

FEDERAL WAY DOWNTOWN STATION TRANSIT-ORIENTED DEVELOPMENT

Pre-RFP Informational Meeting Summary

Background and purpose

Sound Transit is partnering with the City of Federal Way to bring transit-oriented development to approximately six acres of land next to the future Federal Way Downtown Link light rail station. Sound Transit anticipates publishing a request for proposals (RFP) in mid-2025 for two of the four sites, with criteria developed collaboratively by the agency, the City of Federal Way, and through community engagement.

In advance of the RFP release, Sound Transit held an in-person informational meeting with interested developers on January 29, 2025. At the informational meeting, representatives from Sound Transit and the City of Federal Way introduced the development opportunity at the Federal Way Downtown Station, described the project goals and proposal process, and provided time for questions and discussion.

Attendees and meeting notification

Sound Transit sent email invitations to a previously developed list of developers and interested parties. There were 28 attendees present. See Appendix A for a list of meeting attendees.

Format

Sound Transit hosted the January 29 meeting in person at the Federal Way Performing Arts and Event Center in Federal Way. Matthew Mateo (Sound Transit TOD Project Manager) led the presentation and question-and-answer sessions. The meeting was recorded and is available on the <u>Federal Way TOD</u> project website along with the presentation.

Presentation overview

TOD program overview

Harrison Price (Sound Transit TOD Engagement Program Manager) highlighted that Sound Transit's TOD program aims to deliver transit near Link light rail stations to capitalize on transit investments and build out station areas to be vibrant and affordable. Expanding transit requires Sound Transit to buy land to build stations, install tracks, and stage equipment and materials. When construction is finished and projects open, Sound Transit collaborates with communities to support development on this surplus property. Finding affordable housing, especially near transit hubs, is becoming increasingly difficult amid rising rents and home prices. Sound Transit strives to be part of the housing solution by creating and supporting opportunities for transit-oriented development and a diversity of housing options near our stations that meet community needs.

Statute on surplus property

Harrison Price noted that Sound Transit is directed to achieve mostly affordable housing in accordance with in accordance with the <u>80/80/80 policy</u>, a state statute that requires the agency to offer at least 80 percent of surplus property that is suitable for housing to qualified entities to develop housing affordable to families at 80 percent of area median income or less. Qualified entities are defined as local governments, housing authorities, or nonprofit developers. To help offset the cost of development,



Sound Transit is able to offer the land at a discount or sometimes at no cost if the project is developed by a Qualified Entity for affordable housing.

TOD project implementation

Harrison Price gave an overview of the TOD development process, timeline, and the role Sound Transit plays throughout the development process. The Federal Way Downtown Station TOD project team is nearing the end of the development strategy phase, where they are determining what they want to see achieved on the site before issuing a request for proposal to develop it.

Federal Way Downtown Station TOD overview

Matthew Mateo presented that the TOD site is adjacent to the future Federal Way Downtown Station. It is also located directly adjacent to a parking garage extension, a pickup drop-off area, and reconfigured bus loop. The total surplus area is approximately six acres, with four development sites ranging from 42,000 square feet to 102,000 gross square feet. Matthew noted that their focus for this offering strategy was on Sites 1 and 2. Sites 3 and 4 are encumbered by legacy environmental contamination from a former dry cleaner and fuel service station that previously existed on those sites.

Circulation context

Matthew Mateo highlighted that the area around the Federal Way Downtown Station will be a very dynamic area to include new street grids put into place as part of the reconfigured bus loop. In general, Matthew expects movement on all sides of both TOD sites. Movement could be either transit, vehicular, pedestrian, and non-motorized.

Zoning & land use

Keith Niven (City of Federal Way Community Development Director) shared the work that the city has done preparing for the arrival of light rail and towards their vision of the Federal Way Downtown area. Keith gave an overview of the zoning changes that have been made in the City Frame, and City Center-Core zoning rules. Both have a maximum density of 10 floor area ratio and a minimum density of 1.5 floor area ratio. Keith also highlighted the TC3 development agreement in place around the Federal Way Performing Arts and Entertainment Center, which includes 1,600 housing units and a 1-acre civic plaza.

Key engagement themes

Harrison Price highlighted that an important part of Sound Transit's TOD process is conducting community engagement to understand what is wanted and needed in the community. Community engagement for the Federal Way Downtown Station TOD project occurred between fall 2023 and summer 2024. Engagement activities included meetings with community-based organizations, an online survey, and in-person outreach events. Key engagement themes included a preference for public and commercial spaces to serve the functional needs of transit users as well as broader community needs. This included facilities that are useful year-round, accessible regardless of mode, and supported by dense, mixed-use, mixed-income housing. There was a desire for the station area to be a community hub with a distinctive sense of place and a variety of uses including living, working, and social spaces that draw both residents and visitors to the area. Respondents highlighted the importance of creating a neighborhood that brings people together in a mixed-use environment. There was an emphasis on the need for affordable housing options, with a desire for a range of housing types, including apartments,

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condos, and townhouses. There was also a focus on ensuring that housing is affordable for families, young professionals, and individuals with lower incomes. Community members also recognized that denser housing developments will help maximize efficiency and contribute to the urbanization of the area to help prioritize comfort.

