

CITY COUNCIL AGENDA

15728 Main Street, Mill Creek, WA 98012 (425) 745-1891



Pam Pruitt, Mayor • Brian Holtzclaw, Mayor Pro Tem • Mark Bond
Mike Todd • Vince Cavaleri • John Steckler • Stephanie Vignal

Regular meetings of the Mill Creek City Council shall be held on the first, second and fourth Tuesdays of each month commencing at 6:00 p.m. in the Mill Creek Council Chambers located at 15728 Main Street, Mill Creek, Washington. Your participation and interest in these meetings are encouraged and very much appreciated. We are trying to make our public meetings accessible to all members of the public. If you require special accommodations, please call the office of the City Clerk at (425) 921-5725 three days prior to the meeting.

The City Council may consider and act on any matter called to its attention at such meetings, whether or not specified on the agenda for said meeting. Participation by members of the audience will be allowed as set forth on the meeting agenda or as determined by the Mayor or the City Council.

To comment on subjects listed on or not on the agenda, ask to be recognized during the Audience Communication portion of the agenda. Please stand at the podium and state your name and residency for the official record. Please limit your comments to the specific item under discussion. Time limitations shall be at the discretion of the Mayor or City Council.

Study sessions of the Mill Creek City Council may be held as part of any regular or special meeting. Study sessions are informal, and are typically used by the City Council to receive reports and presentations, review and evaluate complex matters, and/or engage in preliminary analysis of City issues or City Council business.

Next Ordinance No. 2019-849

Next Resolution No. 2019-579

**March 26, 2019
City Council Meeting
6:00 PM**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

AUDIENCE COMMUNICATION

- A. Public comment on items on or not on the agenda

PUBLIC HEARING

- B. Development Agreement Between the Farm by Vintage, LP at Mill Creek and the City of Mill Creek
(Christi Amrine, Senior Planner)

NEW BUSINESS

- C. Appointments to the Park & Recreation Board
(Council Interview Committee: Councilmember Cavaleri and Councilmember Bond)

- D. Approval of the Development Agreement Between the Farm by Vintage, LP at Mill Creek and the City of Mill Creek
(Christi Amrine, Senior Planner)
- E. Sale and Disposal of Surplus Police Department Vehicles
(Greg Elwin, Chief of Police)

REPORTS

- F. Mayor/Council
- G. City Manager
 - Council Planning Schedule
- H. Staff
 - Park & Recreation Board Meeting Minutes of January 2, 2019
 - Mill Creek Sports Park Grand Reopening
 - Discussion: 35th Ave SE Reopening

AUDIENCE COMMUNICATION

- I. Public comment on items on or not on the agenda

RECESS TO EXECUTIVE SESSION

(Confidential session of the Council)

- J. To evaluate the qualifications of an applicant for public employment pursuant to RCW 42.30.110
(1)(g)

ADJOURNMENT



Agenda Item # B
Meeting Date: March 26, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

**AGENDA ITEM: PUBLIC HEARING FOR DEVELOPMENT AGREEMENT
BETWEEN THE FARM BY VINTAGE, LP AT MILL CREEK AND
THE CITY OF MILL CREEK**

PROPOSED MOTION:

Authorize the City Manager to execute Development Agreement.

KEY FACTS AND INFORMATION SUMMARY:

In March 2018, the City received a development application for The Farm at Mill Creek, which is located in the City’s East Gateway Urban Village (EGUV) zone. The application was deemed complete on April 13, 2018. One of the requirements of developing in the EGUV zone district is to enter into a development agreement with the City. In accordance with State law (RCW 36.70B.200), a public hearing must be held on a development agreement prior to the City Council taking action on the development agreement.

The City Council has held three study sessions on various elements of the development proposal and the proposed Development Agreement (February 19th, 26th and March 12, 2019). At the February 26, 2019 study session the City Council set March 26th for the public hearing date for the Development Agreement.

Development agreements increase certainty and reduce risk for both the developer and the City by addressing issues of interest to the City and the developer that are not specifically addressed in the code. Development agreements must be consistent with the City’s regulations. The proposed Development Agreement was negotiated between staff and the developer and includes many benefits and amenities for the City. The table below provides highlights of the substantive issues addressed in the proposed Development Agreement. Please note that since the last meeting the Developer and City Attorney have made minor revisions to the agreement including a corporate name change from Eastgate by Vintage, LP to The Farm by Vintage, LP and other clarifications (Attachment 1)

Development Agreement Highlights:

Development Agreement Section	Summary
9.1-Occupancy and Sale 9.2-Certificates of Occupancy	City is requiring that 75% of the commercial leasable area be completed and that the certificate of occupancy has been issued for this area prior to the City issuing any Certificate of Occupancy for residential units.

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	This assures that the commercial areas are completed and are an initial part of the project.
9.6-Municipal Space Allowance	Developer is providing the City a 50-year lease for a minimum of 500 square feet of municipal space at no cost, except the payment of utilities. The developer is providing the same basic tenant improvements for basic office set-up as was listed in Vintage at Mill Creek Development Agreement (carpet, walls electrical, paint, and plumbing fixtures). The City would be responsible for additional tenant improvements based on the municipal use selected by the City.
11.2-Off-Site Mitigation Site	Developer has purchased approximately 58 acres (former Pacific Topsoils site) and is restoring the site per the City's standards. This site is necessary to allow the reduced wetland buffer adjacent to the development. The developer is offering to dedicate the site to the City at no cost once the five-year monitoring period is over. Public access will be provided during the five years on trails being placed on the property by the developer. A small parking area will be provided by the developer. The five-year period will allow the City to partner with other private and public entities to determine a long term vision for the site and assess the maintenance costs associated with the property. The City can decline the dedication within the five-year period. If the City declines the dedication, the developer can disallow public access.
11.2.4 35 th Avenue Mid-Block Crossing Analysis.	If the City accepts the dedication of the Off-Site Mitigation Site, the Developer is required to provide a mid-block crossing analysis to determine if a mid-block crossing is warranted to provide safe access to the off-site mitigation site. The analysis is required to be provided to the City within 90 days of the transfer to the City.
13 Plazas, Public Gathering Areas and Public Access	The private parking lot west of Building F will be designed to allow the area to be utilized as a public gathering area for families, markets, festivals, concerts and the

City Council Agenda Summary
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	like. In addition, a public restroom and a water fountain will be constructed in one of the commercial buildings near the public gathering area.
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To date the City Council has approved three prior developments within the EGUV zone. These developments combined include approximately 60,990 square feet of commercial space and 518 number of housing units on 25.91 acres of land. The Farm at Mill Creek proposes 100,000 square feet of commercial space and 355 housing units.

The purpose of the public hearing is to take and consider public testimony on the Development Agreement.

CITY MANAGER RECOMMENDATION:

City Council approval and authorization for the City Manager to sign the Development Agreement between the City and The Farm by Vintage, LP.

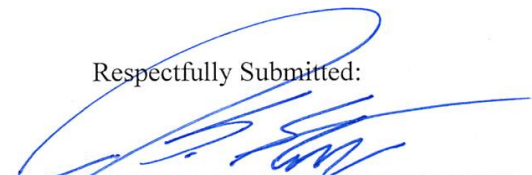
ATTACHMENTS:

- Attachment 1: Draft Ordinance with Exhibit A - Development Agreement, revised March 21, 2019

Attachments 2 thru 9 were included in the March 12, 2019 Council packet and are included again for reference.

- Attachment 2: Preliminary Binding Site Plan (conceptual)
- Attachment 3: Memorandum from City Attorney regarding Development Agreement procedures and consideration of housing issues related to The Farm
- Attachment 4: February 26, 2019 City Council agenda summary and attachments
- Attachment 5: Updated Fiscal Impact Analysis prepared by Integra Realty Resources, updated on March 3, 2019
- Attachment 6: The Farm at Mill Creek Response to Questions, updated
- Attachment 7: City Staff PowerPoint presentation from February 26, 2019
- Attachment 8: Spine Road phases
- Attachment 9: Spine Road estimated construction costs
- Attachment 10: Public Comments received from February 1, 2019 to March 20, 2019

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

ORDINANCE NO. 2019- _____

AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MILL CREEK AND THE FARM BY VINTAGE, LP PURSUANT TO MILL CREEK MUNICIPAL CODE CHAPTER 17.19 AND RCW 36.70B.170 ET SEQ. FOR FUTURE DEVELOPMENT OF PROPERTY LOCATED WITHIN THE EAST GATEWAY URBAN VILLAGE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on March 25, 2008, the City Council adopted Ordinance No. 2008-676, approving the East Gateway Urban Village Comprehensive Plan and Development Code amendments ("EGUV Amendments"); and

WHEREAS, the EGUV Amendments included adoption of an illustrative master plan to guide development within the East Gateway Urban Village; and

WHEREAS, the EGUV Amendments included adoption of a new Mill Creek Municipal Code ("MCMC") Chapter 17.19, entitled East Gateway Urban Village, to establish the East Gateway Urban Village zone district ("EGUV District") and provide for development regulations, design standards, and guidelines for future development in the EGUV District; and

WHEREAS, MCMC Chapter 17.19 requires every development occurring within the EGUV District to prepare and obtain approval of a detailed master development plan ("MDP") that includes a Binding Site Plan ("BSP") and a Development Agreement ("DA") approved in accordance with RCW 36.70B.170 et seq. and MCMC Chapter 17.19; and

WHEREAS, on July 1, 2008, the City Council adopted Ordinance No. 2008-684, approving design guidelines for development within the EGUV District ("EGUV Design Guidelines"); and

WHEREAS, the EGUV Design Guidelines constitute development regulations under RCW 36.70A.030(7) that will be used in conjunction with MCMC Titles 14 to 18 and the Mill Creek Comprehensive Plan to review and approve projects within the EGUV District, all to

ensure that development within the EGUV District is consistent with the EGUV Amendments and the community vision reflected therein; and

WHEREAS, on March 23, 2018, The Farm by Vintage, LP ("Developer") submitted BSP application PL2018-0004 for property located within the EGUV District comprised of Parcel A and Parcel B, and an associated off-site mitigation site located in the Medium Density Residential zone district comprised of Parcels C, D, and E, each bearing the following abbreviated legal descriptions (collectively, the "Property"):

Parcel A Identification Number: 28053300200200

Section 33 Township 28 Range 05 Quarter NW - PAR 2 OF SNO CO BLA 00-101711 REC UND AFN 200007140347 DAF - NW1/4 NE1/4 NW1/4 SD SEC 33 EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN THS89*50 40E 1997.80FT AS CONVD TO SNO CO FOR RD BY DEED REC UND AFN 219641 & EXC TH PTNS THOF CONVD TO SNO CO FOR RD BY INST REC UND AFN 8310200114 & EXC W 0.22FT THOF & EXC ADDL NWLY R/W TO CITY OF MILL CR PER SWD REC UND AFN 201004190475.

Parcel B Identification Number: 28053300200300

Section 33 Township 28 Range 05 Quarter NW - PAR 1 OF SNO CO BLA 00-101711 REC UND AFN 200007140347 DAF - N1/2 NW1/4 NW1/4 SD SEC 33 & W 0.22FT W1/2 NW1/4 NE1/4 NW1/4 SD SEC 33; EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN TH S89*50 40E 1997.80FT AS CONVD TO SNO CO FOR RD BY DEED REC UND AFN 219641; EXC TH PTNS THOF CONVD TO SNO CO FOR RD BY INST REC UND AFN 8310200114 & 9201230590 EXC TH PTN CONDMD FOR RD IN SNO CO SCC NO 98-2-08976-6; EXC ADDL NELY R/W TO CITY OF MILL CR PER SWD REC UND AFN 201004190474.

Parcel C Identification Number: 28053300206900

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4 NW1/4 SD SEC 33 TGW BEG AT SW COR NW1/4 SD SEC 33 TH N 1320FT TO TPB TH E 990FT TH N330FT TH W 990FT TH S 330FT TO TPB EXC ANY PTN THOF LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 40FT WIDE STRIP TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E(DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP TH IS 20FT NLY OF WHEN MEAS ATR/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN TH IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN35TH AVE SE TH S00*38 45W ALG SD E MGN 40.01FT TH S88*19 22E 241.69FT TAP TH BEARS

S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA 40FT WIDE STRIP OF CITY OF MILL CR SP 11-12 REC AFN201206075002

Parcel D Identification Number: 28053300206800

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4 NW1/4 SD SEC 33 TGW BEG SW COR NW1/4 SD SEC 33 TH N1320FT TO TPB TH E 990FT TH N 330FT TH W 990FT TH S 330FT TO TPB EXC ANY PTN LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 DAF ALL OF SD REAL PRTY EXC FOL 3 PAR PAR 1 TH PTN SD RAL PRTY LY NLY & WLY OF FDL BEG ATNW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TO POB TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*4038W 25FT TAP THAT IS 20FT NLY OF WHEN MEASE AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE & TERM OF THIS LN DESC PAR 2 COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN SD PAR 549.23FT TO POB TH CONT S88*19 22E (DEEDEAST) ALG SD N LN 320.25FT TH S01*40 38W 310FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN OF SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 299.67FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*4038E 25FT TAP THAT BEARS S02*27 15E FR POB TH N02*27 15W 285.74FT TO POB PAR 3 TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE TH S00*38 45W ALG SD E MGN40.01FT TH S88*19 22E 241.69FT TAP THAT BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA LOT 3 CITY OF MILL CR SP 11-12 REC AFN 201206075002.

Parcel E Identification Number: 28053300300200

SEC 33 TWP 28 RGE 05. N1/2 NW1/4 SW1/4 EXC ANY PTN LY WITH THOMAS LAKE RD & EXC RD R/W PER DEED REC AFN 1730042 & ADDL R/W TO SNO CO PER REC AFN 200012280181.

WHEREAS, on April 13, 2018, BSP PL2018-0004 was deemed complete for vesting purposes pursuant to MCMC 14.05.040; and

WHEREAS, the City Council is charged with legislative review and approval of the DA pursuant to MCMC Chapter 14.03 and Chapter 17.19 to set forth development standards and other terms, conditions, and provisions applicable to development of the Property; and

WHEREAS, the Hearing Examiner is charged with reviewing BSP PL2018-0004 pursuant to MCMC Chapter 14.03 and Chapter 17.19; and

WHEREAS, the DA, upon approval by the City Council, becomes a development regulation that will be binding on the Property and used in the Hearing Examiner's consistency review of BSP PL2018-0004; and

WHEREAS, on February 19, 2019, the City Council held a study session on the proposed development on the Property, known as The Farm at Mill Creek ("Project"). At this meeting staff presented background information about the history of the EGUV, the development review process utilized in the EGUV, the applicable policies and regulations that govern development in the EGUV, the history of development in EGUV, and the general scope of the Project. The purpose of this work session was to provide context to the Council for the consideration of the proposed DA; and

WHEREAS, on February 26, 2019, the City Council held a second study session on the DA, during which the City Council directed staff to make changes and/or grammatical corrections to the DA, and set March 26, 2019 as the date for a public hearing on the DA; and

WHEREAS, on March 12, 2019, the City Council held a third study session on the draft DA at which more information was presented by staff for review, discussion and evaluation; and

WHEREAS, notice of the public hearing on the proposed DA was sent to the owners of property situated within 500 feet of the Property on March 13, 2019, was posted on the Property on March 15, 2019, and was duly advertised in the Everett Herald on March 10, 2019, all in accordance with MCMC 14.07.030; and

WHEREAS, on March 26, 2019, the City Council convened the scheduled public hearing

to solicit, obtain, consider and evaluate public comments and Developer comments on the proposed DA; and

WHEREAS, the City Council finds that the proposed DA as recommended by City staff and the Developer is consistent with the EGUV Amendments, MCMC Chapter 17.19, the EGUV Design Guidelines, the City's Comprehensive Plan, its development regulations, and RCW 36.70B.170 et seq.; and

WHEREAS, the City Council further finds that adoption of the DA as provided in this Ordinance will further the public health, safety, and general welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. The City Council adopts the recitals set forth above as its findings and conclusions.

Section 2. The City Council approves the DA between the City and The Farm by Vintage, LP attached and incorporated as **Exhibit A**, pursuant to MCMC Chapter 14.03, MCMC Chapter 17.19, and RCW 36.70B.170 et seq., and authorizes the City Manager to sign the DA in accordance with the following schedule.

Section 3. The DA approved in Section 2 above shall be signed by the Developer and submitted to the City Manager within ten (10) days of the effective date of this Ordinance. The DA shall thereafter be signed by the City Manager and shall be recorded pursuant to Section 7.1 of the DA.

Section 4. If any section, subsection, paragraph, sentence, clause or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or its application to any other person or situation. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 5. This Ordinance shall be effective five days following the publication of the attached summary, which is hereby approved.

Passed in open meeting this 26th day of March 2019 by a vote of _____ for, _____ against, and _____ abstaining.

APPROVED:

PAM PRUITT, MAYOR

ATTEST/AUTHENTICATED:

GINA PFISTER, CITY CLERK

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

SCOTT MISSALL, CITY ATTORNEY

FILED WITH THE CITY CLERK: _____

PASSED BY THE CITY COUNCIL: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

ORDINANCE NO.: _____

Exhibit A: Approved Development Agreement with The Farm by Vintage, LP

\\mc.net\data\Public Works and Development Services Department\Council Meeting Packages\The Farm at MC DA\CC 3-26-19 DA Public Hearing\Development Agreement The Farm at Mill Creek with TR and SM edits.doc

ATTACHMENT 1
Ordinance DA 3-219-19

After recording return to:

~~Town Clerk~~ City Clerk
 City of Mill Creek
 15728 Main Street
 Mill Creek, Washington 98012

Document Title(s)	Development Agreement for BSP PL2018-0004 (EGUV)
Reference Number(s) of related documents	
Grantor(s)	City of Mill Creek Eastgate-The Farm by Vintage, LP
Grantees(s)	Eastgate-The Farm by Vintage, LP City of Mill Creek
Abbrev. Legal Description	Portion Parcels 1 & 2 per BLA No. 00-101711, Rec. 200007140347
Assessor's Property Tax Parcel/Account Numbers	28053300200200; 28053300200300
Assessor's Off-Site Mitigation Site Parcel/Account Numbers	28053300206800; 28053300206900; and 28053300300200

**CONTRACT 2019-1493
CITY OF MILL CREEK**

**DEVELOPMENT AGREEMENT
FOR THE
[EASTGATE-THE FARM](#) BY VINTAGE, LP
BINDING SITE PLAN (PL2018-0004)
IN THE EAST GATEWAY URBAN VILLAGE**

1.0 Parties

1.1 This Development Agreement ("Agreement") is entered into on the Effective Date set forth below between the City of Mill Creek, a Washington municipal corporation having its principal place of business at 15728 Main Street, Mill Creek, Washington 98012 ("City"), and [Eastgate-The Farm](#) by Vintage, LP, a Washington limited liability company, having its principal place of business at 369 San Miguel Drive, Suite #135, Newport Beach, California 92660-7813 ("Developer"). The City and Developer may be individually referred to as "Party" and collectively as the "Parties."

1.2 The Parties enter into this Agreement for and in consideration of the mutual benefits and advantages of this Agreement. The Parties agree to comply with all of the terms and conditions of this Agreement.

2.0 Purpose

2.1 Mill Creek Municipal Code ("MCMC") Section 17.19.020 requires every development in the East Gateway Urban Village ("EGUV") zone district to obtain approval of a detailed master development plan ("[MDP](#)"). The detailed [master development plan-MDP](#) requires a binding site plan, a development agreement with the City, and a consistency analysis. The development agreement is subject to approval by the City Council and the binding site plan together with the development agreement is subject to review and approval by the City Hearing Examiner ("Hearing Examiner"). The Hearing Examiner's decision is appealable to the City Council as a closed record appeal.

2.2 Developer has submitted a binding site plan application under file number PL2018-0004 ("BSP") to develop the project described in Section 5.1 ("Project"). This Agreement comprises the development agreement for the Project and is required by MCMC 17.19.030.C to be in accord with RCW 36.70B.170. The property to be developed in accordance with this Agreement is vested to the development regulations in effect on the effective date of this Agreement unless different development standards are set forth herein. This Agreement is not intended to conflict with or supplant existing state and local regulations that otherwise govern the Project. This Agreement does not serve as an approval of any permit or any specific proposal within Developer's application for the Project, which permits or proposal shall be reviewed pursuant to the City's procedures. The Agreement sets forth negotiated terms and conditions applicable to future Project approvals and the ongoing obligations and rights of the Parties after

ATTACHMENT 1
Ordinance DA 3-219-19

Project approval. These negotiated terms and conditions supplement the terms and conditions of the MCMC. Developer's proposed BSP (~~as defined in Section 5.1~~) remains subject to review and approval by the Hearing Examiner. If the BSP is approved, related permits (e.g. building and design review) will be subject to review and approval by those designated to review such permits (e.g. building code official and design review board).

2.3 The Parties acknowledge that this Agreement will benefit the Parties by assuring them of their respective rights, duties, obligations, privileges and commitments with regard to the Property and Project for the duration of this Agreement.

3.0 Definitions

3.1 The following terms are initially defined and/or described at the indicated sections of this Agreement:

[Agreement \(Section 1.1\)](#)
Binding Site Plan ("BSP") (Section ~~5.1~~2.2)
[City \(Section 1.1\)](#)
Commercial Property Use Agreement (Section 9.3)
[Developer \(Section 1.1\)](#)
Design Guidelines (Section 8.2.2)
East Gateway Urban Village ("EGUV") (Section 2.1)
Effective Date (Section 20.4)
EGUV Regulations (Section 8.2)
Engineering Study (Section 8.2.3)
[Leasing Office \(Section 9.5\)](#)
Hearing Examiner (Section 2.1)
Live-Work Units (Section ~~9.4 and~~ 9.5)
Master Development Plan ("MDP") (Section ~~7.3~~2.1)
Mill Creek Municipal Code ("MCMC") (Section 2.1)
[Mitigation Plan \(Section 11.1\)](#)
[Municipal Space \(Section 9.6\)](#)
[Notice \(Section 11.2.3\)](#)
[Off-Site Mitigation Site \(Section 4.2\)](#)
Project (Section 5.1)
Project Approvals (Section 8.3)
Property (Section 4.1)
Successors (Section 15.2)
[Residential Amenity Space \(Section 9.5\)](#)
Road Construction (Section 10.4)
[SEPA \(Section 8.2\)](#)
Vested Term (Section 8.4)

4.0 Property and Parcel Descriptions

ATTACHMENT 1
Ordinance DA 3-219-19

4.1 Property Sites. The property which is the subject of this Agreement and is to be developed with the proposed binding site plan consists of the ~~parcels-land~~ legally described as Parcels A and B in attached **Exhibit A** (collectively, the "Property"). The parcels comprising the Property bear Snohomish County tax parcel numbers (~~"TPN"~~) 28053300200300 (Parcel A) and 28053300200200 (Parcel B). This Agreement shall bind Developer and the Property pursuant to Section ~~20.549.5~~. A tax parcel map generally depicting the Property (Project Site) is attached as **Exhibit B**. References to "Property" shall include the Project described in Section 5.1 below.

