

**DEVELOPMENT AGREEMENT BETWEEN THE CITY OF REDMOND AND  
SAFECO INSURANCE COMPANY OF AMERICA FOR DEVELOPMENT OF  
PHASE III OF THE REDMOND CAMPUS**

Pursuant to the authority granted by RCW 36.70B.170 through .210, the City of Redmond, a Washington Optional Municipal Code City ("City"), and Safeco Insurance Company of America, a Washington corporation ("Safeco"), the owner of the real property known as the "Redmond Campus" described below, enter into the following agreement ("Development Agreement") to govern the development, use and mitigation of environmental impacts associated with the development of Phase III of the Redmond Campus through construction of the buildings and related improvements.

1. Location. The Redmond Campus consists of 46.13 acres located at the southwest corner of 156th Street N.E. and N.E. 51st Street in Redmond, King County, Washington, and is legally described on Attachment 1, which is incorporated herein as if set forth in full.

2. Redmond Campus Phased Development. The Redmond Campus is being developed in four phases. Phases I and II consist of the 147,835 square foot north office building with underground parking, the 139,031 square foot south office building, the 56,610 square foot data center, a 11,954 square foot cafeteria addition to the existing region building, underground parking for 793 cars, and parking garages F and G as depicted on Attachment 2 hereto, which is incorporated herein as if set forth in full. Phases I and II are currently being processed as SPR 97-038. Construction of Phases I and II will commence in approximately May, 1998 and is scheduled for completion in August, 2000. Phase III will consist of one office building of 271,190 square feet with two decks of underground parking, a second office building of 67,500 square feet with two decks of underground parking, a 14,000 square foot cafeteria, and a 4,200 square foot addition to the data center. The development envelopes for the Phase III improvements are depicted on Attachment 2 hereto. Phase IV may be developed at some indefinite time in the future, but is not encompassed within this Development Agreement.

3. Term of Agreement and Vesting. This Development Agreement and the zoning, building and development regulations, transportation concurrency regulations, impact fees, SEPA regulations and substantive SEPA policies and other laws, statutes, ordinances or policies governing land development identified in this Development Agreement shall govern the development of Phase III so long as any application required for Phase III



development, including an application for Site Plan Review (or if that process is no longer used, the equivalent review process at the time of development), is filed within six years of the date of this Development Agreement. Except as otherwise provided herein or by county, state or federally mandated laws preempting the City's authority to vest regulations to Phase III development under this Agreement, and excluding revisions to permit processing and plan review fees, any amendments or additions made during the term of this Development Agreement to zoning, building or development regulations, transportation concurrency regulations, impact fees, SEPA regulations and substantive SEPA policies or other laws, statutes, ordinances, comprehensive plan policies or other policies governing land development which are identified in this Development Agreement as applicable to Phase III development shall not apply to or affect the conditions of Phase III development, provided that pursuant to RCW 36.70B.170(4) the City reserves authority to impose new or different officially adopted regulations of general applicability, but only if, and to the extent required by a serious threat to public health and safety, as determined by the Redmond City Council after notice and an opportunity to be heard has been provided to Safeco.

4. Zoning, Development Regulations and Fees, Transportation Concurrency and SEPA. Subject to paragraph 6 of this Development Agreement, the following zoning regulations and development standards shall govern development of Phase III of the Redmond Campus during the term of this Development Agreement:

(a) **Zoning and Development Regulations.** The Redmond Campus is located in the Business Park zone. Except as set out in this Agreement, the zoning, building and development regulations, policies and ordinances, and comprehensive plan policies of the City governing land development in effect as of the date of this Development Agreement shall govern the development of Phase III.

(b) **Design and Development.** Phase III shall be subject to the Site Plan Review process. Phase III shall be limited to the number of new buildings and structures, square footage, and building stories and height as set out on Attachment 2. Phase III improvements will be located within the building envelopes set out on Attachment 2.

