup>th</sup> Extension and is in the process of constructing or contracting for construction, all phases of the NE 4<sup>th</sup> Extension.

- F. Owner owns several parcels, including that portion of King County Parcel No. 3325059012 lying south of the City's NE 4<sup>th</sup> Extension, as well as King County Parcel No. 3325059042 (the "Property") located in the Wilburton/NE 8<sup>th</sup> Subarea. The Property is currently the subject of a separate application for a rezone from General Commercial (GC) to Commercial Business (CB). The Property is legally described on Exhibit A attached hereto and incorporated herein.
- G. Target is the intended purchaser of the Property, and plans to develop a retail store of approximately 150,000 square feet with underbuilding parking and an additional 15,000 retail spaces on the 116<sup>th</sup> Avenue NE frontage (the "Target Project"). Target has applied for a design review permit, Permit No. \_\_\_\_\_ for the Target Project.
- H. As allowed through Ordinance \_\_\_\_\_, Target intends to develop the Target Project, as more particularly described below, to include a single retail use in excess of 100,000 square feet.
- I. The City and Target acknowledge the benefit of implementing the policies of the Wilburton Plan and intend this development agreement to comply with the requirements of Ordinance \_\_\_\_\_, the Wilburton Plan, and RCW 36.70B.170 *et. seq.*
- J. A Development Agreement can commit the City for the duration of the Development Agreement to vesting review procedures and standards for implementing decisions, phasing, mitigation measures, development conditions, permitted uses, residential and commercial intensities and "any other appropriate development requirement or procedure."

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, as well as other valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the City, Owner, and Target hereby agree as follows:

### **AGREEMENT**

- A. Target Project Design Guidelines.** As provided in Ordinance \_\_\_\_\_ Target agrees that the Target Project shall incorporate the design guidelines set forth in Attachment B attached hereto and incorporated herein by this reference (the "Design Guidelines").
- B. Retail Use Size.** Execution of this Development Agreement, together with compliance with the Design Guidelines, shall allow the Target Project to include a single retail use in excess of 100,000 square feet, as allowed by Ordinance \_\_\_\_\_.
- C. No Approval of Project-related Actions**

The execution of this Development Agreement does not, in and of itself, permit any specific development.

Nothing in this Agreement shall be interpreted to limit the exercise by City of its regulatory powers with respect to the Target Project or any other development proposal on the Property, or other regulatory matters in accordance with applicable law. Nor shall this Agreement be interpreted as: a) a determination as to the consistency of the Target Project with applicable

plans, codes and ordinances, b) an agreement or commitment to approve any or all development on the Property, nor c) any commitment whatsoever by City with respect to any future City discretionary decisions that may be required for development of the Property. Any permit or approval issued by the City after the execution of this Development Agreement shall be consistent with this Development Agreement.

**D. Term, Amendment, and Termination**

This Development Agreement shall go into effect on the date it is executed by the parties ("Effective Date"). This Development Agreement shall be effective until two (2) years after the Effective Date; provided that the term shall automatically be extended for the effective life of any building permit approved consistent with this Agreement. If the Target Project is constructed pursuant to this Development Agreement, the rights and obligations conferred by this Development Agreement shall remain in effect for the life of the Target Project. Otherwise, upon expiration of the term, as may be extended above, this Development Agreement shall automatically terminate.

No amendment to this Development Agreement shall be effective unless approved by both parties in writing.

**E. Binding Effect; Assignability.**

This Development Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors, heirs, legatees, representatives, receivers, trustees, successors, transferees and assigns.

**F. Effect of Owner Approval.**

Owner's execution of this Agreement is limited to acknowledgement of the terms and consent to recording the Agreement as required under applicable local and state requirements. The Development Agreement does not impose an obligation on Owner or Target to develop the Target project. It is understood that this Agreement is applicable to the Target Project and does not inure to the benefit of any other development that may be proposed on the Property.