~~Section~~ 4.2 Off-Site Mitigation Site. The property which is proposed to provide off-site wetland mitigation for the development of the Property Site ~~of the Agreement~~ consists of the ~~parcels-land~~ legally described as parcels C, D and E in attached Exhibit A ("Off-Site Mitigation Site"). This Agreement does not regulate the development of the Off-Site Mitigation Site, however it does regulate the use of the OSMS (e.g. Section 11). The parcels comprising the Off-Site Mitigation Site bear the Snohomish County tax parcel numbers 28053300206800; 28053300206900; and 28053300300200. A tax parcel map generally depicting the Off-Site Mitigation Site is attached as **Exhibit B**.

5.0 Project Description

5.1 Project Description. ~~Developer has submitted a Binding Site Plan ("BSP") application to develop the Property bearing file number PL2018-0004.~~ The Project generally consists of subdividing ~~the two parcels described in Section 4.1 Property~~ for the purposes of developing nine (9) buildings. Buildings A1 through F will have commercial uses (approximately ~~85,000-100,000~~ square feet) ~~and include a parking structure, below ground parking, and parking on the ground floor.~~ Buildings A1, A2, A3, A4, B and C will be commercial uses and will be one story in height with the option for the Developer to add a mezzanine or a second story. Buildings D, E and F will have five stories with a total of 355 residential apartment units above the ground floor. One hundred percent of the proposed residential units (above ground floor) will be workforce housing targeting households at 60% of the ~~area~~ average median income (AMI) for Snohomish County. The live/work units will be market rate. Building F will include a residential parking structure. Building E will include two levels of below-ground residential parking. The project will also include commercial and residential surface parking. The preliminary BSP depicting the Project is attached as **Exhibit C**.

6.0 Authority

6.1 Authority. This Agreement is a development agreement authorized by and entered into under the authority of MCMC 14.03 and 17.19, and the Revised Code of Washington ("RCW") at Section 36.70B.170 et seq. This Agreement establishes certain terms and conditions pertaining to development of the Project and the Property, and establishes an overall framework for current and future development of the Property, but is not exclusive nor a comprehensive list of development requirements affecting the Property. Other requirements for development of the Property will be established during the application and review process for specific components of the Project under the EGUV Regulations (defined in Section 8.2) and the MCMC.

7.0 Development Review Procedures for Project

7.1 Review Process. This Agreement has been processed in accordance with MCMC 14.03 and 17.19, and RCW 36.70B.170 et seq. Approval of this Agreement by the Mill Creek City Council is required before any other development approvals affecting the Property may be heard or decided. Following the Parties' execution of the Agreement, the Agreement shall be recorded in accordance with Section 15.3. Developer shall promptly record the Agreement with the Snohomish County Auditor's Office at Developer's expense and provide a conformed and recorded copy to City. In the event that the Agreement is recorded and the Project does not receive further approvals or Developer does not proceed with the Project, Developer and City will timely execute and record any necessary termination document, and Developer will pay the costs of recording such document and providing a conformed copy to City.

7.2 Hearing Examiner Notice. In reviewing subsequent development applications for the Project or Property, the Hearing Examiner shall take notice of this Agreement in accordance with MCMC 4.34, 14.03, and 17.19.

7.3 Project Review. Subsequent applications, approvals, and development actions for the Project, including the BSP and consistency review required for the Project under MCMC 17.19.030, environmental decisions, and all subsequent permits implementing the Project, shall be reviewed pursuant to the applicable development and MCMC regulations existing on the effective date of the Agreement. No development approval shall be granted unless it is consistent with the MCMC, this Agreement and the EGUV Regulations. This Agreement, any future approved BSP for the Project, and any future approved consistency review for the Project shall collectively comprise the master development plan ("MDP") for the Project described in MCMC 17.19.020 and .030.

8.0 Project Review and Evaluation; Vested Rights

8.1 Project Evaluation. The Project shall be reviewed in accordance with City's development review procedures and the requirements of RCW 36.70B.170 et seq. City shall use this Agreement and the EGUV Regulations during the development review process as additional standards and criteria to evaluate the Project and determine appropriate conditions and requirements of development. Project approval and subsequent build out will require various City permits and approvals.

8.2 EGUV Regulations. Following initial approval of the Project, the Project and its component parts will be developed consistent with the following as applied during the development review process: (i) this Agreement; (ii) the version of Titles 16, 17, and 18 of the MCMC in effect on the date the Agreement is approved by the City Council; (iii) EGUV Design Guidelines as adopted by the City Council on July 1, 2008, in City Council Ordinance No. 2008-684 ("Design Guidelines"); (iv) Reid Middleton EGUV Infrastructure Design Report dated December 2012 ("Engineering Study") attached and incorporated as **Exhibit D**; (v) environmental decisions and documents issued for the Project under the State Environmental Policy Act, RCW Chapter 43.21C, and/or MCMC 18.04 (collectively "SEPA"); (vi) the version of the Mill Creek Comprehensive Plan in effect on the date the Agreement is approved by the City Council;; (vii)

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other applicable City, state, or federal regulations as those regulations exist and apply at the time of development or a vested application therefore (e.g. building permits will be subject to the building codes in effect at the time a building permit is applied for). All of the foregoing comprise development regulations within the meaning of RCW 36.70A.030 and shall collectively comprise and be referred to as the "EGUV Regulations." Without limiting the foregoing, the following components of the EGUV Regulations are emphasized for clarity:

8.2.1 Applicable Regulations. The Project shall comply with all applicable regulations in the MCMC (i) in effect on the effective date of this Agreement except as modified herein, and (ii) to the extent not vested hereunder upon the vesting date of any subsequent application pertaining to the Project.

8.2.2 EGUV Design Guidelines. All structures and facilities comprising the Project shall comply with the Design Guidelines, as adopted by the City Council on July 1, 2008, in City Council Ordinance No. 2008-684.

8.2.3 Engineering Study. The Engineering Study shall be used as the design guideline for the public roadway alignment, access management, traffic impacts and analysis, regional drainage facilities if coordinating with adjacent property owners, public infrastructure facilities, and utility coordination. All required public infrastructure, facilities and mitigation arising from the Project shall be consistent with the Engineering Study. The Parties agree the alignment of 39th Avenue SE and 133rd Street SE as depicted on **Exhibit C** is an approved deviation from the alignment of that road as contemplated within the Engineering Study.¹ The City Manager or designee, in his or her sole discretion, may authorize additional deviations from the Engineering Study to the extent such deviations do not prevent the Project from complying with other applicable aspects of the EGUV Regulations and will not materially impact existing or future developments within the EGUV zone district.

8.3 Compliance with Project Approvals. Once approved, this Agreement, the subsequent associated BSP and MDP, and all other related governmental approvals (e.g., SEPA determination, building permits, etc.) required for development of the Project shall collectively comprise the "Project Approvals." The Project shall comply with the Project Approvals in all particulars, and City may take enforcement action in accordance with Section 15 at any time to compel such compliance.

8.4 Binding Nature of Development Agreement; Vested Term; Vested Rights. This Agreement shall constitute a binding development regulation for the Project and Property for purposes of the City's review of Binding Site Plan File PL2018-0004 and related applications received within 8 years of the effective date of this Agreement ("Vested Term"). During the Vested Term, Developer shall have the right to develop the Project in accordance with the terms of this Agreement and the Project Approvals regardless of intervening changes in the EGUV Regulations or other applicable development regulations (but excluding, for example, changes in

¹ With the exception of the alignment of 39th Ave SE and 133rd Street SE, Project elements depicted in **Exhibit C** (e.g. parking, buffers, setbacks, open space, building locations) are provided for conceptual purposes only. The Hearing Examiner shall determine whether such elements comply with applicable EGUV Regulations.

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building code regulations and mitigation assessments not set forth with the Project terms). Upon the expiration of the Vested Term, this Agreement shall continue to apply to the use of all Property and development approved pursuant to this Agreement. Development applications received after the Vested Term or for different projects shall be subject to review under all then-applicable development regulations.

9.0 Occupancy of Buildings; Sale of Lots; Uses

9.1 Occupancy and Sale. There shall be no occupancy or use of the Project components and no sale or lease of any lots, tracts or parcels created by the BSP until (i) the BSP is recorded in accordance with the MCMC and (ii) certificates of occupancy have been issued as required by the MCMC and Section 9.2.

9.2 Certificates of Occupancy. In addition to the requirements of the MCMC and the enforcement provisions set forth in Section 16, the City may withhold certificates of occupancy for all or any part of the Project until all building permit requirements and Project conditions of approval have been met to City's satisfaction. Sale of commercial buildings or commercial spaces (e.g. stand-alone pads) will be allowed provided that not less than 75% of the overall commercial square footage has first received certificates of occupancy. Certificates of occupancy for commercial spaces will be issuable upon completion of the building shell [for that building](#).

9.2.1 Phasing of [Commercial-Residential](#) Buildings/Spaces. ~~Both the 75% of the~~ freestanding commercial buildings (Buildings A1-A4, B and C) and the ground floor commercial spaces in the mixed-use buildings (Buildings D, E and F) must be completed and [the commercial spaces](#) listed for lease and/or sale prior to the City issuing the first Certificate of Occupancy for a residential living unit.

9.3 Commercial Uses. Pursuant [to](#) MCMC 17.19.040(D)(1), residential uses are prohibited on the Property unless the residential uses are located above commercial uses. This requirement is intended to encourage a mix of residential and commercial uses that provide active pedestrian circulation and economic stability within the East Gateway Urban Village in compliance with the City's Comprehensive Plan.

9.4 No Residential Accessory Uses. Except as otherwise expressly allowed under Section 9.5: (i) the ground floor commercial space may not be used as or for residential use or units or as an accessory to the Project's residential uses; (ii) the live-work units shall have a minimum 12-foot exterior soffit height and a minimum 14-foot interior ceiling height, and (iii) access to or use of ground floor uses shall not be limited on the basis of residency within the Project.

9.5 Limitation on Section 9.4. Notwithstanding the restriction set forth in Section 9.4, the Parties recognize that there may be some commercial uses that can fulfill the intent of the EGUV Regulations while also serving as accessories to the residential aspect of the Project. Specifically, Developer intends to develop and operate (i) 25 live-work units on the ground floor of Building F ("Live-Work Units"); (ii) a leasing office of up to 1,600 square feet that will serve residents and potential residents ("Leasing Office"); and (iii) an amenity space of up to 3,600

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square feet that will include a beauty parlor, kitchen, fitness center or other amenities for use by Project residents (“Residential Amenity Space”). The Live-Work Units, Leasing Office and Residential Amenity Space may be located on the ground floor of the Project subject to the terms and conditions described in Section 9.4.

9.6 Municipal Space Allowance. In exchange for the provisions of this Agreement the Developer shall enter into a 50-year lease with the City for a municipal space (“Municipal Space”) in the Project at no cost to the City. The lease shall be negotiated and executed prior to issuance of the first certificate of occupancy for the Project and contain the following terms: The Municipal Space shall be not less than 500 rentable square feet of ground floor commercial space at a Project location satisfactory to the City in Building D, E or F. Developer shall build out the following initial interior improvements for the Municipal Space in a design, style and manner approved by the City, which shall include but is not limited to: walls, windows, ceiling, floors, doors, utilities, electrical, cabling and security, paint and trim, and interior fixtures. Materials and finishes shall be consistent with the other commercial spaces in those buildings. The space layout shall be approved by the City. The City shall be responsible for any further tenant improvements. The Municipal Space shall be used, maintained, and operated by the City for any public purpose for the duration of this Agreement. Upon completion of the 8-year duration of the Agreement, the City shall have no restrictions on future status or use of the Municipal Space and may use, assign, lease, transfer or sell the Municipal Space to any person or for any purpose at the City’s sole discretion. The City shall pay utilities for Municipal Space but shall not pay common area expenses.

10.0 Transportation and Traffic Requirements

10.1 City and County Traffic System Impact Mitigation Requirements. Traffic impacts and mitigation fees will be analyzed, and determined by the City through the City’s SEPA and development review process and in accordance with the Engineering Study per Section 8.2.

10.2 Construction of 132nd Street SE Improvements. Developer shall construct or pay to construct all 132nd Street S.E. frontage and related access point improvements required by the Washington State Department of Transportation and the Engineering Study per Section 8.2. The design, construction, and operation of the improvements are subject to the review and approval of the Washington State Department of Transportation.

10.3 Dedication of Road Right-of-Way. In accordance with MCMC 16.14, Developer shall dedicate or cause to be dedicated to the City the full width of the public Right-of-Way for 39th Avenue SE and 133rd Street SE and the remaining the width of the public Right-of-Way for 41st Avenue SE. as depicted in **Exhibit C** as such widths and alignments are contemplated in the Engineering Study, except to the extent deviations are permitted by Section 8.2. Dedication shall be completed either by (i) showing the dedication on the face of the BSP for the Project; or (ii) by separate dedication deed or easement approved and accepted by City before the BSP is released for recording. Developer is solely responsible for negotiating all necessary legal interests from underlying property owners of the public Right-of-Way in order to accomplish the required dedication.

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10.4 On-Site Road Construction. Developer shall design and construct to City specifications the full width of the public roadway improvements on the property dedicated pursuant to Section 10.3 ("Road Construction"). Road Construction shall comply with all applicable EGUV Regulations, including but not limited to MCMC 16.16, the current version of the Mill Creek Design and Construction Standard Plans, Design Guidelines, and the Engineering Study. Road Construction shall include (i) the full width of the street and sidewalk cross section; (ii) on-street parking as approved by City; (iii) street and pedestrian lighting; (iv) storm water and drainage facilities; (v) street trees (grates and lighting conduit), landscaping and street furnishings; and (vi) signage and striping.

11.0 Critical Areas Mitigation Plan

11.1 Mitigation Plan. Developer is proposing a critical areas mitigation plan ("Mitigation Plan") that provides local and regional benefits in exchange for a reduced critical area buffer on the Project site. The Mitigation Plan encompasses two sites, one on-site and one off-site.

11.2 Off-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of actions, including (i) preservation and dedication of approximately 61 acres of undeveloped land to the City ("Off-Site Mitigation Site"); (ii) enhancement and extension of an integrated trail system of more than a mile in length comprised of gravel paths, boardwalks, and elevated pathways within and providing access to the Off-Site Mitigation Site; (iii) inclusion of environmental education signage and kiosks on the Off-Site Mitigation Site; (iv) a combination of habitat and vegetation enhancement and restoration; and (v) parking area, and information kiosk to allow for public recreational and educational opportunities.

11.2.1 Off-Site Mitigation Site Concept. The foundation of the Mitigation Plan for the Off-Site Mitigation Site is the Developer's acquisition, restoration, enhancement, and donation of approximately 61 acres of undeveloped land located to the south of the Project site to the City. See "Off-Site Mitigation Site" map attached and incorporated as **Exhibit E**. The Off-Site Mitigation Site consists of both wetlands and uplands. A clear value is associated with the land acquisition and donation of the Mitigation Site that establishes the regional benefit to the City in terms of the value of the habitat and value of the land. The dedication of a the Off-Site Mitigation Site to the City will provide additional open space, providing more trails for local residents, additional areas of land for stormwater/floodwater management, and the protection, restoration, and enhancement of a high-quality wetland that currently has been degraded by past land use practices. Large open space areas are generally lacking in this area due to the required infill and encouraged high-density development based on the local comprehensive plan. This land preservation, enhancement, and dedication stemming from the Off-Site Mitigation Site will help fill a need for passive recreational areas for the community.

11.2.2 Maintenance, Restoration and Enhancement. Developer will maintain, restore and enhance the Off-Site Mitigation Site as required under the MCMC 18.06 and as described in the Mitigation Plan.

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11.2.3 Transfer of Title to City. At any time during development approval for the Project and up to 5 years following issuance of all Project Approvals, the City may elect to take fee simple ownership of the Off-Site Mitigation Site at no cost to the City by giving written notice (“Notice”) to Developer. In that event and until completion of title transfer to City, Developer shall continue to maintain and monitor and shall promptly complete all remaining maintenance on the Off-Site Mitigation Site, and shall repair or replace all amenities on the Off-Site Mitigation Site, all to City’s satisfaction and per the approved final ~~wetland mitigation plan~~ Mitigation Plan at Developer’s cost. Developer shall provide a title commitment for the Site acceptable to City within 30 days of the City’s Notice and shall remove all financial encumbrances on the Site prior to title transfer. Developer shall transfer title to City by statutory warranty deed within 60 days of the City’s Notice. On the effective date of title transfer Developer will be relieved of all further obligations relating to the Off-Site Mitigation Site. Should the City elect to reject dedication of the Off-Site Mitigation Site, the area shall be maintained and owned by the Developer consistent with MCMC 18.06.

11.2.4 Mid-Block Crossing Analysis. Should the City elect dedication of the Off-Site Mitigation Site, the Developer shall provide a mid-block crossing analysis to determine if a mid-block crossing is warranted on 35th Avenue SE between the west and east sides. Said analysis shall be provided to the City within 90 days of the transfer to the City.

11.2.4–5 Public Access. Public access to and within the Off-Site Mitigation Site within designated parking areas and/or trails shall be permitted during the initial 5 years following issuance of all Project Approvals. Should the City elect to reject dedication of the Off-Site Mitigation Site, the Developer may elect to not provide access to the public. While under the ownership of the Developer, and open to public access, the Developer may reasonably control/limit the hours that the public has access to and within the site, akin to setting hours of operation to provide security to the public and the property.

11.3 On-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of habitat and vegetation enhancement and restoration, **Exhibit F**.

11.4 Native Growth Protection Area. Under the proposed BSP, approximately 12.6 acres of the approximate 17.43 acre Project site will be developed. The remaining approximate 5 acres will be retained as a Native Growth Protection Area within Tract 999, **Exhibit F**.

11.5 Critical Areas Buffer Reduction. In exchange for the Developer’s actions described in this Section 11, critical areas buffer requirements will be allowed to vary from 2 feet to 108 feet with an average width of 54 feet.

12.0 Parking Requirements

12.1 Parking Standards. Parking shall be provided consistent with the requirements of MCMC 17.27.

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12.2 Reciprocal Parking Covenant for Commercial Space Parking Stalls. The unified and mixed-use nature of the EGUV is designed to encourage pedestrian activity and discourage internal vehicle trips. Developer shall grant a reciprocal parking covenant approved by City for commercially designated surface parking stalls in the Project to the other commercially developed properties within the EGUV that provide an equivalent reciprocal parking agreement. The parking covenant shall be shown on the face of the BSP.

12.3 Use of Commercial Parking Facilities. Developer will actively manage the use of approved parking in the Project to ensure that stalls required to be available for commercial uses will not be used by residents, guests, and staff of the Project's residential units during operating hours of the Project's commercial businesses. The City is requiring a parking management plan as a condition of approval for the BSP to provide an enforceable method of requiring residents, their guests and employees to park only in areas dedicated to serving the residential portion of the Project. Use of parking stalls dedicated to support commercial uses shall be managed to ensure the spaces directly adjacent to commercial uses will be available for customers and not used by staff and/or owners of the commercial businesses. Developer will update the parking management plan as necessary or requested by City to ensure parking stalls reserved for customers, invitees and guests of commercial ground floor tenants remain available to such users during normal business hours.

13.0 Plazas, Public Gathering Areas, Art Work, and Public Access

13.1 Required. Plazas and public gathering places shall be provided along 39th Avenue SE and 133rd Street SE of the Project as shown on the BSP pursuant to MCMC 17.19 and the Design Guidelines. Plazas shall incorporate informal public seating areas, sidewalks, and other public spaces on the Property consistent with the EGUV Illustrative Plan, Design Guidelines, Comprehensive Plan, and as agreed through approval of the MDP. Plazas and public gathering spaces are subject to review and approval of the Design Review Board prior to the issuance of a building permit. The private parking lot west of Building F shall be designated and designed to be utilized as public gathering areas for families, markets, festivals, concerts, and the like produced, promoted or held by the Developer. Nothing in this Section 13.1 shall allow the City or any other person to use private property without the permission of Developer, consistent with MCMC 12.08, Special Event Permits.

13.2 Plazas and Public Gathering Areas; Infrastructure and Furnishings. Developer shall design, obtain and install infrastructure and furnishings in plazas and other gathering areas in accordance with the Design Guidelines and MCMC 17.34. Plaza design and furnishings are subject to review and approval of the Design Review Board. Maintenance and replacement of infrastructure and furnishings shall be the responsibility of Developer. This may include, but is not limited to, public access to commercial restrooms, water fountains, flush curbs to allow for vehicular access, electrical conduits for vendors, providing seating, extra trash cans, and festival lighting.

13.3 Public Access. Developer shall grant ~~a public access~~an easement to City allowing public pedestrian access ~~to~~ over and across the roadway buffer, perimeter trail, and Wetland Park

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as well as through the private drive aisles and sidewalks to enable public access from the public roadways to the perimeter trail as shown on the approved BSP. All public access easements, locations, and types shall be described and shown on the face of the BSP.

14.0 Maintenance Responsibilities

14.1 Developer Responsibilities. In addition to any other requirement stated in this Agreement, Developer shall be responsible for the following ongoing maintenance obligations, which shall be timely performed at Developer's expense: (i) oversee and coordinate the use and maintenance of, and activities and events held on, privately-owned open spaces within the subject properties (ii) maintain improvements in the public rights-of-way in accordance with MCMC 12.06 and 17.24, including public right-of-way areas between the street curbs and property lines, including but not limited to sidewalks, plazas and open spaces, canopies, all landscaping including tree grates, trash cans including daily servicing, and benches and all outdoor furniture; (iii) maintain the Property; and (iv) maintain all drainage facilities on the Property outside the public rights-of-way.

14.2 Multiple Owners. To the extent there are multiple owners of the Property (e.g., commercial units operated under separate ownership from residential uses and owners of multifamily residential buildings), said multiple owners shall manage and maintain the common areas and shall remain jointly and severally responsible to the City for compliance with Section 14.1. This Section 14.2 shall not apply to the City.

14.3 City Responsibilities. City shall be responsible for the following ongoing maintenance obligations within the publicly-owned rights-of-way except as noted in Section 14.1: streets, pavement, curbs, gutters, structural sidewalk repairs, lighting, on-street parking and meters, raised crosswalks, street signage, channelization, and drainage facilities, per MCMC 12.06.

15.0 Transfer of Property; Notice

15.1 Authority to Transfer. Developer's right to sell, transfer, assign, mortgage, hypothecate, convey or take any other similar action regarding the title to or financing for the Project and Property shall not be infringed by this Agreement, provided any such transfer, assignment, sale, etc. shall be subject to all the terms, conditions, rights, duties and obligations of all development approvals pertaining to the Project and Property, specifically including without limitation this Agreement, the MDP, and Project Approvals. Developer and any subsequent transferor, assignor, etc. shall give actual notice of and copies to the transferee, assignee, etc. of all development approvals and related documents.