(c) **Overlake Trip Cap.** Draft regulations have been proposed as part of the update process for the Overlake Neighborhood which would require a trip cap if development on a site will exceed a FAR of .47. Safeco shall be required to cap the 4:00 to 6:00 PM Peak Hour Trips for the entire Redmond Campus at 1476 total PM Peak Hour Trips after completion of Phase III development, provided that if the City adopts regulations which allow a greater FAR, then the number of PM Peak Hour Trips allowed for the Redmond Campus shall be the greater number of PM Peak Hour Trips attributable



to the higher FAR. Prior to issuance of a building permit, Safeco and the City shall agree upon Safeco's obligation to monitor the cap and to implement a fallback plan if the cap has been exceeded after the second full year of occupancy. If the cap has been exceeded after the fourth full year of occupancy, Safeco shall do one or more of the following: (1) Fund a shuttle program which connects the Safeco Campus to the Overlake Transit Center; (2) Increase existing employee subsidies for multi-rideshare; (3) Create a custom bus route; (4) Charge for parking; or (5) Such other program as Safeco and the City agree. If the City and Safeco cannot reach agreement to reduce trips on the Redmond Campus or from other developments in Overlake, or if Safeco fails to implement one or more of the above programs, or if Safeco implements the programs and fails to reduce trips to the number allowed by the trip cap the City may enforce this Agreement pursuant to authority granted to it by the Redmond Municipal Code, which shall include its authority to require partial vacation of the Safeco Campus to the extent required to meet the trip cap. Except as set out in this paragraph, Safeco shall not be subject to other regulations which may be adopted as part of the BROTS/Overlake process. If an application for Phase III development is submitted to the City during the term of this Development Agreement, the trip cap, and the monitoring and enforcement provisions set forth in this paragraph shall continue in effect even if this Development Agreement has otherwise terminated in accordance with paragraph 3 unless one of the following occurs:

- (1) The trip cap provisions set out in this paragraph 4(c) of the Development Agreement are amended by the City of Redmond and Safeco pursuant to paragraph 8;
- (2) Regulations are adopted by the City of Redmond which would allow a higher trip cap on the Safeco Campus in which case Safeco shall be entitled to the higher trip cap; or
- (3) Regulations are adopted by the City of Redmond which would allow the FAR on the Safeco Campus after completion of Phase III without the requirement of a trip cap, in which case the trip cap, monitoring and enforcement provisions of this paragraph 4(c) shall terminate.

(d) **Concurrency.** A Certificate of Concurrency has been issued for Phase III in full satisfaction of all transportation concurrency requirements. A copy of the Certificate is attached hereto as Attachment 3 and incorporated herein as if set forth in full.

(e) **Development and Transportation Impact Fees.** Subject to the following, transportation impact fees for the City of Redmond, City of Bellevue and King County shall be paid in accordance with validly adopted impact fee ordinances in effect at the time of Phase III development. If a trip cap is imposed on Phase III development in accordance



with paragraph 4(c) of this Development Agreement, transportation impact fees shall be assessed only for new development up to a FAR of .47, or if a trip cap is imposed based upon a FAR greater than .47 impact fees shall be assessed only on new development up to that greater FAR. Safeco shall receive a credit against City of Redmond transportation impact fees attributable to Bellevue and King County improvements that are included in the Redmond impact fees to the extent those fees are paid to Bellevue or King County. Development impact fees shall be assessed in the amounts shown below, less any credits due under existing ordinances:

Redmond Fire	\$0.081/GSF
Redmond Parks	\$0.389/GSF

The City of Redmond fire and park development impact fees shall be adjusted for inflation commencing from the date of this Development Agreement based upon the construction cost index (Engineering News Record) using the index published closest to the date of this Development Agreement, and the index published closest to the date of payment of the fee.

