

PED Packet Pg 1



# Planning and Economic Development Committee Agenda REGULAR MEETING

November 21, 2024 4:00 pm-5:30 pm Hybrid Meeting

This meeting will be conducted in a hybrid format with in-person and remote options for public participation. The meeting will be broadcast on SeaTV Government Access Comcast Channel 21 and live streamed on the City's website <a href="https://seatacwa.gov/seatvlive">https://seatacwa.gov/seatvlive</a> and click the "live" channel 1 grey box.

A quorum of the Council may be present.

**Committee Members:** Councilmember James Lovell, Chair

Councilmember Jake Simpson

Mayor Mohamed Egal

**Staff Coordinator:** Evan Maxim, CED Director

ITEM	TOPIC	PROCESS	WHO	TIME
1	Call to Order		Chair	4:00
2	PUBLIC COMMENTS: The committee will hear in-person public comments and will also provide remote oral and written public comment opportunities. All comments shall be respectful in tone and content. Providing written comments and registering for oral comments must be done by 2:00 pm, the day of the meeting. Registration is required for remote comments and encouraged for inperson comments. Any requests to speak or provide written public comments which are not submitted following the instructions provided or by the deadline will not be included as part of the record.  • Instructions for registering to providing oral public comments are located at the following link: Registration for Oral Public Comments - Council Committees and Citizen Advisory Committees • Submit email/text public comments to pedpubliccomment@seatacwa.go v. The comment will be mentioned by name and subject and then placed in the committee handout packet posted to the website.		Chair	4:00 (5 min)
3	Minutes of 09/19/2024 regular meeting	Review and approve	Committee	4:05 (5 min)
4	Cymbaluk: Multi-Family Tax Exemption Application	Review and recommendation	Jenn Kester / Ramon	4:10 (30 min)

			Rodriguez	
5	Second Amendment to 4-City Interlocal Agreement: Environmental Review of the Sustainable Airport Master Plan	Review and recommendation	Evan Maxim	4:40 (20 min)
6	Director's Report	Informational Briefing	Evan Maxim	5:00 (10 min)
7	Adjourn		Chair	5:10

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# Planning & Economic Development Committee Minutes

Thursday, September 19, 2024 4:00 PM – 5:30 PM \* Hybrid Meeting \*

> Commenced: 4:00 pm Adjourned: 5:01 pm

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DATE: 11/21/2024

Committee Members: Present Absent Excused Unexcused

James Lovell, Chair X

Mohamed Egal, Mayor X

Jake Simpson, Councilmember X

Other Councilmembers: None

Staff & Presenters: Deputy City Manager Gwen Voelpel, CED Director Evan Maxim, Economic Development Manager, Aleksandr Yeremeyev, Senior Economic Development Strategist Maria Langbauer, Administrative Assistant Barb Mailo

1. Call to Order	Chair Lovell called the meeting to order at 4:00 pm and roll call.
2. Public Comments	Written comments: <b>None</b> Remote comments: <b>None</b> In-person comments: <b>None</b>
3. Minutes of the 8/15/2024 regular meeting	Review and Approve  Committee approved the 8/15/2024 meeting minutes.
4. TDDP Implementation & Lodging Tax funding recommendations: 2025-2026	Informational Briefing Introduced by Economic Development Manager Yeremeyev and presented by Senior Economic Development Strategist Langbauer  Discussion commenced with Councilmember Simpson, Senior Economic Development Strategist Langbauer, Economic Development Manager Yeremeyev, Mayor Egal, Chair Lovell, and CED Director Maxim

## **Informational Briefing** 5. Director's Report Housing Opportunity Presented by CED Director Maxim. Trust Fund SKHHP quarterly report in packet - operational contribution SKHHP Quarterly that help pay for SKHHP staff, and capital trust fund Report October – continue general funds or sales tax HB1406 Permit Fee Study contributed to SKHHP on a regular basis **Broker Services RFQ** Housing opportunity trust fund, information to be provided in October meeting Human Services In packet - copy of scope of work for fee study Strategic Plan Real Estate Broker Services RFQ Multifamily Rental Housing Inspection RFP Completed outreach for Human Services Strategic Plan; Consultant to provide draft FIFA June 2026 – preparatory has begun Discussion commenced with Chair Lovell, CED Director Maxim, and Mayor Egal • Chair Lovell adjourned the meeting at 5:01 pm 6. Adjourn

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# MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 11/21/2024

To: Planning & Economic Development (PED) Committee

From: Ramon Rodriguez, Senior Planner

Subject: Multi-family Tax Exemption Agreement for Cymbaluk Properties Phase-1

## Summary

Staff is providing to the PED Committee the draft Resolution and Multi-Family Tax Exemption (MFTE) contract between the City and Cymbaluk Properties, LLC for the Cymbaluk Properties Phase-1 multifamily project located in the Angle Lake Station Area at 20220 International Boulevard.

#### Analysis

Cymbaluk Properties is a two-phase multifamily and mixed used project. The subject MFTE application only includes Cymbaluk Phase 1 Building 1. Cymbaluk Phase 1 Building 1 is a multi-family rental building. Building 1 is five-over-two construction, comprising 355 residential units and 342 off-street parking stalls. The Applicant is requesting the 12-year tax exemption that requires at least 20% of the units to be available for low- and moderate-income households. Cymbaluk Properties, LLC will have 10% of the units restricted to moderate-income households and 10% restricted to low-income households. The remainder will be market-rate units. The project received preliminary site plan approval on April 18, 2024, and approval of the MFTE application was issued on October 30, 2024.

## **Budget Significance**

This will result in the residential improvement portion of this project being exempt from property taxation for 12 years once completed. The actual impact will depend on the assessed value of the property and tax rate at the time.