15.2 Obligations of Successors. This Agreement, the MDP, all Project Approvals and all Developer obligations shall be binding on all subsequent owners, assigns, purchasers, lessees, lessors, tenants, and transferees of every kind and nature ("Successors") of the Project and Property. Any reference to Developer herein shall be construed to apply to any Successor. [All Successors are hereby advised to make inquiries with the City as to all applicable Project Approvals and their terms and conditions.](#)

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15.3 Recording. The City shall promptly record this Agreement and any other Project documents ~~required~~requested by City in the Snohomish County Recorder's Office and provide conformed copies to Developer. The City shall invoice the direct recording costs to the Developer as part of the BSP application.

16.0 Enforcement Authority; Police Power; Penalties

16.1 Enforcement Authority. City may enforce this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property, in whole or in part, in any manner allowed by law and this Agreement. Developer and every future Successor shall be fully responsible for compliance with and full and complete performance of this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property.

16.2 Police Power. Except to the extent necessary to comply with RCW 36.70B.170 et seq., the limitations of which shall expire at the end of the Vested Term, nothing in this Agreement shall limit, waive or release, or be construed to limit, waive or release, City's municipal duties, responsibilities or enforcement authority of any kind, including its police power authority and its condemnation authority, whether arising under the MCMC, state or federal law, Washington constitution, or any other source of lawful authority.

16.3 Penalties. Without limiting the foregoing sections, the City may take any or all of the following enforcement actions, in any order and without limitation, and may impose any or all of the following penalties for failure to comply with this Agreement, against Developer and any Successors:

16.3.1 Stop action on any pending permits or approvals by Developer or a related entity.

16.3.2 Stop action on any pending permits or approvals pertaining to the Property or Project.

16.3.3 Withhold certificates of occupancy pursuant to Section 9.

16.3.4 Require cash deposits or other security to ensure future performance and compliance.

16.3.5 Fines and penalties authorized under the MCMC.

17.0 Conflicts; Dispute Resolution

17.1 Conflicts. In the event of an internal conflict between any of the terms and conditions of this Agreement or between this Agreement and any Project Approvals, the most restrictive shall apply as determined by City, unless City and Developer agree otherwise.

17.2 Disputes. In the event of a dispute between the Parties about the application or interpretation of this Agreement, principals for City and Developer shall promptly meet and attempt to resolve the issue. If that is not successful, Developer shall request an official

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interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). Developer may appeal said interpretation as provided in the MCMC. In accordance with MCMC 14.11.090, the Developer may appeal the administrative interpretations to the Hearing Examiner.

If that is not successful, the Parties shall promptly apply for and schedule a mediation using JAMS, WAMS, JDR or a similar mediation service. Each Party shall pay its own costs and expenses and one-half the mediator's cost. ~~If that is not successful, Developer shall request an official interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). Developer may appeal said interpretation as provided in the MCMC.~~

18.0 Modification; Termination

18.1 Modification. This Agreement may be modified only upon mutual consent of the Mill Creek City Council and Developer. Either Party may seek a modification by giving written notice thereof to the other Party. No Party is obligated to agree to any modification of this Agreement. Modification may require compliance with the public notice and hearing requirements of RCW 36.70B.200 et seq. or other applicable laws then in effect.

18.2 Termination. This Agreement may not be terminated except upon mutual consent of the Mill Creek City Council and Developer or order of a court having competent jurisdiction.

18.3 Continuation. After the Vested Term, this Agreement shall continue in whole as an applicable development regulation for the Property, provided that City may change, and Developer may request changes in, all or any portion of the Agreement or land use characteristics of the Property or Project in accordance with then-applicable rules for making such changes.

19.0 Authority to Approve Agreement

19.1 By executing this Agreement, each Party represents and warrants that it has taken all necessary steps under its corporate authority and/or applicable city or state law to authorize such act, and that its execution of this Agreement is knowing, voluntary, made upon consultation with legal counsel, and is valid and binding for all purposes.

19.2 In the case of City, the Mill Creek City Council has found that this Agreement is in the public interest and furthers the public health, safety and welfare, ~~all as set forth in Council Ordinance 2015-798.~~

20.0 General Terms

20.1 Integration. This Agreement constitutes the entire agreement between the Parties as to the subject matter herein. No prior oral or written agreements respecting same shall be valid, and any such agreements shall be considered to be merged and subsumed herein.

20.2 Consent and Waiver. Developer acknowledges and agrees that construction and dedication of the public right-of-way, public pedestrian easement dedications, creation of public open space areas (together with furnishings and infrastructure), and other Developer actions listed in this Agreement shall: (i) constitute lawful and appropriate dedications and/or uses of land under MCMC Titles 14 – 18 and applicable state law, specifically including but not limited to MCMC

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18.04.220(B), MCMC 18.04.220(D), RCW 43.21C, RCW 58.17, and RCW 36.70B; (ii) meet and/or satisfy the requirements, obligations and scope of actions set forth in said laws, and/or have been made by the voluntary act of Developer for its benefit and to enhance the success of the Project; and (iii) are binding on Developer.

20.3 Venue. Venue for all disputes arising under or connected with this Agreement and Project Approvals shall be in the Superior Court for Snohomish County. This Agreement and the Project Approvals shall be governed and interpreted in accordance with Washington law.

20.4 Effective Date. The effective date of this Agreement shall be [REDACTED], 2019 ("Effective Date").

20.5 Covenant Running with Land. From and after the Effective Date, this Agreement shall be a covenant running with the Property and/or an equitable servitude on the Property, and shall be binding on the Parties, their Successors, their assigns, and on all subsequent owners, purchasers, assigns, lessees or lessors, tenants, transferees, and transferors of every nature as set forth herein.

20.6 Authority. The Parties each represent and warrant that they have full power and actual authority to enter into this Agreement and carry out all actions required of them by this Agreement. All persons executing this Agreement in their representative capacities represent and warrant that they have full power and authority to bind their respective organizations.

20.7 Responsibility. Developer is responsible for compliance with this Agreement. Any act or omission required of or permitted by Developer hereunder may be taken by Developer's authorized agents, contractors or employees, but Developer shall not thereby be relieved of its responsibility or liability to City under this Agreement.

20.8 Attorney's Fees. In any action arising under or related to this Agreement, the substantially prevailing Party shall be entitled to be paid its reasonable attorney's fees, expenses and costs by the non-prevailing Party, whether in arbitration, at trial, on appeal, bankruptcy proceeding, or other legal action.

20.9 Third Parties. This Agreement is entered into for the sole benefit of the Parties. There are no third party beneficiaries to this Agreement.

20.10 Severability. If any section, sentence, clause or portion of this Agreement is declared unlawful or unconstitutional for any reason, the Parties intend that the remainder of this Agreement shall continue in full force and effect.

21.0 Exhibits

21.1 The following exhibits are attached and incorporated into this Agreement by this reference as though fully set forth herein:

- Exhibit A:** Property Legal Descriptions (Section 4)
- Exhibit B:** Tax Parcel Map (Section 4)
- Exhibit C:** Conceptual Map of Binding Site Plan (PL2018-0004) (Section 5)
- Exhibit D:** EGUV Engineering Study (Section 8.2)

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Exhibit E: Off-Site Mitigation Site (Section 11.4)
Exhibit F: On-Site Mitigation Site

WHEREFORE, the Parties have signed and executed this Agreement on the dates set forth below.

<p>City of Mill Creek:</p> <p>By: _____ Robert S. Stowe, Date Interim City Manager</p>	<p>Eastgate The Farm by Vintage LP:</p> <p>By: The Farm by Vintage Partners, LLC _____ Ryan Patterson, Michael Gancar Date Owner Manager</p>
<p>ATTEST:</p> <p>By: _____ Gina Pfister, Date Acting City Clerk</p>	
<p>APPROVED AS TO FORM:</p> <p>By: _____ Scott M. Missall, Date City Attorney</p>	<p>APPROVED AS TO FORM:</p> <p>By: _____ Date Attorney for Eastgate by Vintage LP</p>

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STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss:

I certify that I know or have satisfactory evidence that **Robert S. Stowe** is the person who appeared before me, and he acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the City Manager, of City of Mill Creek, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____, 2019.



Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:

My Appointment Expires: _____

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GENERAL ACKNOWLEDGMENT

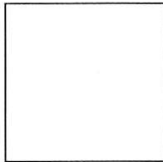
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____California)
)
COUNTY OF _____) ss:

_____ I certify that I know or have satisfactory evidence that **Ryan Patterson** the person who appeared before me, and s/he acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____, of Eastgate by Vintage, LP to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____, 2019.

On _____, 2019, before me, _____, Notary Public, personally appeared Michael K. Gancar, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Signature of Notary Public
(Seal)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Print Name: _____

NOTARY PUBLIC in and for the state of
Washington, residing at:

My Appointment Expires: _____

ATTACHMENT 1
[Ordinance DA 3-219-19](#)

EXHIBIT A

Legal Description of ~~Property~~ Parcel A

Section 33 Township 28 Range 05 Quarter NW - PAR 2 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - NW1/4 NE1/4 NW1/4 SD SEC 33

EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN THS89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AFN
8310200114;

EXC W 0.22FT THOF & EXC ADDL NWLY R/W TO CITY OFMILL CR PER SWD REC
UND AFN 201004190475.

Parcel A Identification Number: 28053300200200

Legal Description of ~~Property~~ Parcel B

Section 33 Township 28 Range 05 Quarter NW - PAR 1 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - N1/2 NW1/4 NW1/4 SD SEC 33 & W 0.22FT W1/2 NW1/4
NE1/4 NW1/4 SD SEC 33;

EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN TH S89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AF NOS
8310200114 & 9201230590 EXC TH PTN CONDMD FOR RD IN SNO CO SCC NO 98-2-
08976-6;

EXC ADDL NELY R/W TO CITY OF MILL CR PER SWD REC UND AFN 201004190474.

Parcel B Identification Number : 28053300200300

Legal Description of ~~Property~~ Parcel C

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4
NW1/4 SD SEC 33 TGW BEG AT SW COR NW1/4 SD SEC 33 TH N 1320FT TO TPB TH E
990FT TH N330FT TH W 990FT TH S 330FT TO TPB

ATTACHMENT 1
Ordinance DA 3-219-19

EXC ANY PTN THOF LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVDYD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 40FT WIDE STRIP TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E(DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP TH IS 20FT NLY OF WHEN MEAS ATR/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN TH IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN35TH AVE SE TH S00*38 45W ALG SD E MGN 40.01FT TH S88*19 22E 241.69FT TAP TH BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA 40FT WIDE STRIP OF CITY OF MILL CR SP 11-12 REC AFN201206075002

Legal Description of Property Parcel D

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4 NW1/4 SD SEC 33 TGW BEG SW COR NW1/4 SD SEC 33 TH N1320FT TO TPB TH E 990FT TH N 330FT TH W 990FT TH S 330FT TO TPB

EXC ANY PTN LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVDYD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 DAF ALL OF SD REAL PRTY

EXC FOL 3 PAR PAR 1 TH PTN SD RAL PRTY LY NLY & WLY OF FDL BEG ATNW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TO POB TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*4038W 25FT TAP THAT IS 20FT NLY OF WHEN MEASE AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE & TERM OF THIS LN DESC PAR 2 COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN SD PAR 549.23FT TO POB TH CONT S88*19 22E (DEEDEAST) ALG SD N LN 320.25FT TH S01*40 38W 310FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN OF SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 299.67FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*4038E 25FT TAP THAT BEARS S02*27 15E FR POB TH N02*27 15W 285.74FT TO POB PAR 3 TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE TH S00*38 45W ALG SD E MGN40.01FT TH S88*19 22E 241.69FT TAP THAT

ATTACHMENT 1
Ordinance DA 3-219-19

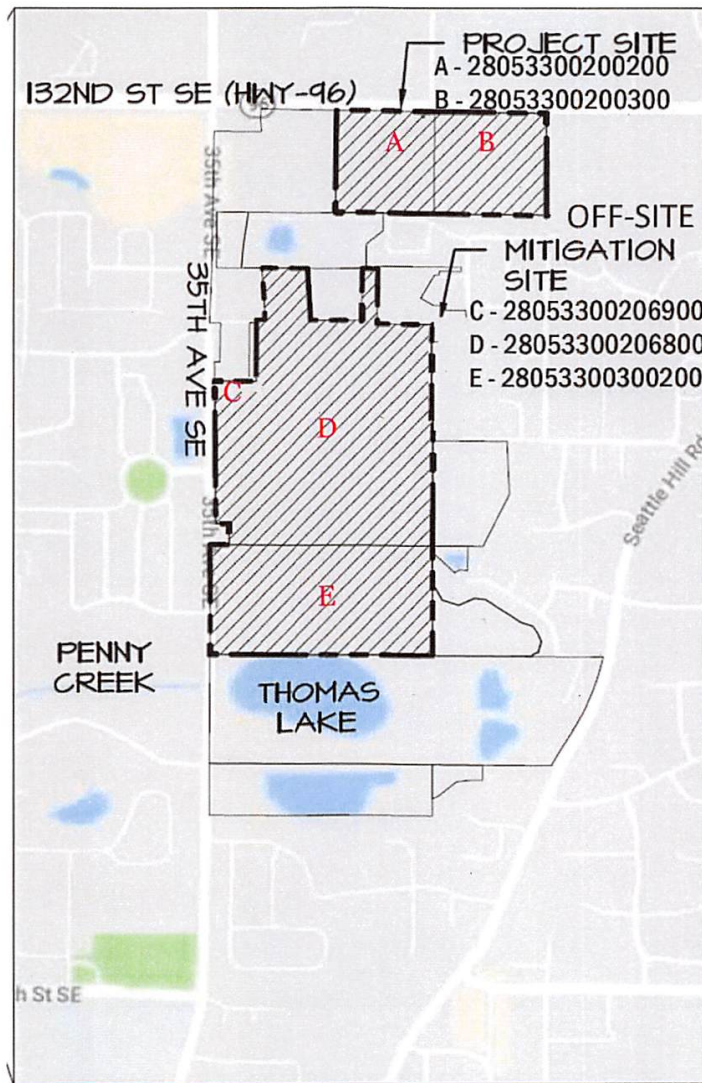
BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA LOT 3 CITY OF
MILL CR SP 11-12 REC AFN 201206075002

Legal Description of ~~Property~~ Parcel E

SEC 33 TWP 28 RGE 05. N1/2 NW1/4 SW1/4

EXC ANY PTN LY WITH THOMAS LAKE RD & EXC RD R/W PER DEED REC AFN
1730042 & ADDL R/W TO SNO CO PER REC AFN 200012280181.

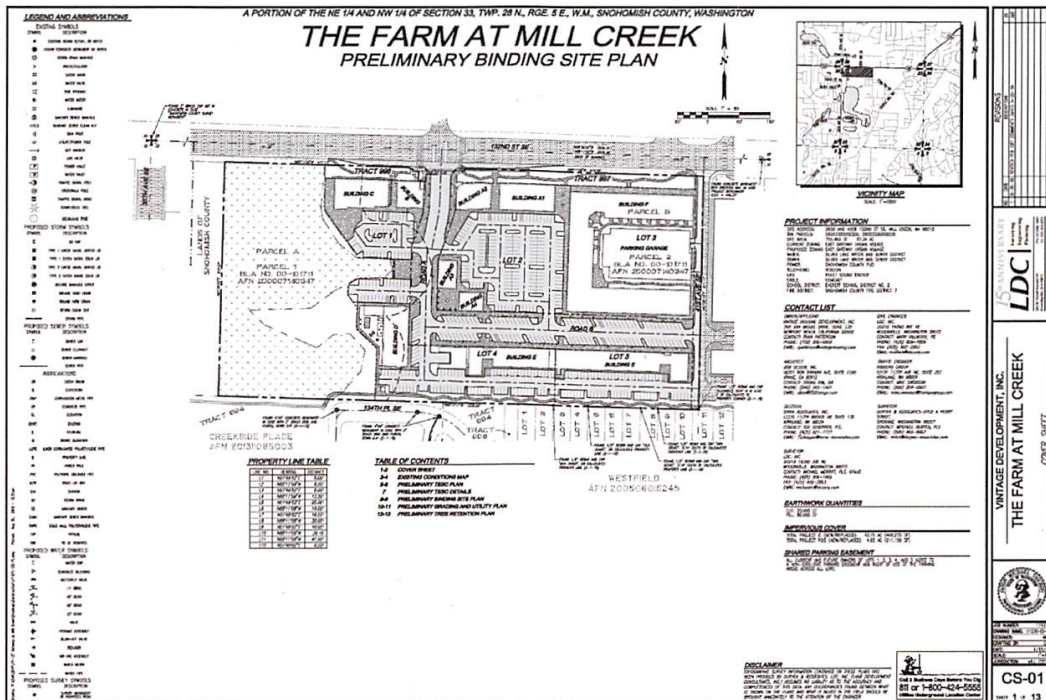
EXHIBIT B



ATTACHMENT 1
Ordinance DA 3-219-19

EXHIBIT C

A map generally depicting the proposed Project



ATTACHMENT 1
[Ordinance DA 3-219-19](#)

EXHIBIT D

EGUV Engineering Study

The document is available for review on the City's web site at:

<http://cityofmillcreek.com/DocumentCenter/View/77>

If you need a hard copy, please contact the City Clerk.

ATTACHMENT 1
Ordinance DA 3-219-19

EXHIBIT E

A map depicting the Off-Site Mitigation Site

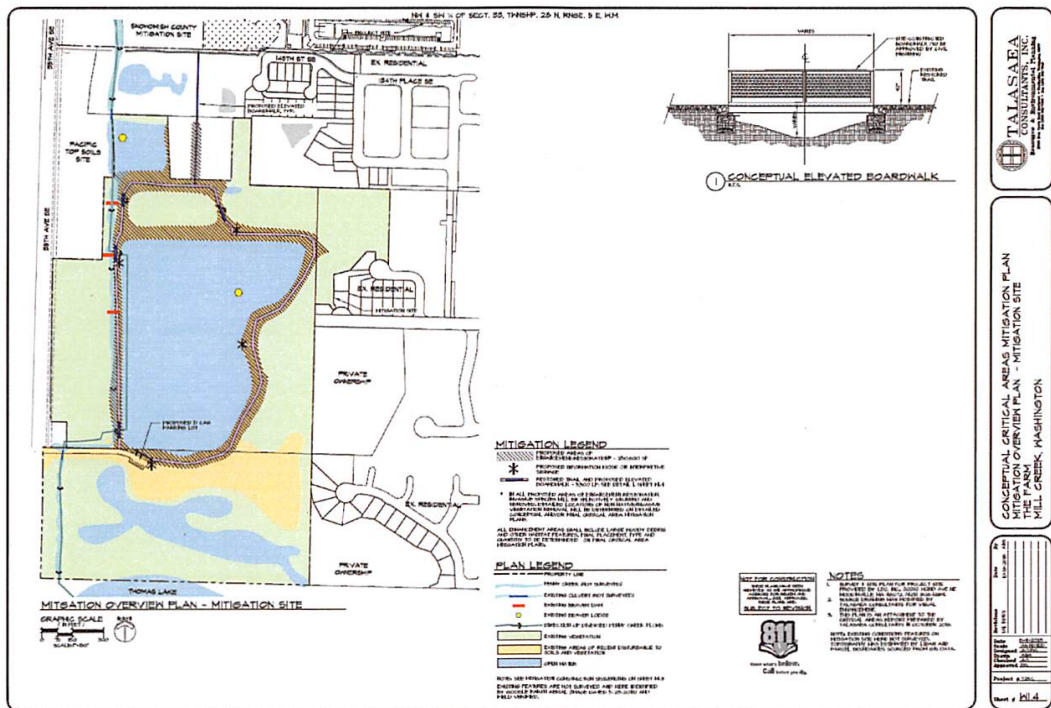
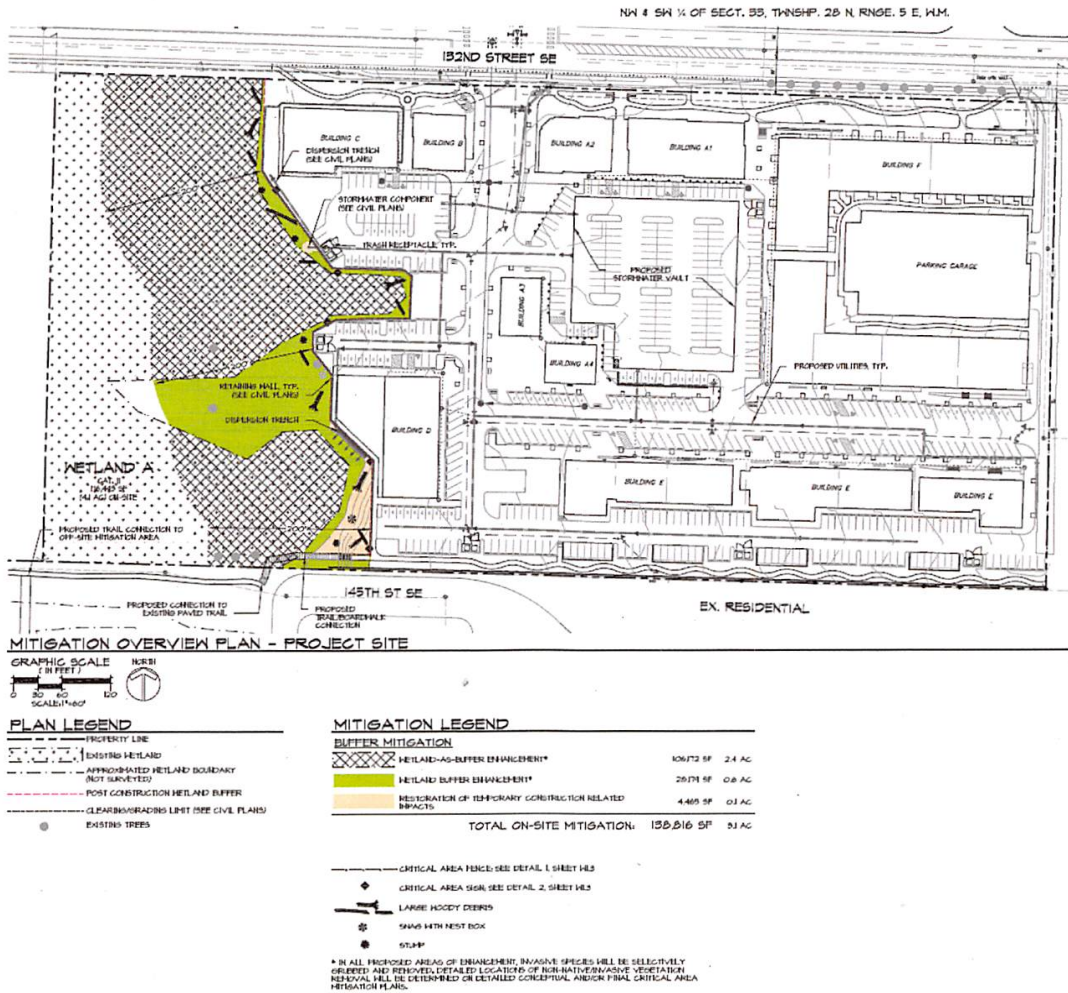


EXHIBIT F

A map depicting the On-Site Mitigation Site



ATTACHMENT 2



RETAIL - ONE LEVEL

BUILDING A1	10,000 S.F.
BUILDING A2	6,075 S.F.
BUILDING A3	3,650 S.F.
BUILDING A4	3,150 S.F.
BUILDING B	4,400 S.F.
BUILDING C	10,500 S.F.
TOTAL	37,775 S.F.

