



ADDENDUM, NO. 1

Amendment to

Request For Proposals for TOD Development – Capitol Hill Properties Redevelopment
RTA/RP 0010-14

This Addendum is issued as an Amendment to the above mentioned RFP with the following changes:

RFP Reference	RFP LOCATION	DESCRIPTION OF CHANGE
Anticipated Procurement Schedule	Section 1.8, Page 5	DATE
		ACTIVITY
		7/22/2014
		Request for Proposals issued on www.ebidexchange.com/soundtransit
		8/11/2014
		Pre-Proposal Meeting, 10:00 AM, Sound Transit's Ruth Fisher Board Room, 401 South Jackson Street, Seattle, Washington
		9/26/2014 9/5/2014
		Last day to submit Requests for Information (RFI) and/or Questions. Must be received by 5:00 p.m., local time.
		11/3/2014 10/13/2014
		Proposals due no later than 4:00 p.m. local time
November 2014 October 2014		
Evaluations/Optional Interviews/Revised Proposals		
December 2014 November 2014		
Issue Notice of Intent to Award Each Parcel		
December November 2014 February/January 2015		
PSA/Lease Negotiations		
March 2015		
Sound Transit Board Approval of Each PSA/Lease		



Attachment A –
RFP Evaluation
Criteria No. 4,
Submittal
Requirements
#3

Section 1.03, Pages 15 - 17

The lease terms are deleted in their entirety and replaced with the attached lease terms.

Attachment C
Development
Program
Requirements
and Priorities

Housing Tool All Sites

The Housing Tool All Sites Excel file is replaced with a Revised Housing Tool All Sites file, which has been uploaded to Ebid. The revised file has been modified only to unlock certain cells that should not have been locked.

Attachment C
Development
Program
Requirements
and Priorities

Sites A, B – North, C
Development Program Scoring

The Development Program Scoring Excel files for Sites A, B – North, and C are replaced with revised Development Program Scoring files, which have been uploaded to Ebid. These revised files include the points for Community Center Approach previously omitted by mistake.

NO OTHER CHANGES TO THE RFP HAVE BEEN MADE.

SOUND TRANSIT

By: 
Contracts Supervisor

Transaction Terms – Ground Lease

Capitol Hill RFP

Proposers should acknowledge and comment on the following lease terms. For ease of review, please respond to each item in the order present below.

Term	Requirement
Term of Lease	Lessee may propose any term up to a maximum of 99 years (including all extensions). Lessee may propose an initial term followed by a specified number of lease extension terms.
Nature of Lease	The ground lease will be an absolute net lease, with rent due free and clear of all charges and deductions. The lessee will be responsible for paying all utilities, insurance, leasehold excise tax, maintenance and repairs.
Site Conditions	Lessee agrees to accept the property in its present state and condition, as-is, with all faults. Sound Transit will make information about the site's physical and environmental conditions available for review and make the property available for a reasonable inspection period.
Covenants, Conditions, and Restrictions	<p>Lessee agrees to develop the property in conformance with its proposed project and to use the property only for transit oriented development (TOD). Lessee agrees to execute a TOD covenant running with the land and recorded in the real property records of King County binding upon Lessee, any leasehold mortgagee, and their respective successors and assigns.</p> <p>The ground lease will be subject to a reservation by Sound Transit of a permanent, exclusive and irrevocable covenant, restriction and/or easement for the operation and maintenance of Sound Transit facilities, including rights of access to its facilities.</p>
Commencement/ Schedule/Completion	The effective date of the lease will be the date of execution. Consistent with RP 0010-14, Attachment B: Sound Transit's Timeline, Lessee will provide a schedule and plan to achieve the critical milestone dates from lease execution to building occupancy, which will be subject to Sound Transit's review and approval. The milestones will include, but not be limited to: Term Sheet Execution, Due Diligence, Ground Lease Execution, Leasehold Mortgage Financing Commitments, Final MUP Approval, Issuance of Building Permits, Construction, and Initial Certificate of Occupancy. In the event Lessee, fails to achieve a critical milestone or has not begun construction within one (1) year from the issuance of building permits, for reasons not related to casualty loss or force majeure, the lease will terminate and lessee will forfeit its security deposit and any improvements on the property.
Rent	Lessee should propose a rent schedule that includes the following components: <ul style="list-style-type: none">• The ground lease will require a minimum annual base rent based on fair

	<p>market value (FMV) of the property and a proposed rate of return. Rent must be prepaid or paid in advance on a monthly or annual basis.</p> <ul style="list-style-type: none"> • Lessee may propose a different base rent for the period from execution to building occupancy.. • Fixed increases of base rent based on CPI or comparable index. • Periodic adjustment of base rent. The adjustment will be the appraised fair market value rent. Mediation and then binding arbitration will be used to determine the adjusted fair market value rent if the parties cannot agree.
Security Deposit	The ground lease will require a security deposit due upon commencement equal to one (1) year of base rent.
Assignment, Sublease, Refinancing and Transfer	Sound Transit's prior approval will be required for any assignment, sublease, financing, or other transfer of interest in the ground lease. The lessee will be responsible for paying Sound Transit's reasonable costs and expenses to review proposals and execute agreements.
Subordination	The lessee may mortgage its leasehold interest under the ground lease for a term not to exceed the term of the ground lease. Any mortgage will be subject and subordinate to the rights of Sound Transit as lessor under the ground lease and to Sound Transit's fee interest in the property. Although Sound Transit will not subordinate its interest in the lease, Sound Transit will endeavor to work with lessee to develop commercially reasonable lease terms necessary for lessee financing.
Ownership of Improvements	Improvements will revert to Sound Transit at the expiration or earlier termination of the ground lease.
Insurance	The lessee will be required to maintain insurance typical for the project for the duration of the lease term, in amounts and with limits determined appropriate by Sound Transit and with carriers acceptable to Sound Transit. Sound Transit must be named as additional insured.
Guaranty	Sound Transit may require a third party to guarantee some or all of the obligations of the lessee, including but not limited to construction obligations. The form of the guaranty may be a letter of credit issued by a bank in an amount and on terms acceptable to Sound Transit and/or a guaranty from a parent entity or person determined by Sound Transit to have sufficient capital or liquidity to ensure payment.
Good Faith Negotiations	The terms and conditions described above will be conformed to a lease between the proposer and Sound Transit. The parties will enter into a good faith negotiations to finalize a ground lease agreement within 180 days. The ground lease is subject to review and approval by the Sound Transit Board of Directors and FTA.