#### **PED Committee Direction**

Staff requests that the PED Committee recommend approval of the Resolution authorizing the City Manager to sign the Multi-Family Tax Exemption Agreement contract and place the Resolution on the consent agenda of the December 10, 2024, Regular Council Meeting.

#### **Packet Materials**

- 1. Draft Resolution
- 2. MFTE Contract
- 3. MFTE Application
- 4. Approval Letter

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# RESOLUTION NO.

A RESOLUTION of the City Council of the City of SeaTac, Washington authorizing the City Manager to execute a Multi-Family Tax Exemption Agreement with Cymbaluk Properties, LLC, related to the proposed Cymbaluk Properties Phase 1 site.

**WHEREAS,** RCW 84.14 and SMC 3.85 provide for a property tax exemption for the construction of multifamily housing; and

WHEREAS, the City has received an application for a multifamily tax exemption from Cymbaluk Properties, LLC, for Cymbaluk Properties Phase 1, that will create 355 new apartments in the City's Urban Center, which is the Designated Residential Target Area as adopted in SMC 3.85.030 in accordance with RCW 84.14.040; and

WHEREAS, 10% (36 units) of the apartments in the Cymbaluk Properties Phase 1 building will be restricted to moderate-income households and 10% (36 units) will be restricted to low-income households; and

**WHEREAS,** the Cymbaluk Properties Phase 1 building qualifies for a 12-year exemption pursuant to RCW 84.14.020 (1)(a)(ii)(B); and

**WHEREAS**, pursuant to SMC 3.85.070, the City Manager has approved the application and the agreement between the City and Cymbaluk Properties, LLC, which must be entered into prior to the City issuing a Conditional Certificate of Tax Exemption;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON HEREBY RESOLVES as follows:

<u>Section 1</u>. The City Manager is authorized to execute the Multi-Family Tax Exemption Agreement with Cymbaluk Properties, LLC, in substantially similar form as attached hereto as

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Exhibit A.			
PASSED this	day of	, 2024 and signed	in
authentication thereof on this	day of		
		CITY OF SEATAC	
		Mohamed Egal, Mayor	
ATTEST:			
Kristina Gregg, City Clerk			
Approved as to Form:			
Mary E. Mirante Bartolo, City Atto	rnav		
wai y E. Willante Dartolo, City Atto	incy		
[MFTE Agreement—Cymbaluk Properties	s Phase 1]		

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# MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT BETWEEN THE CITY OF SEATAC AND CYMBALUK PROPERTIES, LLC, FOR CYMBALUK PROPERTIES PHASE 1

THIS MULTI-FAMILY HOUSING LIMITED PROPERTY TAX EXEMPTION AGREEMENT ("Agreement") is entered into this 10<sup>th</sup> day of December 2024, by and between the City of SeaTac, a Washington municipal corporation (the "City") and Cymbaluk Properties, LLC, a Washington limited partnership (the "Owner").

#### **RECITALS**

WHEREAS, the City has an interest in increasing residential opportunities by stimulating construction of new multi-family housing in the Angle Lake Station Area, as designated in the City's Comprehensive Plan ("Angle Lake Station Area") to increase housing opportunities; and

WHEREAS, the City also seeks to achieve development densities that enhance the use of the community's mass transit opportunities and the public investment in such opportunities and promote community development and fulfillment of the City's Angle Lake Station Area Plan; and

**WHEREAS,** the City has, pursuant to the authority granted to it by RCW 84.14, designated the City's Urban Center, as designated in the City's Comprehensive Plan, as a Residential Targeted Area for the provision of either eight- or twelve-year limited multi-family property tax exemptions ("MFTE") for qualifying multi-family residential housing; and

WHEREAS, the Angle Lake Station Area is located with the City's Urban Center; and

**WHEREAS**, the City has, through Chapter 3.85 of the SeaTac Municipal Code ("SMC"), enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the King County Assessor that the property owner is eligible to receive a limited property tax exemption; and

**WHEREAS,** pursuant to SMC 3.85.060, the Owner submitted to the City a complete application on August 15, 2023 (the "Application"), for a twelve-year MFTE for constructing 355 units of new multi-family residential housing located in the Angle Lake Station Area, to be referred to as the "Cymbaluk Properties Phase 1" multi-family development (the "Project", more specifically described below); and

**WHEREAS,** the Project is a development also known as Cymbaluk Development in the City's files (2302-0002-SEP, 2316-3559-SPR, 2302-0001-SUB); and

**WHEREAS**, pursuant to SMC 3.85.070, the City's Community and Economic Development Director and the City Manager have determined that the Project, if completed as

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proposed, satisfies the requirements for a twelve-year Final Certificate of Tax Exemption as required under Chapter 3.85 SMC and has approved the Owner's Application; and

**WHEREAS**, the SeaTac City Council passed Resolution No. \_\_\_\_\_ approving this Agreement and the terms of the Project and eligibility for the MFTE under Chapter 3.85 SMC;

### **AGREEMENT**

NOW, THEREFORE, the City and the Owner do mutually agree as follows:

- 1. Subject Property and Project.
  - **1.1. The Property.** The Owner has submitted to the City site plans and floor plans for a multi-family residential housing development, located at 20220 International Boulevard, in the City's Angle Lake Station Area; (the "Property").
  - **1.2. The Project.** The proposed Project on the Property is a multi-family development that will consist of one multi-family building with a total of 355 units of apartments in a mix of studio, one-bedroom, two-bedroom and three-bedroom apartments and parking. During the term of this Agreement, the following housing rent and income restrictions shall apply:
    - 1.2.1. A minimum of ten percent (10%) of the housing units will be income set-aside for low-income households;
    - 1.2.2. A minimum of 10 percent (10%) of the housing units will be income set-aside for moderate-income households.
- 2. Conditional Certificate of Acceptance. Upon execution of this Agreement by all parties, the City shall issue the Owner a conditional certificate of acceptance of tax exemption ("Conditional Certificate"), which shall expire three (3) years from the date of City Council approval unless an extension is granted by the City pursuant to SMC 3.85.070 (D).
- 3. Final Certificate of Tax Exemption.
  - **3.1. Project Requirements.** To qualify for a final certificate of tax exemption ("Final Certificate"), the Owner shall complete construction of the Project on the Property:
    - 3.1.1. in compliance with SMC 3.85.040;
    - 3.1.2. substantially as described in the most recent site plans, floor plans, and elevations on file with the City as of the date of City Council approval of this Agreement;