GROUND LEVEL MIXED-USE RETAIL AREAS

BUILDING D	7,573 S.F.
BUILDING E	25,389 S.F.
BUILDING F	16,600 S.F.
TOTAL	49,562 S.F.

4 STORY RESIDENTIAL

354 RESIDENTIAL APARTMENT UNITS

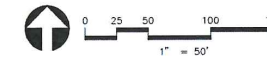
BUILDING HEIGHTS

1 STORY - 20' +/-
A1, A2, A3, A4, B, C

5 STORY - 50' - <60'
D, E, F, GARAGE

LEGEND

- LIVE / WORK
- RETAIL - ONE LEVEL
- MIXED-USE RETAIL W/
RESIDENTIAL ABOVE
- LOUNGE / OFFICE / FITNESS
- PARKING GARAGE



#	DESCRIPTION	DATE

the LAB
architecture collective
spokane, wa

PROJ. #	1801
DRAWN:	LAB
CHECKED:	∞
DATE:	11.01.18

THE FARM at MILL CREEK
132nd STREET SE (EGUV) - MILL CREEK, WASHINGTON

SITE PLAN
DR002

Attachment 3



OGDEN MURPHY WALLACE, PLLC
901 FIFTH AVENUE, SUITE 3500
SEATTLE, WA 98164-2008

T 206.447.7000
F 206.447.0215

OMWLAW.COM

M E M O R A N D U M

DATE: March 7, 2019
TO: Robert S. Stowe; Gina Hortillosa; Tom Rogers; Christi Amrine; City Council
FROM: Scott M. Missall; Emily F. Miner
RE: Development Agreement Procedures and Consideration of Housing Issues Related to The Farm

I. Introduction

City staff is currently processing a development application for a large, primarily residential development known as The Farm (Project). Because the Project will be located in the East Gateway Urban Village (EGUV), the provisions of Mill Creek Municipal Code (MCMC) Chapter 17.19 apply to the Project.¹ One basic requirement is that a development agreement between the developer and the City must be approved as a predicate to consideration, approval and issuance of the formal land use approvals for the Project.

During preliminary work on the development agreement and conversations with the developer, staff asked for clarification of issues central to the approval process and residential elements of the Project. In particular, development in the EGUV uniquely requires implementation of the EGUV policies and illustrative master plan contained in the City's Comprehensive Plan.² Because this direct tie between the City Code and the Comprehensive Plan policies has important implications pertaining to the housing issue, you asked us to provide this analysis to ensure a uniform understanding of the EGUV requirements for the staff, Council, and public involved in the process.

II. Summary of Analysis

The EGUV development agreement process cannot be used to create new policies, but instead must apply existing policies of the City to the development under consideration. Because the City's EGUV policies encourage development of housing available to all economic segments of society, the income level of future residents is not a proper basis on which to evaluate the Project. These conclusions are discussed in Sections III and IV below.

¹ The EGUV Design Guidelines, development policies and zoning regulations were initially approved in 2008-09. The EGUV is a planned urban village and has design and development requirements that differ from other areas of the City.

² MCMC 17.19.010.

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III. EGUV Development and Review Process (MCMC Ch. 17.19)

A. EGUV Development Documents

The EGUV development process requires submittal of a detailed **master development plan (MDP)** that includes two principal components – a **binding site plan (BSP)** that essentially fixes the locations of structures, roads and protected areas, and a **development agreement (DA)** that “set[s] forth conditions of development [that are] in accordance with RCW 36.70B.170”.³ There is a third required component for the MDP, called a **consistency evaluation (CE)**. While it is not directly pertinent to this memorandum, completion of the CE will necessarily highlight the issues discussed in this memorandum and become part of the administrative record for the Project.

B. EGUV Development Process

City Code establishes the following basic steps for application, review and approval of a MDP in the EGUV district:

- (1) Application Submittal. Like every development project in the City, the applicant must submit required applications and materials. The application materials for the Farm were submitted in early 2018 and found complete in April, 2018.
- (2) DA Negotiation. The DA is negotiated by the City staff with the developer to establish conditions of development that must be consistent with the City’s policies and its development code.
- (3) DA Review by Council. When an agreement is reached, the DA is presented to the Council for approval. The Council’s decision is a legislative action⁴, and once approved the DA itself becomes a development regulation governing the Project. In exercising its review authority, the Council is directed to “consider as appropriate any associated environmental or other administrative determination.”⁵
- (4) MDP Review and Decision by Hearing Examiner. Following the Council’s decision on the DA, the BSP and the CE are prepared and forwarded to the Hearing Examiner, along with the DA, for review and decision using the City’s BSP process and regulations in MCMC Title 16.⁶ Those three components comprise the MDP required by the Code for a development in the EGUV.⁷
- (5) Appeal. The Hearing Examiner’s final decision on the MDP is a quasi-judicial action. As such, it is subject to a closed record appeal to the Council,⁸ and to a subsequent

³ MCMC 17.19.020 and .030.

⁴ MCMC 14.03.030.B.2. See also MCMC 14.11.090 (Appeal matrix). However, see Footnote 7.

⁵ MCMC 14.03.030.C. See also MCMC 14.11.090 (Appeal matrix).

⁶ MCMC 17.19.020 and .030.

⁷ MCMC 17.19.020 and .030.

⁸ MCMC 14.03.030.B.4. See also MCMC 14.11.090 (Appeal matrix).

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Page 3

appeal to superior court under the Land Use Petition Act (LUPA).⁹

As you can see, the EGUV development process is more complex than a typical land development action. Under state law, a DA is an *ad hoc* (i.e., optional) device that may be used to address particular issues related to a specific project arising from the specific application of the jurisdiction's development regulations and/or physical conditions specific to the property.¹⁰ Under the City's EGUV regulations, however, the DA is used as a *standard component* of the application. Thus, while the developer could choose to walk away from its proposed Project prior to a final decision for any reason or no reason at all, the City cannot do the same, but must process the application in accordance with its development regulations.

IV. EGUV Housing Policies and Guidelines; Integration into the City's Development Regulations

The discussion in this Section concerns the application of EGUV housing policies and guidelines to the Project.¹¹ It is also intended to respond to public comments at recent Council meetings concerning the economic character of the proposed housing, and requests that the City Council reject the DA on such basis.

For background, the Project includes 355 residential apartment units characterized as "workforce housing" that are affordable to households making 60% of the area median income for Snohomish County.¹² Approximately 25 other units are described as "work-live" and are characterized as "market rate housing." The Project also includes approximately 100,000 square feet for commercial uses.¹³

A. Compliance with RCW 36.70B.170 is Required

City Code requires the DA to be "in accord" with RCW 36.70B.170. Subsection (1) of that statute requires that every DA must be consistent with "applicable development regulations" adopted by a local government planning under the Growth Management Act (GMA). Mill Creek is a GMA jurisdiction and has adopted its development regulations and its Comprehensive Plan (CP) under GMA.

⁹ The Land Use Petition Act is codified at RCW Ch. 36.70C. Because approval of the DA is a Council legislative action, an appeal of the DA alone could potentially be filed with the Growth Management Hearings Board. However, as the DA is an integral part of the site-specific permitting process for a site-specific EGUV development under the provisions of the City development code, we conclude it more closely resembles a land use permitting decision that would be appealable only in conjunction with the complete permitting package approved (or modified or denied) at the conclusion of the Hearing Examiner's review.

¹⁰ Development agreements are separately defined in the context of the Growth Management Act (RCW 36.70A.120 et seq) and in the context of impact mitigation (RCW 82.02.020).

¹¹ MCMC 17.19.030.C defines the principal uses that are allowed in the EGUV. Excluding motels/hotels, multifamily housing is the only allowed residential use.

¹² We understand the Project has obtained funding under State programs that encourage and facilitate adequate housing for all economic segments of society.

¹³ We understand this amount of commercial space is the largest proposed in the EGUV to date.

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B. Compliance with GMA is Required

The general admonition of GMA is that cities must comply with GMA and its regional and local components.¹⁴ GMA includes a “housing goal” which is intended in part to encourage availability of housing that is affordable to all economic segments of the population and promote a variety of residential densities.¹⁵ To implement that goal, GMA requires that a housing element be included in each GMA city’s comprehensive plan and that it have the following pertinent characteristics:¹⁶

A housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs ...; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing ...; (c) *identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.*

The City addresses those requirements in its CP housing element¹⁷ and planned urban village policies, and its code-based development regulations, each discussed below.

C. Compliance with City Development Regulations and CP Policies is Required

In GMA hierarchy, development regulations prevail over CP policies *except* when such policies are directly incorporated into the City’s development regulations. The City incorporates its CP policies into its development regulations as follows: First, the City’s CP at page I-2 states that the CP “will not be used to review development applications *except when* reference to this Comprehensive Plan is expressly required by an applicable development regulation.” Second, MCMC 17.19.010 expressly incorporates policies by reference, stating that the purpose of the EGUV district “*is to implement the planned urban village policies ... contained in the Mill Creek comprehensive plan.*” The essential effect of this is to incorporate the designated planned urban village and related CP policies directly into the City’s development regulations, where they become applicable development regulations for the Project.¹⁸

¹⁴ Regional components include the Snohomish Countywide Planning Polices, which themselves are implemented in part through the City’s local GMA components (i.e., comprehensive plan and development regulations).

¹⁵ RCW 36.70A.020(4) (“*Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.*”).

¹⁶ RCW 36.70A.070 (“Each comprehensive plan [of a GMA city] shall include a plan, scheme, or design for each of the following ... (2) A housing element...”).

¹⁷ Mill Creek Comprehensive Plan (2015) at page VII-1 and VII-2.

¹⁸ This result is consistent with RCW 36.70A.120, which requires that each GMA city “shall perform its activities and make capital budget decisions in conformity with its comprehensive plan.”

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March 7, 2019
Page 5

D. Compliance with the CP Planned Urban Village and Housing Policies is Required

The City's planned urban village policies that are incorporated into MCMC Ch. 17.19 provide in relevant part as follows:¹⁹

Policy 4.01 [...] The primary goals of the East Gateway Urban Village are as follows:

- * Encourage density and a *diverse mix of uses* in the center.
- * Create a strongly pedestrian oriented and transit friendly development.
- * Encourage the development of a sustainable neighborhood supported by a *diversity of businesses and types of residential development*.
- * Create places that *provide for the needs of a diverse population of different ages*.

Realization of these goals will occur through the application of the East Gateway Urban Village zone district, which requires a Master Development Permit for the development of the site. One of the requirements of the Master Development Permit is consistency with the [EGUV] Design Guidelines

Policy 4.02 *Require an urban character in the design of the East Gateway Urban Village with a wide mix of uses that generally cater to the local residents in the City and its MUGA.*

Policy 4.05 Incorporate dense, high quality housing types at various scales....

Those policies speak to density and diversity in types of residential uses and population, to urban character, and incorporate the EGUV Design Guidelines for additional reference.²⁰ To implement GMA and the City's EGUV residential and diversity policies, the CP declares that the City's housing element "must address" the following:

- * Identification of sufficient land for housing, *including but not limited to, government-assisted housing, housing for low-income families, manufactured housing, group homes and foster care facilities*
- * *Adequate provisions for existing and projected housing needs of all economic segments of the community.*²¹

The CP housing policies thus call for development of a variety of housing types and densities in order to meet the needs of City and community residents, stating in part:

Policy 1.01 *Work with the development community to encourage affordable housing within the City.*

Policy 1.02 *Cooperate with surrounding jurisdictions and the County to provide housing for all economic segments of the community.*

¹⁹ Mill Creek Comprehensive Plan (2015) at page VI-19 to VI-22.

²⁰ The Design Guidelines are directed primarily at aesthetic design but reiterate the mix of residential units and urban character described in the EGUV policies.

²¹ Mill Creek Comp. Plan at VII-1 and VII-2.

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Page 6

Policy 1.03 Work with Snohomish County and other cities and towns in the County to develop a methodology that *fairly allocates affordable housing* throughout the County.

Policy 1.04 *Pursue strategies that encourage a variety of housing choices to be developed.* Examples of the types of housing that will be considered are accessory dwelling units, congregate care facilities, retirement homes, mixed-use development, multifamily complexes, inclusionary zoning, manufactured housing and homesharing.

Policy 1.05 *Strive to accommodate the special needs of various segments of the community* including the elderly, developmentally disabled, physically handicapped and others with housing needs. *Support the principle that fair and equal access to housing is available to all persons* regardless of race, color, religion, gender, sexual orientation, age, national origin, familial status, source of income, or disability.²²

Policy 1.01 is particularly pertinent here because the Project developer is proposing workforce housing as part of the residential component of the Project. Per that policy, the City must work with the developer to encourage such housing. Policies 1.02 and 1.05 support Policy 1.01 by reference to a non-discriminatory, fair and equal access to housing types for all economic segments of the community. To that end, one strategy in the City's CP policies emphasizes affordable housing in the following terms:

Continue to include provisions in the zoning code to implement strategies that *encourage affordable housing* and provide housing for special needs populations such as *mixed-use development*, congregate care facilities, retirement homes, accessory dwelling units and *inclusionary zoning*.²³

To summarize, the inclusion of CP policies as development regulations under MCMC Ch. 17.19, the language of the planned urban village CP policies with reference to housing policies and EGUV Design Guidelines, and the provisions of GMA and state law noted above all comprise direct and persuasive authority defining the limits of the City Council's authority on the subject of housing characterization. It would not be legally sustainable for the City Council to disregard such requirements, nor to use, create or place limits, restrictions, or requirements in the DA that would be inconsistent with the City's articulated support for affordable and other housing types, and for housing that addresses the needs of various economic segments of the community.²⁴

E. Other Pertinent State Laws

Other pertinent state laws include RCW 58.18.255. This statute went into effect in September 2018 and prohibits landlords from renting to a tenant on the basis of their source of income or from attempting to discourage the rental or lease of any property to any prospective tenant.

²² Mill Creek Comp. Plan at VII-8 (emphasis added).

²³ Mill Creek Comp. Plan at VII-9 (emphasis added).

²⁴ The City must (and has) planned for its share of such housing, which work must done in advance, not when a development application is pending. The Mill Creek Comprehensive Plan was last updated in 2015, and its analysis of housing needs used data ranging from 2008 to 2014. We have not examined the sufficiency or exceedance of various housing stocks for this memorandum.

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Page 7

RCW 64.90.025 (Common Ownership Interest Act) and RCW 64.34.050 (Condominium Act) prohibit regulations differentiating between condominium and other forms of multifamily structures and ownerships.

F. Federal / State / Local Affordable Housing Tax Benefit Programs

As noted at the outset of the memorandum, the developer of the Project is apparently using a State funding program that is designed to encourage and implement the foregoing requirements.

While we are unaware of the specifics of the funding, there are federal, state and local tax benefits available to developers that build affordable housing. The Low Income Housing Tax Credit (LIHTC) program provides tax incentives, written into the Internal Revenue Code, to encourage developers to create affordable housing. These tax credits are provided to each state based on population and are distributed to the state’s designated tax credit allocating agency. These agencies in turn distribute the tax credits based on the state’s affordable housing needs, with broad outlines of program requirements from the federal government through the Qualified Allocation Plan (QAP) process. Washington has its own tax exemption program under RCW Ch. 84.14 which is intended to stimulate construction of multifamily housing within designated areas. RCW 36.70A.540(1)(a) also permits cities to develop affordable housing incentive programs.

Independent of the City's regulations themselves, because the Project is apparently relying on governmental housing incentive programs or funding, there would be added attention to the attempted use of limits or restrictions in the DA in a manner contrary to or inconsistent with the City’s applicable development regulations and policies.

V. Conclusion

Under the EGUV procedures, the City Council's review and consideration of the DA must focus on and support the application of existing City policies and requirements. The EGUV development regulations directly incorporate Comprehensive Plan policies supporting housing and economic diversity in the EGUV. For those reasons, a City Council decision on the DA that attempted to limit or restrict housing types or economic diversity in the EGUV will be subject to scrutiny. We recommend that the Council's decision on the subject of the Project DA be approached in the same manner as other Council actions – thoughtfully and analytically, with the goal of implementing applicable regulations and policies fairly and respectfully for the benefit of the City.

* * * * * * END MEMO * * * * *

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Attachment 4

CITY COUNCIL AGENDA

15728 Main Street, Mill Creek, WA 98012 (425) 745-1891



Pam Pruitt, Mayor • Brian Holtzclaw, Mayor Pro Tem • Mark Bond
Mike Todd • Vince Cavaleri • John Steckler • Stephanie Vignal

Regular meetings of the Mill Creek City Council shall be held on the first, second and fourth Tuesdays of each month commencing at 6:00 p.m. in the Mill Creek Council Chambers located at 15728 Main Street, Mill Creek, Washington. Your participation and interest in these meetings are encouraged and very much appreciated. We are trying to make our public meetings accessible to all members of the public. If you require special accommodations, please call the office of the City Clerk at (425) 921-5725 three days prior to the meeting.

The City Council may consider and act on any matter called to its attention at such meetings, whether or not specified on the agenda for said meeting. Participation by members of the audience will be allowed as set forth on the meeting agenda or as determined by the Mayor or the City Council.

To comment on subjects listed on or not on the agenda, ask to be recognized during the Audience Communication portion of the agenda. Please stand at the podium and state your name and residency for the official record. Please limit your comments to the specific item under discussion. Time limitations shall be at the discretion of the Mayor or City Council.

Study sessions of the Mill Creek City Council may be held as part of any regular or special meeting. Study sessions are informal, and are typically used by the City Council to receive reports and presentations, review and evaluate complex matters, and/or engage in preliminary analysis of City issues or City Council business.

Next Ordinance No. 2019-846
Next Resolution No. 2019-578

**February 26, 2019
City Council Meeting
6:00 PM**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

AUDIENCE COMMUNICATION

- A. Public comment on items on or not on the agenda

PRESENTATIONS

- B. City Staff Recognition
 - 2017 Larry F. Davis Award
 - 2017 Police Officer of the Year
 - Police Department Commendation Medal
 - 2018 Larry F. Davis Award
 - 2018 Police Officer of the Year

- 2018 Employee of the Year

OLD BUSINESS

- C. Ordinance Amending the Mill Creek Municipal Code Related to Code Enforcement
(Bob Stowe, Interim City Manager)

NEW BUSINESS

- D. 2019 Street Pavement Marking Program - Construction Contract Award
(Gina Hortillosa, Director of Public Works & Development Services)

STUDY SESSION

- E. The Farm Development Agreement
(Christi Amrine, Senior Planner)
- F. Indoor Facility Use Policy and Ordinance Amending the Mill Creek Municipal Code Related to Facility Use Fees
(Joni Kirk, Director of Communications & Marketing)

CONSENT AGENDA

- G. Approval of Checks #59812 through #59907 and ACH Wire Transfers in the Amount of \$754,960.91
(Audit Committee: Councilmember Steckler and Councilmember Cavaleri)
- H. Payroll and Benefit ACH Payments in the Amount of \$284,459.87
(Audit Committee: Councilmember Steckler and Councilmember Cavaleri)
- I. City Council Meeting Minutes of October 9, 2018
- J. City Council Meeting Minutes of October 23, 2018

REPORTS

- K. Mayor/Council
- L. City Manager
- Council Planning Schedule
 - Council Liaison Positions

AUDIENCE COMMUNICATION

- M. Public comment on items on or not on the agenda

RECESS TO EXECUTIVE SESSION

(Confidential Session of the Council)

- N. To discuss potential litigation pursuant to RCW 42.30.110(1)(i)

Action may or may not be taken by the Council.

ADJOURNMENT



Agenda Item # E

Meeting Date: February 26, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

**AGENDA ITEM: STUDY SESSION FOR DEVELOPMENT AGREEMENT
BETWEEN EASTGATE BY VINTAGE, LP AT MILL CREEK AND
THE CITY OF MILL CREEK**

PROPOSED MOTION:

No motion as no action is scheduled other than potentially set a date for a public hearing on the proposed Development Agreement

KEY FACTS AND INFORMATION SUMMARY:

In March 2018, the City received a development application for The Farm at Mill Creek, which is located in the City's East Gateway Urban Village (EGUV) zone. The application was deemed complete on April 13, 2018. One of the requirements of developing in the EGUV zone district is to enter into a development agreement with the City. In accordance with State law (RCW 36.70B.200), a public hearing must be held on a development agreement prior to the City Council taking action on the development agreement.

On February 19, 2019, the City Council held a study session on the development proposal, The Farm at Mill Creek. At this meeting staff, presented background information about the history of the EGUV, the development review process utilized in the EGUV, the applicable policies and regulations that govern development in the EGUV, and the history of development in EGUV. The purpose of this work session was to provide context to the Council for the consideration of the proposed Development Agreement.

The purpose of the February 26, 2019, City Council Study Session is to present the proposed Development Agreement to the City Council and answer questions. It is anticipated that after the presentation and discussion, the City Council will be able to set a date for the public hearing.

Development agreements increase certainty and reduce risk for both the developer and the City by addressing issues of interest to the City and the developer that are not specifically addressed in the code. Development agreements must be consistent with the City's regulations. The proposed Development Agreement was negotiated between staff and the developer and includes many benefits and amenities for the City. The table below provides highlights of the substantive issues addressed in the proposed Development Agreement.

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Development Agreement Highlights:

Development Agreement Section	Summary
9.1-Occupancy and Sale 9.2-Certificates of Occupancy	City is requiring that 75% of the commercial leasable area be completed and that the certificate of occupancy has been issued for this area prior to the City issuing any Certificate of Occupancy for residential units. This assures that the commercial areas are completed and are an initial part of the project.
9.6-Municipal Space Allowance	Developer is providing the City a 50-year lease for a minimum of 500 square feet of municipal space at no cost, except the payment of utilities. The developer is providing the same basic tenant improvements for basic office set-up as was listed in Vintage at Mill Creek Development Agreement (carpet, walls electrical, paint, and plumbing fixtures). The City would be responsible for additional tenant improvements based on the municipal use selected by the City.
11.2-Off-Site Mitigation Site	Developer has purchased approximately 61 acres (former Pacific Topsoils site) and is restoring the site per the City's standards. This site is necessary to allow the reduced wetland buffer adjacent to the development. The developer is offering to dedicate the site to the City once the five-year monitoring period is over. Public access will be provided during the five years on trails being placed on the property by the developer. A small parking area will be provided by the developer. The five-year period will allow the City to partner with other private and public entities to determine a long term vision for the site and assess the maintenance costs associated with the property. The City can decline the dedication within the five-year period.
13 (entire section)	The private parking lot west of Building F will be designed to allow the area to be utilized as a public gathering area for families, markets, festivals, concerts and the like. In addition, a public restroom and a water fountain will be constructed in one of

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	the commercial buildings near the public gathering area.
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To date the City Council has approved three prior developments within the EGUV zone. These developments combined include approximately 60,990 square feet of commercial space and 518 number of housing units on 25.91 acres of land.

