

Ordinance No. 121193

Council Bill No. 114495

AN ORDINANCE authorizing the execution of the First Amendment to 1998 Agreement Between The City of Seattle and the University of Washington to revise land acquisition and leasing provisions of that Agreement.

CF No. _____

Date Introduced:	MAR - 3 2003	
Date 1st Referred:	MAR - 3 2003	
Date Re - Referred:	To: (committee) Finance, Budget, Business & Labor Committee	
Date Re - Referred:	To: (committee) And Land Use Committee	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: 6-3	
Date Presented to Mayor:	Date Approved: 6/26/03	
Date Returned to City Clerk:	Date Published: 3pp.	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

Walk-on

The City of Seattle - Legislative Department
Council Bill/Ordinance sponsored by: _____

Committee Action:

Do Pass as Amended
4-2 yes = JD, PS, JC, JN
 No - NL, Rin (2)

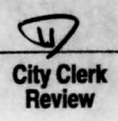
6-16-03 Passed As Amended 6-
(No: Lucada, McLeew, Conli)

This file is complete and ready for presentation to Full Council. Con

Law Department

Law Dept. Review

OMP Review

 City Clerk Review

walk-on

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Jan Peago
Councilmember

Committee Action:

DO Pass as amended

4-2 yes - JD, PS, JC, JN

No - NZ, Rin

6-16-03 Passed As Amended 6-3

(No: Licata, McVey, Conlin)

This file is complete and ready for presentation to Full Council.

Committee: _____

(initial/date)

Law Department

Law Dept. Review

OMP
Review

City Clerk
Review

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*Final date
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N.O. Kinnaman
6/11/03*

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Budget, Business
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T.O.
F.T. _____

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ORDINANCE 121193

AN ORDINANCE authorizing the execution of the First Amendment to 1998 Agreement Between The City of Seattle and the University of Washington to revise land acquisition and leasing provisions of that Agreement.

WHEREAS, the University of Washington is Seattle's largest employer with 24,000 employees at the central campus; and

WHEREAS, the University of Washington confers more than 10,000 degrees a year, including almost one third of all bachelor's degrees and master's degrees, two thirds of all Ph.D.'s and half of all professional degrees awarded in the state; and

WHEREAS, a well-educated work force boosts Seattle's economic productivity, generates innovation, and acts as a magnet for leading-edge, high-paying businesses; and

WHEREAS, since 1974, the University of Washington has been the number one public university in the United States in receiving federal support for research and training, and in fiscal year 2002 received more than \$800 million in public and private grant and contract support; and

WHEREAS, the University of Washington researchers who attract public and private grant and contract support need additional office and research space for the duration of their grants; and

WHEREAS, the University of Washington has nearly reached its limit of 550,000 square feet of leased space in the primary and secondary impact zones, currently barring researchers from leasing additional space in those areas; and

WHEREAS, a lease lid was imposed upon the University of Washington in the 1970s, and other major institutions in the 1980s in order to prevent the conversion of housing to institutional uses in surrounding neighborhoods; and

WHEREAS, lease lids on major institutions, except for the University of Washington, were lifted in 1996 by Ordinance 118362, and were replaced by policies encouraging development inside of Major Institution Overlay District boundaries and requiring major institutions to report activity occurring within 2500 feet outside their boundaries; and

WHEREAS, Council Resolution 29488 directed the City's Department of Design, Construction and Land Use to establish an annual reporting program to monitor development and leasing trends subsequent to the December 1996 baseline report, and no significant negative effects have been observed; and

WHEREAS, the Vision Statement for the University Community Urban Center Plan states "The University Community will seek an active partnership with the University of Washington as a catalyst for positive change involved in both residential and business concerns"; and

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1 WHEREAS, the University of Washington is subject to current land use regulations in the University District,
2 which include Commercial zones, Neighborhood Commercial zones, and pedestrian-designated streets
3 where certain street-level uses are required to preserve the streetfront's commercial or pedestrian-oriented
character; and

4 WHEREAS, University of Washington employees and researchers located in the primary and secondary impact
zones are subject to the University of Washington Transportation Management Plan, which includes
5 programs to reduce commuting by single-occupant vehicles, and will enable students and faculty
6 employed by the University's research activities to be located within walking distance of classrooms,
libraries, and offices on campus; and

7 WHEREAS, allowing University of Washington researchers and other University activities to lease more space in
the University District will likely reduce vacancy rates and stimulate economic activity; and

8 WHEREAS, residents of communities surrounding the University are plagued by the negative effects of over-
occupied rental dwellings that house students off-campus in single-family homes that have been
9 converted to multi-unit tenancies, and

10 WHEREAS, the University has agreed to use its authority to stabilize adjacent residential neighborhoods and
mitigate pressures for multi-unit conversions of single-family homes as the University extends its leasing
11 of commercial properties in the University District; NOW THEREFORE,


BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

12 Section 1. The Mayor is hereby authorized to execute, on behalf of the City, the First Amendment to the
13 1998 Agreement between The City of Seattle and The University of Washington, substantially in the form of Exhibit

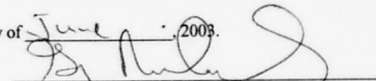
14 1.

15 Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the
16 Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as
17 provided by Municipal Code Section 1.04.020.

18 Passed by the City Council the 16th day of June, 2003, and signed by me in open session in
19 authentication of its passage this 16th day of June, 2003.

20 
21 President _____ of the City Council

22 Approved by me this 26 day of June, 2003.

23 
24 Mayor

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Filed by me this 30th day of June, 2003.

Judith E. Papp
City Clerk

(Seal)

Exhibit 1: First Amendment to the 1998 Agreement Between the City Of Seattle and the University Of Washington

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Exhibit 1

FIRST AMENDMENT
to the
1998 AGREEMENT
between
THE CITY OF SEATTLE
and
THE UNIVERSITY OF WASHINGTON

This First Amendment dated _____, 2003 is by and between the City of Seattle, a municipal corporation of the State of Washington, and the University of Washington, an institution of higher education and agency of the State of Washington, and amends that certain agreement of 1998 between the parties referred to as the 1998 City-University Agreement.

WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

- I. **Amendment of Section II.D.1.** The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:



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- a. A status report on all ongoing development projects at the University;
- b. Proposed project development changes, and major and minor amendments;
- c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
- d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
- e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single-occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
- f. The number of jobs added through UW leasing in the UDNUCV;
- g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
- h. The City will a report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
- i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
- j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.

II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:

2. In addition to the information required by II.D.1, the semiannual report will include the following information:
 - a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;



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- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
 - c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and
 - d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.
3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.
 - a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.
 - b. Leasing Policy. The Leasing Policy is as follows:
 - (1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

- a) Permitted Leasing Focus: While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b) In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW off-campus leasing;
- c) Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605;
- d) Based on the analysis conducted pursuant to "b)" and "c)" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDUNCV shall be continued or modified after 2010;
- e) UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement;
- f) No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses permitted under the Master Plan or in a Council-approved



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neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations;

- g) Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use within the UDNUCV. Comparable use shall be defined to be the number of units and comparable price to those demolished; and
- h) The University will develop a housing quality complaint program for students using UW services to find off-campus, private housing, within University District residential areas, including University Park, beginning with information to students about DCLU code compliance, tenants' rights, landlord/tenant issues and mediation services among others. This program will be implemented in the 2004-05 academic year. The University will also complete the "Guide to Student Community Relations - Neighbor to Neighbor Expectations" as outlined in the Regents' response to the City Council's preliminary Campus Master Plan decision. This guide will be complete by the fall of 2003 and mailed to students living in off-campus, private housing, within University District residential areas, including University Park.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

- 2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.
2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.
3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and influence in the economy of the UDNUCV affords it a unique ability to encourage the development of housing to serve UW faculty and staff and other potential long-term residential stakeholders. The University will continue its efforts, to the extent allowed by law, to provide housing financing opportunities for its faculty and staff including but not limited to, programs such as the Hometown Homeloan Program. The University will report to the City on its efforts to stimulate new housing production and development of housing options for faculty and staff as outlined in Section II.D.2. of this Agreement.
4. As the City reviews zoning regulations within the UDNUCV, it will work to eliminate barriers to housing development and may provide incentives for the creation of additional housing units.