- 3.1.3. pursuant to all applicable Project permit conditions and requirements;
- 3.1.4. in compliance with all other generally applicable local, state, and federal land use, environmental, development, and building regulations; and
- 3.1.5. within the three-year time period as provided for on the Conditional Certificate, or within any extension thereof granted by the City.
- **3.2. Application for Final Certificate.** The Owner may request a Final Certificate upon completion of the Project and the City's issuance of either a temporary or permanent certificate of occupancy. Such request shall be submitted pursuant to the requirements of SMC 3.85.100.
- **3.3. Granting of Final Certificate.** The City shall review and either grant or deny the Owner a Final Certificate for the Project pursuant to SMC 3.85.100.
- **3.4. Annual Reporting.** Upon the City's granting of a Final Certificate, the Owner shall be responsible to comply with the annual certification and reporting requirements pursuant to SMC 3.85.110, in addition to any and all other reporting requirements of the King County Assessor's office and the State of Washington to maintain the tax exemption status.
- **3.5. Cancellation of Tax Exemption.** The tax exempt status of the Project may be cancelled, and the Final Certificate revoked, pursuant to SMC 3.85.120.

#### 4. General Provisions.

- **4.1. Statute References.** In this Agreement, unless the context otherwise requires, a reference to the SMC or other statute or law is a reference to that provision as extended, applied, amended, or enacted from time to time and includes any subordinate legislation.
- 4.2. Covenants Running with the Land. The conditions and covenants set forth in this Agreement shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Owner and every purchaser, assignee, or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred to it.
- **4.3. Amendment.** This Agreement may not be modified or amended except by writing signed by the parties and pursuant to SMC 3.85.080.

- **4.4. Assignment.** The Owner shall not assign or transfer any interest in this Agreement without the prior written consent of the City, which shall not be unreasonably withheld.
- **4.5. No Waiver.** Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.
- **4.6. Severability.** Each and every provision of this Agreement shall be deemed to be severable. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were not a part of this Agreement.
- 4.7. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by first class or certified mail with postage prepaid to the address included in the signature block below, or to such other person or place as one party shall furnish to the other in writing. Notices and payments shall be deemed given upon personal delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.
- **4.8. Governing Law / Venue.** This Agreement shall be interpreted in accordance with the laws of the State of Washington. The venue for any cause of action arising out of this Agreement shall be King County, Washington.
- **4.9. Attorney's Fees.** If any party initiates legal proceedings related to the validity, construction, enforcement, interpretation, or breach of this Agreement, the substantially prevailing party shall be entitled to all costs of such proceedings including reasonable attorney's fees. The term "legal proceedings" as used in this paragraph shall include all litigation, arbitration, administrative, bankruptcy, and judicial proceedings, including appeals therefrom.
- **4.10. Headings.** The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement.
- **4.11. Recording.** Upon execution by all parties, the Owner shall timely record this Agreement against the Property with the King County Auditor at the sole expense of the Owner.
- **4.12. Authority.** Each individual executing this Agreement on behalf of the City and the Owner represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of each.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF SEATAC	OWNER
Ву	By
Name:	Name:
Its:	Its:
Its:City of SeaTac	Its: Cymbaluk Properties, LLC
4800 South 188th Street	4103 110 <sup>th</sup> Street SE
SeaTac, WA 98188	Everett, WA 98208-3139
Approved as to form:	
City of SeaTac Legal Department	
STATE OF WASHINGTON) ) ss. KING COUNTY )	
,	
and for the State of Washington, duly co	_, 2024, before me, the undersigned Notary Public in ommissioned and sworn, personally appeared own to be an authorized representative of executed the foregoing instrument and acknowledged as his/her free and voluntary act and deed, for the
WITNESS my hand and official seal	this day of, 2024.
	(Print Name)
	Notary Public, Residing at
	My appointment expires:

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF SEATAC	OWNER		
By	By		
Name:	Name:		
Its:	Its:		
Its:City of SeaTac	Its:Cymbaluk Properties, LLC		
4800 South 188 <sup>th</sup> Street	4103 110 <sup>th</sup> Street SE		
SeaTac, WA 98188	Everett, WA 98208-3139		
Approved as to form:			
City of SeaTac Legal Department			
STATE OF WASHINGTON) ) ss. KING COUNTY )			
,			
in and for the State of Washington, duly to me know, who	_, 2024, before me, the undersigned Notary Public y commissioned and sworn, personally appeared own to be an authorized representative of o executed the foregoing instrument and ment was signed as his/her free and voluntary act rein mentioned.		
WITNESS my hand and official seal	1 this, 2024.		
	(Print Name)		
	Notary Public, Residing at		
	My appointment expires:		

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Community and Economic Development 4800 South 188<sup>th</sup> Street SeaTac, WA 98188 206-973-4750 www.seatacwa.gov

# Multi-Family Property Tax Exemption Conditional Certificate Application

(See SeaTac Municipal Code 3.85 for complete requirements and procedures)

OFFICIAL USE ONLY		
Permit Number:		

## **DEFINITION AND PURPOSE**

The multi-family property tax exemption (MTE) provides special tax valuations for new multi-family housing located within the Urban Center. Qualifying multi-family housing receive property tax exemptions on the value of eligible improvements for eight (8) years for market-rate housing and twelve (12) years for affordable housing. In order to receive the 12-year exemption, at least twenty percent (20%) of the multi-family housing units must be rented or sold as affordable housing units to low- and moderate-income households.

