

## **PUBLIC IMPROVEMENTS AGREEMENT (WSCC/CPC)**

This PUBLIC IMPROVEMENTS AGREEMENT (this "Agreement") is made and entered into as of this [20] day of April, 2018, between the members of the COMMUNITY PACKAGE COALITION ("CPC") and the WASHINGTON STATE CONVENTION CENTER PUBLIC FACILITIES DISTRICT, a King County public facilities district ("WSCC"). This Agreement is based on that certain PUBLIC BENEFITS TERM SHEET dated October 3, 2017.

### **R E C I T A L S**

A. WSCC is in the planning stages for an addition to the existing Washington State Convention Center in a location bordered by Pine and Howell Streets and Ninth and Boren Avenues as shown on Exhibit A (the "WSCC Addition").

B. CPC is a coalition of non-profit corporations, community organizations and advocacy groups serving neighborhoods in the vicinity of the WSCC Addition.

C. City of Seattle legislation mandates that all projects which vacate right of way provide compensation to the public commensurate with the size and scale of the requested vacations. CPC has identified and requested that certain projects be funded by WSCC as part of the requested vacations associated with development of the WSCC Addition, which projects are more particularly described on Exhibit B (the "Improvement Projects").

D. WSCC has agreed to fund the Improvement Projects in three phases, "Phase 1," "Phase 2," and "Phase 3" (each a "Phase"). Exhibit B sets forth the applicable Phase for each of the Improvement Projects. Exhibit C sets forth an illustration of the Phases. WSCC has agreed to provide funding for the Improvement Projects as more particularly provided herein.

E. The parties hereto desire to document the obligation of WSCC to fund the Improvement Projects in each Phase including the total amount of funding and the timing of the funding of the Improvement Projects, on the terms and subject to the conditions set forth herein.

### **A G R E E M E N T**

NOW, THEREFORE, in consideration of the mutual terms, conditions, promises, and covenants set forth below, the parties hereto agree as follows:

1. General Conditions to Funding. CPC and WSCC shall cooperate on the funding by WSCC of the Improvement Projects described on Exhibit B as provided in

this Agreement. WSCC shall have no obligation to fund the Improvement Projects unless and until the following conditions are met (collectively, the “Funding Conditions”):

(a) WSCC shall have obtained all permits necessary for commencement of construction of the WSCC Addition with all appeal periods having expired or if appealed, such appeal is resolved;

(b) WSCC is in a position to authorize the commencement of construction of the WSCC Addition which requires satisfying certain financial tests with entities that include King County and obtaining bond financing for the WSCC Addition;

(c) WSCC shall have obtained approval of this Agreement and the various public benefit agreements referenced herein from the WSCC board of directors.

(d) The applicable City of Seattle (“City”) agency or department accepts the funding for the applicable Improvement Project (which City agencies and departments are identified on Exhibit B attached hereto). The funding obligations are documented in declarations signed by the WSCC, executed copies of which shall be delivered in accordance with Article 22 Notices of this Agreement. In the absence of such written agreement, funds shall be deposited to a mutually agreed escrow agent for the purpose of future disbursement to the appropriate City agency or department. No funding under this Agreement shall be made directly from the WSCC to the CPC or any of its members.

2. Phase 1. Provided the Funding Conditions have been satisfied, WSCC shall provide funding for the Phase 1 Improvement Projects described on Exhibit B in accordance with the documentation referenced below in this Section 2. The Phase 1 funding shall occur after the Funding Conditions have been satisfied and prior to issuance of the Certificate of Occupancy for the WSCC Addition.

(a) Prior to funding the Improvement Project described as the Freeway Park Improvements, WSCC has documented the contribution to the Seattle Parks and Recreation for funding these improvements.

(b) Prior to funding the Improvement Project described as the Lid I-5 Study, WSCC has documented the contribution to the Office of Planning and Community Development for the funding of the Lid I-5 Study.

