

When Recorded Return to:

City of SeaTac
Attn: City Clerk's Office
4800 S. 188th Street
SeaTac, WA 98188-8605

DEVELOPMENT AGREEMENT

Grantor(s):	<u>MHNW21 Angle Lake Family LPLP</u>
Grantee(s):	<u>City of SeaTac, a municipal corporation of the State of Washington</u>
Legal Description (abbreviated):	<u></u>
	<input checked="" type="checkbox"/> Complete legal on <u>EXHIBIT A</u>
Assessor's Tax Parcel Identification No(s):	<u></u>
Project Name/No:	<u>2650 200th Street South</u>
Project Parcel No.:	<u>0422049287</u>
Effective Date:	<u></u>
Parties:	<u>MHNW21 Angle Lake Family LLLP, a Washington limited liability limited partnership</u>
	<u>City of SeaTac, a municipal corporation of the State of Washington</u>

**DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF SEATAC
AND MHNW21 ANGLE LAKE FAMILY LLP FOR THE
2650 200th STREET SOUTH PROJECT**

This DEVELOPMENT AGREEMENT between the CITY OF SEATAC and MHNW21 ANGLE LAKE FAMILY LLLP (and/or its Successors/Assigns) for the 2650 200th Street South Project (this “Agreement”) is made and entered into this _____ day of _____, 2023, by and between the CITY OF SEATAC, a Washington municipal corporation, hereinafter the “City”, and MHNW21 Angle Lake Family LLLP, a Washington limited liability limited partnership, hereinafter the “Developer”. The City and the Developer are collectively referred to as the “Parties”.

RECITALS

- A. The Developer was selected by Sound Transit to construct affordable transit-oriented-development (the “Project”).
- B. The Project is located on the parcel legally described as set forth in Exhibit A (the “Property”), which is located on the same block as the Angle Lake Light Rail Station (the “Station”).
- C. The City and the Developer wish to enter into this Development Agreement to govern the development of the Property.
- D. The Developer submitted an application for preliminary site plan review on 08/31/2022 (SeaTac Permit File #SPR22-003). The current version of that application includes a number of diagrams and calculations on sheets T1.1-T1.6 illustrating the proposed code modifications. A simplified black and white site plan is attached hereto as Exhibit B,
- E. The City has reviewed an environmental checklist and supporting documentation submitted by the Developer in order to determine the probable adverse environmental impacts of the Project, as required by the State Environmental Policy Act, RCW Chapter 43.21C (“SEPA”). The City made a threshold Determination of Nonsignificance (“DNS”) dated January 5, 2023 which has not been appealed (SeaTac SEPA File #SEP22-006).
- F. Developer proposes to develop the Property as generally shown on the Site Plan (Exhibit B). The Project is currently designed to include approximately 11,000 square feet of street-level office space for The Arc of King County, a non-profit organization providing services to persons with intellectual and developmental disabilities, and approximately 130 units of permanently affordable housing for families earning less than 30%, 50% and 60% of the area median income. This proposal includes approximately 100 parking stalls with at least 22 stalls for commercial office and at least 78 stalls for the residential units. Additionally, the Developer anticipates the Project to include a 1,000 square foot plaza area with long-term commuter bicycle parking, which will provide an improved pedestrian connection between the Project and the Station.

G. Pursuant to RCW 36.708.170(a), the Parties are authorized to enter into a Development Agreement that sets forth development standards and other provisions that apply to, govern, and vest the development and use of the Property.

H. The Development Standards identified in Sections 5 and 6 of the Agreement are consistent with the City's Comprehensive Plan.