Development	Commercial Square Footage	Residential Units	Land Area in Acres
Gateway Building	24,000		3.5
Polygon		302	16.77
Dental Building	7,667		0.43
Primrose School	12,123		1.25
Vintage at Mill Creek	17,200	216	3.96
Totals	60,990 Square Footage	518 Units	25.91 Acres

This total does not include the existing uses in the EGUV which are Advent Lutheran Church and Upper Cuts Hair Salon with the associated residential home. The Farm at Mill Creek will include over 100,000 square feet of commercial space and 355 residential apartments. According to the Comprehensive Plan, the purpose of the EGUV zone is to encourage density and provide for a pedestrian-oriented and diverse mix of land uses. The uses are to include mixed-use commercial, office, residential and public uses. Staff has determined that the proposed development of The Farm is consistent with and achieves the vision, policies and goals of the EGUV zone.

Revenues and Expenses - City Operations:

New development brings with it increased demands on local government services and infrastructure, but also generates new local government revenues through additional taxes and fees. A 2016 Fiscal Impact Analysis (currently under review and update by The Farm developer) indicates that the development as proposed in 2016 would generate over \$391,000 in annual on-going tax revenues (property tax and sales taxes) and over \$552,000 of one-time construction related taxes (sales taxes). Although The Farm developer is currently evaluating an update to the 2016 analysis, he has reported that the revenues cited in the report remain relevant and may be lower than what may actually be generated since the overall cost of the project has increased since 2016.

City staff has evaluated the proposed development consisting of approximately 100,000 square feet of commercial space along with a projected resident population of approximately 827 based on 355 apartment units and 25 live-work units to determine its impact on City services and future expenses. Based on these evaluations, City departments have not identified a need for additional funds to support City services for the proposed development. Although no additional expenses are needed at this time for the build-out of The Farm, the Police Department along with the Public Works and Development Services Department, will be impacted the most of all City departments by the proposed development. Attached are reports from the departments identifying projected service level impacts associated with the development.

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Based on the revenues identified in the 2016 Fiscal Impact Analysis (referenced above), the City will see a gain of \$391,000 in ongoing revenues to support City services. This result is to be expected as mixed-used development, offering a substantial area for commercial operations/sales, will generally have a positive impact on net resources, which is why so many communities pursue similar developments as a means to improve local economic conditions and create vibrant gathering places for their community.

It's important to note that although the service level impacts associated with the proposed development are considered minor and very manageable with identifiable impacts within the Police Department and the Public Works and Development Services Department, the incremental impacts of The Farm plus future developments and population growth will likely be more severe for City departments and services requiring additional resources. For example, a City service or department may be able to address the needs of a service population of 25,000 but anything more than that amount may necessitate the need for additional staff and expenditures in order to maintain City services. Staff also compared the per capita revenues of ongoing sales and property taxes within the City against those same taxes projected within the proposed development below:

	2019 City Revenues	\$ per Capita	The Farm	\$ per Capita
Property Tax *	\$6,220,000		\$191,907	
Sales Tax *	\$2,725,000		\$199,144	
Revenue	\$8,945,000	\$436.98	\$391,051	\$472.85

*Ongoing revenue **
The Farm Revenue Source: 2016 Fiscal Impact Analysis
Population for the City is estimated at 20,470 and 827 for the Farm

Previous Study Session Questions:

At the February 19, 2019, City Council meeting, members of the community and City Council members asked questions about the development proposal and development within the EGUV zone. Staff has compiled a list of these questions and is developing responses. This information is attached to the Agenda Summary and will be posted and updated on the project page on the City's website, www.cityofmillcreek.com/thefarm.

CITY MANAGER RECOMMENDATION:

Discuss the proposed Development Agreement, provide input, and set a date for a public hearing to consider the proposed Development Agreement.

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ATTACHMENTS:

- Proposed Development Agreement – Attachment 1
- Preliminary Binding Site Plan (Conceptual) – Attachment 2
- Fiscal Impact Analysis prepared by Integra Realty Resources dated December 2016 – Attachment - 3
- Department Expense Analysis – Attachment 4
- The Farm at Mill Creek Response to Questions – Attachment 5

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

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After recording return to:

City Clerk
City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

Document Title(s)	Development Agreement for BSP PL2018-0004 (EGUV)
Reference Number(s) of related documents	
Grantor(s)	City of Mill Creek Eastgate by Vintage, LP
Grantees(s)	Eastgate by Vintage, LP City of Mill Creek
Abbrev. Legal Description	Portion Parcels 1 & 2 per BLA No. 00-101711, Rec. 200007140347
Assessor's Property Tax Parcel/Account Numbers	28053300200200; 28053300200300
Assessor's Off-Site Mitigation Site Parcel/Account Numbers	28053300206800; 28053300206900; and 28053300300200

PL2018-0004 Development Agreement -- Page 1 of 25

**CONTRACT 2019-1493
CITY OF MILL CREEK
DEVELOPMENT AGREEMENT
FOR THE
EASTGATE BY VINTAGE, LP
BINDING SITE PLAN (PL2018-0004)
IN THE EAST GATEWAY URBAN VILLAGE**

1.0 Parties

1.1 This Development Agreement ("Agreement") is entered into on the Effective Date set forth below between the City of Mill Creek, a Washington municipal corporation having its principal place of business at 15728 Main Street, Mill Creek, Washington 98012 ("City"), and Eastgate by Vintage, LP, a Washington limited liability company, having its principal place of business at 369 San Miguel Drive, Suite #135, Newport Beach, California 92660-7813 ("Developer"). The City and Developer may be individually referred to as "Party" and collectively as the "Parties."

1.2 The Parties enter into this Agreement for and in consideration of the mutual benefits and advantages of this Agreement. The Parties agree to comply with all of the terms and conditions of this Agreement.

2.0 Purpose

2.1 Mill Creek Municipal Code ("MCMC") Section 17.19.020 requires every development in the East Gateway Urban Village ("EGUV") zone district to obtain approval of a detailed master development plan. The detailed master development plan requires a binding site plan, a development agreement with the City, and a consistency analysis. The development agreement is subject to approval by the City Council and the binding site plan together with the development agreement is subject to review and approval by the City Hearing Examiner ("Hearing Examiner"). The Hearing Examiner's decision is appealable to the City Council as a closed record appeal.

2.2 Developer has submitted a binding site plan application under file number PL2018-0004 ("BSP") to develop the project described in Section 5.1 ("Project"). This Agreement comprises the development agreement for the Project and is required by MCMC 17.19.030.C to be in accord with RCW 36.70B.170. The property to be developed in accordance with this Agreement is vested to the development regulations in effect on the effective date of this Agreement unless different development standards are set forth herein. This Agreement is not intended to conflict with or supplant existing state and local regulations that otherwise govern the Project. This Agreement does not serve as an approval of any permit or any specific proposal within Developer's application for the Project, which permits or proposal shall be reviewed pursuant to the City's procedures. The Agreement sets forth negotiated terms and conditions applicable to future Project approvals and the ongoing obligations and rights of the Parties after Project approval. These negotiated terms and conditions supplement the terms and conditions of the MCMC. Developer's proposed BSP (as defined in Section 5.1) remains subject to review and

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approval by the Hearing Examiner. If the BSP is approved, related permits (e.g. building and design review) will be subject to review and approval by those designated to review such permits (e.g. building code official and design review board).

2.3 The Parties acknowledge that this Agreement will benefit the Parties by assuring them of their respective rights, duties, obligations, privileges and commitments with regard to the Property and Project for the duration of this Agreement.

3.0 Definitions

3.1 The following terms are initially defined and/or described at the indicated sections of this Agreement:

- Binding Site Plan ("BSP") (Section 5.1)
- Commercial Property Use Agreement (Section 9.3)
- Design Guidelines (Section 8.2.2)
- East Gateway Urban Village ("EGUV") (Section 2.1)
- Effective Date (Section 20.4)
- EGUV Regulations (Section 8.2)
- Engineering Study (Section 8.2.3)
- Hearing Examiner (Section 2.1)
- Live-Work Units (Section 9.4 and 9.5)
- Master Development Plan ("MDP") (Section 7.3)
- Mill Creek Municipal Code ("MCMC") (Section 2.1)
- Project (Section 5.1)
- Project Approvals (Section 8.3)
- Property (Section 4.1)
- Successors (Section 15.2)
- Road Construction (Section 10.4)
- Vested Term (Section 8.4)

4.0 Property and Parcel Descriptions

4.1 Property Sites. The property which is the subject of this Agreement and is to be developed with the proposed binding site plan consists of the parcels legally described in attached **Exhibit A** ("Property"). The parcels comprising the Property bear Snohomish County tax parcel numbers ("TPN") 28053300200300 (Parcel A) and 28053300200200 (Parcel B). This Agreement shall bind Developer and the Property pursuant to Section 19.5. A tax parcel map generally depicting the Property (Project Site) is attached as **Exhibit B**. References to "Property" shall include the Project described in Section 5.1 below.

Section 4.2 Off-Site Mitigation Site. The property which is proposed to provide off-site wetland mitigation for the development of the Property Site of the Agreement consists of the parcels legally described in attached Exhibit A ("Off-Site Mitigation Site"). The parcels comprising the Off-Site Mitigation Site bear the Snohomish County tax parcel numbers 28053300206800; 28053300206900; and 28053300300200. A tax parcel map generally depicting the Off-Site Mitigation Site is attached as **Exhibit B**.

5.0 Project Description

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5.1 Project Description. Developer has submitted a Binding Site Plan (“BSP”) application to develop the Property bearing file number PL2018-0004. The Project generally consists of subdividing the two parcels described in Section 4 for the purposes of developing nine (9) buildings. Buildings A1 through F will have commercial uses (approximately 85,000 square feet) and include a parking structure, below ground parking, and parking on the ground floor. Buildings A1, A2, A3, A4, B and C will be one story in height. Buildings D, E and F will have five stories with 355 residential apartment units above the ground floor. One hundred percent of the proposed residential units (above ground floor) will be workforce housing targeting households at 60% of the average median income. The live/work units will be market rate. The preliminary BSP depicting the Project is attached as **Exhibit C**.

6.0 Authority

6.1 Authority. This Agreement is a development agreement authorized by and entered into under the authority of MCMC 14.03 and 17.19, and the Revised Code of Washington (“RCW”) at Section 36.70B.170 et seq. This Agreement establishes certain terms and conditions pertaining to development of the Project and the Property, and establishes an overall framework for current and future development of the Property, but is not exclusive nor a comprehensive list of development requirements affecting the Property. Other requirements for development of the Property will be established during the application and review process for specific components of the Project under the EGUV Regulations (defined in Section 8.2) and the MCMC.

7.0 Development Review Procedures for Project

7.1 Review Process. This Agreement has been processed in accordance with MCMC 14.03 and 17.19, and RCW 36.70B.170 et seq. Approval of this Agreement by the Mill Creek City Council is required before any other development approvals affecting the Property may be heard or decided. Following the Parties’ execution of the Agreement, Developer shall promptly record the Agreement with the Snohomish County Auditor’s Office at Developer’s expense and provide a conformed and recorded copy to City. In the event that the Agreement is recorded and the Project does not receive further approvals or Developer does not proceed with the Project, Developer and City will timely execute and record any necessary termination document, and Developer will pay the costs of recording such document and providing a conformed copy to City.

7.2 Hearing Examiner Notice. In reviewing subsequent development applications for the Project or Property, the Hearing Examiner shall take notice of this Agreement in accordance with MCMC 4.34, 14.03, and 17.19.

7.3 Project Review. Subsequent applications, approvals, and development actions for the Project, including the BSP and consistency review required for the Project under MCMC 17.19.030, environmental decisions, and all subsequent permits implementing the Project, shall be reviewed pursuant to the applicable development and MCMC regulations existing on the effective date of the Agreement. No development approval shall be granted unless it is consistent with the MCMC, this Agreement and the EGUV Regulations. This Agreement, any future approved BSP for the Project, and any future approved consistency review for the Project shall collectively comprise the master development plan (“MDP”) for the Project described in MCMC 17.19.020 and .030.

8.0 Project Review and Evaluation; Vested Rights

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8.1 Project Evaluation. The Project shall be reviewed in accordance with City's development review procedures and the requirements of RCW 36.70B.170 et seq. City shall use this Agreement and the EGUV Regulations during the development review process as additional standards and criteria to evaluate the Project and determine appropriate conditions and requirements of development. Project approval and subsequent build out will require various City permits and approvals.

8.2 EGUV Regulations. Following initial approval of the Project, the Project and its component parts will be developed consistent with the following as applied during the development review process: (i) this Agreement; (ii) the version of Titles 16, 17, and 18 of the MCMC in effect on the date the Agreement is approved by the City Council; (iii) EGUV Design Guidelines adopted July 1, 2008 ("Design Guidelines"); (iv) Reid Middleton EGUV Infrastructure Design Report dated December 2012 ("Engineering Study") attached and incorporated as **Exhibit D**; (v) environmental decisions and documents issued for the Project under the State Environmental Policy Act, RCW Chapter 43.21C, and/or MCMC 18.04 (collectively "SEPA"); (vi) the version of the Mill Creek Comprehensive Plan in effect on the date the Agreement is approved by the City Council;; (vii) other applicable City, state, or federal regulations as those regulations exist and apply at the time of development or a vested application therefore (e.g. building permits will be subject to the building codes in effect at the time a building permit is applied for). All of the foregoing comprise development regulations within the meaning of RCW 36.70A.030 and shall collectively comprise and be referred to as the "EGUV Regulations." Without limiting the foregoing, the following components of the EGUV Regulations are emphasized for clarity:

8.2.1 Applicable Regulations. The Project shall comply with all applicable regulations in the MCMC (i) in effect on the effective date of this Agreement except as modified herein, and (ii) to the extent not vested hereunder upon the vesting date of any subsequent application pertaining to the Project.

8.2.2 EGUV Design Guidelines. All structures and facilities comprising the Project shall comply with the Design Guidelines as adopted by the City Council on July 1, 2008, in City Council Ordinance No. 2008-684.

8.2.3 Engineering Study. The Engineering Study shall be used as the design guideline for the public roadway alignment, access management, traffic impacts and analysis, regional drainage facilities if coordinating with adjacent property owners, public infrastructure facilities, and utility coordination. All required public infrastructure, facilities and mitigation arising from the Project shall be consistent with the Engineering Study. The Parties agree the alignment of 39th Avenue SE and 133rd Street SE as depicted on **Exhibit C** is an approved deviation from the alignment of that road as contemplated within the Engineering Study.¹ The City Manager or designee, in his or her sole discretion, may authorize additional deviations from the Engineering Study to the extent such deviations do not prevent the Project from complying with other

¹ With the exception of the alignment of 39th Ave SE and 133rd Street SE, Project elements depicted in **Exhibit C** (e.g. parking, buffers, setbacks, open space, building locations) are provided for conceptual purposes only. The Hearing Examiner shall determine whether such elements comply with applicable EGUV Regulations.

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applicable aspects of the EGUV Regulations and will not materially impact existing or future developments within the EGUV zone district.

8.3 Compliance with Project Approvals. Once approved, this Agreement, the subsequent associated BSP and MDP, and all other related governmental approvals (e.g., SEPA determination, building permits, etc.) required for development of the Project shall collectively comprise the "Project Approvals." The Project shall comply with the Project Approvals in all particulars, and City may take enforcement action in accordance with Section 15 at any time to compel such compliance.

8.4 Binding Nature of Development Agreement; Vested Term; Vested Rights. This Agreement shall constitute a binding development regulation for the Project and Property for purposes of the City's review of Binding Site Plan File PL2018-0004 and related applications received within 8 years of the effective date of this Agreement ("Vested Term"). During the Vested Term, Developer shall have the right to develop the Project in accordance with the terms of this Agreement and the Project Approvals regardless of intervening changes in the EGUV Regulations or other applicable development regulations (but excluding, for example, changes in building code regulations and mitigation assessments not set forth with the Project terms). Upon the expiration of the Vested Term, this Agreement shall continue to apply to the use of all Property and development approved pursuant to this Agreement. Development applications received after the Vested Term or for different projects shall be subject to review under all then-applicable development regulations.

9.0 Occupancy of Buildings; Sale of Lots; Uses

9.1 Occupancy and Sale. There shall be no occupancy or use of the Project components and no sale or lease of any lots, tracts or parcels created by the BSP until (i) the BSP is recorded in accordance with the MCMC and (ii) certificates of occupancy have been issued as required by the MCMC and Section 9.2.

9.2 Certificates of Occupancy. In addition to the requirements of the MCMC and the enforcement provisions set forth in Section 16, the City may withhold certificates of occupancy for all or any part of the Project until all building permit requirements and Project conditions of approval have been met to City's satisfaction. Sale of commercial buildings or commercial spaces (e.g. stand-alone pads) will be allowed provided that not less than 75% of the overall commercial square footage has first received certificates of occupancy. Certificates of occupancy for commercial spaces will be issuable upon completion of the building shell.

9.2.1 Phasing of Commercial Buildings/Spaces. Both the freestanding commercial buildings (Buildings A1-A4, B and C) and the ground floor commercial spaces in the mixed-use buildings (Buildings D, E and F) must be completed and listed for lease and/or sale prior to the City issuing the first Certificate of Occupancy for a residential living unit.

9.3 Commercial Uses. Pursuant MCMC 17.19.040(D)(1), residential uses are prohibited on the Property unless the residential uses are located above commercial uses. This requirement is intended to encourage a mix of residential and commercial uses that provide active pedestrian circulation and economic stability within the East Gateway Urban Village in compliance with the City's Comprehensive Plan.

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9.4 No Residential Accessory Uses. Except as otherwise expressly allowed under Section 9.5: (i) the ground floor commercial space may not be used as or for residential use or units or as an accessory to the Project's residential uses; (ii) the live-work units shall have a minimum 12-foot exterior soffit height and a minimum 14-foot interior ceiling height, and (iii) access to or use of ground floor uses shall not be limited on the basis of residency within the Project.

9.5 Limitation on Section 9.4. Notwithstanding the restriction set forth in Section 9.4, the Parties recognize that there may be some commercial uses that can fulfill the intent of the EGUV Regulations while also serving as accessories to the residential aspect of the Project. Specifically, Developer intends to develop and operate (i) 25 live-work units on the ground floor of Building F ("Live-Work Units"); (ii) a leasing office of up to 1,600 square feet that will serve residents and potential residents ("Leasing Office"); and (iii) an amenity space of up to 3,600 square feet that will include a beauty parlor, kitchen, fitness center or other amenities for use by Project residents ("Residential Amenity Space"). The Live-Work Units, Leasing Office and Residential Amenity Space may be located on the ground floor of the Project subject to the terms and conditions described in Section 9.4.

9.6 Municipal Space Allowance. In exchange for the provisions of this Agreement the Developer shall enter into a 50-year lease with the City for a municipal space ("Municipal Space") in the Project at no cost to the City. The lease shall be negotiated and executed prior to issuance of the first certificate of occupancy for the Project and contain the following terms: The Municipal Space shall be not less than 500 square feet of ground floor commercial space at a Project location satisfactory to the City. Developer shall build out the initial interior improvements for the Municipal Space in a design, style and manner approved by the City, which shall include but is not limited to walls, windows, ceiling, floors, doors, utilities, electrical, cabling and security, paint and trim, and interior fixtures. The City shall be responsible for any further tenant improvements. The Municipal Space shall be used, maintained, and operated by the City for any public purpose for the duration of this Agreement. Upon completion of the 8-year duration of the Agreement, the City shall have no restrictions on future status or use of the Municipal Space and may use, assign, lease, transfer or sell the Municipal Space to any person or for any purpose at the City's sole discretion. The City shall pay utilities for Municipal Space but shall not pay common area expenses.

10.0 Transportation and Traffic Requirements

10.1 City and County Traffic System Impact Mitigation Requirements. Traffic impacts and mitigation fees will be analyzed, and determined by the City through the City's SEPA and development review process and in accordance with the Engineering Study per Section 8.2.

10.2 Construction of 132nd Street SE Improvements. Developer shall construct or pay to construct all 132nd Street S.E. frontage and related access point improvements required by the Washington State Department of Transportation and the Engineering Study per Section 8.2. The design, construction, and operation of the improvements are subject to the review and approval of the Washington State Department of Transportation.

10.3 Dedication of Road Right-of-Way. In accordance with MCMC 16.14, Developer shall dedicate or cause to be dedicated to the City the full width of the public Right-of-Way for

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39th Avenue SE and 133rd Street SE and the remaining the width of the public Right-of-Way for 41st Avenue SE. as depicted in **Exhibit C** as such widths and alignments are contemplated in the Engineering Study, except to the extent deviations are permitted by Section 8.2. Dedication shall be completed either by (i) showing the dedication on the face of the BSP for the Project; or (ii) by separate dedication deed or easement approved and accepted by City before the BSP is released for recording. Developer is solely responsible for negotiating all necessary legal interests from underlying property owners of the public Right-of-Way in order to accomplish the required dedication.

10.4 On-Site Road Construction. Developer shall design and construct to City specifications the full width of the public roadway improvements on the property dedicated pursuant to Section 10.3 ("Road Construction"). Road Construction shall comply with all applicable EGUV Regulations, including but not limited to MCMC 16.16, the current version of the Mill Creek Design and Construction Standard Plans, Design Guidelines, and the Engineering Study. Road Construction shall include (i) the full width of the street and sidewalk cross section; (ii) on-street parking as approved by City; (iii) street and pedestrian lighting; (iv) storm water and drainage facilities; (v) street trees (grates and lighting conduit), landscaping and street furnishings; and (vi) signage and striping.

11.0 Critical Areas Mitigation Plan

11.1 Mitigation Plan. Developer is proposing a critical areas mitigation plan ("Mitigation Plan") that provides local and regional benefits in exchange for a reduced critical area buffer on the Project site. The Mitigation Plan encompasses two sites, one on-site and one off-site.

11.2 Off-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of actions, including (i) preservation and dedication of approximately 61 acres of undeveloped land to the City ("Off-Site Mitigation Site"); (ii) enhancement and extension of an integrated trail system of more than a mile in length comprised of gravel paths, boardwalks, and elevated pathways within and providing access to the Off-Site Mitigation Site; (iii) inclusion of environmental education signage and kiosks on the Off-Site Mitigation Site; (iv) a combination of habitat and vegetation enhancement and restoration; and (v) parking area, and information kiosk to allow for public recreational and educational opportunities.