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June 10, 2003
Version 9

President, date

Mayor, date

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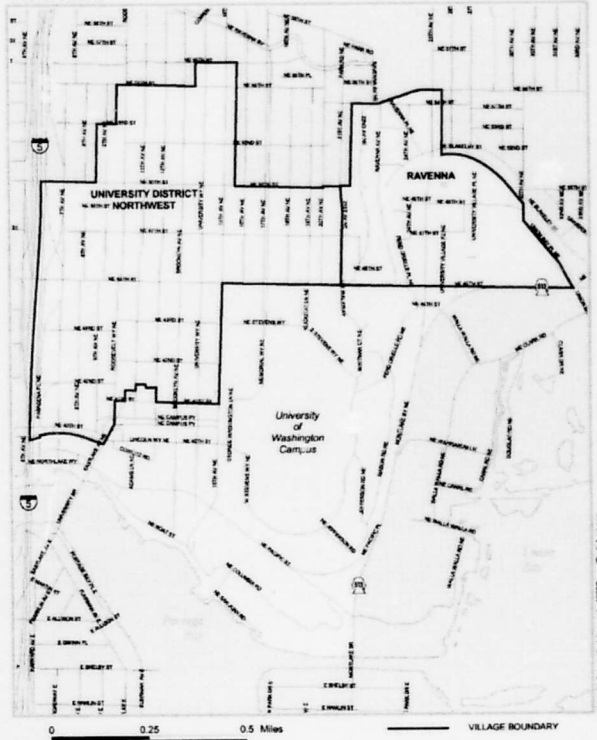
June 10, 2003
Version 9

Attachment 1
University District Northwest Urban Center Village and Environs



Seattle's Comprehensive Plan
Toward a Sustainable Seattle

Land Use Figure 5
UNIVERSITY COMMUNITY
Urban Center



Land Use Element
LU 14

January 2003

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Morgan
June 10, 2003

**Divided Report
FBBL/Land Use Committee
UW Lease Lid – CB 114495
Full Council – June 16, 2003**

Drago, Compton, Nicastro and Steinbrueck recommendation: Approve what has been described as "Option 4" with several amendments approved in committee. The key elements of Option 4, as amended, are:

- Elimination of the UW lease lid indefinitely.
- Elimination of the Permitted Leasing Zone, i.e., permitting UW leases anywhere within the City without restricting them to the Permitted Leasing Zone. A provision that the University will work to direct 75% of its leases into the University District Northwest Urban Center Village (UDNUCV) is added.
- Establishment of a five-year review to be led by an interdepartmental City team to analyze the benefits and impacts of UW leasing, including UW actions to encourage housing development. The review is intended to determine whether or not off-campus leasing and/or focusing leases in the UDNUCV would be continued or modified.
- Increasing reporting requirements on a semiannual basis to provide information to track UW leases and their impacts and for conducting the five-year review.
- Retaining existing limitations on UW street-level uses in leased facilities. Certain uses are permitted. Examples of permitted uses include uses similar to retail or customer-service offices.
- Requiring UW use and development of leased space to conform to City land use regulations.
- Adding a section describing joint City/University goals for encouraging new housing.

Amendments to Option 4 approved by the Committee would prohibit demolitions and conversions of residential uses due to UW leases unless there is comparable replacement of the residential use, add - to the five-year review - a review of UW participation in City development and implementation of a University District revitalization program to the review of UW leasing after five years and other minor amendments.

Licata and McIver recommendation: Councilmembers Licata and McIver supported modifying option 4 to have the following provisions:

- Increasing the limit on UW leases in the Impact Zones by 207,000 square feet to 750,000 square feet rather than eliminating the lease lid.

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- Exempting from the lease lid any leases of currently vacant space in the Permitted Leasing Zone that is not located at the street level, and leases in new projects in which 30% of the floor area is in residential use.
- Continuing to limit new or expanded UW leases to the existing Permitted Leasing Zone.
- Prohibition of leases that would result in the demolition or conversion of structures with residential uses unless there is comparable replacement of the residential use.

Councilmember Statements of Reasons

Drago, Compton, Nicastro and Steinbrueck statement of reasons:

Maintaining the ability of the University of Washington and entities funded by the University to enter into off-campus leases in the University District is not only important for the educational and research missions of the University but also will also contribute positively to the economic vitality of the University District, Seattle, the region and the state.

We have repeatedly increased the lease lid whenever it was applied and have not observed adverse effects. The lease lid has constituted a false sense of protection. At the same time, it has required the time and effort for repeated adjustments and has required that the University artificially manage potential leases.

The restriction of UW leases to the Permitted Leasing Zone is an unnecessary constraint. 75% of the University's leases in the Impact Zones were located in the Permitted Leasing Zone when it was established in 1998. Under our proposal the University is agreeing to work to direct this proportion of its leases in the Impact Zones to the University District Northwest Urban Center Village in the future.

Our recommendation includes a commitment by the University and the City to return to the table in five years to review the benefits and impacts of UW leasing. Reporting is enhanced and stepped up to twice per year. This will provide the information needed to determine what action to take after five years.

More importantly our recommendation includes a significant commitment by the University to use its influence to encourage the development of housing and to assist the City and the merchants in the area in developing and implementing a revitalization program – and unlike other proposals, this has the agreement of the UW.

Maintaining ground-floor use limitations in the City-University Agreement will help to protect the character of retail areas not included in designated Pedestrian Districts.

We believe the City needs to do its part to provide appropriate incentives for commensurate housing development and University District revitalization. We have therefore endorsed the resolutions for considering height bonuses and other measures that will improve the economics of commercial area development projects that include a housing component and measures to improve the economic condition of the University District.

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Licata and McIver statement of reasons:

What we know about the future of UW leasing in the UD is very little. We do not know, or even necessarily expect, that there will be adverse effects from UW leasing. Yet, we are not sure of the opposite either. Credible concerns have been raised about UW effects on the commercial rents in the University District, incentives for single-use commercial office development, and the long-range potential to affect the character of the University District retail areas.

A requirement to simply pass an ordinance to continue University leasing is a small price to effectively assure that the University will come to the table after five to seven years - the amount of time at historical rates it would take the university to reach 750,000 square feet of leases. Otherwise, there is no way we will bring the University back to the table.

The lease lid *has* brought the UW to the table in the past (not only with the City but in a meaningful way with CUCAC) and it has served to genuinely protect the areas outside of the permitted leasing zone, where leases are not permitted to expand.

We are concerned that promises of reviews after five years, when the exigency of having to reauthorize UW leases is gone, will prove to be the false protections we are so concerned about.

The exemptions that we propose will provide real incentives to achieve revitalization for existing properties and for UW participation in mixed-use projects containing housing.

At a time when we are focusing such great attention on the revitalization of the University District, it seems ironic to us that we are at the same time eliminating the one effective tool we have had to focus the benefits of UW leasing into this area - the Permitted Leasing Zone (PLZ). As the University's leases have grown from about 400,000 square feet to 550,000 square feet since the PLZ was established in 1998, the percentage of leases in the Impact Zones concentrated in the PLZ has increased from 75% to 85%.