(c) Prior to funding the Improvement Project described as the Pike-Pine Bicycling Improvements, WSCC has documented the contribution to the Seattle Department of Transportation to fund such improvements, to be used as determined by the applicable City agency to provide bicycling infrastructure improvements.

(d) Prior to funding affordable housing, WSCC has documented the contribution to the Seattle Office of Housing. The Phase 1 allocation to

affordable housing shall be \$15,000,000 as shown on Exhibit B. This amount is separate and above the \$5,000,000 previously provided in that certain Purchase and Sale Agreement dated as of July 25, 2017, by and between WSCC and King County. This amount is separate and above any incentive zoning payments. Since the WSCC Addition is vested prior to the effective date of the Mandatory Housing Affordability (MHA) requirements, this amount is also separate from any MHA payments required by the City or opted into by the WSCC and required to be paid prior to the issuance of Certificate of Occupancy. The balance of the allocation to affordable housing shall be contributed in Phase 2 and Phase 3 as provided below.

(e) Prior to funding the Phase 1 Improvement Project described on Exhibit B as the Olive Way pedestrian improvements, WSCC has documented the contribution to the applicable City agency for such improvements.

3. Phase 2. Provided the Funding Conditions have been satisfied, within fifteen (15) months following the adoption and implementation of the statutory amendments described in Substitute House Bill 2015 and Senate Bill 5850 from the 2017 Washington State Legislature or any replacement bills that remove the lodging tax exemption for premises with fewer than sixty lodging units (the "Lodging Tax Legislation") and confirmation from WSCC that the change will support the bonds for Phase 2, WSCC shall provide the funding for the Phase 2 Improvement Projects described on Exhibit B and in this Section 3. In the event the Lodging Tax Legislation has not been adopted and implemented by the date the Phase 3 funding is due, any unpaid Phase 2 funding will be added to the Phase 3 funding, but WSCC will have an additional two (2) years from the Phase 3 funding deadline to deliver the added funding for Phase 2. Exhibit C provides an illustration of this alternative phasing.

(a) Prior to funding the Improvement Project described on Exhibit B as the affordable housing for Phase 2, WSCC shall document the contribution to the Seattle Office of Housing for \$11,000,000 to affordable housing during Phase 2, or an amount to bring the total paid by WSCC for Phase 1, Phase 2 and Phase 3, to a total of \$29,000,000, whichever is less.

(b) Prior to funding the Improvement Project described on Exhibit B as the 8<sup>th</sup> Avenue Bicycling Improvements, WSCC shall document the contribution to SDOT for bicycling infrastructure improvements in the amount set forth on Exhibit B for the 8<sup>th</sup> Avenue Bicycling Improvements.

4. Phase 3. Provided the Funding Conditions have been satisfied, within ten (10) years following the commencement of construction of the WSCC Addition, WSCC shall provide the funding for the Phase 3 Improvement Projects as described on Exhibit B. Notwithstanding the foregoing, in the event the issuance of the final certificate of occupancy for the WSCC Addition occurs prior to the expiration of the 10-year period referenced above, and WSCC has sufficient contingency remaining in the WSCC Addition construction budget to fund the remaining obligations under Phase 3 as determined by WSCC in consultation with the bond holders, the bond trustee and any

bond insurer, WSCC will provide funding for Phase 3 at such time to the extent of such available contingency funds.

- (a) Prior to funding the Improvement Project described on Exhibit B as the affordable housing for Phase 3, WSCC shall document the contribution to the Seattle Office of Housing for an additional \$3,000,000 to affordable housing during Phase 3, or an amount to bring the total paid by WSCC for Phase 1, Phase 2 and Phase 3, to a total of \$29,000,000, whichever is less.
- (b) Prior to funding the Improvement Project described on Exhibit B as the Terry Avenue Promenade, WSCC shall document the contribution to the appropriate City agency for such improvements.