**G. Representations and Warranties.**

Each signatory to this Development Agreement represents and warrants that he or she has full power and authority to execute and deliver this Development Agreement on behalf of the Party for which he or she is signing, and that he or she will defend and hold harmless the other Parties and signatories from any claim that he or she was not fully authorized to execute this Development Agreement on behalf of the person or entity for whom he or she signed. Upon proper execution and delivery, this Development Agreement will have been duly entered into by the Parties, will constitute as against each Party a valid, legal and binding obligation that shall run with the land, and will be enforceable against each Party in accordance with the terms herein.

**H. Governing Law and Venue.**

This Development Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Jurisdiction over and venue for any action arising out of or relating to this Development Agreement shall be exclusively in the state and federal courts of King County, Washington. In the event of any apparent conflicts between the provisions of the city code or ordinances and this Development Agreement, this Development Agreement shall prevail.

**I. Full Understanding.**

The Parties each acknowledge, represent and agree that they have read this Development Agreement; that they fully understand the terms thereof; that they have had the opportunity to be fully advised by their legal counsel and any other advisors with respect thereto; and that they are executing this Development Agreement after sufficient review and understanding of its contents.

**J. Counterparts; Facsimile Signatures.**

This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Facsimile signatures on this Agreement shall constitute original signatures of the Parties.

**K. Attorneys' Fees.**

Should it be necessary for any Party to this Development Agreement to initiate legal proceedings to adjudicate any issues arising hereunder, the Party or Parties to such legal proceedings who substantially prevail shall be entitled to reimbursement of their attorneys' fees, costs, expenses, and disbursements (including the fees and expenses of expert and fact witnesses) reasonably incurred or made by the substantially prevailing Parties in preparing to participate in mediation or arbitration, to bring suit, during suit, on appeal, on petition for review, and in enforcing any judgment or award, from the other Party or Parties.

**L. Waiver.**

The waiver by a party of a breach of any provision of this Development Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by that party. No waiver shall be valid unless in writing and signed by the party against whom enforcement of the waiver is sought.

**M. Severability.**

This Development Agreement is expressly made and entered into under the authority of RCW 36.70B.170 *et seq.* This Development Agreement does not violate any federal or state statute, rule, regulation or common law known; but any provision which is found to be invalid or in violation of any statute, rule, regulation or common law shall be considered null and void, with the remaining provisions remaining in full force and effect.

**N. Equal Opportunity to Participate in Drafting.**

The Parties have participated and had an equal opportunity to participate in the drafting of this Development Agreement. No ambiguity shall be construed against any Party based upon a claim that the Party drafted the ambiguous language.

**O. Reservation of City Authority.**

As required by RCW 36.70B.170(4) and notwithstanding any other term of this Development Agreement, the City reserves the right to establish and impose new or different additional regulations to the extent required to address a serious threat to public health and safety.

**P. Notice.**

All correspondence and any notice required in this Development Agreement shall be delivered to the following parties:

**City of Bellevue**

Attention: Ms. Carol Helland  
Land Use Director  
450 110th Avenue NE  
PO Box 90012  
Bellevue, WA 98009  
Email: chelland@bellevuewa.gov

**with a copy to:**

Mary Kate Berens, Deputy City Attorney  
450 110th Avenue NE  
PO Box 90012  
Bellevue, WA 98009  
Email: mkberens@bellevuewa.gov

**BELLEVUE 116<sup>TH</sup> AVENUE, LLC**

**TARGET CORPORATION**

Target Corporation  
Property Development  
Attn: Real Estate Portfolio Management (T-2763)  
1000 Nicollet Mall, TPN-12H  
Minneapolis, MN 55403

**Q. Final and Complete Agreement.**

This Development Agreement constitutes the final and complete expression of the Parties on the development standards governing the Owner's development of the Property. This Development Agreement may not be modified, interpreted, amended, waived or revoked orally, but only by a writing signed by all Parties. This Development Agreement supersedes and replaces all prior agreements, discussions and representations on all subjects discussed herein, without limitation. No Party is entering into this Development Agreement in reliance on any oral or written promises, inducements, representations, understandings, interpretations or agreements other than those contained in this Development Agreement.

**R. Recording Required.**

This Agreement shall be recorded with King County at Owner's expense.