Limiting new off-campus leases to the PLZ (except outside of the Impact Zones) will increase the likelihood that new leases will contribute to the revitalization of the Ave, which has been the focus of the lease lid proposals. In addition, relocating existing leases in the vicinity of the UW in the University District would help to reduce the need for travel via automobiles between the University and more distant off-campus locations.

The University has a strong incentive to come to agreement with the City, both to maintain our mutual agreement about City zoning authority and because failure to approve an amendment would result in continuation of the current lease limit.

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**Legislative Department
Seattle City Council
Memorandum**

Date: June 10, 2003
To: All Councilmembers
From: *Bob*
Bob Morgan, Central Staff
Subject: UW lease lid - minor corrections

I recommend that the Council consider the minor corrections to Exhibit 1 to CB 114495 shown in the attached document. The changes correct formatting, eliminate a redundancy and clarify one internal reference.

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**Legislative Department
Seattle City Council
Memorandum**

Date: June 9, 2003
To: Ali Councilmembers
From: Margaret Papeter *Margaret Papeter*
Subject: UW lease lid amendment – Housing Quality Complaint Program and Guide to Student Community Relations

I propose the attached amendment to CE 114495 regarding the UW lease limit. This proposed amendment is revised from an earlier draft which some of you may have seen. Theresa Doherty of the University staff indicates she will recommend acceptance of this provision by the University.

This amendment would:

1. Commit the University to develop a housing quality complaint program for students using UW services to find off-campus housing in University District residential areas including University Park. This program will begin with provision of information to students about code compliance, tenants' rights, landlord/tenant issues, and mediation services. It will also include a system of complaint monitoring and response; and
2. Commit the University to completing a "Guide to Student Community Relations – Neighbor to Neighbor Expectations" as outlined in the Regents' response to the City Council's preliminary Campus Master Plan decision.

This amendment differs from my earlier proposal in that the requirements are not conditions for continuation of UW off-campus leasing in the Impact Zones, do not include a requirement that landlords seeking to advertise student housing through University auspices demonstrate compliance with codes, or require disciplinary action against students who violate off-campus behavior standards.

The housing complaint program will specify what circumstances or pattern of complaints will disqualify a rental property from inclusion in the University's student housing lists.

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ACTING
CITY
CLERK

Pageler Proposed Amendment

Amend CB 114495 and the exhibit to require that the University develop a housing quality assurance program and good neighbor program as follows:

Add the following recitals to the Council Bill:

WHEREAS, residents of communities surrounding the University are plagued by the negative effects of over-occupied rental dwellings that house students off-campus in single-family homes that have been converted to multi-unit tenancies, and

WHEREAS, the University has agreed to use its authority to stabilize adjacent residential neighborhoods and mitigate pressures for multi-unit conversions of single-family homes as the University extends its leasing of commercial properties in the University District.


Amend Exhibit 1 to add the following new paragraph I.I.E.1. _# of the City/University Agreement:

- __ #. The University will develop a housing quality complaint program for students using UW services to find off-campus, private housing, within University District residential areas, including University Park, beginning with information to students about DCLU code compliance, tenants' rights, landlord/tenant issues and mediation services among others. This program will be implemented in the 2004-05 academic year. The University will also complete the "Guide to Student Community Relations - Neighbor to Neighbor Expectations" as outlined in the Regents' response to the City Council's preliminary Campus Master Plan decision. This guide will be complete by the fall of 2003 and mailed to students living in off-campus, private housing, within University District residential areas, including University Park.

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**Legislative Department
Seattle City Council
Memorandum**

Date: June 5, 2002
To: Councilmembers
From:  Richard McIver
Subject: Proposed amendment to UW lease lid legislation

Attached are amendments I am proposing to Exhibit 1 (the City/University agreement) of the lease lid legislation. Under Alternative 4, adopted by the committee on 6/4, the University of Washington (UW) is authorized to lease any property within the City of Seattle. However, if the UW leases within the Primary and Secondary Impact Zones surrounding and including the University District, it will "work toward" directing 75% of its leasing in these Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined in the City's Comprehensive Plan.

My amendment would modify this language slightly by stating that the "*UW shall direct 75% of its new leasing in the Impact Zones to the UDNUCV.*" My proposed amendment also adds to the 5 year review that will be conducted in 2008 reviewing compliance with this 75% requirement.

My rationale for these proposed changes is as follows:

- 1) The UW has stated on numerous occasions that they are interested in locating newly leased space as close to campus as possible. Current zoning in the UDNUCV is most conducive to this activity, which will necessitate that the majority of this activity would likely need to occur in the UDNUCV.
- 2) The Gardner/Johnson Market Analysis is very clear that the University District (incorporated in the UDNUCV) needs more daytime workers located in this area to help revitalize the District. The more the University leases in the UDNUCV, the more this will result in increased workers in this area, thus fulfilling the need well articulated in the Gardner/Johnson Analysis.
- 3) This requirement does not inhibit the ability for the UW to lease an unlimited amount of space throughout the City. It simply states that if they are going to lease within the greater University Area (encompassed by the Primary and Secondary Impact Zones) that the bulk of this new leasing activity should happen in the UDNUCV.
- 4) This requirement provides greater assurance to surrounding neighborhoods that UW off-campus leasing will occur primarily in the UDNUCV versus the surrounding neighborhoods.
- 5) This requirement provides the opportunity in 5 years to review and make sure that there is a balance between the City's desire for economic revitalization in the University District and the UW's leasing needs in the greater University area.

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Councilmembers
June 10, 2003
Page 2

I believe my proposed amendments attempt to provide the UW with maximum flexibility to lease as they so desire, but balances this need with the need to drive as much new economic activity as possible into the University District. This economic activity is vitally needed to spur on the revitalization of this area.

Attachments

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Language for McIver Proposed Amendment to the UW Lease Lid Proposal

Amend the recommendation of the joint FBBL/LUC Majority in section IIE1. as follows:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.

b. Leasing Policy. The Leasing Policy is as follows:

(1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

- a. Permitted Leasing Focus: While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it ~~shall direct at least will work toward directing~~ 75% of its leasing new leases in the Impact Zones after the effective date of this first amendment to this agreement to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b. In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW leasing to determine whether or not off-campus leasing, and/or focusing leases, in the UDNUCV should be continued or modified;
- c. Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and

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residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605. In addition, the UW's compliance with the 75% leasing requirement within the UDNUCV as provided in subsection (a) of this section shall be reviewed;

- d. Based on the analysis conducted pursuant to "b" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDNUCV shall be continued or modified after 2010;
- e. UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement;
- f. No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations; and
- g. Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

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Majority Report on
Track Changes

Exhibit 1

FIRST AMENDMENT
to the
1998 AGREEMENT
between
THE CITY OF SEATTLE
and
THE UNIVERSITY OF WASHINGTON

This First Amendment dated _____, 2003 is by and between the City of Seattle, a municipal corporation of the State of Washington, and the University of Washington, an institution of higher education and agency of the State of Washington, and amends that certain agreement of 1998 between the parties referred to as the 1998 City-University Agreement.

WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

- I. **Amendment of Section II.D.1.** The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:



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- a. A status report on all ongoing development projects at the University;
- b. Proposed project development changes, and major and minor amendments;
- c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
- d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
- e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single-occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
- f. The number of jobs added through UW leasing in the UDNUCV;
- g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
- h. The City will report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
- i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
- j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.

II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:

2. In addition to the information required by II.D.1, the semiannual report will include the following information:
 - a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;

- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
- c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and
- d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.

3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.

b. Leasing Policy. The Leasing Policy is as follows:

(1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:



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- a. Permitted Leasing Focus: While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b. In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW leasing to determine whether or not off-campus leasing, and/or focusing leases, in the UDNUCV should be continued or modified;
- c. Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, and the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605;
- d. Based on the analysis conducted pursuant to "b" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDUNCV shall be continued or modified after 2010;
- e. UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement; and
- f. No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses

City-UW Agreement Amendment Exhibit 1 v7 - FBH - LUC Majority Track Changes

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permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations; and

g. Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.