5. WSCC Obligations. The parties agree that upon the funding of the Improvement Projects in each Phase as provided in this Agreement, WSCC shall not have an obligation to monitor the manner in which the applicable City agencies use the funds provided by WSCC. WSCC shall have no obligation to construct any of the Improvement Projects or provide additional funding for the Improvement Projects.

6. Cooperation. CPC member organizations and the signers below will not oppose the project and will work together with WSCC to advocate, when deemed appropriate by CPC members, for all the steps necessary for start and completion of the project.

7. Other Projects. CPC has withdrawn its request for funding for the Pine-Boren Lid Park, the Melrose Promenade, the I-5 Overpasses "Kit of Parts" and the Virginia Street Woonerf.

8. Lodging Tax. The CPC will not oppose the State Lodging Tax Legislation.

9. Good Faith Efforts. WSCC, CPC and the members comprising CPC will cooperate in good faith to effectuate the intent of this Agreement. It is not expected that the CPC will advocate for additional public benefits to be required by the City in connection with the WSCC Addition.

10. Timing. With this Agreement, the CPC intends to set an outside date for proposed public benefits. The timing of the Phase 1, 2 and 3 payments described in Articles 2, 3 and 4 should be construed as the latest date these payments will be made to City of Seattle departments or agencies available. At the discretion of the WSCC, and as may be required by the City as a condition of street vacation approval or Certificate of Occupancy, the Improvement Projects and payments described in Exhibit B can be delivered prior to the Certificate of Occupancy without objection by the CPC or its members. The CPC and its members will not object to accelerated payments of Phase 1, 2 and 3 funding as described in Exhibit B, should the WSCC choose to deliver these payments in full earlier than set forth in this Agreement.

11. Construction. Headings at the beginning of each Section are solely for the convenience of the parties and are not a part of this Agreement. Any reference to a Section in this Agreement shall include all subsections thereof. The Exhibits attached hereto are an integral part of this Agreement. This Agreement shall not be strictly construed in favor of or against any party for any reason.

12. Dispute Resolution. In the case of a dispute between the parties which cannot be resolved through normal discussion, the parties agree first to submit to mediation through Judicial Dispute Resolution (JDR) or similar alternative dispute resolution provider mutually agreed upon. Should no resolution be found through mediation, the parties will submit to binding arbitration with JDR or similar arbitration provider mutually agreed upon. Parties are responsible for their own legal fees regardless of the outcome of litigation.

13. Severability. If any one or more of the provisions contained in this Agreement is invalid, illegal, or unenforceable in any respect in any jurisdiction, the validity, legality, and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby. Notwithstanding that, should any public benefit payment structure prove to be invalid, illegal or unenforceable in its current form, the same payment will be made in a new form provided there is a form that would be valid, legal and enforceable.

14. Successors and Assigns. Subject to the following, this Agreement inures to the benefit of each party hereto and its successors and assigns, and shall bind the successors and assigns of each party until such date and time that all public benefit payments hereto have been made and that all projects are completed. Notwithstanding the foregoing, this Agreement may not be assigned by CPC or by WSCC, except to a successor owner of the WSCC Addition. However, in that the CPC is a coalition and not a legal entity, any group or single entity or individual with interest in this benefits package may work to ensure the enforcement of this Agreement.

15. Governing Law and Venue. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Washington, without giving effect to conflict of laws rules.

16. Integrated Agreement. Except for any separate agreements referenced herein, this Agreement comprises the entire agreement of the parties hereto, supersedes any prior written or oral understandings or agreements concerning the subject matter of this Agreement, and may not be amended or modified except by written agreement of each party. No provision of this Agreement may be waived except in writing and then only in the specific instance and for the specific purpose for which given.

17. Full Understanding; Independent Legal Counsel. The parties each acknowledge, represent, and agree that they have read this Agreement; that they fully understand the terms of this Agreement; that they have been fully advised by their legal

counsel and other advisors with respect to this Agreement; and that the Agreement is executed by the parties upon the advice and recommendation of their independent legal counsel.

18. Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes any prior agreements between them respecting the subject matter hereof.

19. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic mail shall be as effective as delivery by hand, courier, or post.

20. Third Party Beneficiaries. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree, or otherwise.

21. Authority. The individual(s) signing this Agreement on behalf of the organizations comprising CPC have been duly authorized to do so on behalf of such organizations and to bind such organizations hereto. This agreement is binding on the parties regardless of the public benefit package required by the City.

22. Notices. All notices, demands, requests, consents and approvals which may, or are required to, be given by any party to any other party hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) sent by a nationally recognized overnight delivery service, (c) electronically transmitted with confirmation sent by another method specified in this Section 21 or (d) if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

CPC:

Alex Hudson  
First Hill Improvement Association  
1425 Broadway #281  
Seattle, WA 98122  
Telephone: (206) 624.0208  
Email: Alex@firsthill.org

Blake Trask  
Cascade Bicycle Club  
7787 62nd Avenue North East  
Seattle, WA 98115  
Telephone: (206) 522-3222  
Email: blaket@cascadebicycleclub.org

Brie Gyncild  
Central Seattle Greenways  
c/o Seattle Neighborhood Greenways  
220 2nd Ave S #100  
Seattle, WA 98104  
Telephone: 206-325-3743  
Email: [centralseattlegreenways@gmail.com](mailto:centralseattlegreenways@gmail.com)

Gordon Padelford  
Seattle Neighborhood Greenways  
220 2<sup>nd</sup> Ave S #100  
Seattle, WA 98104  
Telephone: (206) 9638547  
Email: [gordon@seattlegreenways.org](mailto:gordon@seattlegreenways.org)

Marty Kooistra  
Housing Development Consortium  
1402 3rd Ave #1230  
Seattle, WA 98101  
Telephone: (206) 682-9541  
Email: [marty@housingconsortium.org](mailto:marty@housingconsortium.org)

McCaela Daffern  
Capitol Hill Housing Improvement Program  
1620 12<sup>th</sup> Ave, Suite 205  
Seattle, WA 98122  
Telephone: (206) 204-3819  
Email: [mdaffern@capitolhillhousing.org](mailto:mdaffern@capitolhillhousing.org)

Riisa Conklin  
Freeway Park Association  
1200 6th Ave Suite 1815  
Seattle, WA 98101  
Telephone: 206.229.4996  
Email: [riisa@freewayparkassociation.org](mailto:riisa@freewayparkassociation.org)

Scott Bonjukian  
Lid I-5 Steering Committee  
105 South Main Street, Suite 235  
Seattle, WA 98104  
Telephone: (206) 332.9900  
Email: [mail@lidi5.org](mailto:mail@lidi5.org)

With a copy to:

Seattle City Council Central Staff  
PO Box 34025  
Seattle, WA 98124-4025  
Attention: Lish Whitson  
Telephone: (206) 615-1674  
Email: lish.whitson@seattle.gov

With a copy to:

WSCC: Washington State Convention Center  
Public Facilities District  
705 Pike Street  
Seattle, Washington 98101-2310  
Attention: Jeff Blosser  
Telephone: (206) 694-5010  
Email: Jeff.Blosser@wscc.com

With a copy to: Pine Street Group L.L.C.  
1500 Fourth Avenue, Suite 600  
Seattle, Washington 98101  
Attention: Matt Griffin  
Telephone: (206) 340-9208  
Email: matt@pinest.com

With a copy to: Foster Pepper PLLC  
1111 Third Avenue, Suite 3400  
Seattle, Washington 98101  
Attention: Gary E. Fluhrer  
Email: fluhg@foster.com

Either party hereto may by proper notice made by the other party designate such other address for giving of notices. All notices shall be deemed given on the day such notice is delivered (or if refused, the date of such refusal) or transmitted by telephone facsimile or email or on the third business day following the date such notice is mailed in accordance with this Section.