(f) **Tree Retention.** Fifty-four and 6/10 per cent (54.6%) of the significant trees (healthy trees of 6" caliper or greater) existing on the Redmond Campus at the time of development of Phase III (after development of Phases I and II) will be retained for the Phase III development as depicted on the tree retention plan attached hereto as Attachment 4, and by this reference incorporated herein as if set forth in full. This equates to retention of twenty-three and 8/10 per cent (23.8%) of significant trees (healthy trees of 6" caliper or greater) located on the Redmond Campus as of the date of this Development Agreement. In order to attain a retention rate of thirty five per cent (35%) of the significant trees (healthy trees of 6" caliper or greater) existing on the Redmond Campus as of the date of this Development Agreement for Phase III, Safeco shall be required to post a performance bond as part of Phases I and II development approval which shall not be released until one-hundred-thirty-four (134) trees planted as part of Phases I and II have reached significant size (6" caliper or greater). This tree retention plan satisfies all tree retention development regulations and administrative interpretations, and constitutes compliance with all SEPA policies associated with Phase III development for tree retention.

(g) **SEPA Regulations and Policies.** Phase III development shall be subject to project level SEPA review. In the event that the City adopts a Planned Action for an area of the City that includes the Redmond Campus, the City and Safeco agree to nonetheless conduct SEPA review, unless the City of Redmond and the City of Bellevue waive this requirement. The City has adopted SEPA regulations in Section 20F. of the 12/97 Redmond Community Development Guide, and substantive SEPA policies in



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Section 20F.30.240 as the basis for exercising substantive SEPA authority pursuant to Section 20F.30.230 and RCW 43.21C.060. The SEPA regulations and designated substantive SEPA policies in effect as of the date of this Development Agreement shall apply to the City's review of all permits and approvals associated with Phase III, except that any amendments to the City's SEPA regulations adopted to implement the integration requirements of RCW 43.21C.110 shall apply to the development of Phase III. If, at the time Phase III permit applications are submitted to the City, negotiations between the City of Redmond and the City of Bellevue have not resulted in an adopted impact fee ordinance which address transportation impacts in the Overlake area which impact Bellevue, Bellevue can exercise its comment opportunities and other recourse under SEPA.

5. Filing of Development Application. The filing of any development application for Phase III, including site plan review, shall not be allowed prior to December 31, 1998.

6. Site Plan Review and Minor Modifications. Phase III will be subject to Site Plan Review (SPR), building permit review and other applicable review processes. The final design of the buildings and other improvements, precise location of building footprints, location of utilities, determination of access points, and other design issues will be determined during that process and are part of this Agreement. As part of the SPR process the City may administratively approve minor modifications to the design and development standards set forth herein. The City reserves the right to require amendment of this Agreement as a condition of approving any of the following changes which are deemed to be major modifications:

- (a) A proposed change in land use;
- (b) A change of more than thirty (30) feet in any direction of any proposed building envelope as set out on Attachment 2;
- (c) An increase in square footage of more than five per cent (5%) of any proposed building or other structure;
- (d) An increase in the number of stories or height of any proposed building or other structure;
- (e) A decrease in the number of existing significant trees retained as part of Phase III of more than two and one-half per cent (2½ %);
- (f) A proposal to change any of the development criteria applicable to Phase III as set out in this Development Agreement; and
- (g) Any increase in total square footage for Phase III.

7. Recording; Assignment. This Development Agreement shall be recorded with the Real Property Records Division of the King County Records and Elections Department. This Development Agreement shall bind and inure to the benefit of the parties and their



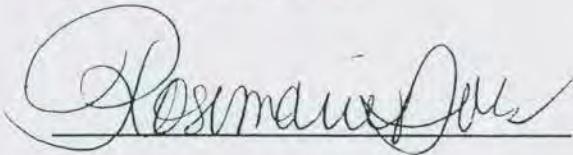
successors in interest, and may be assigned to any successor in interest to the Safeco Property. Upon assignment and assumption of all obligations under this Development Agreement by the assignee, Safeco shall be released from all obligations under this Development Agreement.

8. Modification. This Development Agreement may be modified only with the agreement of the Redmond City Council and Safeco or its successors and assigns. If a modification of this Agreement is proposed, the City of Redmond shall give notice to the City of Bellevue at least thirty days prior to consideration of any such modification by the Redmond City Council.

9. Counterparts. This Development Agreement may be executed in counterparts each of which shall be deemed an original.

Agreed this 27 day of May, 1998.

