



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 26, 2011

Ordinance 17149

Proposed No. 2011-0294.2

Sponsors Gossett and Hague

1 AN ORDINANCE authorizing the King County executive
2 to execute an amendment to the purchase and sale
3 agreement dated June 21, 2007, in order to complete the
4 sale of the county-owned property known as the North Half
5 of the Former Kingdome Parking Lot parcel, located in
6 council district eight, to North Lot Development, L.L.C.

7 BE IT ORDAINED BY THE COUNTY COUNCIL OF KING COUNTY:

8 SECTION 1. Findings:

9 A. King County owns a 3.85 acre (167,513 square feet) parcel of land, commonly
10 known as the North Half of the Former Kingdome Parking Lot ("the property"), in the
11 City of Seattle, Washington, located adjacent to the King Street Center, the King Street
12 Station, the Weller Street Pedestrian Bridge, and a surface parking lot owned by the
13 Washington State Public Stadium Authority ("the PSA") and operated by First and Goal,
14 Inc. King County facilities management division is the custodian.

15 B. Pursuant to Ordinance 15820, the King County executive executed a purchase
16 and sale agreement ("the agreement"), dated June 21, 2007, for the sale of the property to
17 North Lot Development, L.L.C. ("the buyer").

18 C. The agreement was amended by: a First Amendment dated September 28,
19 2007; a Second Amendment dated October 28, 2007; a Third Amendment dated

20 November 20, 2007; a Fourth Amendment dated January 31, 2008; a Fifth Amendment
21 dated March 20, 2008; a Sixth Amendment dated April 30, 2008; a Seventh Amendment
22 dated December 17, 2008; an Eighth Amendment dated June 30, 2009; a Ninth
23 Amendment dated August 29, 2009; a Tenth Amendment dated January 26, 2010; and an
24 Eleventh Amendment dated June 28, 2010.

25 D. Pursuant to Ordinance 16555, the King County executive executed a Twelfth
26 Amendment dated October 20, 2010, which extended the Buyer's Due Diligence Period
27 and the closing date on the transaction until December 16, 2011, in return for payments
28 equaling one million and modified certain requirements in the agreement applicable to
29 the buyer and the project.

30 E. The buyer intends to close on the purchase within the timeframe authorized by
31 the Twelfth Amendment and has obtained commitments for the financing necessary to
32 commence construction of the portion of the project located on the western parcel of the
33 property.

34 F. Certain conditions have been placed by the buyer's financing partners
35 restricting the recording of covenants on the western parcel of the property relating to
36 replacement parking for the PSA and affordable housing that will not be constructed on
37 the western parcel of the property. It is acceptable to such financing partners that such
38 covenants can be recorded on the portion of the project that will be constructed in the
39 future in the eastern parcel of the property.

40 G. In addition, development of the western parcel of the property will involve
41 division of the property into condominium units, which will eventually necessitate
42 placement of the covenants that are applicable to the project to be constructed on the

43 western parcel of the property within the applicable condominium units, as opposed to
44 burdening the entire project.

45 H. It is in the best interests of the citizens of King County, that the agreement be
46 modified, so that the sale and development of the property can proceed, safeguarding the
47 benefits articulated in Ordinance 15820.

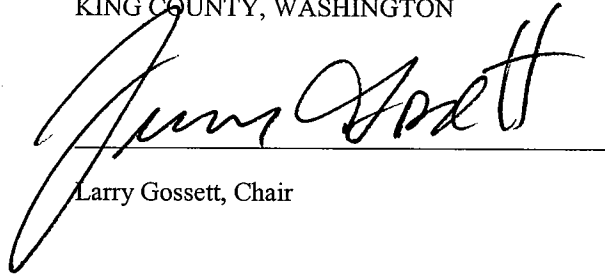
48 SECTION 2. The King County executive is hereby authorized to execute the

49 Thirteenth Amendment to Real Estate Purchase and Sale Agreement substantially in the
50 form of Attachment A to this ordinance.
51

Ordinance 17149 was introduced on 7/5/2011 and passed as amended by the Metropolitan King County Council on 7/25/2011, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr. McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