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2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.
3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and influence in the economy of the UDNUCV affords it a unique ability to encourage the development of housing to serve UW faculty and staff and other potential long-term residential stakeholders. The University will continue its efforts, to the extent allowed by law, to provide housing financing opportunities for its faculty and staff including but not limited to, programs such as the Hometown Homeloan Program. The University will report to the City on its efforts to stimulate new housing production and development of housing options for faculty and staff as outlined in Section II.D.2. of this Agreement.
4. As the City reviews zoning regulations within the UDNUCV, it will work to eliminate barriers to housing development and may provide incentives for the creation of additional housing units.

UNIVERSITY OF WASHINGTON

CITY OF SEATTLE

President, date

Mayor, date

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Minority Report on
Track Changes Exhibit 1

FIRST AMENDMENT
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WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

- I. **Amendment of Section II.D.1.** The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:

- a. A status report on all ongoing development projects at the University;
- b. Proposed project development changes, and major and minor amendments;
- c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
- d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
- e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single-occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
- f. The number of jobs added through UW leasing in the UDNUCV;
- g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
- h. The City will a report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
- i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
- j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.

II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:

2. In addition to the information required by II.D.1, the semiannual report will include the following information:
 - a. Any purchases completed or proposed within the next year and proposed uses of such property located within the Primary & Secondary Impact Zones;

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- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
 - c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and
 - d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.
3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.
 - a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations. University use and development of property in the City of Seattle must conform to the City of Seattle's use and development regulations.
 - b. Leasing Policy. The Leasing Policy is as follows:
 - (1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and

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conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

- a) Except as provided in Section II.E.1.c), leasing will be permitted in the "Permitted Leasing Zone" only, which is located within the "Primary and Secondary Impact Zones," as depicted on Exhibit A;
- b) The amount of leased space within the Primary and Secondary Impact Zones shall not exceed 750,000 square feet (gsf), except that:
 - i. leases in the Permitted Leasing Zone of non-street-level commercial space in an existing structure that is vacant as of the effective date of this first amendment of this agreement shall not be subject to the square-foot limit upon leases; and
 - ii. leases in the Permitted Leasing Zone in structures that include a residential component that constitutes at least 30% of the floor area of the structure and are built after the effective date of this first amendment to this agreement shall not be subject to the square-foot limit upon leases;
- c) Within the Primary and Secondary Impact Zones, the continued leasing of existing leased space as of the effective date of this Agreement shall be permitted; and the renewal of such leases after the effective date of this Agreement shall be permitted, except that expansion of such leases shall be permitted only in the "Permitted Leasing Zone; and
- d) Within the Permitted Leasing Zone, new or expanded off-campus leasing shall not be permitted where such leasing would result in the demolition of structures with residential uses or change of use of those structures to non-residential uses, or in structures built after the effective date of this first amendment of this agreement that have resulted in the demolition of structures with residential uses or change of use of those structures to non-residential uses, unless comparable replacement is proposed to maintain the housing stock of the city. (Comparable shall

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be defined consistent with language from Major Institutions Land Use Code 23.34.124B.7.).

- a. ~~Permitted Leasing Focus:~~ While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b-c) In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW leasing to determine whether or not off-campus leasing, and/or focusing leases, in the UDNUCV should be continued or modified;
- e-f) Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the

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University District called for by City of Seattle Resolution 30605;

- d.g) Based on the analysis conducted pursuant to "b" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDNUCV shall be continued or modified after 2010; and
- e. UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement;
- f.h) No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations; and
- g. Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

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2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.
2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.
3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and influence in the economy of the UDNUCV affords it a unique ability to encourage the development of housing to serve UW faculty and staff and other potential long-term residential stakeholders. The University will continue its efforts, to the extent allowed by law, to provide housing financing opportunities for its faculty and staff including but not limited to, programs such as the Hometown Homeloan Program. The University will report to the City on its efforts to stimulate new housing production and development of housing options for faculty and staff as outlined in Section II.D.2. of this Agreement.



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4. As the City reviews zoning regulations within the UDNUCV, it will work to eliminate barriers to housing development and may provide incentives for the creation of additional housing units.

UNIVERSITY OF WASHINGTON

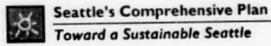
CITY OF SEATTLE

President, date

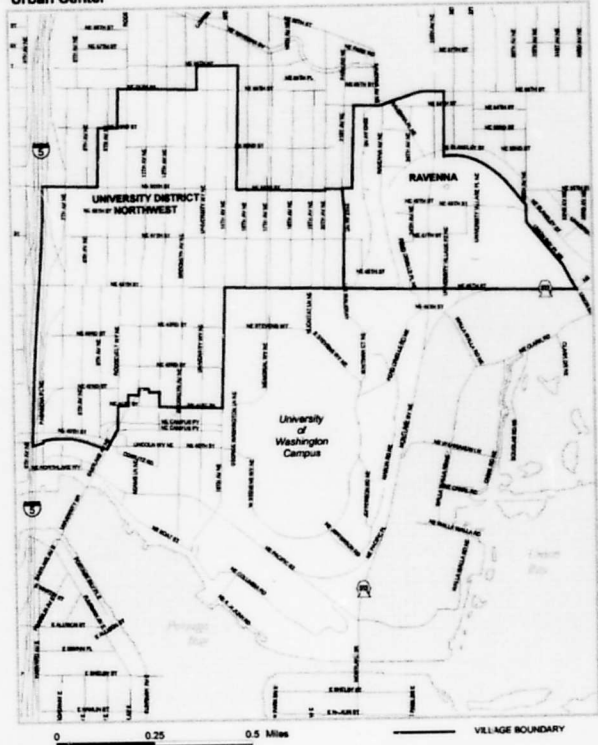
Mayor, date

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Attachment 1
University District Northwest Urban Center Village and Environs



Land Use Figure 5
UNIVERSITY COMMUNITY
Urban Center



Land Use Element
LU - 14

January 2003



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City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

February 18, 2003

Honorable Peter Steinbrueck
President
Seattle City Council
Municipal Building, 11th Floor

Dear Council President Steinbrueck:

The attached ordinance amends the 1998 City-University Agreement to remove leasing restrictions on the University of Washington.

The City and the University of Washington recently adopted a new master plan for the university. This plan will allow the UW to fulfill its educational and research mission while at the same time safeguarding the surrounding neighborhoods. Now that the blueprint for the UW's future is in place, we must focus our attention on the 1998 City-University Agreement and remove those conditions that are detrimental to both the UW and the City.

The current agreement limits the amount of space that the UW may lease in the surrounding neighborhoods. Commonly known as the "lease lid" this provision no longer has a valid purpose and this legislation would eliminate it. Like the master plan, this ordinance also contains provisions that will protect the neighborhoods. For example, the use of any leased space by the UW must comply with the City's land use regulations. This means that the UW could not, for example, displace street level retail along the University Way and replace it with an administrative office use. Also, the UW will be required to provide annual reports to the City detailing all of their acquisitions and leases.

Lease lids were a product of the 1970s and the City has already removed them from all other major institutions except for the UW. Property owners in the University District have vacant space that they want to lease. The UW has a desire to lease that space but the lease lid prevents them from doing so. It is time to remove this artificial impediment to economic growth and development in the University District.

Thank you for your consideration of this legislation. Should you have questions please contact Diane Sugimura, Acting Director DCLU at 233-3882.