11.2.1 Off-Site Mitigation Site Concept. The foundation of the Mitigation Plan for the Off-Site Mitigation Site is the Developer's acquisition, restoration, enhancement, and donation of approximately 61 acres of undeveloped land located to the south of the Project site to the City. See "Off-Site Mitigation Site" map attached and incorporated as **Exhibit E**. The Off-Site Mitigation Site consists of both wetlands and uplands. A clear value is associated with the land acquisition and donation of the Mitigation Site that establishes the regional benefit to the City in terms of the value of the habitat and value of the land. The dedication of a the Off-Site Mitigation Site to the City will provide additional open space, providing more trails for local residents, additional areas of land for stormwater/floodwater management, and the protection, restoration, and enhancement of a high-quality wetland that currently has been degraded by past land use practices. Large open space areas are generally lacking in this area due to the required infill and encouraged high-density development based on the local comprehensive plan. This land preservation,

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enhancement, and dedication stemming from the Off-Site Mitigation Site will help fill a need for passive recreational areas for the community.

11.2.2 Maintenance, Restoration and Enhancement. Developer will maintain, restore and enhance the Off-Site Mitigation Site as required under the MCMC 18.06 and as described in the Mitigation Plan.

11.2.3 Transfer of Title to City. At any time during development approval for the Project and up to 5 years following issuance of all Project Approvals, the City may elect to take fee simple ownership of the Off-Site Mitigation Site by giving written notice ("Notice") to Developer. In that event, Developer shall promptly complete all remaining maintenance on the Off-Site Mitigation Site, and shall repair or replace all amenities on the Off-Site Mitigation Site to City's satisfaction per the final wetland mitigation plan. Developer shall provide a title commitment for the Site acceptable to City within 30 days of the City's Notice and shall remove all financial encumbrances on the Site prior to title transfer. Developer shall transfer title to City by statutory warranty deed within 60 days of the City's Notice. On the effective date of title transfer Developer will be relieved of all further obligations relating to the Off-Site Mitigation Site. Should the City elect to reject dedication of the Off-Site Mitigation Site, the area shall be maintained and owned by the Developer consistent with MCMC 18.06.

11.2.4 Public Access. Public access to and within the Off-Site Mitigation Site within designated parking areas and/or trails shall be permitted during the initial 5 years following issuance of all Project Approvals. Should the City elect to reject dedication of the Off-Site Mitigation Site, the Developer may elect to not provide access to the public. While under the ownership of the Developer, the Developer may reasonably control/limit the hours that the public has access to and within the site, akin to setting hours of operation to provide security to the public and the property.

11.3 On-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of habitat and vegetation enhancement and restoration, **Exhibit F**.

11.4 Native Growth Protection Area. Under the proposed BSP, approximately 12.6 acres of the approximate 17.43 acre Project site will be developed. The remaining approximate 5 acres will be retained as a Native Growth Protection Area within Tract 999, **Exhibit F**.

11.5 Critical Areas Buffer Reduction. In exchange for the Developer's actions described in this Section 11, critical areas buffer requirements will be allowed to vary from 2 feet to 108 feet with an average width of 54 feet.

12.0 Parking Requirements

12.1 Parking Standards. Parking shall be provided consistent with the requirements of MCMC 17.27.

12.2 Reciprocal Parking Covenant for Commercial Space Parking Stalls. The unified and mixed-use nature of the EGUV is designed to encourage pedestrian activity and discourage internal vehicle trips. Developer shall grant a reciprocal parking covenant approved by City for commercially designated surface parking stalls in the Project to the other commercially developed

AGENDA ITEM #E.

properties within the EGUV that provide an equivalent reciprocal parking agreement. The parking covenant shall be shown on the face of the BSP.

12.3 Use of Commercial Parking Facilities. Developer will actively manage the use of approved parking in the Project to ensure that stalls required to be available for commercial uses will not be used by residents, guests, and staff of the Project's residential units during operating hours of the Project's commercial businesses. The City is requiring a parking management plan as a condition of approval for the BSP to provide an enforceable method of requiring residents, their guests and employees to park only in areas dedicated to serving the residential portion of the Project. Use of parking stalls dedicated to support commercial uses shall be managed to ensure the spaces directly adjacent to commercial uses will be available for customers and not used by staff and/or owners of the commercial businesses. Developer will update the parking management plan as necessary or requested by City to ensure parking stalls reserved for customers, invitees and guests of commercial ground floor tenants remain available to such users during normal business hours.

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AGENDA ITEM #E.

13.0 Plazas, Public Gathering Areas, Art Work, and Public Access

13.1 Required. Plazas and public gathering places shall be provided along 39th Avenue SE and 133rd Street SE of the Project as shown on the BSP pursuant to MCMC 17.19 and the Design Guidelines. Plazas shall incorporate informal public seating areas, sidewalks, and other public spaces on the Property consistent with the EGUV Illustrative Plan, Design Guidelines, Comprehensive Plan, and as agreed through approval of the MDP. Plazas and public gathering spaces are subject to review and approval of the Design Review Board prior to the issuance of a building permit. The private parking lot west of Building F shall be designated and designed to be utilized as public gathering areas for families, markets, festivals, concerts, and the like.

13.2 Plazas and Public Gathering Areas; Infrastructure and Furnishings. Developer shall design, obtain and install infrastructure and furnishings in plazas and other gathering areas in accordance with the Design Guidelines and MCMC 17.34. Plaza design and furnishings are subject to review and approval of the Design Review Board. Maintenance and replacement of infrastructure and furnishings shall be the responsibility of Developer. This may include, but is not limited to, public access to commercial restrooms, water fountains, flush curbs to allow for vehicular access, electrical conduits for vendors, providing seating, extra trash cans, and festival lighting.

13.3 Public Access. Developer shall grant a public access easement to City allowing public access to, over and across the roadway buffer, perimeter trail, and Wetland Park as well as through the private drive aisles and sidewalks to enable public access from the public roadways to the perimeter trail as shown on the approved BSP. All public access easements, locations, and types shall be described and shown on the face of the BSP.

14.0 Maintenance Responsibilities

14.1 Developer Responsibilities. In addition to any other requirement stated in this Agreement, Developer shall be responsible for the following ongoing maintenance obligations, which shall be timely performed at Developer's expense: (i) oversee and coordinate the use and maintenance of, and activities and events held on, privately-owned open spaces within the subject properties (ii) maintain improvements in the public rights-of-way in accordance with MCMC 12.06 and 17.24, including public right-of-way areas between the street curbs and property lines, including but not limited to sidewalks, plazas and open spaces, canopies, all landscaping including tree grates, trash cans including daily servicing, and benches and all outdoor furniture; (iii) maintain the Property; and (iv) maintain all drainage facilities on the Property outside the public rights-of-way.

14.2 Multiple Owners. To the extent there are multiple owners of the Property (e.g., commercial units operated under separate ownership from residential uses and owners of multifamily residential buildings), said multiple owners shall manage and maintain the common areas and shall remain jointly and severally responsible to the City for compliance with Section 14.1. This Section 14.2 shall not apply to the City.

14.3 City Responsibilities. City shall be responsible for the following ongoing maintenance obligations within the publicly-owned rights-of-way except as noted in Section 14.1: streets, pavement, curbs, gutters, structural sidewalk repairs, lighting, on-street parking and meters, raised crosswalks, street signage, channelization, and drainage facilities, per MCMC 12.06.

15.0 Transfer of Property; Notice

15.1 Authority to Transfer. Developer's right to sell, transfer, assign, mortgage, hypothecate, convey or take any other similar action regarding the title to or financing for the Project and Property shall not be infringed by this Agreement, provided any such transfer, assignment, sale, etc. shall be subject to all the terms, conditions, rights, duties and obligations of all development approvals pertaining to the Project and Property, specifically including without limitation this Agreement, the MDP, and Project Approvals. Developer and any subsequent transferor, assignor, etc. shall give actual notice of and copies to the transferee, assignee, etc. of all development approvals and related documents.

15.2 Obligations of Successors. This Agreement, the MDP, all Project Approvals and all Developer obligations shall be binding on all subsequent owners, assigns, purchasers, lessees, lessors, tenants, and transferees of every kind and nature ("Successors") of the Project and Property. Any reference to Developer herein shall be construed to apply to any Successor.

15.3 Recording. The City shall promptly record this Agreement and any other Project documents requested by City in the Snohomish County Recorder's Office and provide conformed copies to Developer. The City shall invoice the direct recording costs to the Developer as part of the BSP application.

16.0 Enforcement Authority; Police Power; Penalties

16.1 Enforcement Authority. City may enforce this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property, in whole or in part, in any manner allowed by law and this Agreement. Developer and every future Successor shall be fully responsible for compliance with and full and complete performance of this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property.

16.2 Police Power. Except to the extent necessary to comply with RCW 36.70B.170 et seq., the limitations of which shall expire at the end of the Vested Term, nothing in this Agreement shall limit, waive or release, or be construed to limit, waive or release, City's municipal duties, responsibilities or enforcement authority of any kind, including its police power authority and its condemnation authority, whether arising under the MCMC, state or federal law, Washington constitution, or any other source of lawful authority.

16.3 Penalties. Without limiting the foregoing sections, the City may take any or all of the following enforcement actions, in any order and without limitation, and may impose any or all of the following penalties for failure to comply with this Agreement, against Developer and any Successors:

16.3.1 Stop action on any pending permits or approvals by Developer or a related entity.

16.3.2 Stop action on any pending permits or approvals pertaining to the Property or Project.

16.3.3 Withhold certificates of occupancy pursuant to Section 9.

16.3.4 Require cash deposits or other security to ensure future performance and compliance.

16.3.5 Fines and penalties authorized under the MCMC.

17.0 Conflicts; Dispute Resolution

17.1 Conflicts. In the event of an internal conflict between any of the terms and conditions of this Agreement or between this Agreement and any Project Approvals, the most restrictive shall apply as determined by City, unless City and Developer agree otherwise.

17.2 Disputes. In the event of a dispute between the Parties about the application or interpretation of this Agreement, principals for City and Developer shall promptly meet and attempt to resolve the issue. If that is not successful, the Parties shall promptly apply for and schedule a mediation using JAMS, WAMS, JDR or a similar mediation service. Each Party shall pay its own costs and expenses and one-half the mediator's cost. If that is not successful, Developer shall request an official interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). Developer may appeal said interpretation as provided in the MCMC.

18.0 Modification; Termination

18.1 Modification. This Agreement may be modified only upon mutual consent of the Mill Creek City Council and Developer. Either Party may seek a modification by giving written notice thereof to the other Party. No Party is obligated to agree to any modification of this Agreement. Modification may require compliance with the public notice and hearing requirements of RCW 36.70B.200 et seq. or other applicable laws then in effect.

18.2 Termination. This Agreement may not be terminated except upon mutual consent of the Mill Creek City Council and Developer or order of a court having competent jurisdiction.

18.3 Continuation. After the Vested Term, this Agreement shall continue in whole as an applicable development regulation for the Property, provided that City may change, and Developer may request changes in, all or any portion of the Agreement or land use characteristics of the Property or Project in accordance with then-applicable rules for making such changes.

19.0 Authority to Approve Agreement

19.1 By executing this Agreement, each Party represents and warrants that it has taken all necessary steps under its corporate authority and/or applicable city or state law to authorize such act, and that its execution of this Agreement is knowing, voluntary, made upon consultation with legal counsel, and is valid and binding for all purposes.

19.2 In the case of City, the Mill Creek City Council has found that this Agreement is in the public interest and furthers the public health, safety and welfare, all as set forth in Council Ordinance 2015-798.

20.0 General Terms

20.1 Integration. This Agreement constitutes the entire agreement between the Parties as to the subject matter herein. No prior oral or written agreements respecting same shall be valid, and any such agreements shall be considered to be merged and subsumed herein.

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AGENDA ITEM #E.

20.2 Consent and Waiver. Developer acknowledges and agrees that construction and dedication of the public right-of-way, public pedestrian easement dedications, creation of public open space areas (together with furnishings and infrastructure), and other Developer actions listed in this Agreement shall: (i) constitute lawful and appropriate dedications and/or uses of land under MCMC Titles 14 – 18 and applicable state law, specifically including but not limited to MCMC 18.04.220(B), MCMC 18.04.220(D), RCW 43.21C, RCW 58.17, and RCW 36.70B; (ii) meet and/or satisfy the requirements, obligations and scope of actions set forth in said laws, and/or have been made by the voluntary act of Developer for its benefit and to enhance the success of the Project; and (iii) are binding on Developer.

20.3 Venue. Venue for all disputes arising under or connected with this Agreement and Project Approvals shall be in the Superior Court for Snohomish County. This Agreement and the Project Approvals shall be governed and interpreted in accordance with Washington law.

20.4 Effective Date. The effective date of this Agreement shall be _____, 2019 ("Effective Date").

20.5 Covenant Running with Land. From and after the Effective Date, this Agreement shall be a covenant running with the Property and/or an equitable servitude on the Property, and shall be binding on the Parties, their Successors, their assigns, and on all subsequent owners, purchasers, assigns, lessees or lessors, tenants, transferees, and transferors of every nature as set forth herein.

20.6 Authority. The Parties each represent and warrant that they have full power and actual authority to enter into this Agreement and carry out all actions required of them by this Agreement. All persons executing this Agreement in their representative capacities represent and warrant that they have full power and authority to bind their respective organizations.

20.7 Responsibility. Developer is responsible for compliance with this Agreement. Any act or omission required of or permitted by Developer hereunder may be taken by Developer's authorized agents, contractors or employees, but Developer shall not thereby be relieved of its responsibility or liability to City under this Agreement.

20.8 Attorneys Fees. In any action arising under or related to this Agreement, the substantially prevailing Party shall be entitled to be paid its reasonable attorney's fees, expenses and costs by the non-prevailing Party, whether in arbitration, at trial, on appeal, bankruptcy proceeding, or other legal action.

20.9 Third Parties. This Agreement is entered into for the sole benefit of the Parties. There are no third party beneficiaries to this Agreement.

20.10 Severability. If any section, sentence, clause or portion of this Agreement is declared unlawful or unconstitutional for any reason, the Parties intend that the remainder of this Agreement shall continue in full force and effect.

21.0 Exhibits

21.1 The following exhibits are attached and incorporated into this Agreement by this reference as though fully set forth herein:

Exhibit A: Property Legal Descriptions (Section 4)

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AGENDA ITEM #E.

- Exhibit B:** Tax Parcel Map (Section 4)
- Exhibit C:** Conceptual Map of Binding Site Plan (PL2018-0004) (Section 5)
- Exhibit D:** EGUV Engineering Study (Section 8.2)
- Exhibit E:** Off-Site Mitigation Site (Section 11.4)
- Exhibit F:** On-Site Mitigation Site

WHEREFORE, the Parties have signed and executed this Agreement on the dates set forth below.

[signatures next page]

<p>City of Mill Creek:</p> <p>By: _____ Robert S. Stowe, Date Interim City Manager</p>	<p>Eastgate by Vintage LP:</p> <p>By: _____ Ryan Patterson, Date Owner</p>
<p>ATTEST:</p> <p>By: _____ Gina Pfister, Date Acting City Clerk</p>	
<p>APPROVED AS TO FORM:</p> <p>By: _____ Scott M. Missall, Date City Attorney</p>	<p>APPROVED AS TO FORM:</p> <p>By: _____ Date Attorney for Eastgate by Vintage LP</p>

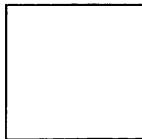
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AGENDA ITEM #E.

STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss:

I certify that I know or have satisfactory evidence that **Robert S. Stowe** is the person who appeared before me, and he acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the City Manager, of City of Mill Creek, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____, 2019.



Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:

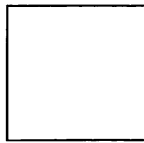
My Appointment Expires: _____

AGENDA ITEM #E.

STATE OF _____)
) ss:
COUNTY OF _____)

I certify that I know or have satisfactory evidence that **Ryan Patterson** the person who appeared before me, and s/he acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____, of Eastgate by Vintage, LP to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____, 2019.



Print Name:
NOTARY PUBLIC in and for the state of
Washington, residing at:

My Appointment Expires: _____

EXHIBIT A

Legal Description of Property A

Section 33 Township 28 Range 05 Quarter NW - PAR 2 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - NW1/4 NE1/4 NW1/4 SD SEC 33

EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN THS89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AFN
8310200114;

EXC W 0.22FT THOF & EXC ADDL NWLY R/W TO CITY OFMILL CR PER SWD REC
UND AFN 201004190475.

Parcel A Identification Number: 28053300200200

Legal Description of Property B

Section 33 Township 28 Range 05 Quarter NW - PAR 1 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - N1/2 NW1/4 NW1/4 SD SEC 33 & W 0.22FT W1/2 NW1/4
NE1/4 NW1/4 SD SEC 33;

EXC STRIP 20FT WIDEON S SIDE C/L COM NW COR SD SEC 33 RUN TH S89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AF NOS
8310200114 & 9201230590 EXC TH PTN CONDMD FOR RD IN SNO CO SCC NO 98-2-
08976-6;

EXC ADDL NELY R/W TO CITY OF MILL CR PER SWD REC UND AFN 201004190474.

Parcel B Identification Number : 28053300200300

Legal Description of Property C

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4
NW1/4 SD SEC 33 TGW BEG AT SW COR NW1/4 SD SEC 33 TH N 1320FT TO TPB TH E
990FT TH N330FT TH W 990FT TH S 330FT TO TPB

EXC ANY PTN THOF LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVYD TO
SNO CO BY DEEDS REC AFN 1730042 & 200012280181 40FT WIDE STRIP TH PTN SD
REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E(DEED EAST) ALG

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AGENDA ITEM #E.

N LN THOF 279.23FT TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP TH IS 20FT NLY OF WHEN MEAS ATR/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN TH IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN35TH AVE SE TH S00*38 45W ALG SD E MGN 40.01FT TH S88*19 22E 241.69FT TAP TH BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA 40FT WIDE STRIP OF CITY OF MILL CR SP 11-12 REC AFN201206075002

Legal Description of Property D

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4 NW1/4 SD SEC 33 TGW BEG SW COR NW1/4 SD SEC 33 TH N1320FT TO TPB TH E 990FT TH N 330FT TH W 990FT TH S 330FT TO TPB

EXC ANY PTN LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVDYD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 DAF ALL OF SD REAL PRTY

EXC FOL 3 PAR PAR 1 TH PTN SD RAL PRTY LY NLY & WLY OF FDL BEG ATNW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TO POB TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*4038W 25FT TAP THAT IS 20FT NLY OF WHEN MEASE AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE & TERM OF THIS LN DESC PAR 2 COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN SD PAR 549.23FT TO POB TH CONT S88*19 22E (DEEDEAST) ALG SD N LN 320.25FT TH S01*40 38W 310FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN OF SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 299.67FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*4038E 25FT TAP THAT BEARS S02*27 15E FR POB TH N02*27 15W 285.74FT TO POB PAR 3 TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE TH S00*38 45W ALG SD E MGN40.01FT TH S88*19 22E 241.69FT TAP THAT BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA LOT 3 CITY OF MILL CR SP 11-12 REC AFN 201206075002

Legal Description of Property E

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AGENDA ITEM #E.

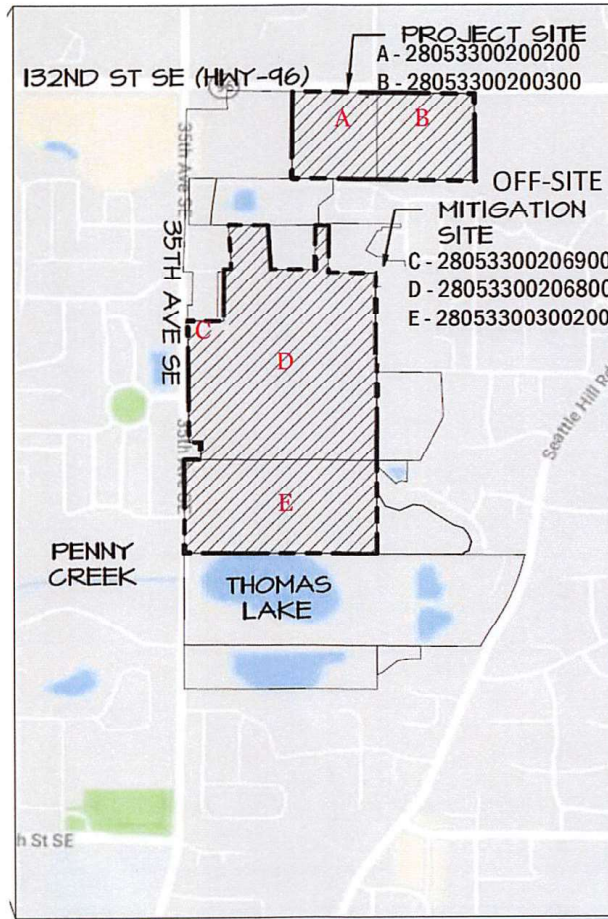
SEC 33 TWP 28 RGE 05. N1/2 NW1/4 SW1/4

EXC ANY PTN LY WITH THOMAS LAKE RD & EXC RD R/W PER DEED REC AFN
1730042 & ADDL R/W TO SNO CO PER REC AFN 200012280181.

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EXHIBIT B



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AGENDA ITEM #E.