The purpose of the MTE is to encourage residential opportunities and stimulate new construction of multi-family housing within the Urban Center.

### **PROCEDURE**

- 1. **Application.** The applicant submits a complete application to the Department of Community and Economic Development. The MTE application shall be submitted any time before or in conjunction with an application for a building or other construction permit. Please note that no new applications shall be accepted under this section after December 31, 2024.
- 2. Review process.
  - a. The City reviews the application to determine whether it is consistent with the criteria in SMC 3.85.
  - b. Approval.
    - i. If the proposal is found to be consistent, the City approves the application.
    - ii. The applicant enters into a contract with the City, approved by the City Council, regarding the terms and conditions of the project.
    - iii. The City issues a conditional certificate of acceptance of tax exemption. The conditional certificate expires three (3) years from the date of approval unless an extension is granted as provided in SMC 3.85.
  - c. **Denial.** If the City denies the application, the City sends a notice of denial to the applicant within ten (10) working days of the denial. The applicant may appeal the denial to the City Council within fifteen (15) calendar days of the date the denial was mailed.

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# APPLICATION CHECKLIST

The following materials are the minimum that must be submitted to review your application to determine that it is "complete" or "incomplete" as provided under RCW 36.70B.060. Additional information may be required after review of your proposal. Please do not turn in your application until all items listed below have been checked off. Applications will not be accepted unless complete.

#	Item	Applicant	Staff
1.	A completed application form along with three (3) copies.	X	
2.	A legal description of the subject property.	X	
3.	A Title Report (dated within the last 90 days).	X	
4.	Three (3) copies of preliminary schematic site plan and floor plans of the multi-family units and the overall structure.	Х	
5.	One paper reduction of each oversized plan to 8.5" x 11".	X	
6.	All oversized plans folded to 8.5" x 14" at largest.	N/A	
7.	Initial application fee of \$1,200.00 + \$5.50 tech fee.	Х	

# ELIGIBILITY

LLIUI	
	eligible for the MTE, the property must satisfy all of the following requirements:  The property must be located in the Urban Center;
	The project must be located in the Orban Center;  The project must consist of at least twenty (20) dwelling units of multi-family housing, located
	within a residential structure or a mixed-use development, which are intended for permanent
	residential occupancy;
	The property must be used and/or developed in a way that increases or preserves property
	valuation, and the use or development of the property must represent an increased investment in the
	property and property maintenance that results in an increase in the over-all property values in the
	target area;
	The project must comply with all zoning requirements, land use regulations, and building code
	requirements contained in the SeaTac Municipal Code (SMC) and applicable upon land use permit
	approval or submittal of a complete building application, whichever occurs sooner;
	For the duration of the exemption, the property shall be in full compliance with the provisions of the SMC;
	New construction of multi-family housing must be completed within three (3) years from the date of
	approval of the application or by any extended deadline granted by the City; and
	The owner must enter into a written agreement with the City in which the owner has agreed to the
	implementation of the development on terms and conditions satisfactory to the City.
PROP	PERTY INFORMATION
Street A	Address: 20220 International Blvd. Parcel #: 3445000090
Site Are	ea (square feet): 262,599 Zoning: I - Industrial

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PROJECT INFORMATION
Name: Cymbaluk Properties
Description (attach additional pages if necessary): Phase 1 of a master planned 2-phase multifamily development; five-over-two construction, Type VA and IA,
comprising 355 residential units and 342 parking stalls.
Term of Tax Exemption Requested: □ 8-Year 🛛 12-Year
Floor Area (square feet):
Project Total: 428,888 For Permanent Residential Occupancy <sup>1</sup> : 428,888
Estimated Construction Costs:  Project Total: \$90,000,000 For Permanent Residential Occupancy <sup>1</sup> : \$90,000,000
Anticipated Start Date: 3/1/2024 Anticipated Completion Date: 6/1/2026
Number of Dwelling Units:

#### Rental

Unit Type Affordability <sup>2</sup>	Number of Units	Percentage of Total Units
Low-Income	36	10%
Moderate-Income	36	10%
Market-Rate	283	80%
Total	355	100%

# Owner-Occupied

Unit Type Affordability <sup>2</sup>	Number of Units	Percentage of Total Units
Low-Income		
Moderate-Income		
Market-Rate		
Total	0	0

Market-rate: Greater than 115% of AMI.

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<sup>&</sup>lt;sup>1</sup> Includes residential common areas, circulation and mechanical space, and residential parking in calculation of residential square footage. Excludes housing units offered for rent for periods of less than one month.

<sup>&</sup>lt;sup>2</sup> Affordable housing: housing costs do not exceed 30% of the household's monthly income.

Low-income: Less than or equal to 80% of the area median income (AMI).

Moderate-income: Greater than 80% of AMI but less than or equal to 115% of AMI.

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APPLICANT INFORMATION
Applicant
Name: Charles Morgan & Associates
Mailing Address: 7301 Beverly Lane, Everett, WA 98203
Phone: 425-353-2888 Email: charliejr@cmaarch.com
Owner (if other than applicant)
Name: Cymbaluk Properties, LLC
Mailing Address: 4103 100th ST SE, Everett, WA, 98208-3139
Phone: 425-553-7977 Email: lobsang@synergyconstruction.com
Thone. 420 300 1011 Email. 1000urig @ Syriorgy Cornoli dollori.com
SIGNATURE, CERTIFICATION
<ol> <li>I declare that I am the owner of the property involved in this application, and that the foregoing statements and answers herein contained and the information herewith submitted are in all respects true and correct to the best of my knowledge and belief.</li> <li>As owner of the land described in this application, I hereby indicate by my signature below that I am aware of the additional tax liability to which the property will be subject if the exemption authorized by Chapter 84.14 RCW and Chapter 3.85 SMC is canceled.</li> <li>I, as owner of property involved in this application, am aware that if the exemption is canceled for non-compliance an additional tax will be imposed that includes: (a) the difference between the tax paid and the tax that would have been owed if it had included the value of the nonqualifying improvements dated</li> </ol>
back to the date that the improvements became nonqualifying; (b) a penalty of 20% of the difference; (c) interest at the statutory rate on the tax and penalties calculated from the date the tax would have been due without penalty if the improvements had been assessed without regard to the exemptions provided by Chapter 84.14 RCW and Chapter 3.85 SMC.
Owner's Signature: Date: 7/19/2023
Printed Name: Marshall Cymbaluk