*(Signature pages follow.)*

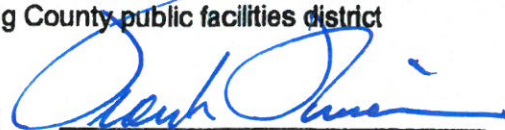


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written

WSSC:

WASHINGTON STATE CONVENTION  
CENTER PUBLIC FACILITIES DISTRICT, a  
King County public facilities district

By:



Frank Finneran  
Chairman of the Board of Directors

Approved as to form:

By:




Matthew R. Hendricks, General Counsel

CPC:

First Hill Improvement Association

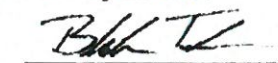
By:



Alex Hudson

Cascade Bicycle Club

By:



Blake Trask

Central Seattle Greenways

By:



Brie Gyncild

Capitol Hill Housing Improvement Program

The Capitol Hill Housing Improvement Program  
is organized pursuant to Seattle Municipal  
Code (SMC) 3.110 and RCW 35.21.660,  
35.21.670, and 35.21.730-.755. RCW  
35.21.750 provides as follows: "All liabilities  
incurred by such public corporation,

commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission or authority on account of any debts, obligations, or liabilities of such public corporation, commissions, or authority."

By:   
Christopher Persons, CEO

Seattle Neighborhood Greenways

By:   
Gordon Padelford

Housing Development Consortium

By:   
Marty Kooistra

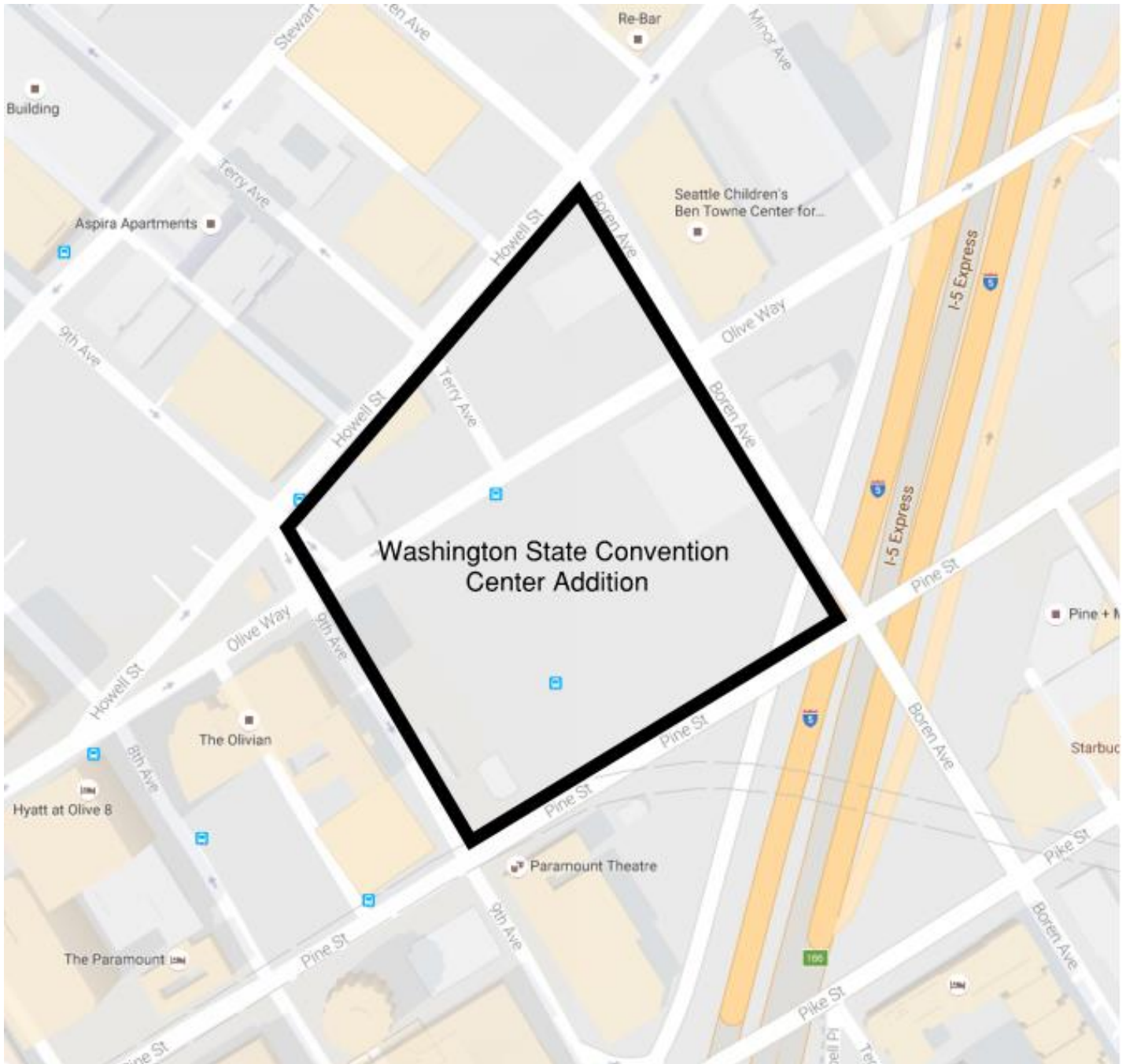
Freeway Park Association

By:   
Riisa Conklin

Lid I-5 Steering Committee

By:   
Scott Bonjukian

**EXHIBIT A  
TO PUBLIC IMPROVEMENT AGREEMENT  
MAP**



**EXHIBIT B**  
**TO PUBLIC IMPROVEMENTS AGREEMENT**  
**IMPROVEMENT PROJECTS AND PHASING**

<b>Item</b>	<b>\$ MM</b>	<b>Phase</b>	<b>Responsible City Agency / Department</b>
Freeway Park Improvements	\$10.0	1	Parks
Lid I-5 Study	\$1.5	1	OPCD
Pike-Pine Bicycle Improvements	\$10.0	1	SDOT
Olive Way Improvements	\$0.5	1	SDOT
8 <sup>th</sup> Ave Bicycle Improvements	\$6.0	2	SDOT
Terry Ave Promenade	\$4.0	3	SDOT
Affordable Housing	\$15.0	1	SOH
Affordable Housing	\$11.0	2	SOH
Affordable Housing	\$3.0	3	SOH