Sincerely,

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 12th Floor, Seattle, WA 98104-1873

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E-mail: mayors.office@ci.seattle.wa.us
An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



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Mark Troxel
February 18, 2003
UW First Amendment to 1998 Agreement
Version #1

STET
ZMA

Fiscal Note

Each piece of legislation that appropriates funds, creates position authority, or will create a financial impact through policy direction or otherwise, requires a fiscal note. The fiscal note should be drafted by department staff and should include all relevant financial information. After preparation by departmental staff, the Department of Finance will review and make necessary revisions before transmittal to Council.

Department:	Contact Person/Phone:	DOF Analyst/Phone:
DCLU	Diane Sugimura 233-3882 Mark Troxel 615-1739	Susan Cole 684-8894

Legislation Title:

AN ORDINANCE authorizing the execution of the First Amendment to 1998 Agreement Between The City of Seattle and the University of Washington to revise land acquisition and leasing provisions of that Agreement.

Summary of the Legislation:

This ordinance amends 1998 Agreement between the City of Seattle and the University of Washington to remove the 550,000 sq ft limit of space that the university may lease in the surrounding neighborhoods. It requires that space leased by the UW conform to existing City land use regulations.

This legislation has no fiscal impact.

Appropriations (in \$1,000's):

Fund Name and Number	Department	Budget Control Level*	2003 Appropriation	2004 Anticipated Appropriation
TOTAL			0	0

* This is line of business for operating budgets, and program or project for capital improvements

Notes:

Expenditures (in \$1,000's):

Fund Name and Number	Department	Budget Control Level*	2003 Expenditures	2004 Anticipated Expenditures
TOTAL			0	0

* This is line of business for operating budgets, and program or project for capital improvements



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Mark Troxel
 February 18, 2003
 UW First Amendment to 1998 Agreement
 Version #1

Notes:

Anticipated Revenue/Reimbursement (in \$1,000's):

Fund Name and Number	Department	Revenue Source	2003 Revenue	2004 Revenue
TOTAL			0	0

Notes:

Total Permanent Positions Created Or Abrogated Through Legislation, Including FTE Impact; Estimated FTE Impact for Temporary Positions:

Fund Name and Number	Department	Position Title*	2003 FTE	2004 FTE
			0	0
TOTAL				

* List each position separately

Do positions sunset in the future? (If yes, identify sunset date):

N/A

Background (Include brief description which states the purpose and context of legislation and include record of previous legislation and funding history, if applicable):

University of Washington is limited to 550,000 sq ft of leased space in its surrounding neighborhoods (the Primary and Secondary Impact Zones under the UW Master Plan). It anticipates needing more space in the near future. The lease lid was a mechanism for keeping major institutions from developing beyond their boundaries in such a way as to alter the existing character of their surrounding neighborhood. Lease lids affecting other major institutions have been replaced with a requirement that the institution report on leasing and development activity outside, but within 2,500 feet, of its boundary. The University and all other major institutions are now subject to a master planning process that involves affected neighborhood interests. Development regulations in surrounding neighborhoods have changed over the years so that a project occupied by the University will be subject to development regulations that will protect the established uses and character of its surroundings. For the foregoing reasons, the lease lid provisions within the 1998 City-University Agreement are no longer necessary.

The financial cost of not implementing the legislation (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented):

None

Possible alternatives to the legislation which could achieve the same or similar objectives



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Mark Troxel
February 18, 2003
UW First Amendment to 1998 Agreement
Version #1

(Include any potential alternatives to the proposed legislation, including using an existing facility to fulfill the uses envisioned by the proposed project, adding components to or subtracting components from the total proposed project, contracting with an outside organization to provide the services the proposed project would fill, or other alternatives):

Rather than lift the lease lid entirely, the City could amend the 1998 City-University Agreement to substantially raise the limit. As noted above, however, no other major institution remains subject to a lease lid.

Is the legislation subject to public hearing requirements (If yes, what public hearings have been held to date):

No.

Other Issues (including long-term implications of the legislation):

None at this time.

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Exhibit 1

FIRST AMENDMENT
TO THE
1998 AGREEMENT
BETWEEN THE CITY OF SEATTLE
AND THE UNIVERSITY OF WASHINGTON

FILED
CITY OF SEATTLE
2003 SEP 11 PM 2:44
CITY CLERK

This First Amendment dated June 16, 2003, is by and between the City of Seattle, a municipal corporation of the State of Washington, and the University of Washington, an institution of higher education and agency of the State of Washington, and amends that certain agreement of 1998 between the parties referred to as the 1998 City-University Agreement.

WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

I. Amendment of Section II.D.1. The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:

a. A status report on all ongoing development projects at the University:

*First Amendment to the 1998 Agreement Between the City of Seattle
and the University of Washington - page 1*

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- b. Proposed project development changes, and major and minor amendments;
 - c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
 - d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
 - e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single- occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
 - f. The number of jobs added through UW leasing in the UDNUCV;
 - g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
 - h. The City will a report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
 - i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
 - j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.
- II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:
2. In addition to the information required by II.D.1, the semiannual report will include the following information:
- a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;

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b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;

c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and

d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.

3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.

b. Leasing Policy. The Leasing Policy is as follows:

(1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

a) Permitted Leasing Focus: While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its

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leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);

b) In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW off-campus leasing;

c) Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605;

d) Based on the analysis conducted pursuant to "b)" and "c)" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDNUCV shall be continued or modified after 2010;

e) UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City- University Agreement;

f) No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations;

g) Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use within the UDNUCV. Comparable use shall be defined to be the number of units and comparable price to those demolished; and

h) The University will develop a housing quality complaint program for students using UW services to find off-campus, private housing, within University District residential areas, including University Park, beginning with information to students about DCLU code compliance, tenants' rights, landlord/tenant issues and mediation services among others. This program will be

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implemented in the 2004-05 academic year. The University will also complete the "Guide to Student Community Relations - Neighbor to Neighbor Expectations" as outlined in the Regents' response to the City Council's preliminary Campus Master Plan decision. This guide will be complete by the fall of 2003 and mailed to students living in off-campus, private housing, within University District residential areas, including University Park.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.

2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.

3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and

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MK
2/14/03
UW First Amendment to 1998 Agreement
(Ver. 1)

ORDINANCE _____

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2
3 AN ORDINANCE authorizing the execution of the First Amendment to 1998 Agreement Between The City of
4 Seattle and the University of Washington to revise land acquisition and leasing provisions of that
Agreement.

5 WHEREAS, the University of Washington is Seattle's largest employer with 24,000 employees at the central
6 campus; and

7 WHEREAS, the University of Washington confers more than 10,000 degrees a year, including almost one third of
8 all bachelor's degrees and master's degrees, two thirds of all Ph.D.'s and half of all professional degrees
awarded in the state; and

9 WHEREAS, a well-educated work force boosts Seattle's economic productivity, generates innovation, and acts as
a magnet for leading-edge, high-paying businesses; and

10 WHEREAS, since 1974, the University of Washington has been the number one public university in the United
States in receiving federal support for research and training, and in fiscal year 2002 received more than
11 \$800 million in public and private grant and contract support; and

12 WHEREAS, the University of Washington researchers who attract public and private grant and contract support
need additional office and research space for the duration of their grants; and

13 WHEREAS, the University of Washington has nearly reached its limit of 550,000 square feet of leased space in
14 the primary and secondary impact zones, currently barring researchers from leasing additional space in
those areas; and

15 WHEREAS, a lease lid was imposed upon the University of Washington in the 1970s, and other major institutions
16 in the 1980s in order to prevent the conversion of housing to institutional uses in surrounding
neighborhoods; and

17 WHEREAS, lease lids on major institutions, except for the University of Washington, were lifted in 1996 by
Ordinance 18362, and were replaced by policies encouraging development inside of Major Institution
18 Overlay District boundaries and requiring major institutions to report activity occurring within 2500 feet
outside their boundaries; and