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## City of SeaTac

4800 South 188th Street, SeaTac, WA 98188-8605 | City Hall: 206.973.4800 | www.seatacwa.gov



10/30/2024

Cymbaluk Properties, LLC 4103 100<sup>th</sup> Street SE Everett, WA 98208

Subject: Cymbaluk Properties Phase 1 Building 1 Multi-Family Property Tax Exemption (2318-3785-MTE) Approval Letter

Mr. Cymbaluk:

City staff has completed its review of the Cymbaluk Properties Phase 1 Building 1 Multi-Family Property Tax Exemption Conditional Certificate Application (MTE 2318-3785) for a 12-year exemption and has determined that it complies with the requirements of SMC 3.85.070 as follows:

- 1. Project Description: Cymbaluk Properties is a two-phase multifamily and mixed used project. The subject MFTE application only includes Cymbaluk Phase 1 Building 1. Cymbaluk Phase 1 Building 1 is a multifamily rental building. The first building is five-over-two construction, comprising 355 residential units and 342 parking stalls. The building includes a mix of 110- studios, 173- one-bedroom, 72 two-bedroom, and three-bedroom apartments. 342 off-street parking stalls will be situated within structured parking. Phase 2 Building 2 is not included in this approval. It will have 386 residential units, with 7,181 gross square feet dedicated to commercial use.
- 2. Rent and Income Restrictions: During the 12-year Exemption Agreement, the following housing rent and income restrictions shall apply: a minimum of ten percent (10%) of the housing units will be income set-aside for low-income households; and a minimum of ten percent (10%) of the housing units will be income set-aside for moderate-income households.
- 3. Project Location: 20220 International Boulevard, Parcel number 3445000090
- 4. Criteria for Approval (SMC 3.85.070):
  - A. **Requirement:** When a new structure is being created, a minimum of twenty (20) new multi-family units are being constructed.
    - **Findings:** Cymbaluk Phase-1 will consist of 355 multi-family units 283 market-rate units (80%); 36 moderate income units (10%); and 36 low-income unit (10%).
  - B. **Requirement:** The proposed project is, or will be at the time of completion, in conformance with all approved plans, and all applicable requirements of the SeaTac Municipal Code or other applicable requirements or regulations in effect at the time the application is approved.
    - **Findings:** The City's SEPA Responsible Official issued a Determination of Nonsignificance on November 28, 2023 (2316-3559-SEP). The SEPA determination was appealed on December 22, 2023 (2405-3015). A Motion to Dismiss the appeal was issued on June 05, 2024. The preliminary site plan review application (2316-3559) for the development was approved on April 18, 2024. The development is currently under review of the building (2307-1152-BLD), right-of-way (2307-1207-ROW), and civil permit (2307-1208-STE) applications.
  - C. Requirement: The owner has complied with all the requirements of this chapter,

including but not limited to project eligibility requirements contained in SMC 3.85.050, and application requirements contained in SMC 3.85.060.

Findings: The owner has complied with all the requirements of Chapter 3.85 SMC.

D. **Requirement:** The project site is located within a designated residential targeted area. **Findings:** The development is in SeaTac's Urban Center, which is designated as the City's residential targeted area per SMC 3.85.030(E).

Therefore, your application is approved. The next step in the MFTE process is for you, the owner, to enter into a contract with the City, which must be approved by the City Council. Following City Council approval of the contract, and acceptance of the contract by you, the City Manager shall issue a conditional certificate of acceptance of the tax exemption.

If you have any questions concerning the above information, please contact Senior Planner Ramon Rodriguez at 206-973-4837 or <a href="mailto:rrodriguez@seatacwa.gov">rrodriguez@seatacwa.gov</a>

Sincerely

Kyle Moore, Interim City Manager

cc:

Charles Morgan, Charles Morgan & Associates
Evan Maxim, Community and Economic Development Department
Gwen Pilo, Finance Department
Jennifer Kester, Planning Division
Ramon Rodriguez, Planning Division

4f - Pg 1 of 8 DATE: 11/21/2024

# Cymbaluk Properties PED Packet Pg 20 MFTE Contract

November 21,2024





# **PURPOSE**

To have the PED Committee review and recommend the Multi-Family Tax Exemption (MFTE) contract for Cymbaluk Properties Phase 1 to the Council.

# WHY IS THIS ISSUE IMPORTANT?

- 1. SMC 3.85.070 requires the property owner to enter into a contract with the City for the tax exemption.
- 2. SMC 3.85.070 requires City Council approval of the contract.
- 3. Without the contract, the project will not be eligible for the MFTE.



# **ACTION REQUESTED**

PED Committee recommend approval of the Resolution authorizing the City Manager to sign the Multi-Family Tax Exemption Agreement contract and place the Resolution on the consent agenda of the December 10, 2024, Regular Council Meeting.

# APPROVED REVIEWS TO DATE

- SEPA Determination of Non-significance 11/28/2023
- SPR Approval: 04/18/2024
- MFTE Staff Approval: 10/30/2024



# MFTE PROGRAM BACKGROUND

# **BACKGROUND**

- SeaTac's MFTE regulations adopted in 2008.
- Intended to stimulate new construction of multi-family housing in the South 154<sup>th</sup> Street Station Area.
- Regulations modified in 2019 to entire Urban Center.