**[SIGNATURES BEGINNING ON NEXT PAGE]**

BELLEVUE 116<sup>TH</sup> AVENUE, LLC (Owner)



BELLEVUE 116<sup>TH</sup> AVENUE, LLC (Owner)

SIGNATURE PAGE TO DEVELOPMENT AGREEMENT  
TARGET CORPORATION (Grantor),  
THE CITY OF BELLEVUE (Grantee), and  
BELLEVUE 116<sup>TH</sup> AVENUE, LLC (Owner)

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

BELLEVUE 116TH AVENUE, LLC,  
a Delaware limited liability company

By: BELLEVUE RETAIL REIT, LLC, a Delaware limited liability company, its sole member

By: PRINCIPAL ENHANCED PROPERTY FUND, L.P., a Delaware limited partnership, its  
managing member

By: PRINCIPAL ENHANCED PROPERTY FUND GP, LLC, a Delaware limited liability  
company, its general partner

By: PRINCIPAL REAL ESTATE INVESTORS, LLC, a Delaware limited liability  
company, its sole member

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF IOWA     )  
                                  )  
COUNTY OF POLK    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the said State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known to be the identical persons whose names are subscribed to the foregoing instrument, who being by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_, respectively, of PRINCIPAL REAL ESTATE INVESTORS, LLC, a Delaware limited liability company, the sole member of PRINCIPAL ENHANCED PROPERTY FUND GP, LLC, a Delaware limited liability company, the general partner of PRINCIPAL ENHANCED PROPERTY FUND, L.P., the managing member of BELLEVUE RETAIL REIT, LLC, a Delaware limited liability company, sole member of BELLEVUE 116TH AVENUE, LLC, a Delaware limited liability company, and that the instrument was signed on behalf of the company by PRINCIPAL REAL ESTATE INVESTORS, LLC, member of BELLEVUE 116TH AVENUE, LLC by authority of its member; and that the aforesaid individuals each acknowledged the execution of the foregoing instrument to be the voluntary act and deed of PRINCIPAL REAL ESTATE INVESTORS, LLC, as sole member of said company, by it and by them voluntarily executed.

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Notary Public in and for said State  
My Commission Expires:  
[Affix Notarial Stamp or Seal]

**ATTACHMENT A**  
**Legal Description of Property**  
**[ATTACHED]**

**ATTACHMENT B**  
**Design Guidelines**  
**[ATTACHED]**

# EXHIBIT B

## DESIGN GUIDELINES – NE 4<sup>TH</sup> STREET AND 116<sup>TH</sup> AVENUE NE

### CB LAND USE DISTRICT

FR 408 – Proposed Settlement Exhibit

#### GENERAL

Support the vision of Comprehensive Plan Policy S-WI-3 regarding the creation of a “retail village” on the commercial area west of 120th Avenue NE.

#### STREETSCAPE

Streetscapes shall have a high orientation to pedestrians and bicyclists. This shall be achieved by emphasizing the relationship between the first levels of the structure and the horizontal space between the structure and curb line. This relationship should emphasize to the greatest extent possible, both the physical and visual access into and from the structure. In addition, amenities and special features shall be incorporated into the outside pedestrian space. In order to achieve the intended level of vitality, design diversity, and pedestrian activity, retailing or marketing activities shall be provided for in the design. Note: 116<sup>th</sup> Avenue is designated as a ‘boulevard’ in Figure UD.1 – Urban Design Elements/Comprehensive Plan.