19 WHEREAS, Council Resolution 29488 directed the City's Department of Design, Construction and Land Use to
20 establish an annual reporting program to monitor development and leasing trends subsequent to the
December 1996 baseline report, and no significant negative effects have been observed; and

21 WHEREAS, the Vision Statement for the University Community Urban Center Plan states "The University
22 Community will seek an active partnership with the University of Washington as a catalyst for positive
change involved in both residential and business concerns"; and
23
24

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MK
2/14/03
UW First Amendment to 1998 Agreement
(Ver. 1)

1 WHEREAS, the University of Washington is subject to current land use regulations in the University District,
2 which include Commercial zones, Neighborhood Commercial zones, and pedestrian-designated streets
3 where certain street-level uses are required to preserve the streetfront's commercial or pedestrian-oriented
4 character; and

5 WHEREAS, University of Washington employees and researchers located in the primary and secondary impact
6 zones are subject to the University of Washington Transportation Management Plan, which includes
7 programs to reduce commuting by single-occupant vehicles, and will enable students and faculty
8 employed by the University's research activities to be located within walking distance of classrooms,
9 libraries, and offices on campus; and

10 WHEREAS, allowing University of Washington researchers and other University activities to lease more space in
11 the University District will likely reduce vacancy rates and stimulate economic activity; NOW
12 THEREFORE,

13 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

14 Section 1. The Mayor is hereby authorized to execute, on behalf of the City, the First Amendment to the
15 1998 Agreement between The City of Seattle and The University of Washington, substantially in the form of Exhibit
16 1.

17 Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the
18 Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as
19 provided by Municipal Code Section 1.04.020.

20 Passed by the City Council the 16th day of June, 2003, and signed by me in open session in
21 authentication of its passage this 16th day of June, 2003.

22 _____
23 President _____ of the City Council

24 Approved by me this _____ day of _____, 2003.

Mayor

Filed by me this _____ day of _____, 2003.

City Clerk

(Seal)



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MK
2/14/03
UW First Amendment to 1998 Agreement
(Ver. 1)

1 **Exhibit 1: First Amendment to the 1998 Agreement Between the City Of Seattle and the University Of**
2 **Washington**

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Exhibit 1

FIRST AMENDMENT
to the
1998 AGREEMENT
between
THE CITY OF SEATTLE
and
THE UNIVERSITY OF WASHINGTON

This First Amendment dated _____, 2003 is by and between the City of Seattle, a municipal corporation of the State of Washington, and the University of Washington, an institution of higher education and agency of the State of Washington, and amends that certain agreement of 1998 between the parties referred to as the 1998 City-University Agreement.

WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

- I. **Amendment of Section II.D.1.** The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:



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- a. A status report on all ongoing development projects at the University;
- b. Proposed project development changes, and major and minor amendments;
- c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
- d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
- e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single-occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
- f. The number of jobs added through UW leasing in the UDNUCV;
- g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
- h. The City will a report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
- i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
- j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.

II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:

2. In addition to the information required by II.D.1, the semiannual report will include the following information:
 - a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;



- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
 - c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and
 - d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.
3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.

b. Leasing Policy. The Leasing Policy is as follows:

- (1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

- a.) Permitted Leasing Focus: While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b.) In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW off-campus leasing to determine whether or not off-campus leasing, and/or focusing leases, in the UDNUCV should be continued or modified;
- c.) Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605;
- d.) Based on the analysis conducted pursuant to "b)" and "c)" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDNUCV shall be continued or modified after 2010;
- e.) UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement;
- f.) No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers,

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medical clinics, extension service offices or other uses permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations; and

- g-) Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.



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2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.
3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and influence in the economy of the UDNUCV affords it a unique ability to encourage the development of housing to serve UW faculty and staff and other potential long-term residential stakeholders. The University will continue its efforts, to the extent allowed by law, to provide housing financing opportunities for its faculty and staff including but not limited to, programs such as the Hometown Homeloan Program. The University will report to the City on its efforts to stimulate new housing production and development of housing options for faculty and staff as outlined in Section II.D.2. of this Agreement.
4. As the City reviews zoning regulations within the UDNUCV, it will work to eliminate barriers to housing development and may provide incentives for the creation of additional housing units.

UNIVERSITY OF WASHINGTON

CITY OF SEATTLE

President, date


Mayor, date



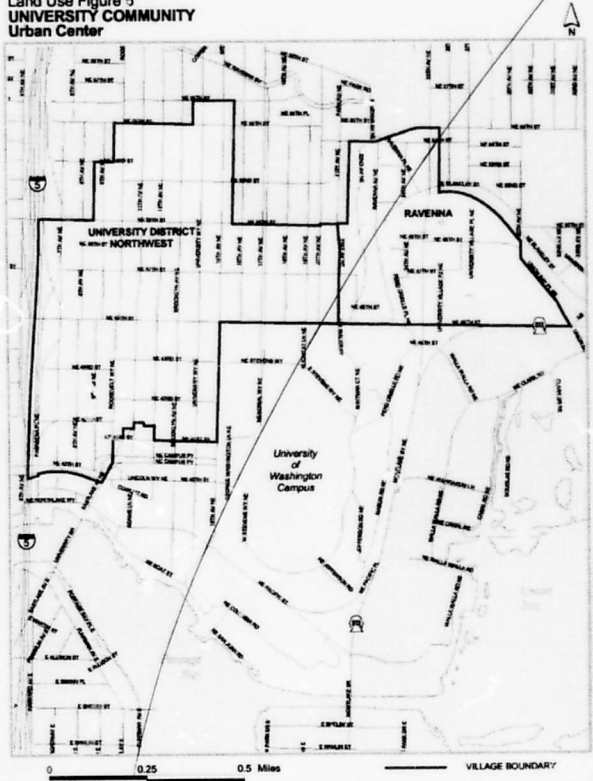
NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.


June 6/0, 2003
Version 79

Attachment 1
University District Northwest Urban Center Village and Environs

 Seattle's Comprehensive Plan
Toward a Sustainable Seattle

Land Use Figure 5
UNIVERSITY COMMUNITY
Urban Center



 Land Use Element
LU - 14

January 2001

City-UW Agreement Amendment Exhibit 1 v6 - Minor Corrections Track Changes from Majority

Exhibit 1 - Page 7

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ACTING
CITY
CLERK

Exhibit 1

FIRST AMENDMENT
to the
1998 AGREEMENT
between
THE CITY OF SEATTLE
and
THE UNIVERSITY OF WASHINGTON

This First Amendment dated _____, 2003 is by and between the City of Seattle, a municipal corporation of the State of Washington, and the University of Washington, an institution of higher education and agency of the State of Washington, and amends that certain agreement of 1998 between the parties referred to as the 1998 City-University Agreement.

WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) regarding leasing and acquisition policies only and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

WHEREAS, the University can contribute to the revitalization of the greater University District Northwest Urban Center Village (UDNUCV) area through the creation of jobs which creates increased demand for local businesses; and

WHEREAS, The University can play a role in encouraging the development of market rate rental and for-sale housing in the UDNUCV, thus providing long-term stable residents to bolster the economic vitality of the local business area;

NOW THEREFORE, the parties agree as follows:

- I. **Amendment of Section II.D.1.** The parties intend that the information required in the annual report in section II. D.1. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section II.D.1. is amended to read as follows

D. Reports

1. The University will prepare and submit reports to DCLU, the City Council and CUCAC which will provide the following information on a semiannual basis up to 2008 and thereafter on an annual basis:

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- a. A status report on all ongoing development projects at the University;
- b. Proposed project development changes, and major and minor amendments;
- c. Any identified changes in direct, indirect, and cumulative adverse environmental impacts to the surrounding community and the City as a result of changes to the proposed development schedule set forth in the Master Plan;
- d. The results of the annual campus traffic counts and survey results for the campus and biennial University District area estimates;
- e. Progress made in achieving the goals and objectives contained in the transportation management program towards reduction of single-occupant vehicle use by institution employees, staff and/or students; and the progress made in meeting conditions of master plan approval;
- f. The number of jobs added through UW leasing in the UDNUCV;
- g. A description of UW leases in buildings that contain housing and efforts that the UW has made to facilitate, influence, promote and encourage the creation of housing including efforts to assist its faculty and staff with housing options;
- h. The City will a report on commercial real estate conditions, including lease rates and vacancy rates in the UDNUCV compared to other areas and send that information to the University for inclusion in the report;
- i. The City will report on the progress of housing development in the UDNUCV, including the number and type of units built, the jobs/housing ratio in the area, progress in meeting City housing and jobs targets in the UDNUCV and send that information to the University for inclusion in the report;
- j. A description of how UW off-campus leasing activity and development are consistent with applicable neighborhood plans.

II. Replacement of Section II.D.2. The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code and changed to a semiannual basis. The parties agree that Section D.2. is replaced in its entirety, with the following:

2. In addition to the information required by II.D.1, the semiannual report will include the following information:
 - a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;

- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
- c. Current summary of all leases within the City of Seattle, both outside and within the Primary and Secondary Impact Zones including the location, amount of space, use, term, underlying zone designation, identification of which leases and associated uses are for street-level spaces, and which leases are within the UDNUCV. This summary will also include any known plans for additional leases within the next year within the UDNUCV; and
- d. The amount of residential space, if any, located in buildings within which the University also leases space for any use.

3. The City's Department of Design Construction and Land use shall lead an interdepartmental team, including the Department of Parks and Recreation, Office of Economic Development, Office of Housing, the Seattle Human Services Department and the Seattle Department of Transportation to prepare a 5-year summary report in 2008 on the impacts of UW property leasing and acquisition upon the UDNUCV. DCLU will combine the information provided under Sections II.D.1. and 2. for the preceding five years, and will provide an analysis of University leasing and acquisition within the UDNUCV. DCLU will provide this analysis to the University and CUCAC for their review and comment prior to submission to the City Council.

III. Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code, subject to certain limitations. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University may purchase property within the City of Seattle. University use and development of acquired property in the City of Seattle must conform to the City of Seattle's use and development regulations.

b. Leasing Policy. The Leasing Policy is as follows:

(1) Permitted Leasing: Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle, subject to all of the following:

- a. **Permitted Leasing Focus:** While the University may lease any property within the City of Seattle, within the Primary and Secondary Impact Zones it will work toward directing 75% of its leasing in the Impact Zones to the University District Northwest Urban Center Village (UDNUCV) as defined by the City's Comprehensive Plan and shown on the attached map. (Attachment 1);
- b. In 2008, five years after adoption of this first amendment to the City-University Agreement, the City and the University shall conduct a review of UW leasing to determine whether or not off-campus leasing, and/or focusing leases, in the UDNUCV should be continued or modified;
- c. Using the University District Market Analysis (Gardner/Johnson May 2, 2003) as a baseline, the City and the University shall consider the condition of the University market area by analyzing the following factors: the number of housing units created as compared to the City's Comprehensive Plan Housing Goals for the UDNUCV, the number of University created jobs in the UDNUCV as compared to the City's Comprehensive Plan Jobs goal, the amount of UW lease payments to landlords within the UDNUCV, the economic contribution to businesses within the UDNUCV by UW employees, the contribution of UW academic capital to residents and businesses within the UDNUCV, whether or not there have been impacts upon the commercial and residential real estate markets or the on character of commercial areas, and whether or not there has been active encouragement by the University to influence the production of market-rate housing in the UDNUCV, the extent to which the permitted leasing focus has been achieved, and the extent to which the University has meaningfully participated in the development and implementation of the revitalization plan for the University District called for by City of Seattle Resolution 30605;
- d. Based on the analysis conducted pursuant to "b" above, the City and the University will determine whether or not UW leasing, and/or the permitted leasing focus, of off-campus leasing within the UDNUCV shall be continued or modified after 2010;
- e. UW off-campus leases shall continue to be permitted without limit, unless limits are established through amendment to this City-University Agreement;
- f. No leasing shall be allowed at the street level in a commercial zone, except for uses similar to retail sales and services, customer service offices, entertainment use, child care centers, medical clinics, extension service offices or other uses

permitted under the Master Plan or in a Council-approved neighborhood plan, and only to the extent such uses are also permitted by the underlying City development regulations; and

- g. Except as permitted in an adopted master plan, within the University District Northwest Urban Center Village (UDNUCV), the use of leased space by the University shall neither result in the demolition of a structure(s) that contains a residential use nor change a residential use to a nonresidential use, unless such use is replaced with comparable use.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use and development of leased space will comply with City of Seattle land use regulations.

2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing.

IV. Creation of a New Section II.H. The parties intend that the following section be added to the agreement to reflect the joint commitment by the City and the University to promote and encourage new housing development within the UDNUCV as set forth below:

H. Housing Goals

1. The City and the University have a shared interest in, and are committed to using their unique positions to stimulate, the creation of additional market-rate housing in the UDNUCV, consistent with the Comprehensive Plan and the goals and objectives outlined in the University Community Urban Center Plan. The University is committed to work with private developers to encourage the creation of mixed-use projects that include market-rate rental, and for-sale, housing and to stimulate additional housing opportunities for UW faculty and staff. The City is committed to reviewing its zoning regulations and examining strategies for providing incentives for housing production.

2. The City and the University recognize that the primary housing goals of the University Community Urban Center Plan are to: (1) provide housing for a mix of demographic and income groups; (2) encourage a stable residential population; and (3) enhance neighborhood design quality and compatibility by using a variety of strategies including development partnerships, zoning modifications, financing subsidies and cost-reduction measures. Both parties agree that providing additional urban housing and increasing long-term residential stakeholders will promote neighborhood stability and investment and establish additional market opportunities for retail and service businesses.
3. The University has multiple interests in having housing options available for faculty and staff in close proximity to the University. Such housing would serve to minimize transportation impacts and assist in the recruitment and retention of key personnel. The University's presence and influence in the economy of the UDNUCV affords it a unique ability to encourage the development of housing to serve UW faculty and staff and other potential long-term residential stakeholders. The University will continue its efforts, to the extent allowed by law, to provide housing financing opportunities for its faculty and staff including but not limited to, programs such as the Hometown Homeloan Program. The University will report to the City on its efforts to stimulate new housing production and development of housing options for faculty and staff as outlined in Section II.D.2. of this Agreement.
4. As the City reviews zoning regulations within the UDNUCV, it will work to eliminate barriers to housing development and may provide incentives for the creation of additional housing units.