# TWO PROGRAM TYPES:

- 8-year Exemption: No household income limit; often termed "market rate"
- 12-year Exemption: At least 20% of the residential units for low- <u>and</u> moderate-income households
- Low Income: under 80% AMI Moderate-Income: 80%-115%
- Thresholds per State; were not modified by SeaTac. Household incomes based on King County Median Income published by HUD.

# **USE OF MFTE IN SEATAC:**

- Since 2019, approx. 980 residential units have been approved by Council through the MFTE program.
- 38% of those units are low-income; 12% moderate income; 50% market rate



- 1. Redevelopment of the former Pape Kenworth Northwest site. The former business specialized in selling semi-trucks, tractors, and trucks.
- 2. Cymbaluk Phase 1 is five-over-two construction, comprising 355 residential units and 342 parking stalls.
- 3. 12-year tax exemption 20% affordable units; 10% moderate-income units; 10% low-income units.
- 4. This will yield 36 units at moderate-income and 36 units at low-income.
- 5. Phase 2 Building 2 is not included in this approval. However, it will have 386 residential units, with 7,181 gross square feet dedicated to commercial use located on the first floor.

# SMC 3.85.050 REQUIRES PROJECTS TO:

- Be located in the Urban Center
   Staff analysis: The Cymbaluk Properties Phase 1 project is located in the Angle Lake
   Station Area, which is a subarea of the Urban Center. COMPLIES
- Consist of at least 20 dwelling units
   Staff analysis: 355 dwelling units are proposed. COMPLIES
- 3. <u>Be used and/or developed in a way that increases or preserves property value</u> Staff analysis: The subject site is the former Pape Kenworth Northwest site. The former business specialized in selling semi-trucks, tractors, and trucks. **COMPLIES**
- 4. <u>Comply with all zoning, land use, and building code requirements:</u>
  Staff analysis: The project was reviewed by staff and deemed to comply. The preliminary site plan application was approved on April 18, 2024, and the building permit complies with regulations. **COMPLIES**



# SMC 3.85.050 REQUIRES PROJECTS TO:

- 5. <u>Be in full compliance with the municipal code during the exemption period</u>
  Staff analysis: The project will be monitored for compliance during this period. **COMPLIES**
- 6. <u>Be completed within 3 years of approval</u>
  Staff analysis: The project can be completed within 3 years. **COMPLIES**

**STAFF RECOMMENDATION:** APPROVE because the criteria has been or will be met.



# **ACTION REQUESTED**

PED Committee recommend approval of the Resolution authorizing the City Manager to sign the Multi-Family Tax Exemption Agreement contract and place the Resolution on the consent agenda of the December 10, 2024, Regular Council Meeting.

# APPROVED REVIEWS TO DATE

- SEPA Determination of Non-significance 11/28/2023
- SPR Approval: 04/18/2024
- MFTE Staff Approval: 10/30/2024



5a - Pg 1 of 1 DATE: 11/21/2024



# MEMORANDUM COMMUNITY & ECONOMIC DEVELOPMENT

Date: 11/21/2024

To: Planning & Economic Development (PED) Committee

From: Evan Maxim

Subject: Second amendment to an Interlocal Agreement: SAMP Environmental Review

#### Overview

The Port of Seattle has prepared a Sustainable Airport Master Plan (SAMP), which has been in the process of going through mandatory National Environmental Policy Act (NEPA) and Washington State Environmental Police Act (SEPA) environmental review since 2018.

The SAMP was originally drafted by the Port of Seattle between 2015 and 2018 and once adopted the SAMP will guide Port of Seattle development over the 20-year planning horizon (through 2034). On October 21, 2024, the Port of Seattle released the Environmental Assessment for the NEPA review, with a comment period ending on December 5, 2024. The comment period was later extended to December 13, 2024.

In 2018, the cities of SeaTac, Burien, Des Moines, and Normandy Park entered into an Interlocal Agreement (ILA) to jointly fund a consultant who would assist the cities in their review and commenting on the NEPA and SEPA reviews. The ILA designated the City of Burien as the city responsible for holding joint funds from the four cities and paying the consultant. Originally the ILA also designated the City of SeaTac as the city responsible for hiring and managing the consultant contract. In May 2020, the ILA was amended to designate the City of Des Moines as the city responsible for managing the consultant contract. A copy of the 2018 ILA the 2020 amendment to the ILA are attached.

The current version of the ILA, as amended, expired on December 31, 2020. Staff are seeking to extend the ILA through completion of the environmental review of the SAMP, anticipated by December 31, 2027, through a second amendment to the ILA. The second amendment to the ILA is attached as Attachment 1.

### **Budget Significance**

None.

#### **PED Committee Direction**

Staff are seeking a recommendation from the PED Committee to the City Council to pass a motion to authorize the City Manager to sign the second amendment to the Interlocal Agreement with the cities of Burien, Des Moines, and Normandy Park.

#### Alternative(s)

Do not recommend approval of the motion. This may prevent SeaTac from fully commenting on the NEPA environmental review.

#### **Packet Materials**

- Proposed Second Amendment to the Interlocal Agreement
- Interlocal Agreement & First Amendment

5b - Pg 1 of 2 DATE: 11/21/2024

# AMENDMENT NO. 2 to Interlocal Agreement between the cities of Burien, Des Moines, Normandy Park, and SeaTac

The interlocal agreement between the cities of Burien, Des Moines, Normandy Park, and SeaTac, Washington, for environmental review of the Sea-Tac Airport Sustainable Airport Master Plan, dated March 6, 2018, is hereby amended as follows:

Provision No. 11, entitled Duration, on page No. 5, which currently reads:

This Agreement shall be effective upon execution by each party and shall remain in full force and effect through completion of the SAMP environmental review process or December 31, 2020, whichever comes first. This Agreement may be extended upon mutual agreement of all Parties.

is amended as follows:

This Agreement shall be effective upon execution by each party and shall remain in full force and effect through the completion of the SAMP environmental review process, anticipated to be completed by December 31, 2027. This Agreement may be extended upon mutual agreement of all Parties.