EXHIBIT C

A map generally depicting the proposed Project

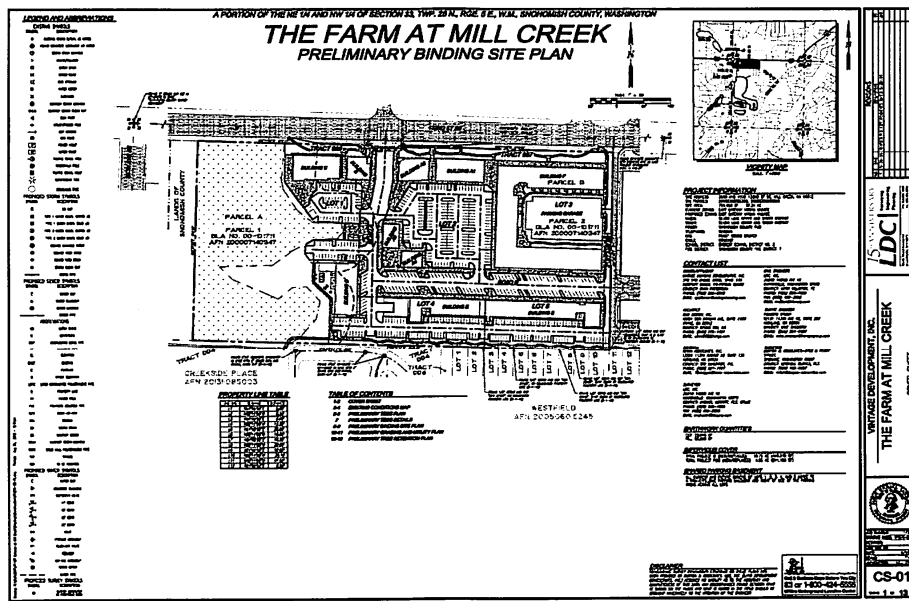


EXHIBIT D

EGUV Engineering Study

The document is available for review on the City's web site at:

<http://cityofmillcreek.com/DocumentCenter/View/77>

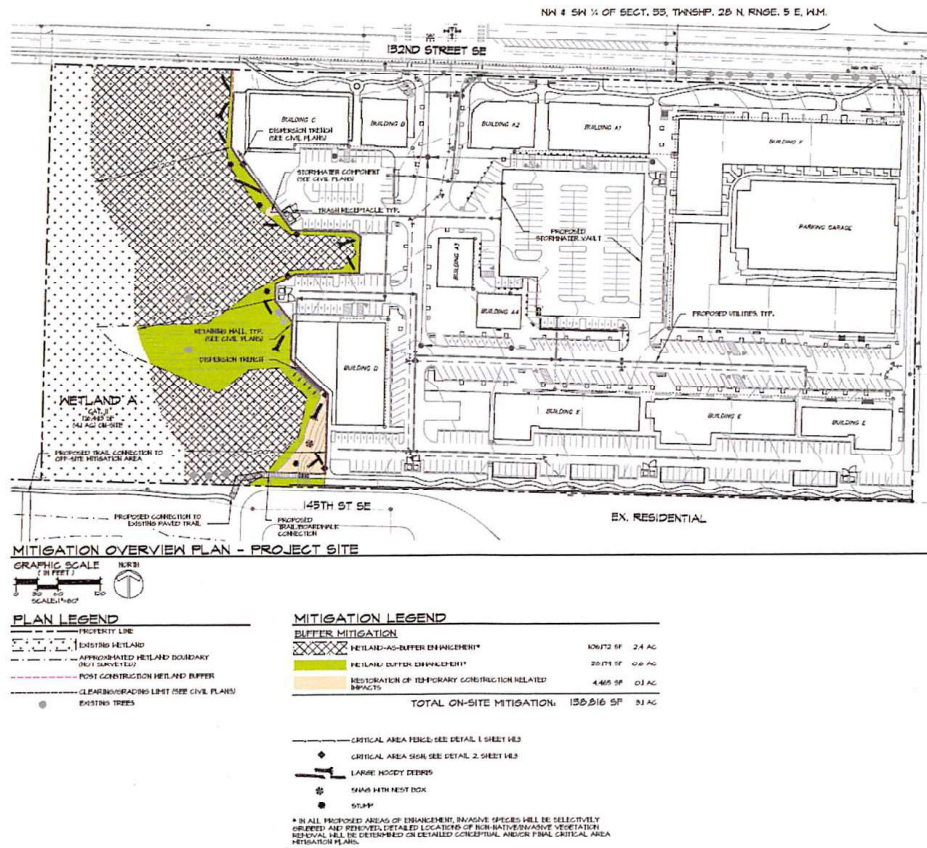
If you need a hard copy, please contact the City Clerk.

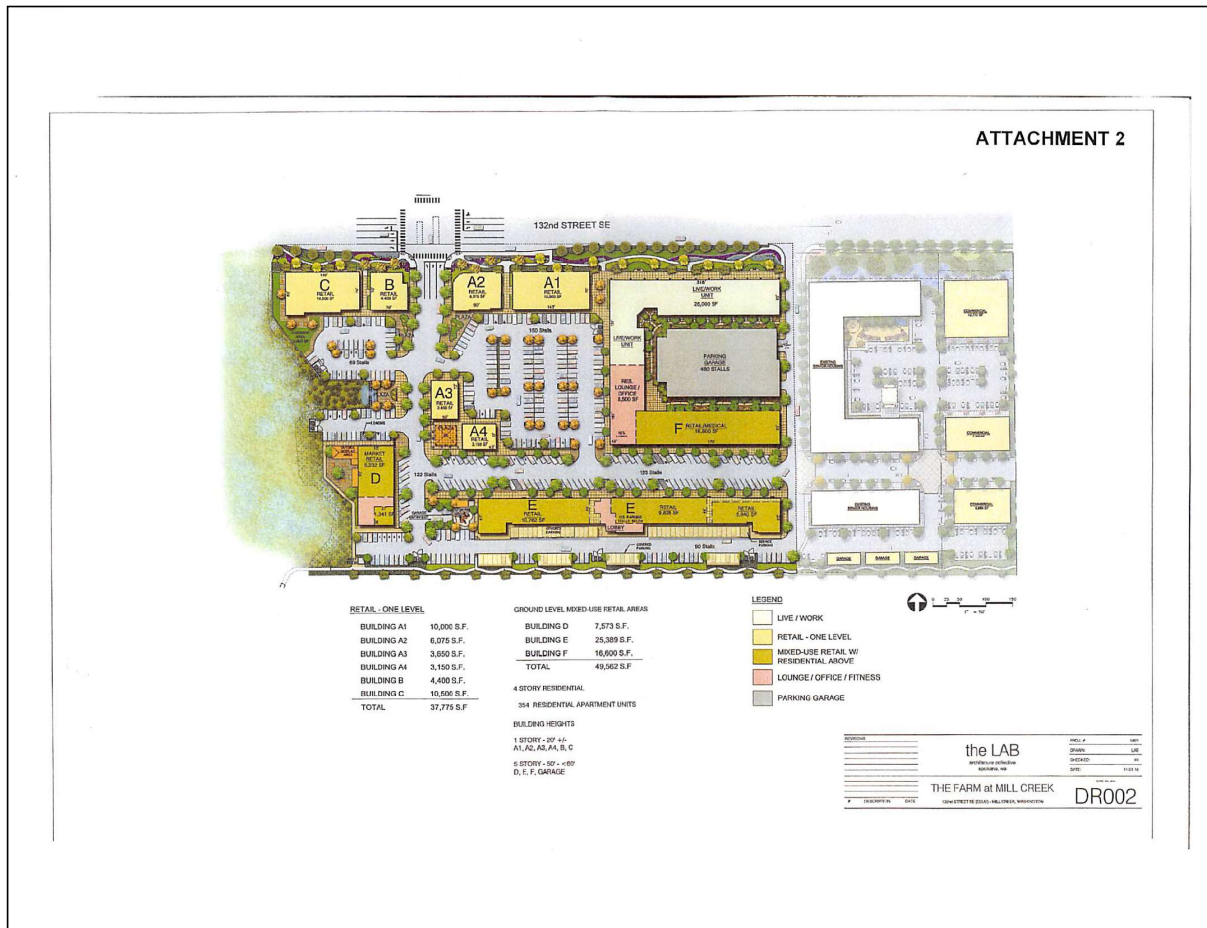
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AGENDA ITEM #E.

EXHIBIT F

A map depicting the On-Site Mitigation Site





Attachment 3

Integra Realty Resources
Seattle

Fiscal Impact Analysis

Eastgate Village at Mill Creek
Mixed Use Property
3830-4008 132nd Street SE
Mill Creek, Snohomish County, Washington 98012

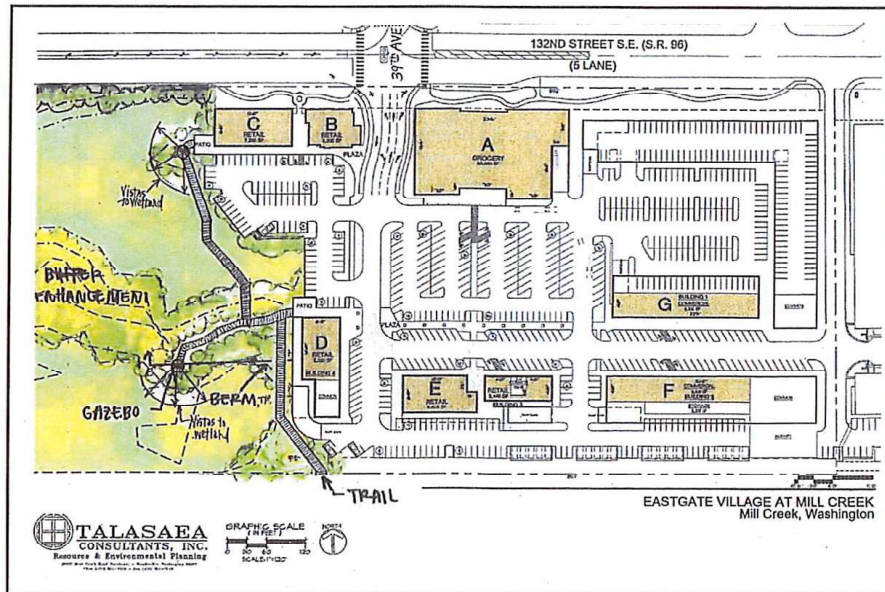
Prepared For:
Vintage Housing Development LLC

Effective Date of the Analysis:
December 3, 2016

IRR - Seattle
File Number: 154-2016-0482



AGENDA ITEM #E.



Eastgate Village at Mill Creek
3830-4008 132nd Street SE
Mill Creek, Washington

Integra Realty Resources
Seattle

600 University Street
Suite 310
Seattle, WA 98101

T 206.903.6700
F 206.623.5731
www.irr.com



December 22, 2016

Ryan Patterson
Vintage Housing Development LLC
369 San Miguel Drive, Ste. 135
Newport Beach, CA 92660

SUBJECT: Fiscal Impact Analysis
Eastgate Village at Mill Creek
3830-4008 132nd Street SE
Mill Creek, Snohomish County, Washington 98012
IRR - Seattle File No. 154-2016-0482

Dear Mr. Patterson:

Integra Realty Resources – Seattle is pleased to submit the accompanying fiscal impact study of the referenced property. The client for the assignment is Vintage Housing Development LLC, and the intended use is as a supporting document to present to the Mill Creek City Council as part of regulatory approvals.

The subject site area is 17.34 acres or 755,330 square feet, however, approximately 5.4 acres at the western end of the site is undevelopable for construction because it has wetlands, and will be used for a nature park with elevated walkways and gazebos. The property is located on the south side of the intersection of 132nd Street SE and 39th Avenue SE in the East Gateway Urban Village area of Mill Creek.

The subject as proposed will be a mixed-use development planned for 74,665 square feet of retail space and 350 deluxe apartment units. Construction is planned to begin in late 2017 and conclude in 2019 with a total development cost estimated at \$99.7 million.

This fiscal impact analysis presents the following:

- 1) Evaluates the potential sales tax revenue generated by the proposed development of the subject

AGENDA ITEM #E.

Ryan Patterson
Vintage Housing Development LLC
December 22, 2016
Page 2

- 2) Estimates projected property tax revenues to the City of Mill Creek subsequent to development (over and above existing property tax revenues)
- 3) Estimates the city's share of one-time sales tax revenues on construction costs

Based on the analysis contained herein and subject to the definitions, assumptions, and limiting conditions expressed in the report, our estimate of revenues is as follows:

Summary of Economic Benefits (Mixed-Use New Plan)		
Premise	Frequency	Amount
Mill Creek's portion of sales tax revenue projection	Annual	\$191,907
Mill Creek's portion of stabilized property tax increase	Annual	\$199,114
Yearly Revenue to the City		\$391,021
Mill Creek's portion of sales tax on construction costs	One-time	\$552,500

This consulting study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Seattle

Allen Safer, MAI, MRICS
Certified General Real Estate Appraiser
Washington Certificate # 1100662
Telephone: (206) 436-1190
Email: asafer@irr.com

Gregory Bucklin, MAI
Certified General Real Estate Appraiser
Washington Certificate # 1101619
Telephone: (206) 436-1183
Email: gbucklin@irr.com



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Eastgate Village at Mill Creek



Assignment Information

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Assignment Information

Effective Date

The date of the report is December 22, 2016. The effective date of the analysis is December 3, 2016, the actual date of our on-site inspection.

Client, Intended Use and User

The client and intended user is Vintage Housing Development LLC. The intended use of this study is as a supporting document to present to the Mill Creek City Council as part of regulatory approvals.

Applicable Requirements

This analysis is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Prior Services

We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

This analysis does the following:

- 1) Evaluates the potential sales tax revenue generated by the proposed development of the subject
- 2) Estimates projected property tax revenues to the City of Mill Creek subsequent to development (over and above existing property tax revenues)
- 3) Estimates the City's share of one-time sales tax revenues on construction costs

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Methodology

- 1) Project the taxable retail sales potential and estimate the City sales tax potential based on the City's tax rate on retail sales.

Eastgate Village at Mill Creek



Assignment Information

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- 2) Estimate the potential assessed value as a basis for projecting the increase in City property tax revenue, over and above the existing property taxes currently in-place.
- 3) Estimate the one-time sales tax that would be paid on the construction of the project.

Inspection

Both Allen Safer, MAI, MRICS, and Gregory Bucklin, MAI, conducted an on-site inspection of the property.

Eastgate Village at Mill Creek



Property Information

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Property Information

Identification of Subject

The subject site area is 17.34 acres or 755,330 square feet, however, approximately 5.4 acres at the western end of the site is undevelopable for construction because it has wetlands, and will be used for a nature park with elevated walkways and gazebos. The property is located on the south side of the intersection of 132nd Street SE and 39th Avenue SE in the East Gateway Urban Village area of Mill Creek.

The subject as proposed will be a mixed-use development planned for 74,665 square feet of retail space and 350 deluxe apartment units. Construction is planned to begin in late 2017 and conclude in 2019 with a total development cost estimated at \$99.7 million.

Property Identification

Property Name	Eastgate Village at Mill Creek
Address	3830-4008 132nd Street SE Mill Creek, Washington 98012
Tax ID	28053300200300 and 28053300200200
Owner of Record	Penny Creek Partners LLC

Land Area

The property consists of two contiguous tax parcels with a total area of 17.34 acres per the Snohomish County Assessor's office. An estimated 5.39 acres at the west end of the property cannot be built on and will be used for a nature park. The following table summarizes the subject's land area.

Land Area Summary

Tax ID	SF	Usable SF	Acres	Usable Acres
28053300200300	352,400	117,455	8.09	2.70
28053300200200	402,930	402,930	9.25	9.25
Total	755,330	520,385	17.34	11.95

Source: Snohomish County Assessor

Ownership and Sale History

The subject property has been under control and ownership by Penny Creek Partners LLC since 1994; the property was previously planned for a Walmart store, and later a 114,000-square-foot, grocery-anchored shopping center. In 2010 two small pieces of the subject totaling 1,831 square feet were acquired by the City of Mill Creek to install the signalized intersection at 132nd Street SE and 39th Avenue SE. To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective date of this analysis.

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Property Information

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Aerial Photo

The property is located on the south side of the signalized intersection of 132nd Street SE (State Route 96) and 39th Avenue SE. The subject is west end of the East Gateway Urban Village area in the northeast corner of the city of Mill Creek.



Eastgate Village at Mill Creek

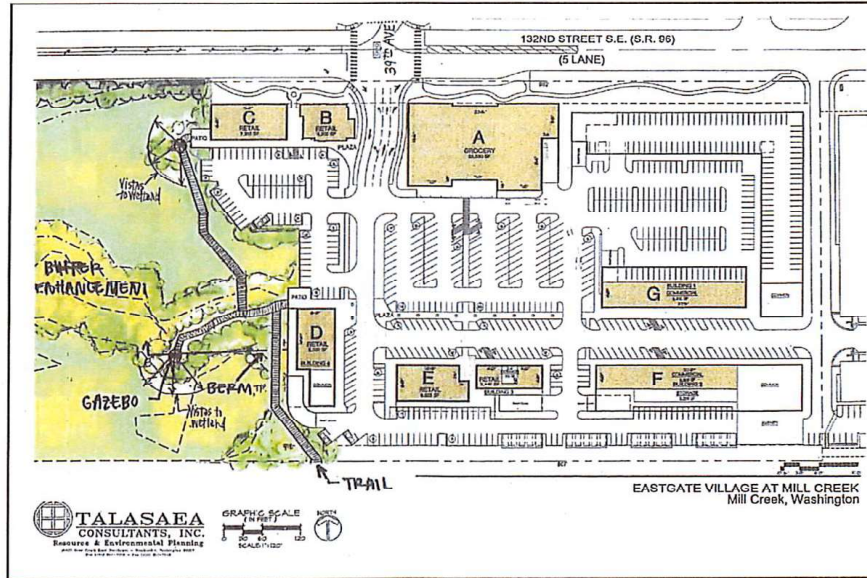


AGENDA ITEM #E.

Property Information

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Site Plan



Eastgate Village at Mill Creek



AGENDA ITEM #E.

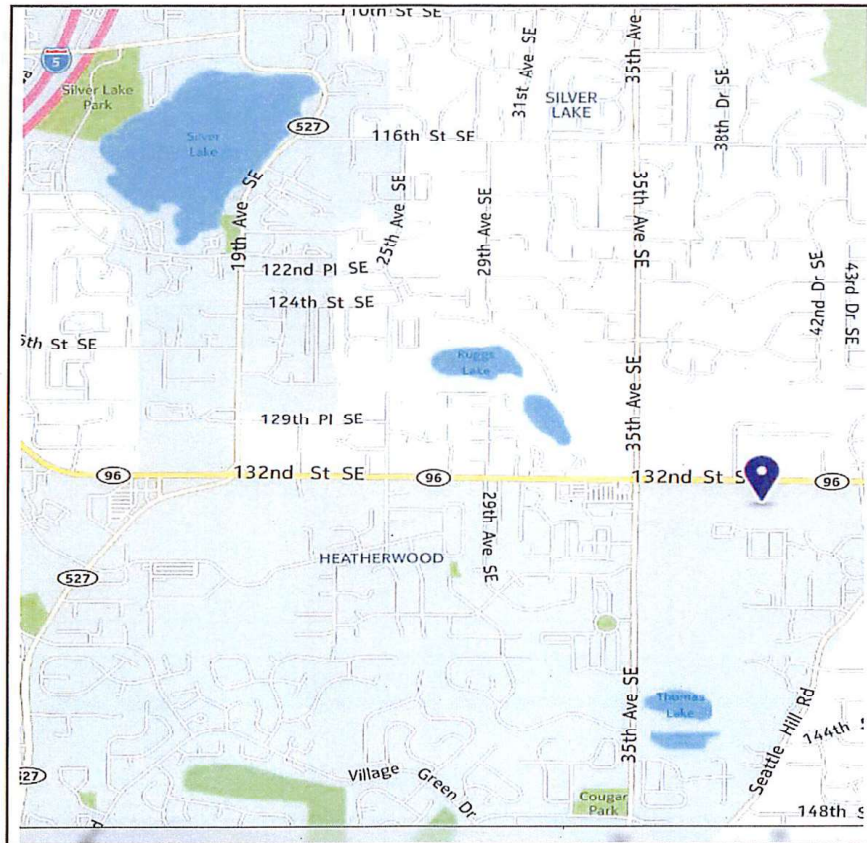
Property Information

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Shape, Dimensions and Current Use

The subject site is rectangular with approximately 1,230 lineal feet of frontage along 132nd Street SE (State Route 96) and a depth of about 615 feet. The site is generally level and at street grade, with some upward sloping from west to east. There is a vacant house at the east end of the property and some assorted outbuildings; the remainder of the site is cleared with low ground cover.

Area Map



Eastgate Village at Mill Creek



Property Information

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Access and Visibility

The property has excellent access and visibility from 132nd Street SE (State Route 96), a major east-west arterial street that connects the neighborhood with 35th Avenue SE, State Route 527 (Bothell-Everett Highway) and Interstate 5 to the west (via 128th Street SE) as well as Seattle Hill Road and State Route 9 to the east.

Interstate 5 is approximately 2½ road miles to the west of the subject and is accessed by a full diamond interchange at 128th Street SE. State Route 9 is approximately 3¼ road miles to the east of the subject.

At the subject location, 132nd Street SE has a turn lane and two travel lanes in each direction with curbs, gutters and sidewalks on both sides of the street. The speed limit is 40 miles per hour.

Zoning

The subject is part of the proposed East Gateway Urban Village and is EGPUV, East Gateway Planned Urban Village by the City of Mill Creek. The purpose of the planned urban village zone district is to implement the planned urban village policies and East Gateway Urban Village illustrative development plan contained in the Mill Creek comprehensive plan. This district is intended to accommodate pedestrian-oriented mixed-use commercial, office, residential and public uses that conform to the design and layout of the approved detailed master development plan.

Zoning Summary

Zoning Jurisdiction	City of Mill Creek	
Zoning Designation	EGUV	
Description	East Gateway Urban Village	
Legally Conforming?	Appears to be legally conforming	
Zoning Change Likely?	No	
Permitted Uses	Retail, office, multifamily, lodging and public	
Category	Zoning Requirement	
Maximum Building Height	Five stories or 60 feet for mixed-use structures; 3 stories/35 feet if built adjacent to SFRs in LDR zone	
Parking Requirement	Apartments	Retail
	One Bedroom: 1.5/unit	1.0 per 250 square feet
	Two+ Bedroom: 2.5/unit	
	25% to be reserved for common use	

Source: Mill Creek Municipal Code

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Real Estate Taxes

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Real Estate Taxes

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2016							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Total Ad Valorem Tax Rate	Taxes	Direct Assessments	Total
28053300200300	\$1,695,800	\$0	\$1,695,800	1.106584%	\$18,765	\$5	\$18,771
28053300200200	\$4,172,700	\$0	\$4,172,700	1.106584%	\$46,174	\$3,589	\$49,763
	\$5,868,500	\$0	\$5,868,500		\$64,940	\$3,594	\$68,534

The western subject parcel is assessed at a lower value because approximately 2/3 of it, or 5.4 acres, is undevelopable wetlands.

The overall Property Tax rate is calculated at \$11.06584 per \$1,000 assessed value (or 1.106584%). Of this, the City of Mill Creek currently collects \$2.3837 per \$1,000 of assessed value (or 0.23837%). The City's portion of the total 2016 tax amount of \$68,534 was \$13,989.

Eastgate Village at Mill Creek



Planned Improvements

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Planned Improvements

The subject as proposed will be a mixed-use development planned for 74,665 square feet of retail space and 350 deluxe apartment units. Construction is planned to begin in late 2017 and conclude in 2019 with a total development cost estimated at \$99.7 million.