UNIVERSITY OF WASHINGTON

President, date

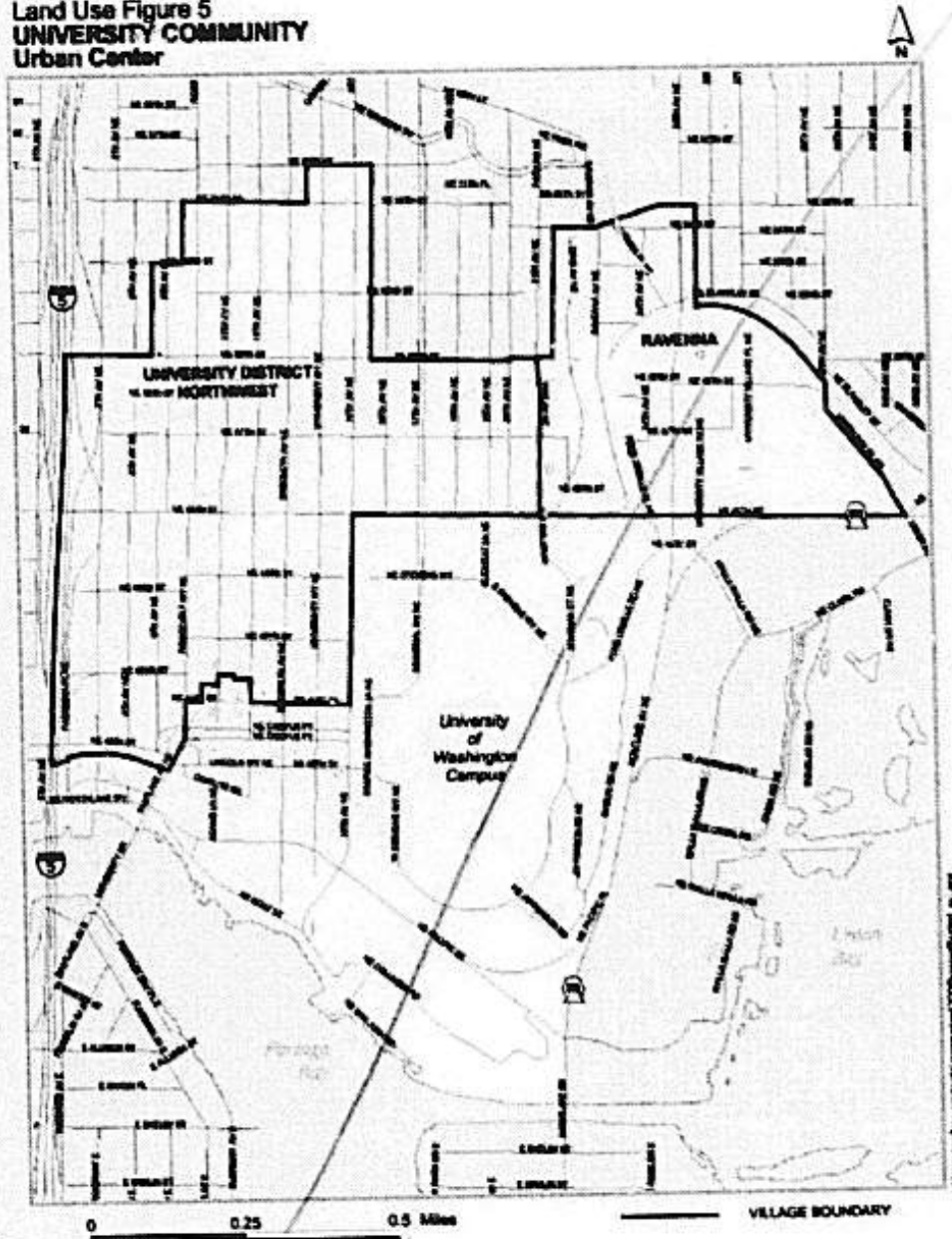
CITY OF SEATTLE

Mayor, date

Attachment 1
University District Northwest Urban Center Village and Environs



Land Use Figure 5
UNIVERSITY COMMUNITY
Urban Center



Land Use Element
LU - 14

January 2003

FIRST AMENDMENT
to the
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between
THE CITY OF SEATTLE
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WHEREAS, the parties intend to amend the 1998 City University Agreement to reflect changes made in the University of Washington Master Plan Seattle Campus of January 2003 (CMP) only regarding leasing and acquisition policies and intend with future amendments to correct other inconsistencies between the City University Agreement and the CMP and to alter the process for future master plans;

NOW THEREFORE, the parties agree as follows:

1. **Replacement of Section II.D.2.** The parties intend that the information required in the annual report regarding leasing and acquisitions in section II. D.2. of the City-University Agreement should be changed to reflect the University of Washington's use of leased and acquired property consistent with the Seattle Land Use Code. The parties agree that Section D.2. is replaced, in its entirety, with the following:

D. Annual Reports

2. In addition to the information required by II.D.1, the annual report will include the following information:

- a. Any purchases completed and proposed uses of such property located within the Primary & Secondary Impact Zones;
- b. Any gifts of real property and proposed use of such property located within the Primary and Secondary Impact Zones;
and

- c. Current summary of all leases in the Primary and Secondary Impact Zones including location, amount of space, use and term.

Replacement of Section II.E. The parties intend that the limitations on leasing and acquisitions in section II. E. of the City-University Agreement be changed to allow the University of Washington to use leased and acquired property consistent with the Seattle Land Use Code. The parties hereby agree that the City-University Agreement be amended by replacing Section II.E., Land Acquisition and Leasing, in its entirety, with a new Section II.E. as set forth below:

E. Property Acquisition and Leasing

1. Policy.

a. Acquisition Policy. The Acquisition Policy is as follows: The University can contribute to the revitalization of the greater University area and manage the transportation of its employees if it has the flexibility to respond to the real estate market. As with all other major institutions in Seattle, the University may purchase property within the City of Seattle.

b. Leasing Policy. The Leasing Policy is as follows:

(1) Notwithstanding any provision of the University of Washington Master Plan, Seattle Campus, and conditions of its approval, the University of Washington may lease any property within the City of Seattle.

(2) The University will limit its real property leasing to University programs that cannot reasonably be accommodated within existing University facilities. Prior to considering leasing or rental agreements, the University will make reasonable attempts to locate academic and research activities within available and suitable University facilities. When existing facilities are not available or suitable, the University will make reasonable attempts to lease in areas where the University-related activity is a use compatible with the existing uses in the area.

(3) Use of leased space will comply with City of Seattle land use regulations.



2. Master Plan Amendments. Amendments to the University's Master Plan will not be required for land acquisition and leasing outside the Major Institution Overlay boundary of the University of Washington.

UNIVERSITY OF WASHINGTON

President, date

CITY OF SEATTLE

Mayor, date



STATE OF WASHINGTON – KING COUNTY

--SS.

160747
City of Seattle, Clerk's Office

No. ONLY PUBLICATION

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CTOT:121189-121194 TITLE

was published on

7/9/2003

J. S.

Subscribed and sworn to before me on

7/9/2003

McL...

Notary public for the State of Washington
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on June 16, 2003, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121184

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 121181

AN ORDINANCE relating to sale of City real property for multifamily residential development, authorizing the sale of Parcel 17 South in the I-90 Redevelopment Project area, at 23rd Ave. So. and So. Judkins St., for \$353,000 to Housing Resources Group, a Washington non-profit corporation intending to develop low-income rental housing on the property; authorizing the Housing Director to execute and administer a contract for sale and deed; appropriating sale proceeds for payments to the State and closing costs; and ratifying and confirming prior acts, all by a vote of three-fourths of the members of the City Council.

ORDINANCE NO. 121180

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to execute an agreement with the National Audubon Society, Inc. to renovate the Seward Park Music Annex Building and the Hatchery for environmental education programs; and establishing the conditions under which Audubon may use and occupy a portion of the named facilities for a period of ten years with an option to continue said use and occupancy for an additional ten years.

ORDINANCE NO. 121186

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the execution of a Use, Occupancy, and Maintenance Agreement with the Cascade Neighborhood Council for the provision of recreational opportunities to the public at the Cascade Building Facility.

ORDINANCE NO. 121183

AN ORDINANCE authorizing the execution of the First Amendment to 1998 Agreement Between The City of Seattle and the University of Washington to revise land acquisition and leasing provisions of that Agreement.

Publication ordered by JUDITH PIPPIN,
City Clerk.

Date of publication in the Seattle Daily
Journal of Commerce, July 9, 2003.

7/9/100747