CITY OF REDMOND

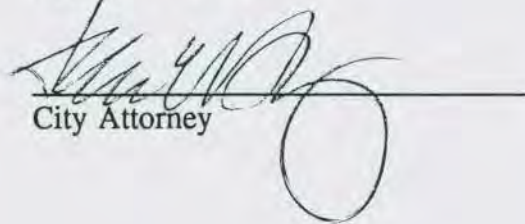


By Rosemarie Ives  
Its Mayor

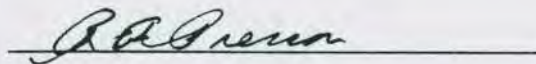
ATTEST:

*Bonnie Mattson*  
City Clerk

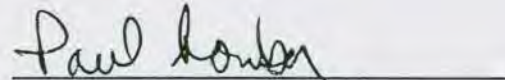
Approved as to form:

  
City Attorney

SAFECO INSURANCE COMPANY OF AMERICA



By Rod Pierson  
Its Senior Vice President



By Paul Lowber  
Its Assistant Secretary



STATE OF WASHINGTON       )  
  ) ss.  
COUNTY OF KING            )

I certify that I know or have satisfactory evidence that Rosemarie Ives is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument, and acknowledged it as the Mayor of the City of Redmond to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 27 day of May, 1998.

Bonnie Mattson

(Signature of Notary)

Bonnie Mattson

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of  
Washington, residing at Redmond

My appointment expires 3/10/99





STATE OF WASHINGTON       )  
  ) ss.  
COUNTY OF KING            )

I certify that I know or have satisfactory evidence that Paul Lowber is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument, and acknowledged it as the Assistant Secretary of Safeco Insurance Company of America, a corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated this 8 day of MAY, 1998.



[Signature]  
(Signature of Notary)

ELIZABETH J KEMP  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of  
Washington, residing at King Co

My appointment expires 3-5-00

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STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I certify that I know or have satisfactory evidence that Rod Pierson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument, and acknowledged it as the Senior Vice President of Safeco Insurance Company of America, a corporation, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated this 8 day of MAY, 1998.



[Signature]  
(Signature of Notary)

ELIZABETH J KEMP  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of  
Washington, residing at King Co

My appointment expires 3-5-00

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ATTACHMENT 1

LEGAL DESCRIPTION OF REDMOND CAMPUS

LOT 1, SAFECO REDMOND CAMPUS, ACCORDING TO THE BINDING SITE PLAN THEREOF RECORDED IN VOLUME 155 OF PLATS, PAGES 44 THROUGH 46, RECORDS OF KING COUNTY, WASHINGTON.  
SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

LOT 2, SAFECO REDMOND CAMPUS, ACCORDING TO THE BINDING SITE PLAN THEREOF RECORDED IN VOLUME 155 OF PLATS, PAGES 44 THROUGH 46 ON FEBRUARY 12, 1991 UNDER AUDITORS FILE NO. 9102120454, RECORDS OF KING COUNTY, WASHINGTON.  
SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., IN KING COUNTY, WASHINGTON, LYING EAST OF THE SR 520, AS DEEDED TO STATE OF WASHINGTON, BY DEED RECORDED OCTOBER 28, 1971 UNDER RECORDING NO. 7110280156.  
SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., IN KING COUNTY, WASHINGTON;  
EXCEPT THE SOUTH 100 FEET;  
AND EXCEPT THE EAST 42 FEET AS CONVEYED FOR ROAD PURPOSES BY DEEDS RECORDED UNDER KING COUNTY RECORDING NOS. 6143390 AND 8311020028.  
SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.