#### Guidelines

##### Streetscapes:

- Strong visual and physical pedestrian and bicycle connections shall be made to the BNSF corridor and bicycle parking shall be provided on site for use by future trail (corridor) users.
- The site development shall incorporate a special corner feature on each of the corners at the intersection of NE 4<sup>th</sup> Street and 116<sup>th</sup> Avenue NE.
- Bus shelters/transit waiting areas shall be incorporated into any streetscape design.
- 116<sup>th</sup> Avenue NE:
  - Street level edges of the entire street frontage on 116<sup>th</sup> Avenue NE shall incorporate retail activities. If a building is primarily residential, the residential entry may be on this frontage.
  - The following characteristics shall be incorporated into the design of the structure at the ground level:
    - Windows providing visual access
    - Street wall
    - Multiple entrances
    - Differentiation of ground level
    - Public entrances to the building.
    - Continuous weather protection along the entire building frontage
  - The following characteristics should be incorporated into the design of the sidewalk on 116<sup>th</sup> Avenue:
    - Generous width of sidewalk, with a minimum of 10 feet
    - Planting strip along entire frontage, a minimum of 7 feet with street trees
    - Different types of seating, including benches, chairs, seat walls
    - Street furniture including bicycle racks
    - Special paving
    - Integrated public art installations
    - Pedestrian-scaled lighting

#### **BUILDING DESIGN/SITE PLANNING:**

Any buildings along 116<sup>th</sup> Avenue NE will be viewed from above and from all sides. Therefore, it is important to provide building facades that are interesting and dynamic. Any urban village in this area will ultimately have a mix of commercial and residential uses and therefore the juxtaposition of any new building with surrounding residential – either existing or planned for the future – is important. In addition, any development on 116<sup>th</sup> Avenue NE will be viewed from above (properties and neighborhoods to the east and the Downtown to the west). Therefore, treatment of the roof will be an important element of the overall building design.

#### **Guidelines:**

##### **Building Design:**

- Individual buildings should incorporate similar design elements, such as surface materials, color, roof treatment, windows and doors, on all sides of the building to achieve a unity of design. (LUC 20.251.040.A)
- Buildings shall be urban in character and sited at the back of sidewalk.
- Building should be comprised of urban, highly durable and non-reflective materials
- Minimize blank walls on all facades. Any blank wall along street rights-of-way shall receive additional design treatment such as planted vertical trellises/green walls, additional plant material, and/or artwork.
- Walls not facing public streets shall include elements such as windows, doors, color, texture, landscaping, and/or wall treatment to provide visual interest from adjacent properties. (LUC 20.251.040.A)
- Minimize expanses of building exterior walls visible from the BNSF corridor through modulation/articulation, windows, unique wall treatments, public art installations, changes in color and materials, and/or design techniques such that the building appears to be multiple smaller buildings.
- Building exterior walls of large retail buildings visible from public or private streets shall have display windows, entry areas, and/or weather protections for no less than 60% of their horizontal length.
- Special attention should be paid to the rooftop. All mechanical equipment shall be screened in such a manner that the screening appears to be integral to the entire building design. (LUC 20.251.050)
- The rooftops of large retail buildings shall include significant vertical modulation of the roof line or parapet.
- Building facades should be divided into increments through the use of offsets, modulation, articulation, recesses, change in materials and color, and other architecture features which serve to break down the scale.
- Main entrances to large retail or building front facades should include pedestrian oriented spaces near the building entry, including covered areas, weather protection, seating, and landscaping.

**Site Design:**

- Surface parking shall either be underground, interior to the building with a buffer of building spaces between the parking and the sidewalk, or hidden behind the building and effectively screened with vegetation, berms, and/or walls.
- Minimize garage openings on public streets (PCD).
- Provide pedestrian and bicycle connections to the BNSF corridor.
- Provide trees and vertical landscaping to soften expanses of open parking decks.
- Provide landscaped buffers along internal property lines with tall trees to break up the mass of large retail buildings.
- Strongly consider low impact development (LID) techniques, including green roofs and rain gardens.
- Consider use of solar panels and design to be integral to the building design.
- All loading shall take place off city streets. Ideally provide for loading functions with the building. If not feasible, loading shall be placed behind the building and screened with walls, berms, and/or vegetation. (LUC)

**SIGNAGE**

In addition to compliance with the Bellevue Sign Code, address the following:

- Ensure that signage is an integral part of the overall architectural design.
- Encourage signage which is scaled to the pedestrian and enhances the pedestrian environment.
- Signage must comply with the applicable requirements of the Sign Code, BCC 22B.10.
- Incorporate wayfinding signage to highlight connections to the BNSF trail, transit, the Downtown, and adjacent neighborhoods.