TOD Site 1

Matthew Mateo gave an overview of TOD Site 1, located in the northwest corner of the property, sharing that it is approximately 34,000 square feet in net buildable area. He noted that the main constraint is the existing stormwater vault. The vault was originally installed in the early 2000s to serve the Federal Way Transit Center Parking Garage. Site 1 is taking over the south portion of the existing busway.

TOD Site 2

Matthew Mateo gave an overview of TOD Site 2. TOD Site 2 is larger than Site 1 at 48,000 square feet of net buildable area. In general, this site is development ready with minimal known encumbrances.

Environmental contamination

Matthew Mateo shared that legacy environmental contamination is present on Sites 3 and 4 and that Sound Transit will not develop these sites until further due diligence is complete. Site 4 has source contamination from a former dry cleaner on the site while Site 3 has contamination from a former fuel service station. Recent monitoring well results show that Site 1 has no known soil or groundwater contamination. Monitoring well results from January 2025 detected groundwater contamination on TOD Site 2 and no known soil contamination. Sound Transit will continue to evaluation contamination on both TOD Sites 1 and 2 in partnership with the Department of Ecology to identify next steps. Matthew noted that developers should expect to include construction mitigation such as a vapor mitigation system and excavation considerations on both TOD Sites 1 and 2.

Matthew shared that a preliminary geotechnical study is ongoing now to give potential developers additional information about environmental and geotechnical conditions when the RFP is released.

Mount Rainier view corridor

Matthew Mateo shared that the Mount Rainier view corridor is an ordinance that the City of Federal Way set in place to consider the view of Mount Rainier from City Center. Administrative approval will be required by the Community Development Director.

Offering strategy

Matthew Mateo shared that the Sound Transit board recently approved offering Sites 1 and 2 to qualified entities for affordable housing. The board also approved considering the site's eligibility for a discount. The discount is only available to qualified entities, though Sound Transit welcomes and encourages developers and organizations teaming together to maximize the outcomes on this site. Matthew noted that the qualified entity must be in the lead role and only land proposed for affordable housing is eligible for a discount.



Tanja Carter (City of Federal Way Economic Development Director) outlined how the City of Federal Way is developing the larger vision of the Downtown City Center Core and City Center Frame. Tanja described that the City of Federal Way is going through a "reimagination" campaign aimed at publicizing Federal Way as the place to visit and explore. She encourages developers to consider the uniqueness Federal Way businesses bring and to consider how those businesses can help Federal Way lead South King County as vibrant, livable, and well-connected community.

Funding resources

Potential funding sources include the Washington State Housing Finance Commission, up to \$10 million from King County, and eligibility from South King Housing and Homelessness Partners. More information about what funding sources and eligibility criteria will be included in the RFP.

Request for proposal

Matthew Mateo announced that the request for proposal will be released as soon as mid-2025. Proposals will most likely be two approximately 60 days after the RFP is published. The selection panel is made up of representatives from Sound Transit, the City of Federal Way, and funding partners. The panel will use scoring criteria to evaluate proposals and the developer or team with the highest score will be selected. The evaluation criteria will pertain to the goals as outlined in the RFP, as well as the proposer's ability and capacity to deliver the project.

Matthew shared that Sound Transit is looking for experienced developers with a proven ability to deliver these kinds of projects. This doesn't preclude other entities from participating in a project, but since housing is the primary goal a housing developer should be in the lead. Sound Transit will be looking for a clearly articulated project vision outlining the main components of the developer's project. Matthew added that Sound Transit hopes to see proposals that are applying an equitable lens to the project and are mindful of who the project would serve and how.

Next steps

Matthew Mateo gave an overview of the schedule and next steps. The RFP will be published in mid-2025, with proposals due approximately 60 days after RFP publication. Sound Transit will then enter into negotiations with the selected developer in advance of bringing Key Business Terms to the Sound Transit Board for approval.

Following the presentation, Matthew welcomed questions and comments from meeting participants that are summarized in the next section. A video of the presentation is available on the <u>Federal Way</u> <u>TOD Project website</u>.



Appendix A: Meeting attendee list

Name	Organization	Email
Beth Boran	Beacon Development Group	bethb@beacondevgroup.com
Mindy Black	Bellwether Housing	mblack@bellweatherhousing.org
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