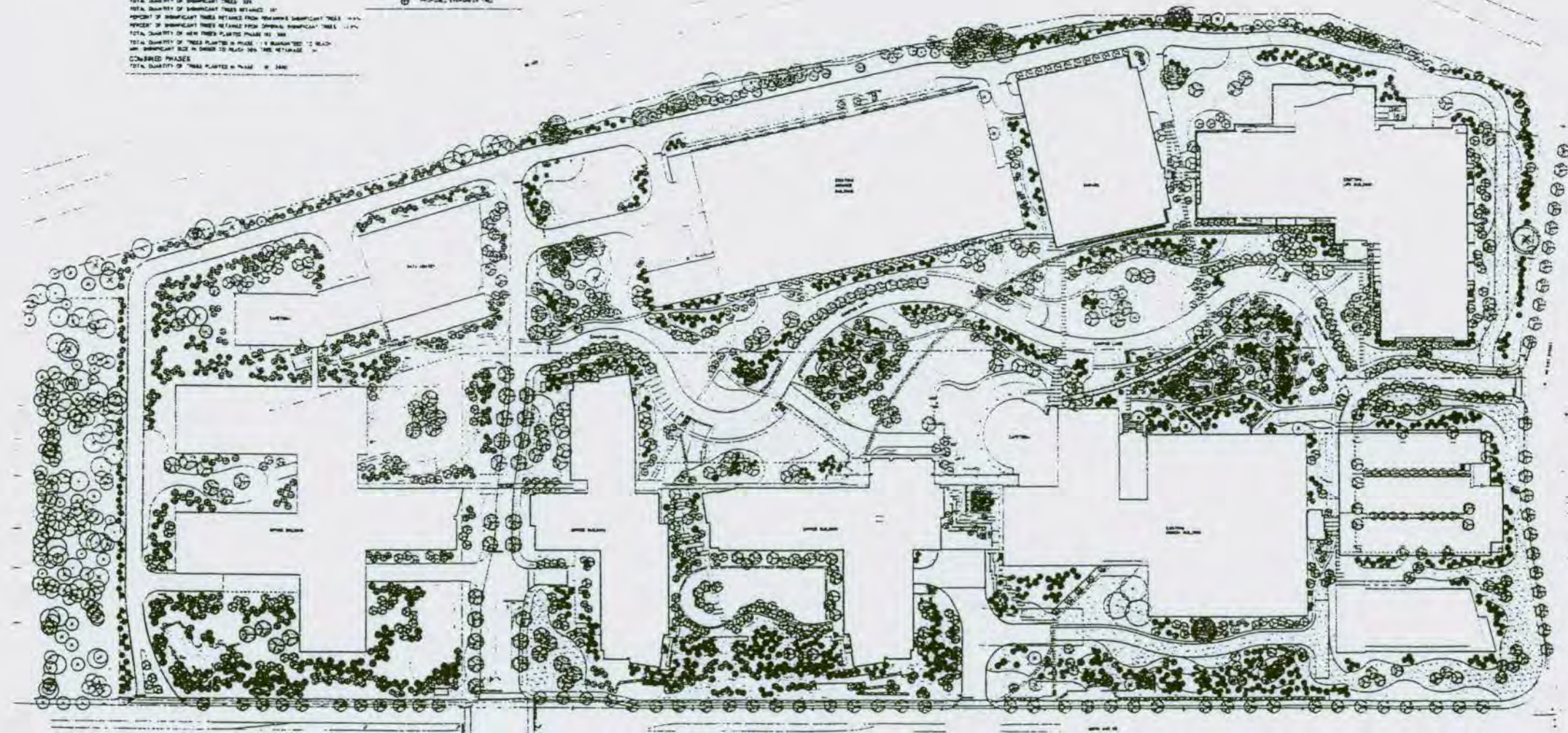
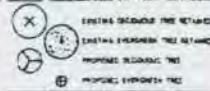
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**TREE CALCULATIONS**

PHASE I & II  
TOTAL QUANTITY OF SIGNIFICANT TREES 1000  
QUANTITY OF SIGNIFICANT TREES RETAINED 475  
PERCENT OF SIGNIFICANT TREES RETAINED 47.5%  
TOTAL QUANTITY OF NEW TREES PLANTED PHASE I & II 250