All other terms and conditions of the above-referenced contract shall remain the same.

The effective date of this amendment is December 31, 2020.

Dated this \_\_\_ day of November 2024.

CITY OF BURIEN

CITY OF DES MOINES

Adolfo Bailon, City Manager

Katherine Caffrey, City Manager

APPROVED AS TO FORM

APPROVED AS TO FORM

Garmon Newsom II, City Attorney

Matt Hutchins, Interim City Attorney

Contract Amendment 1 of 2 Revised November 2024

CITY OF NORMANDY PARK	CITY OF SEATAC
Amy Arrington, City Manager	Kyle Moore, Interim City Manager
APPROVED AS TO FORM	APPROVED AS TO FORM
Heidi Greenwood, City Attorney	Mary Mirante Bartolo, City Attorney

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Burien Contract # 3180066

# City of Burien, Washington City Hall Contract Routing Sheet

# INTERLOCAL AGREEMENT BETWEEN THE CITIES OF BURIEN, DES MOINES, NORMANDY PARK AND SEATAC FOR ENVIRONMENTAL REVIEW OF THE SEA-TAC AIRPORT SUSTAINABLE AIRPORT MASTER PLAN

Pursuant to RCW 39.34, the Interlocal Cooperation Act, this Agreement is entered into between the City of Burien, a municipal corporation, hereinafter referred to as "Burien," the City of Des Moines, a municipal corporation hereinafter referred to as "Des Moines," the City of Normandy Park, a municipal corporation hereinafter referred to as "Normandy Park," and the City of SeaTac, a municipal corporation hereinafter referred to as "SeaTac," and all four cities collectively referred to as the "Parties" or "Cities", for the purpose of review and commenting on the environmental review process, analysis and documents prepared for the Port of Seattle's the Sea-Tac Airport Sustainable Airport Master Plan.

- 1. <u>Background.</u> The Port of Seattle ("Port") operates the Sea-Tac International Airport ("Airport" or "Sea-Tac"). The Port is currently drafting a "Sustainable Airport Master Plan" ("SAMP") that will plan for airport growth over the next 20 years; growth that could have significant negative impacts on surrounding cities. Pursuant to the National Environmental Policy Act ("NEPA") and the Washington State Environmental Policy Act ("SEPA"), the Port may prepare, for agency and public review and comment, environmental documents, up to and including an Environmental Impact Statement. The Parties have determined that it is in their best interest to coordinate their review, analysis, and responses concerning the environmental review process and the impacts that are addressed in environmental documents issued by the Port.
- 2. Purpose. The purpose of this Agreement is for the Parties to establish a process for review, analysis, and responding to the environmental process, impacts and concerns related to the SAMP, including those issues raised during the Port's SEPA and NEPA processes. By coordinating their efforts, the Parties will be in a better position to evaluate and respond to the Port's environmental review process. The Parties may jointly hire and fund consultants to assist with review and preparation of formal comments regarding the environmental review process and the SAMP's environmental impacts. This Agreement establishes a process for the selection and funding of these consultants.
- 3. Review and Commenting. The environmental review process will include opportunities for the Parties to provide formal comments to the Port. This could include commenting on the Port's selected environmental review process and any documents which may be issued as part of that process. The Parties agree to coordinate their comments at each of these steps

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and to issue a single comment letter signed by each Party's designated representative.

- 4. <u>Consultant Selection</u>. It may be in the best interest of the Parties to jointly hire a consultant to assist with review and commenting on the SAMP's environmental review and impacts. If it is agreed to hire a consultant, the Parties will work cooperatively and collaboratively on every aspect of the consultant selection process and shall be in mutual agreement prior to moving to the next step. It is anticipated that only one consultant will be retained, with the understanding that the retained consultant may use sub-consultants to complete specific tasks. Generally, the steps will be as follows:
  - a. Determine what consultant expertise is needed;
  - b. Determine which Party will be the lead for contract administration;
  - c. Determine project budget and contribution amount from each Party;
  - d. Drafting a Request for Qualifications (RFQ);
  - e. Publish/Circulate Notice Requesting Statement of Qualifications;
  - f. Review of statements and selection for interviews;
  - g. Conducting interviews, with interested Parties represented;
  - h. Final consultant selection;
  - i. Developing a final Scope of Work;
  - i. Negotiation of consultant contract;
  - k. Approval of Consultant Contract by the lead City in accordance with its contract approval procedures.
- 5. <u>Consultant Funding.</u> If consultants are hired as contemplated in Section 4 of this Agreement, the Parties will individually commit to a level of funding to be provided. These funds must be committed prior to requesting Statements of Qualifications as noted above. The management of these funds will be as described in Section 8. Such funding determinations shall be documented in writing.
- 6. <u>Joint Roles and Responsibilities.</u> Each Party shall be responsible for the following:
  - a. Each Party shall assign a representative(s) ("Party Representative(s)") to help prepare and/or participate in review of draft work products. The Party

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Representative administering any consultant contract will communicate any changes to schedules, budgets, and any other pertinent information in a timely manner so as to keep each jurisdiction apprised of the status of the consultant's work.