<b>Total</b>	<b>\$61.0</b>		

The City of Seattle may determine, in its sole discretion, that another department or agency shall be the recipient of funds.

Descriptions of each project appear on the following page.

Parks is Seattle Parks and Recreation

OPCD is Office of Planning and Development

SDOT is Seattle Department of Transportation

SOH is Seattle Office of Housing

## Abbreviations

CPC = Community Package Coalition  
WSCC = Washington State Convention Center  
PB = Public Benefits  
SDC = Seattle Design Commission  
KC = King County

OPCD = Seattle Office of Planning and Community Development  
SDOT = Seattle Department of Transportation  
BI = Bicycling Improvements

## Public Parks and Open Spaces

- **Freeway Park Improvements** – Off-site: Fund park improvements, to be determined by a design process in 2017, to make Freeway Park more safe, accessible, and enjoyable for local residents, employees, and Convention Center visitors.
- **Interstate 5 Lid Feasibility Study** – In-lieu: Consistent with Comprehensive Plan policies T 3.12 and P 1.17, fund a City-managed consultant technical study of extending Freeway Park and lidding Interstate 5 in the Center City for parks, affordable housing, transportation connections, and other public and private uses. The study will determine constructability, estimate lid costs, identify public and private funding sources, analyze potential land uses and urban design, involve public input, and provide for staff time at the public agencies involved.
- **Terry Avenue Promenade** – Off-site: Consistent with the First Hill Public Realm Action Plan, design and build a pedestrian woonerf on Terry Avenue between Cherry Street and Marion Street, providing critical new public open space in the rapidly redeveloping First Hill neighborhood. This project was adopted into SDOT's Right of Way Improvement Manual and is endorsed by all adjacent property owners.