PHASE III  
TOTAL QUANTITY OF SIGNIFICANT TREES 325  
TOTAL QUANTITY OF SIGNIFICANT TREES RETAINED 107  
PERCENT OF SIGNIFICANT TREES RETAINED FROM REMAINING SIGNIFICANT TREES 32.9%  
PERCENT OF SIGNIFICANT TREES RETAINED FROM ORIGINAL SIGNIFICANT TREES 11.2%  
TOTAL QUANTITY OF NEW TREES PLANTED PHASE III 300  
TOTAL QUANTITY OF TREES PLANTED IN PHASE I & II GUARANTEED TO BEACH-  
AND SIGNIFICANT SIZE IN ORDER TO MATCH NEW TREE RETENANCE 250  
COMBINED PHASES  
TOTAL QUANTITY OF TREES PLANTED IN PHASE I & II 250

**TREE LEGEND**



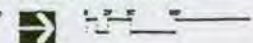
**TREE RETENTION PLAN**

5 FEBRUARY 2006

**ATTACHMENT 4**

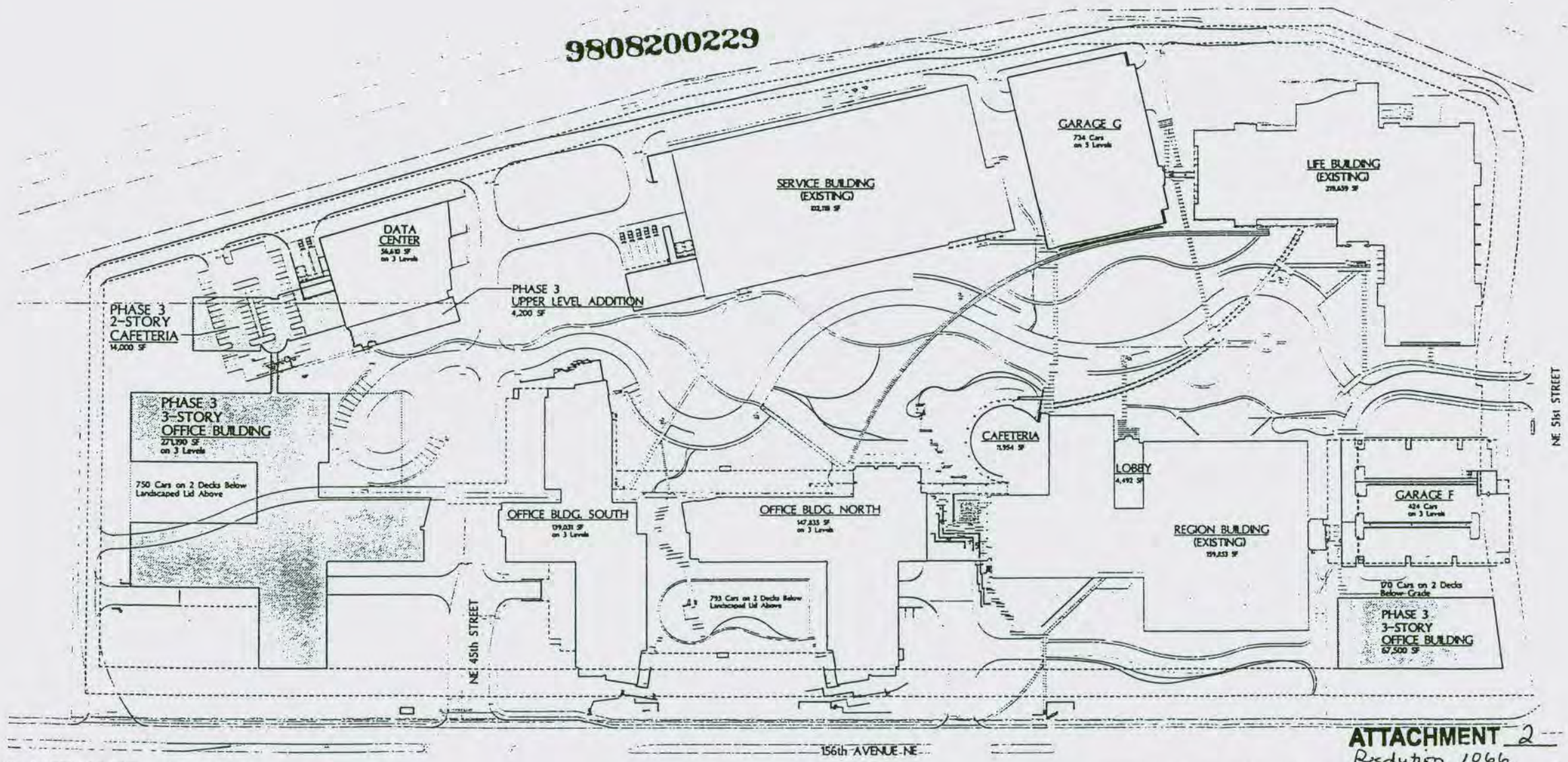
Resolution 1046

**SAFECO REDMOND**  
ZIMMER CONSULTING PARTNERS  
BRUNBAUGH & ASSOCIATES





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SITE PLAN - PHASE III PROPOSED DEVELOPMENT



NOTE: 3-Story Building height not to exceed 45'.

**ATTACHMENT 2**  
 Resolution 1066  
**SAFECO-REDMOND**  
 ZIMMER GINSUL FRASCA PARTNERSHIP  
 18 FEBRUARY 1998





# ATTACHMENT 3

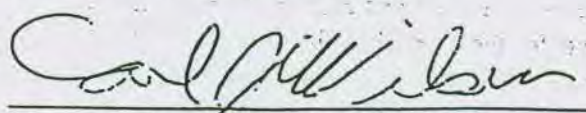
THE CITY OF REDMOND  
PUBLIC WORKS DEPARTMENT

## CERTIFICATE OF CONCURRENCY

This Certificate confirms that the transportation concurrency requirement for the proposed development described below has been satisfied pursuant to the conditions contained in this Certificate.

1. Applicant name and address: Safeco Insurance Company of America, Safeco Plaza, Seattle, WA 98185
2. Property location:
- a. Property address: 154 NE 51<sup>st</sup> Street, 4909 156<sup>th</sup> Ave NE, and 4301 156<sup>th</sup> Ave NE, Redmond, WA
  - b. Development name: Safeco Campus Expansion, Phase 3
  - c. Assessor's Parcel Number: 750310-0020-01, 750310-0010-03, 142505-9138-06, and 142505-9102-08
  - d. Section, Township, Range: Section 14, Township 25 North, Range 5 East