I. After a Public Hearing on February 28, 2023, the City Council authorized the City Manager, on behalf of the City, to execute this Agreement with the Developer.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The general purpose of this Development Agreement is to:
 - 1.1. Define and describe the development plan for the Property.
 - 1.2. Provide for the zoning and development standards for the Property.
 - 1.3. Provide for the vesting of development rights.
2. **Agreement.** This Development Agreement governs and vests the development of the Property.
3. **Comprehensive Plan and Zoning of the Property.** The Property has the following Comprehensive Plan and Zoning designations: Regional Business Mix within the Angle Lake District Station Area.
4. **Development Plan.** The Project will be developed substantially in conformance with the Site Plan, as the same may be amended, in phases within discretion of the Developer.
5. **Vesting.** Except as provided otherwise in this Agreement, development of the Project shall be vested to and governed by City development regulations identified in Section 5 that are in effect as of the Effective Date of this Agreement, in addition to the development standards described in Section 6, any amendments to or additions made during the term of this Agreement to City development regulations shall not apply to or affect the conditions of development of the Project.
 - 5.1. **City Development Regulations.** For the Project, Developer shall vest to Titles 14, 15, 16A, and 17 of the SeaTac Municipal Code.
 - 5.2. **Exemptions.** The following are exempt from vesting under this Agreement:
 - (a) Plan review, fees, inspection fees, and connection charges and the method of calculation of the amount of impact fees established by schedules, charts or tables;
 - (b) Stormwater and utility connection charges, general facility charges, and monthly service charges;

- (c) Amendments to building, plumbing, fire and other construction codes adopted pursuant to RCW 19.27 or 19.27A; and,
 - (d) Other City enactments that are adopted pursuant to state or federal mandates (such as City's NPDES Municipal Stormwater Permit) that preempt the City's authority to vest regulations.
- 5.3. City's Reserved Authority. In accordance with RCW 36.70.B.170(4), the City reserves authority to impose new or different regulations to the extent required by a serious threat to public health and safety; provided, however, that such action shall only be taken by legislative act of the SeaTac City Council after appropriate public process.
6. **Other Development Standards.** The following specific development standards will govern the development of the Project.
- 6.1. **Parking Reduction (SMC 15.455.120 and SMC 15.310.410).** Residential parking is provided at a ratio of 0.60 stalls per unit.
 - 6.2. **Minimum Front Yard Setback (SMC 15.310.210).** Along 26th Avenue S, the minimum front yard setback is two (2) feet.
 - 6.3. **Maximum Front Yard Setback (SMC 15.310.210 A. 2. b).** Along S 200th St, the Maximum Front Yard Setback is permitted to be up to twenty (20) feet for up to 65% of the building's front façade.
 - 6.4. **Maximum Lot Coverage (SMC 15.400.200)** Maximum lot coverage is 81%.
 - 6.5. **Building Façade Landscaping (SMC 15.445.210).** The building façade landscaping minimum width requirement is two (2) feet in area shown on the Site Plan (Exhibit B) along the south portion of 26th Avenue S. Building façade landscaping is not required along the east property setback at the Shared Access Drive.
 - 6.6. **Off-Street Parking Design Standards (SMC 15.455.410).** Up to 30% of required residential parking stalls to be provided as compact stalls with a dimension of eight (8) feet wide by sixteen (16) feet deep.
7. **Public Benefits.** In compliance with SMC 15.115.030(c)(11), the City has determined that all waivers and departures to the standards in the Code, as set forth in this Agreement, are in the judgment of the City, offset by providing benefits to the public, including without limitation those set forth in this Section 7, of equal or greater value relative to the departures requested.
- 7.1. **Affordable Housing.** Entitlement of permanent affordable housing totaling approximately 130 units, including 35 additional affordable as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. All units will be reserved for households earning less than 30%, 50%,

or 60% of the King County area median income, which will increase the affordable housing stock in the City at different pricing levels.