- b. Time is of the essence for the review of environmental documents. The Parties shall work expeditiously and in good faith to achieve the smooth progress of review and commenting. This includes allocating adequate staff time and providing all necessary data and other information or materials needed for timely review and commenting.
- c. The Party Representatives shall receive copies of consultant invoices. All concerns with consultant billing shall be communicated to the contract administrator in a timely manner.
- d. Should any Party wish to file an appeal of any Port environmental decision, the Party Representatives shall discuss whether such an appeal should be pursued jointly. If an individual jurisdiction appeal is filed, the appeal shall be immediately transmitted to all Parties, so that they can decide whether to intervene in the appeal in order to provide assistance.
- e. The Parties shall work together in good faith to assure comments are made within the deadlines prescribed by law.
- 7. <u>Contract Management.</u> Contracts for consultant(s) shall be administered by the City of SeaTac. These responsibilities include monitoring of work of the consultant in terms of content and timeliness; coordinating with the City of Burien regarding the consultant invoices and payments; arrangement of meetings to address the comments of the Parties; etc.
- 8. <u>Fiscal Management.</u> Management of fiscal matters associated with this Agreement shall be administered by the City of Burien. These responsibilities include processing consultant invoices and payments on a monthly basis; invoicing other Parties to the agreement; periodic fiscal reports to the Parties; etc.
- 9. Additional Consultant Services. Each Party retains the right to hire their own consultants at their own expense to complete work necessary for the project, so long as the work does not conflict with the Project. In such cases, the results of any consultant work will be shared with the other Parties. Nothing herein shall be construed as an affirmative duty to share work product prepared by legal counsel for a Party with the other Parties.

- 10. <u>Administration of Agreement</u>. Supervision and administration of this Agreement shall be the responsibility of each Parties' City Manager or his/her respective designee.
- 11. <u>Duration</u>. This Agreement shall be effective upon execution by each party and shall remain in full force and effect through completion of the SAMP environmental review process or December 31, 2020, whichever comes first. This Agreement may be extended upon mutual agreement of all Parties.
- 12. <u>Termination</u>. Any party may withdraw from this Agreement, effective upon thirty (30) days written notice to the other parties. However, the withdrawing Party shall still be responsible for the payment of any costs incurred prior to the effective date of withdrawal.
- 13. <u>Modification</u>. This Agreement may be modified by further written agreement upon mutual acceptance by all parties.
- 14. <u>Alternative Dispute Resolution</u>. If a dispute arises from or relates to this Agreement or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under JAMS Alternative Dispute Resolution service rules or policies before resorting to arbitration. The mediator may be selected by agreement of the parties or through JAMS.
- 15. Written Notice. All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the Agreement, unless notified to the contrary. Any written notice hereunder shall become effective three (3) business days after the date of transmittal, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.
- 16. Hold Harmless. Each party to this Agreement shall defend, indemnify and hold the other party, its appointed and elected officers and employees, harmless from claims, actions, injuries, damages, losses or suits including attorney fees, arising or alleged to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the indemnitor, its appointed or elected officials, employees, officers, agents, assigns, volunteers or representatives.
- 17. <u>Non-Discrimination</u>. The Parties shall not discriminate in any manner related to this Agreement on the basis of race, color, national origin, sex, sexual orientation, religion, age,

marital status or disability in employment or the provision of services.

- 18. Severability. If any provision of the Agreement shall be held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to serve the purposes and objectives of both parties.
- 19. Entire Agreement. This Agreement constitutes the entire agreement between the parties. Any modifications or amendments to this Agreement shall be in writing and shall be signed by each party.

DATED this 6 Aday of MARCH 2018.

CITY OF BURIEN

Brian J. Willer, City Manager

APPROVED AS TO FORM:

Bisa Marshall

City of Burien City Attorney

CITY OF NORMANDY PARK

Mark E. Hoppen, City Manager

APPROVED AS TO FORM:

Jim Haney, City of Normandy Park City Attorney APPROVED AS TO FORM:

oseph Scorcio, City Manager

CITY OF DES MOINES

APPROVED AS TO FORM:

City of Des Moines City Attorney

Mary Mininte Bartolo, City of SeaTac

City Attorney

Tim George

CITY OF SEATAC

Ju- Pg 7 of 8 L# 318006 BATE: 11/21/2024

# FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN THE CITIES OF BURIEN, DES MOINES, NORMANDY PARK AND SEATAC FOR ENVIRONMENTAL REVIEW OF THE SEA-TAC AIPORT SUSTAINABLE AIRPORT MASTER PLAN

WHEREAS the Interlocal Agreement (ILA) between the Cities of Burien, Des Moines, Normandy Park and SeaTac for Environmental Review of the Sea-Tac Airport Sustainable Airport Master Plan (SAMP) dated March 6, 2018 is hereby amended as follows:

- 1. Paragraph 7 of the ILA is amended to read as follows:
  - Contract Management. Contracts for consultant(s) shall be administered by the City of Des Moines. These responsibilities include monitoring of work of the consultant in terms of content and timeliness; coordinating with the City of Burien regarding the consultant invoices and payments; and, arrangement of meetings to address the comments of the Parties; etc.
- 2. All other terms of the March 6, 2018 ILA shall remain unchanged.

CITY OF BURIEN	CITY OF DES MOINES
Bru Matin	Unterel Trans
Name: Brian J. Wilson	Name: Michael Matthias
Title: City Manager	Title: City Manager
Date: \$\sigma\pi\rac{2020}{2020}	Date:
APPROVED AS TO FORM:	APPROVED AS TO FORM:  /s/ Tim George
Name: Kari Sand	Name: Tim George
Title: City Attorney	Title: <u>City Attorney</u>

5c - Pg 8 of 8 DATE: 11/21/2024

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CITY OF NORMANDY PARK	CITY OF SEATAC
Mark & Hopgan	De a Be-
Name: Mark Hoppen	Name: Carl C. Cole
Title: City Manager	Title: City Manager
Date:	Date: 4/10/2020
APPROVED AS TO FORM:	APPROVED AS TO FORM:
on behalf of Name: James Haney	Name: Mary Mirante Bartolo
Title: City Attorney	Title: City Attorney