3. Type of development permit to be requested: Development Agreement, Site Plan Review, and Building Permit
4. Proposed land use: Office campus
5. This Certificate applies to the following development units:  
Commercial project - Number of buildings, total square feet: Up to 4 buildings totaling 356,892 sq. ft.,  
with 338,692 sq. ft. office, 14,000 sq. ft. for a cafeteria, and 4200 sq. ft. added to the data center.
6. This Certificate is only an indication that there is adequate vehicular capacity on the City of Redmond street network to support the traffic forecasted to be generated by the development described above. This Certificate implies no other approvals of land use, site design or code compliance. It is subject to the following general conditions:
- a. This Certificate runs with the land, therefore, it is transferable only to subsequent owners of the same property, subject to the terms, conditions, and expiration date listed herein. This Certificate is not transferable to any other property, except upon approval of the Director of Planning and Community Development.
  - b. If this Certificate of Concurrency expires before a complete Development Application is submitted to the City of Redmond, the developer must wait fourteen days before submitting another Certificate of Concurrency request for the same development.
  - c. This Certificate of Concurrency shall expire if the Development Agreement for Phase 3 is not approved by City Council or if it expires, or if the Development Application submitted under that Agreement expires.
7. ☒ Specific conditions are described on the reverse side.

This original Certificate of Concurrency must be submitted as part of a complete Development Application package. Copies of the Certificate will not be accepted.

  
\_\_\_\_\_  
Transportation Development Administrator

### Type of Certificate:

- ☒ Original
- ☐ Transfer
- ☐ Replacement

Date issued: 4-8-98

Expiration date: See 6.c above.