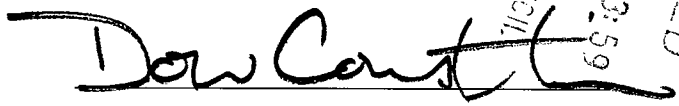
Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 5 day of AUGUST, 2011



Dow Constantine, County Executive

RECEIVED
2011 AUG -5 PM 3:59
KING COUNTY CLERK
KING COUNTY COUNCIL

Attachments: A. Thirteenth Amendment to Real Estate Purchase and Sale Agreement, dated 07-22-11

**THIRTEENTH AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

THIS THIRTEENTH AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Amendment") is made and entered into effective as of the ____ day of _____, 2011, by and between KING COUNTY, a municipal corporation and political subdivision of the state of Washington ("Seller"), and NORTH LOT DEVELOPMENT, L.L.C., a Delaware limited liability company ("Buyer").

WHEREAS, Seller and Buyer entered into that certain Real Estate Purchase and Sale Agreement dated June 21, 2007 (the "Agreement") which provided for the sale by Seller and the purchase by Buyer of certain real property in Seattle, Washington, which property is more specifically described in the Agreement (the "Property"); and

WHEREAS, the Agreement was amended by a First Amendment dated September 28, 2007; a Second Amendment dated October 28, 2007; a Third Amendment dated November 20, 2007; a Fourth Amendment dated January 31, 2008; a Fifth Amendment dated March 20, 2008; a Sixth Amendment dated April 30, 2008; Seventh Amendment dated December 17, 2008; an Eighth Amendment dated June 30, 2009; a Ninth Amendment dated August 29, 2009; a Tenth Amendment dated January 26, 2010; the Eleventh Amendment dated June 24, 2010; and the Twelfth Amendment dated October 20, 2010; and

WHEREAS, the City of Seattle has issued a Master Use Permit dated the 16th day of April, 2010, under Permit No. 3009251 for the development of the Property (the "MUP"); and

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. The text of Section 4.5 is of the Agreement is hereby amended with the addition of the following sentence to the end of the second paragraph:

The covenants and conditions contained herein may, however, be limited to specific portions of the Property as explicitly provided for in Sections 4.5.3 and 4.5.5 of the Agreement.

2. The following new provisions are hereby added to Section 4.5.3, which will be subsections h., i., j. and k. to read as follows:

h. At Closing the required Affordable Housing units shall be allocated between the East Block of the Property ("East Block") and the West Block of the Property ("West Block") in separate covenants for each Block. The covenant on the East Block will require that seventy (70) Affordable Housing units will be provided on the East Block, subject to Buyer's right to move some or all of the Affordable Housing units from the East Block off-site in the manner provided in the Twelfth Amendment. The covenant on the West Block will require that thirty (30) Affordable Housing units will be provided on the West Block of the Property. No Affordable Housing units may be moved off-site from the West Block.

i. For the purposes of this Agreement, the East Block is legally described as Parcel Z of Seattle Lot Boundary Adjustment 3008308 recorded under Recording No. 20090514900009, Records of King County and the West Block is legally described as Parcels X and Y of Seattle Lot Boundary Adjustment 3008308 recorded under Recording No. 20090514900009, Records of King County.

(i) if the proposed Lot Boundary Adjustment depicted in Exhibit A attached to and incorporated herein by this reference ("New Lot Boundary Adjustment") is approved and recorded against the Property, then the legal descriptions of the East Block and the West Block shall be amended to conform to said New Lot Boundary Adjustment with the East Block being New Parcel B and the West Block being New Parcel A. If the New Lot Boundary Adjustment is approved and recorded prior to Closing, then Buyer shall propose to Seller for approval an amendment of the legal description in this Section 4.5.3, which approval shall not be unreasonably conditioned, delayed or withheld, and upon approval the Parties shall execute such amendment and the new legal description will be used in the applicable covenants at Closing. If the New Lot Boundary Adjustment is approved and recorded after Closing, then Buyer shall propose to Seller

for approval an amendment to the legal descriptions of the East Block and West Block in the applicable covenants, which approval shall not be unreasonably conditioned, delayed or withheld, and upon approval the Parties shall execute and Buyer shall record said amendment.