- 7.2. **Family-Sized Housing.** Entitlement of approximately 52 two- and three-bedroom units, including 9 additional two- and three-bedroom units as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. These units increase the variety of housing type available in the City.
- 7.3. **Housing Reserved for Persons with Disabilities.** Entitlement of approximately 26 units reserved for persons with disabilities, including 7 additional units reserved for persons with disabilities as a result of the waivers and departures to the standards in the Code, as set forth in this Agreement. These units increase the variety of housing type available in the City.
- 7.4. **Commercial Space.** Entitlement of approximately 11,000 square feet of ground level commercial space located on the same block as a light rail station.
- 7.5. **Bicycle Plaza.** Entitlement of a public bicycle plaza along S 200th Street, consisting of an approximately 25-foot wide, 15-foot deep building frontage area. The bicycle plaza will include landscaping planting, a 315 square foot minimum paved area, 125 square foot minimum bicycle storage, bicycle parking, an electronic screen with transit information, a neighborhood and transit map, and bench seating.
- 7.6. **Orca Card.** Developer shall provide an Orca card free of charge for the first three years of operation to each resident who is not otherwise eligible to receive a free Orca card.
8. **Term.** This Agreement shall terminate upon the earlier of: (a) December 31, 2033; or (b) upon satisfaction of all obligations hereunder as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney. Recording fees for any release shall be the responsibility of the Grantor.
9. **Not an Exclusive Agreement; Incorporation by Reference.** Any other contractual transaction documents negotiated between Developer and the City are not merged herein and shall continue to have binding effect based upon their own terms.
10. **Notices.** Notices, demands, correspondence to the City and the Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the following addresses:

CITY:

City of SeaTac

Attn: City Manager

DEVELOPER:

MHNW21 Angle Lake Family
LLLP, a WA Limited Liability
Limited Partnership
Attn: Joseph Thompson
Mercy Housing NW

4800 S. 188th Street
SeaTac, WA 98188
Telephone: (206) 973-4800
Facsimile: (206) 973-4899

6930 Martin Luther King Jr. Way S
Seattle, WA 98118
Telephone: (206) 838-5700
Facsimile: (206) 838-5705

The Parties hereto may, from time-to-time, advise the other of new addresses for such notices, demands or correspondence.

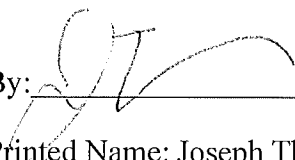
11. **Covenants Running with the Land.** The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land, and the benefits and burdens shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns. This Agreement shall be recorded with the King County Recorder's Office. Grantor shall pay for all recording fees related to this Agreement and amendments, if any.
12. **Future Amendments to Agreement.**
 - 12.1. This Agreement may be amended administratively upon request by the Developer if the request does not significantly increase impacts created by the Project and does not include a use not approved by this Agreement and the approved City of SeaTac Comprehensive Plan. Except for the term of this Agreement, any of the dates set forth in this Agreement may be revised administratively by agreement between the Developer and the City Manager.
 - 12.2. Major amendments to the Agreement shall require review and approval by the SeaTac City Council. The City Manager shall be entitled to administratively approve minor amendments to this Agreement under Section 12.1 above. A "minor Amendment" is defined as an amendment that does not increase the density of the Project by more than five percent (5%) or does not increase its adverse impacts on surrounding properties to a level of significant adverse impacts.
13. **Applicable Law and Attorneys' Fees.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in King County Superior Court, Maleng Regional Justice Center or the United States District Court for Western Washington.
14. **Specific Performance.** The parties specifically agree that damages are not adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Agreement by any party in default hereof. Time is of the essence.
15. **Severability.** If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of

the State of Washington that becomes effective after the vesting date, such invalidity shall not affect the validity of the remainder of this Agreement.

CITY OF SEATAC, a municipal corporation of the State of Washington

MHNW21 Angle Lake Family LLLP, a Washington limited liability limited partnership

By: _____

By:  _____

Printed Name: _____

Printed Name: Joseph Thompson

Title: _____

Title: President

Date: _____

Date: February 13, 2023

APPROVED AS TO FORM:

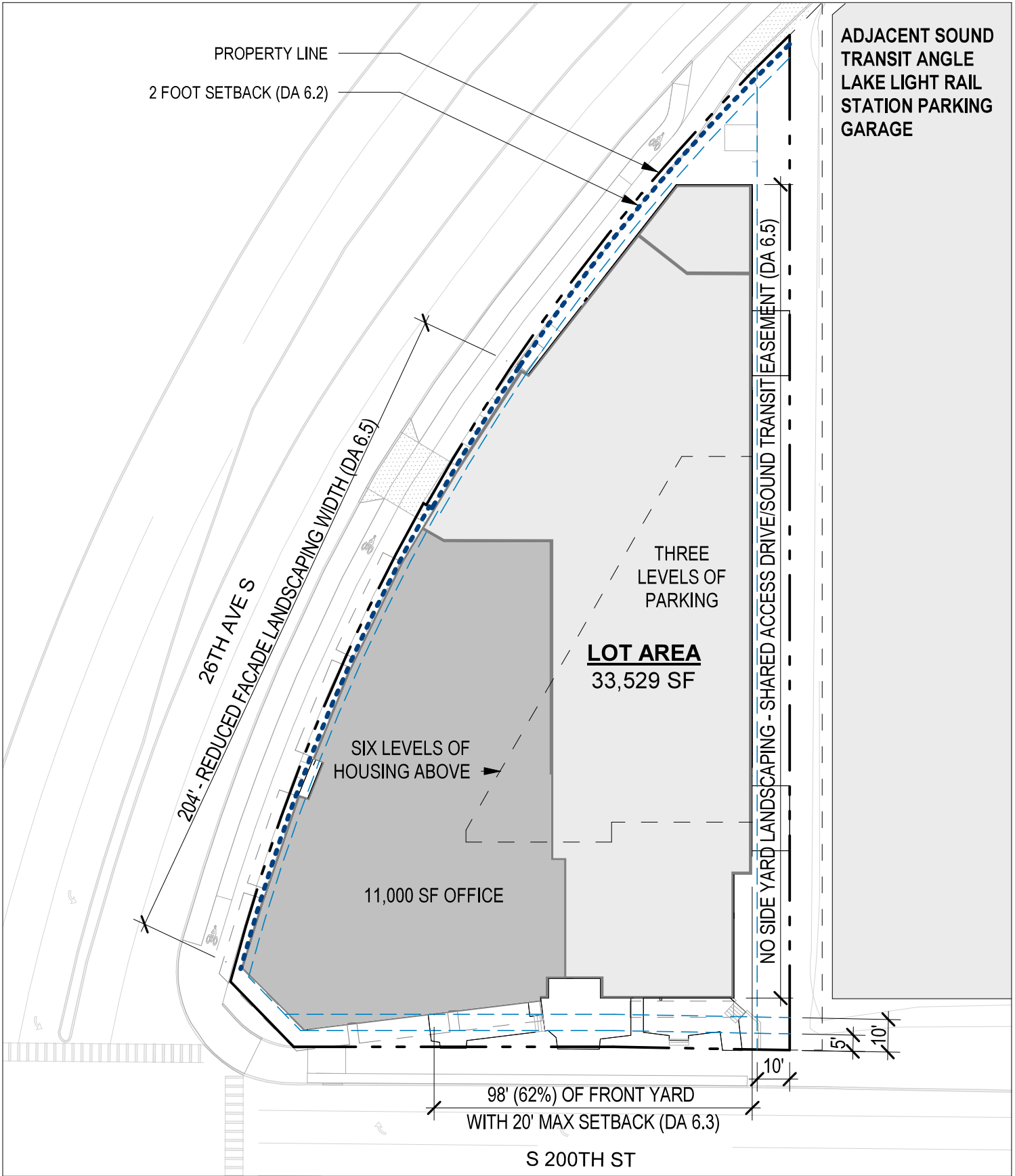
[NAME], Assistant City Attorney

Mercy Angle Lake Family Housing

Development Agreement DEV22-001

EXHIBIT A – LEGAL DESCRIPTION

Lots A of Angle Lake Station TOD lot line adjustment file no. Sub 19-0005, recorded under recording no. 20200629900043, in King County, Washington.



R: RUNBERG
ARCHITECTURE
GROUP

PROJECT	PROJECT NO
MERCY ANGLE LAKE FAMILY HOUSING	DEV22-0001
DRAWING TITLE	
DEVELOPMENT AGREEMENT - EXHIBIT B - SITE PLAN	
SCALE	ISSUED
1" = 40'-0"	12/05/22