## Active Transportation

- **8th Avenue Bicycling Improvements** – Off-site: Design and implement bicycle improvements as planned by the appropriate City agency between Pike Street and Bell Street to increase bicycling safety and transportation options.
- **Olive Way Interstate 5 Overpass Walking Improvements** – Off-site: Increase pedestrian safety on the Olive Way I-5 overpass via a reconfiguration of the roadway and nearby freeway ramps. Engage the public early in the design process and refer to the 1998 Capitol Hill Neighborhood Plan and the NACTO Urban Street Design Guide for best design practices.
- **Pike-Pine Corridor Bicycling Improvements** – Off-site: Consistent with the Bicycle Master Plan, design and implement bike lanes on Pike Street and/or Pine Street between 2nd Avenue and Broadway to create a critical east-west connection, increase bicycling safety, and increase transportation options as planned by the appropriate City agency to provide on-street bicycling infrastructure improvements.

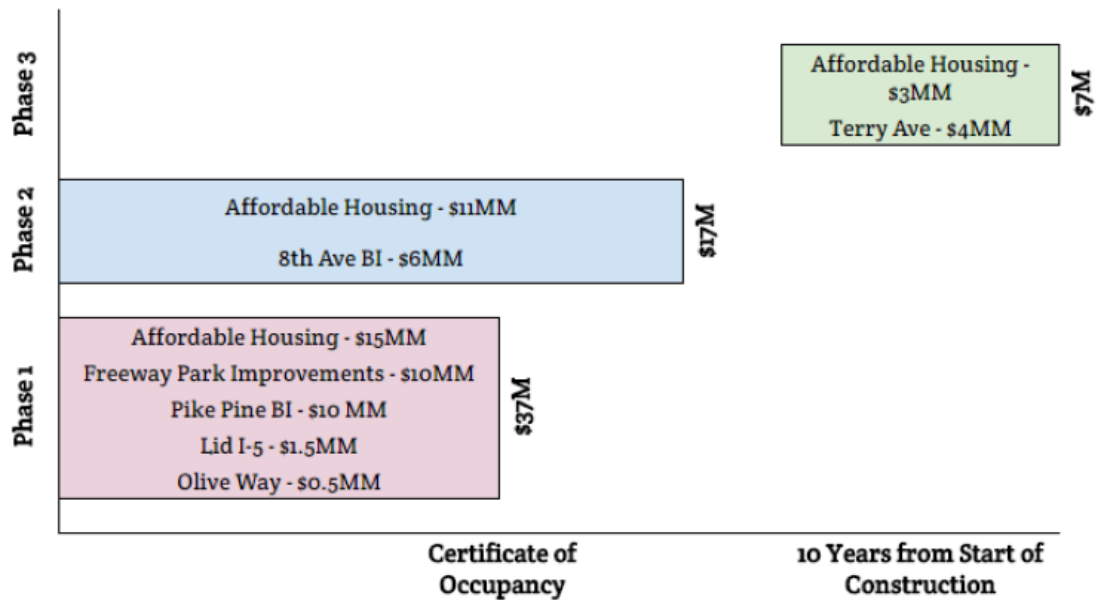
## Affordable Housing

- **Affordable Housing** – In-lieu: Make a contribution to the Seattle Office of Housing to subsidize construction or acquisition of homes affordable to workers earning at or below 60 percent of area median income.

## EXHIBIT C TO PUBLIC IMPROVEMENTS AGREEMENT

### ILLUSTRATION OF PHASING

The first scenario assumes the timely adoption and implementation of the Lodging Tax Legislation; the second scenario assumes the Lodging Tax Legislation is not adopted and implemented within the time frames set forth in the Agreement.



#### Exhibit C - Project Phases Alternate Scenario