(ii) If the Buyer intends to record a Lot Boundary Adjustment that is different than Exhibit A for the purpose of legally describing the East Block and West Block in the covenants required by this Agreement, the Buyer shall obtain the Seller's written approval, which will not be unreasonably withheld, conditioned or delayed if it will not reduce the buildable area of either the East Block or the West Block, before it is recorded and upon recording the Parties agree that the legal descriptions for the East Block and West Block shall be amended in accordance with the process set forth in Section 4.5.3.i(i).

j. If Buyer elects to provide off-site Affordable Housing units as permitted under Section 4.5.3.g. of this Agreement and executes and records an instrument as required by Section 4.5.3.g(v) to this Agreement against the off-site property for a specific number of Affordable Housing units, then the requirement for the corresponding number of Affordable Housing units on the East Block shall be satisfied and the Parties will memorialize such covenant satisfaction in accordance with the process set forth in Section 4.5 of this Agreement.

k. The current plans for the development of the West Block include a podium building (the "Podium Building") with forty-eight (48) residential units, in which the thirty (30) Affordable Housing units on the West Block will be located, a south tower building (the "South Tower Building") with three hundred eleven (311) residential units located immediately above the location of the Affordable Housing units, and a north tower building and a west tower building, all as more fully represented in Exhibit B attached to and incorporated herein by this reference. When all of the Affordable Housing units required by this Agreement to be located on the West Block are completed and available for occupancy in the Podium Building, the Buyer may propose an amendment to any covenant for any required Affordable Housing on such West Block to limit such

requirements to just the Podium Building and the South Tower Building; which approval shall not be unreasonably conditioned, delayed or withheld so long as (i) the Podium Building and the South Tower Building are completed and available for occupancy and the design and number of units are substantially the same as described in this section, (ii) the covenant continues to bind the Podium Building, the South Tower Building, and the master condominium units that include those buildings, (iii) the covenant continues to bind, if applicable, any individual condominium unit that is an Affordable Housing unit, (iv) the covenant continues to bind the land of the West Block, and (v) that all of the other terms of the Affordable Housing covenant being amended remain in full force and effect. Upon approval of such request the Parties shall execute and Buyer shall record such amendment.

3. The first sentence of Section 4.5.5 of the Agreement is hereby deleted and replaced with the following:

Buyer shall covenant to provide to the PSA 491 permanent on-site parking spaces, which number is calculated according to Section 10 of the Agreement and Letter of Intent dated June 25, 1998, to replace PSA's existing parking spaces on the Property, and to provide the PSA temporary on or off-site parking spaces to replace PSA's existing parking spaces to the extent and when such spaces are displaced by Buyer and continuing until such time as the permanent replacement parking is provided.

4. The text of Section 4.5.5 of the Agreement is hereby amended with the addition of the following sentence at the end of the section:

The permanent parking replacement covenant shall only apply to the East Block.

5. The following phrase from Section 4.5.3.g(i) that was added to the Agreement by the Twelfth Amendment is hereby deleted in its entirety:

provided that if the Buyer presents an alternative proposal, which is approved by the King County Executive, the number of Affordable Housing Units located outside the Property may be increased to a number approved by said King County Executive;

6. The Agreement is hereby amended to add the following new Section 4.5.12:

Schedule for Affordable Housing on East Block. Within five years from the Closing Date, either all Affordable Housing units required on the East Block will be completed and available for occupancy or the Affordable Housing covenant that applies to the East Block will have been satisfied in the manner provided for under Section 4.5.3.g. of this Agreement.

7. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original and all of which taken together shall constitute one and the same agreement.

8. Except as previously amended and as hereby amended, the terms of the Agreement shall remain in full force and effect.

“SELLER”

KING COUNTY, a municipal corporation and political subdivision of the state of Washington

By _____
Its _____

APPROVED AS TO FORM:

By _____
Deputy Prosecuting Attorney

“BUYER”

NORTH LOT DEVELOPMENT, L.L.C.
a Delaware limited liability company

By: Daniels Development Co., LLC, Manager

By _____
Kevin D. Daniels, Manager

APPROVED AS TO FORM:

By _____
Counsel to North Lot Development, L.L.C.

Exhibit B to Thirteenth Amendment to Purchase and Sale Agreement