Improvements Description

Overall Property			
Name of Property	Eastgate Village at Mill Creek		
General Property Type	Mixed Use	Retail	Apartment
Number of Units	350		350
Units per Usable Acre (Density)	29.3		
Gross Building Area (SF)	454,040	74,665	379,375
Rentable Area (SF)	378,165	74,665	303,500

Apartments

There are 350 deluxe apartments units planned at the subject, with a unit mix and proposed rental rates as follows:

Apartment Unit Mix

Unit Type	Average Unit		Vacant	Leased ¹	Rented Units	% of Units	Total Rentable SF	Proforma Rent ²	
	Size	Total Units						Average	Avg. \$/SF
1 Bed 1 Bath	668	125	0	125	125	36%	83,500	\$1,600	\$2.40
2 Bed 2 Bath	900	175	0	175	175	50%	157,500	\$1,900	\$2.11
3 Bed 3 Bath	1,250	50	0	50	50	14%	62,500	\$2,350	\$1.88
TOTAL/AVG.	867	350	0	350	350	100%	303,500	\$1,857	\$2.14
							Rentable to Gross Factor	0.8	
							Estimated Gross SF	379,375	

¹ Includes employee & model units, if any.

² Projected 2019 rents increasing at 3.0%/year over 2017 market (\$1,500 for 1BR1B; \$1,800 for 2BR2B; \$2,200 for 3BR3B).

The total rentable square footage of the 350 apartment units will be 303,500 square feet. We were not provided with a gross building area so we estimated by dividing the rentable area by a factor of 80% (0.80), allowing for 20% of the estimated gross building area for hallways, circulation and amenities. The estimated gross building area of 379,375 square feet is compared to the property taxes per gross square foot of comparables later in this report.

Eastgate Village at Mill Creek



Planned Improvements

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Retail

The subject's retail space will be anchored by a 29,500 square foot grocery store. Given its size, this store will most likely be leased to a specialty grocer such as Whole Foods 360 or PCC Natural Markets; brands that are presently not represented in Mill Creek.

Two (2) restaurants totaling 7,200 square feet will be located at the northwest corner of the site with good visibility from 132nd Street SE, and will likely be marketed to a casual dining chains such as Red Robin, Olive Garden or Panera Bread.

The remaining 37,965 square feet of retail space will be spread throughout the development primarily in strips of shops, plus one additional pad building at the 39th Avenue SE corner. The retail space is broken down as follows:

Retail Space Summary				
Space Type	SF	% of Total Area	Proforma Rent/SF/Yr	Total Proforma Rent
Grocery	29,500	39.51%	\$18.54	\$546,875
Shop	37,965	50.85%	\$25.00	\$949,125
Restaurants	7,200	9.64%	\$30.00	\$216,000
Totals/Averages	74,665	100%	\$22.93	\$1,712,000

Eastgate Village at Mill Creek



Projected City Revenues from Development

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Projected City Revenues from Development

Retail Sales Tax Estimate

The client supplied us with an annual retail sales projection prepared by Hambleton Resources, Inc. dated December 6, 2016. This study estimated taxable retail sales per square foot for the three retail space types: grocery, restaurant and retail (shop). We compared these estimates to actual market data from recent appraisals of similar shopping centers in the metro area, and have concluded that these projections are reasonable and well supported.

The subject developer is projecting \$612,000 in annual parking revenue for the multifamily portion of the property, calculated as 680 parking spaces with a \$75.00 monthly charge. Monthly parking is subject to sales tax when the specific parking spaces are not assigned, consistent with other apartment complexes.

The City of Mill Creek's share of the 9.9% overall sales tax rate is 0.85%. The State's share is 6.5% with the balance going to regional transit taxes, criminal justice, public safety, etc. We apply this 0.85% rate to the retail sales and parking revenue projections, summarized below:

Sales Tax Revenue Project							
Retail Type	Square Feet	Estimated Sales/SF			Total Taxable Est. Sales	Mill Creek's Sales Tax Rate	Mill Creek's Projected Sales Tax
		Gross	%	Taxable			
Grocery	29,500	\$900	28%	\$252	\$7,434,000	0.85%	\$63,189
Shop	37,965	\$250	100%	\$250	\$9,491,250	0.85%	\$80,676
Restaurant	7,200	\$700	100%	\$700	\$5,040,000	0.85%	\$42,840
Retail Subtotal	74,665				\$21,965,250		\$186,705
Apartment Parking					\$612,000	0.85%	\$5,202
Totals					\$22,577,250		\$191,907

Subject construction is planned to begin in late 2017 and conclude in 2019 and there will most likely be upward inflation to the expected revenues over that time which would lead to higher sales tax collection.

Eastgate Village at Mill Creek



Projected City Revenues from Development

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Property Tax Increase Estimate

To estimate the property tax increase upon construction and stabilization of the proposed subject development we must first estimate the assessed values of both the multifamily and retail components. To do this we have analyzed comparable properties from the local area, as follows.

Multifamily Assessed Value Comparables & Projection

No.	Property Name	Year	Units /Ac	SF	Units	Avg. SF/ Unit	Total Assessed Value	Assessed Value/SF	Assessed Value/ Unit
1	Mill Creek Meadows	2014	27.4	200,690	180	1,115	33,514,000	\$166.99	\$186,189
2	Reserve at Town Center Ph III	2013	28.3	107,586	95	1,132	18,423,000	\$171.24	\$193,926
3	Tivalli	2014	49.1	426,238	383	1,113	61,491,400	\$144.27	\$160,552
4	Bailey Farm	2013	18.5	426,238	372	1,074	74,400,000	\$174.55	\$200,000
	Subject Projection		20.2	379,375	350	1,084	\$70,000,000	\$184.51	\$200,000

Four multifamily properties were selected as tax comparables, representing similar recent developments in and around Mill Creek.

Comparable 1 is Mill Creek Meadows, the first multifamily property in the East Gateway area, constructed by Polygon Northwest on part of the Henry's Plant Farm property at the east end of the area.

Comparable 2 is located in Mill Creek, just north of the town center.

Comparable 3 is located just west of Mill Creek in unincorporated Snohomish County along Interstate 5.

Comparable 4 is located immediately south of the Mill Creek city limits in unincorporated Snohomish County along the Bothell-Everett Highway, State Route 527.

The assessed value per unit of these properties range from \$160,552 to \$200,000, with the lowest being the high-density Tivalli property on the freeway. Given the proposed quality of the subject, size of its units and the amenity of being in a neighborhood shopping center anchored by a specialty grocer, we conclude to an assessed value at the top of the range at \$200,000 per unit. This is equivalent to an overall assessed value of the subject's multifamily component of \$70,000,000 in 2016.

The apartment component is then added to a projection for the proposed grocer and retail component.

Eastgate Village at Mill Creek



Projected City Revenues from Development

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Commercial Assessed Value Comparables & Projection

No	Property Name	Anchor	Year	Bldgs.	Acres	SF	2016 Total Assessed Value	Assessed Value/SF
1	Silver Firs	Safeway	2007	4	8.3	76,530	14,818,000	\$193.62
2	Thomas Lake	Albertsons, Rite Aid	1996	7	13.9	112,080	19,941,300	\$177.92
3	Mill Creek Town Center	Central Market	2005	14	14.1	184,236	48,314,000	\$262.24
4	Gateway Center	Vacant Safeway	1996	7	10.0	99,283	20,208,000	\$203.54
5	Mill Creek Plaza	Albertsons, Rite Aid	1980	10	12.6	134,638	28,639,300	\$212.71
	Subject Projection	Grocer and Retail	2019	7	11.95	74,665	\$19,412,900	\$260.00

We selected five nearby grocery-anchored shopping centers for comparison to the subject, with assessed values ranging from \$177.92 per square foot for Thomas Lake (located just west of the subject) to \$262.24 per square foot for the Mill Creek Town Center. With its proposed specialty grocer, smaller size, and new construction, the subject commercial portion is estimated near the top of the range at \$260.00 per square foot, or \$19,400,000 (rounded) in 2016 dollars.

The sum of the estimated 2016 assessed values of the proposed multifamily and commercial at the subject is \$89,400,000. This puts the combined assessed value estimate at around 69% to 75% of the prospective market value, which is conservative.

The Mill Creek property tax increase estimate is as follows:

2016 Property Tax Increase Estimate Eastgate Village (New Plan)			
Description	Assessed Value	Mill Creek Property Tax Rate	Mill Creek Property Tax
Current	\$5,868,500	0.23837%	\$13,989
Projected-Mixed Use	\$89,400,000	0.23837%	\$213,103
Increase	\$83,531,500		\$199,114

The increase in property taxes allocated to the city of Mill Creek under the proposed development is \$199,114 (projected property taxes less existing taxes in-place). Subject construction is planned to begin in late 2017 and conclude in 2019 and there will most likely property tax increases over that time.

The property tax increase shown above is significantly higher than the initial plan submitted (Old Plan), as summarized below.

2016 Property Tax Increase Estimate Shopping Center (Old Plan)			
Description	Assessed Value	Mill Creek Property Tax Rate	Mill Creek Property Tax
Current	\$5,868,500	0.23837%	\$13,989
Projected-Mixed Use	\$27,714,000	0.23837%	\$66,062
Increase	\$21,845,500		\$52,073

Eastgate Village at Mill Creek



Projected City Revenues from Development

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One-Time Sales Tax on Construction Costs

Taxable construction costs are based upon the developer's hard cost construction estimate of \$65,000,000, or \$143.16 per square foot of gross building area. This cost estimate has been cross checked using the Marshall Valuation Service and several cost comparables and verified as reasonable. The hard costs are the only construction costs that actually incur sales tax (does not include architect & engineering fees, financing fees, etc.); the total project cost estimate of \$99.7 million includes land, soft costs, contingency, financing and contractor/developer fees that are not subject to sales tax.

The \$65 million in taxable construction costs is multiplied by the Mill Creek allocated Sales Tax Rate of 0.85% to arrive at the one-time sales tax on construction costs figure, as shown below:

One-Time Sales Tax on Construction Costs (Mixed-Use New Plan)	
Taxable Construction Cost Estimate	\$65,000,000
Mill Creek Sales Tax Rate	0.85%
One-Time Sales Tax on Construction Costs	\$552,500

Again, the one-time sales tax on new construction under the current plan is significantly greater than the initial proposal (Old Plan) as summarized below.

One-Time Sales Tax on Construction Costs (Old Plan)	
Taxable Construction Cost Estimate	\$20,000,000
Mill Creek Sales Tax Rate	0.85%
One-Time Sales Tax on Construction Costs	\$170,000

Eastgate Village at Mill Creek



Summary of Economic Benefits

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Summary of Economic Benefits

Based on the preceding analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our estimate of annual and one-time revenues under the current plan is as follows:

Summary of Economic Benefits (Mixed-Use) New Plan		
Premise	Frequency	Amount
Mill Creek's portion of sales tax revenue projection	Annual	\$191,907
Mill Creek's portion of stabilized property tax increase	Annual	\$199,114
Yearly Revenue to the City		\$391,021
Mill Creek's portion of sales tax on construction costs	One-time	\$552,500

Summary of Economic Benefits (114,000 SF Retail) Old Plan		
Premise	Frequency	Amount
Mill Creek's portion of sales tax revenue projection	Annual	\$229,602
Mill Creek's portion of stabilized property tax increase	Annual	\$52,073
Yearly Revenue to the City		\$281,675
Mill Creek's portion of sales tax on construction costs	One-time	\$170,000

Comparison of New and Old Project's Economic Benefits				
	OLD PLAN		NEW PLAN	
	Size (SF)	Sales (/year)	Size (SF)	Sales (/year)
Grocery	50,000	\$30,000,000	29,500	\$26,550,000
Restaurant 1	4,320	\$3,024,000	4,200	\$2,940,000
Restaurant 2			3,000	\$2,100,000
Drug Store	16,480	\$7,416,000		
Retail Pad	35,019	\$9,630,225	37,965	\$9,491,250
Retail Pad D	8,181	\$2,249,775		
Apt Parking				\$612,000
Total \$		\$52,320,000		\$41,693,250
<i>sales subject to sales tax</i>		\$27,012,000		\$22,577,250
TOTAL SF	114,000		74,665	
City Sales Tax Revenue to Mill Creek		\$229,602		\$191,907

The City of Mill Creek collects 3% of retail sales subject to sales tax. It is estimated that 28% of Grocery Store sales are sales-taxable. It is estimated that one-half of Drug Store sales are not prescriptions and so subject to sales tax.

The yearly sales tax benefit as proposed (New Plan) is less than the initial proposal (Old Plan), but the property tax increase is significantly higher; therefore, the overall \$391,021 annual revenue is significantly higher than the \$281,675 in the initial plan. Additionally, the one-time sales tax on construction costs in the New Plan is \$380,000 higher than the Old Plan.

Eastgate Village at Mill Creek



Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Allen Safer, MAI, MRICS, made a personal inspection of the property that is the subject of this report. Gregory Bucklin, MAI, has personally inspected the subject.
12. No one provided significant assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

Eastgate Village at Mill Creek



Certification

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14. As of the date of this report, Allen Safer, MAI, MRICS and Gregory Bucklin, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



Allen Safer, MAI, MRICS
Certified General Real Estate Appraiser
Washington Certificate # 1100662



Gregory Bucklin, MAI
Certified General Real Estate Appraiser
Washington Certificate # 1101619

Eastgate Village at Mill Creek



Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. A real property consulting study is inherently subjective and represents our opinions as to the property analyzed.
2. The conclusions stated in our analysis apply only as of the effective date of the analysis, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this assignment, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the analysis assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The assignment covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical,

Eastgate Village at Mill Creek



electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

8. The analysis shall be considered only in its entirety. No part of the analysis shall be utilized separately or out of context.
9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
10. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
11. Any revenue estimates contained in the analysis are used only for the purpose of estimating the fiscal impact of proposed development to the City and do not constitute predictions of future operating results.
12. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
13. The projections found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
14. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
15. The consulting report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
16. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

Eastgate Village at Mill Creek



17. Integra Realty Resources – Seattle, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
18. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
19. All findings presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

Eastgate Village at Mill Creek



Addenda

Addendum A
Appraiser Qualifications

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Allen Safer, MAI, MRICS

Experience

Senior Managing Director for Integra Realty Resources-Seattle in Washington State. Integra Realty Resources Seattle is part of Integra Realty Resources (IRR), a national valuation and consulting firm with 66 offices in the U.S. and Caribbean.

Mr. Safer and his firm are experienced in the analysis of various property types including: vacant land, residential plats, master planned communities, multifamily developments, retail, office, industrial and special purpose properties in Washington State and Alaska. Clients served include various financial concerns, law and public accounting firms, private and public agencies, pension and advisory companies, investment firms, and the general public. Further, utilizing the resources of Integra's nationwide coverage, the firm is actively involved in the completion of large portfolio engagements.

Mr. Safer's background includes 30+ years of counseling and valuation analysis for the general public on commercial and residential properties in Washington and Alaska. Entered the appraisal profession with Coldwell Banker Appraisal Services from 1977 to 1981. Founded Safer & Company in 1982 and transitioned to Property Counselors from 1986 to 2001.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)
President: Local Chapter of the Appraisal Institute, January 2007 - December 2007
Chairman: Seattle Chapter Real Estate Fall Conference, January 2008 - December 2010
Chairman: National Appraisal Institute Regional Chairs, January 2000 - December 2000
Chairman: National Appraisal Institute Executive Committee, January 2000 - December 2000
Chairman: Pacific NW Region 1 Board of Directors, January 1998 - December 1999
Board of Director: Appraisal Institute, January 1996 - December 2001
Member: Appraisal Institute Finance Committee, January 1996 - December 1997
Board of Director: General Appraisal Board of the Appraisal Institute, January 1994 - December 1996
Chairman: National Comprehensive Exam Subcommittee of the Appraisal Institute, Jan. 1990 -Dec.1992
Member: National Comprehensive Exam Subcommittee of the Appraisal Institute, Jan. 1983 -Dec.1992
Member: Government Relations Committee, January 2002 December 2004
Member: National Admissions Committee of the Appraisal Institute, January 1990 December 1993
Board of Director: Seattle Chapter of the Appraisal Institute, January 1989 December 1992
Member: Regional Professional Standards Panel of the Appraisal Institute, January 1984
Chairman: Local Chapter Admissions and Programs, January 1986 December 1991

Licenses

Alaska, Appraiser, 412, Expires June 2017
Washington, Appraiser, 1100662, Expires September 2017
Washington, Designated Broker, 3341, Expires December 2017

Education

Bachelor of Science, Real Estate, University of Colorado, Boulder, Colorado

Qualified Before Courts & Administrative Bodies

United States Bankruptcy Court, Seattle Washington
King County Superior Court, Washington
King County Board of Equalization
Pierce County District Court
Washington State Board of Tax Appeals
Various Arbitration & Land Use Hearings

Miscellaneous

Recipient of the Seattle AI Chapter's "Appraiser of the Year" Award for 2001.
Recipient of the Seattle AI Chapter's 2009 "President's Award".
IRR Certified Reviewer

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Gregory H. Bucklin, MAI

Experience

Greg Bucklin is a Director with Integra Realty Resources – Seattle. He has been actively involved in appraising commercial real estate in the State of Washington since 2001. Prior to joining Integra in 2007, he most recently worked for McKee and Schalka.

Greg is experienced in the analysis of unique property types such as car washes, marinas and hotels. His body of work is varied and includes several eminent domain projects.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

Licenses

Washington, Certified General Real Estate Appraiser, 1101619, Expires October 2017

Education

Bachelor of Arts, Geography, University of Washington, 2001
Bachelor of Arts, Community & Environmental Planning, University of Washington, 2001
Minors: Architecture and Urban Design & Planning, University of Washington, 2001
Certificate of Commercial Real Estate, University of Washington, 2006
Standards of Professional Practice, Part A (USPAP), 2002
Report Writing and Valuation Analysis, 2003
Advanced Income Capitalization, 2005
Highest & Best Use and Market Analysis, 2005
7-Hour USPAP Update, 2005
Advanced Sales Comparison & Cost Approaches, 2006
Advanced Applications, 2006
Uniform Appraisal Standards for Federal Land Acquisitions, 2008
Business Practices and Ethics, 2011
Fundamentals of Separating Real Property, Personal Property, 2012

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Integra Realty Resources, Inc. Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in North America with 58 independently owned and operated offices located throughout the United States and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS	MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS	MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS	NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS	NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS	NEW JERSEY COASTAL - Halvor J. Egeland, MAI
BOSTON, MA - David L. Cary, Jr., MAI, MRICS	NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI	NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS	ORANGE COUNTY, CA - Steve Calandra, MAI
CHICAGO, IL - Eric L. Enloe, MAI, FRICS	ORLANDO, FL - Christopher Starkey, MAI, MRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA	PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
CLEVELAND, OH - Douglas P. Sloan, MAI	PHOENIX, AZ - Walter "Tres" Winius III, MAI, FRICS
COLUMBIA, SC - Michael B. Dadds, MAI, CCIM	PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS	PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS	PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS	RALEIGH, NC - Chris R. Morris, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS	RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
FORT WORTH, TX - Gregory B. Cook, MAI, SR/WA	SACRAMENTO, CA - Scott Beebe, MAI, FRICS
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS	ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS	SALT LAKE CITY, UT - Darrin W. Liddell, MAI, FRICS, CCIM
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS	SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS	SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
JACKSON, MS - John R. Praytor, MAI	SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS	SEATTLE, WA - Allen N. Safer, MAI, MRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS	SYRACUSE, NY - William J. Kimball, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI	TAMPA, FL - Bradford L. Johnson, MAI, MRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS	TULSA, OK - Owen S. Ard, MAI
LOS ANGELES, CA - Matthew J. Swanson, MAI	WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS	WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS	CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS





ATTACHMENT 4 – DEPARTMENT EXPENSE ANALYSIS

THE FARM AT MILL CREEK DEVELOPMENT

Police Department

Overview

In considering the potential service level expenses that the Police Department may experience, staff used reasonable comparisons based on historical numbers. The most readily available data for this comparison is call-for-service (CFS) data available through our records management system (RMS). It is important to note that most of the CFS described in this report are generated by calls to 911 or the dispatch center, but an unidentified and smaller percentage of the CFS are officer-generated. The result is the same however, in that both community-driven and officer-driven CFS are a result of the presence of the development. Given that the proposed project is a mixed-use facility, and the fact that there is not a similar project in the City, it was necessary for staff to look at residential and commercial developments separately and then pull the data together for projections.

The projected size and configuration of the residential units and population most closely resembles the size and configuration of a current multi-family complex in Mill Creek; the Hawthorne Apartments. Another comparable development used in this study is the Meadows Apartments, a complex in close proximity to this project but with roughly half the residential units. For this comparison, CFS were multiplied by a factor of 2.

In considering the impact created by the commercial portion of the proposed development, staff identified the Gateway Plaza as a comparable property based on overall square footage and the nature of the businesses that occupy Gateway, including service businesses, restaurants, a bank and most recently a specialty grocery store and fitness facility. A challenge experienced with this comparison is the recent opening of the last two businesses; Sprouts and Planet Fitness, so it was necessary to extrapolate data for comparative purposes. That extrapolation is explained in more detail in the commercial section of this report.

Residential impact

An examination of the CFS data at the two comparable multi-family complexes revealed that they were quite similar in nature. Over a two-year period (2017-2018), the Hawthorne reported 44 CFS in the categories listed below. The Meadows Apartments reported 25 CFS during the time frame, multiplied by a factor of 2, for a total of 50. Two provide a comparison of what the Farm development *may* yield as far as CFS numbers over a two-year period, these two amounts were averaged for a total anticipated impact of 47 CFS.

The raw data for these two complexes are included in the charts below.

AGENDA ITEM #E.

Hawthorne Apartments

Type Code	2017	2018	Total
Assault(s)	2	0	2
Burglary	3	0	3
Disturbance	0	0	0
DV Verbal	7	6	13
Forgery	1	0	1
Harassment	1	0	1
ID Theft	1	0	1
Malicious Mischief	2	0	2
Crisis Intervention	0	0	0
Poss. Stolen Prop.	0	0	0
Robbery	0	0	0
Sex Offense	1	1	2
Theft	3	4	7
Threats	0	0	0
Vehicle Prowl	8	2	10
Vehicle Recovery	0	0	0
Vehicle Theft	2	0	2
VUCSA (Drug)	0	0	0
		Total	44

Meadows Apartments

Type Code	2017	2018	Total
Assault(s)	3	2	5
Burglary	0	1	1
Disturbance	0	0	0
DV Verbal	2	2	4
Forgery	0	0	0
Harassment	0	0	0
ID Theft	0	0	0
Malicious Mischief	1	0	1
Crisis Intervention	0	0	0
Poss. Stolen Prop.	0	0	0
Robbery	0	0	0
Sex Offense	0	1	1
Theft	2	3	5
Threats	0	1	1

Vehicle Recovery	0	0	0
Vehicle Prowl	3	2	5
Vehicle Theft	1	0	1
VUCSA (Drug)	1	0	2
		Total	25 x 2= 50

Commercial Impact

As mentioned above, the Gateway Plaza, in its current configuration, most closely resembles the projected commercial portion of the Farm Development. It is important to note that during all of 2017 and much of 2018, two major tenants in the Gateway Plaza did not exist, with Planet Fitness and Sprouts opening in the second half of 2018. In order to liberally account for this, the total reported CFS were multiplied by a factor of 4, representing the four six-month periods in the 2017-2018 biennium. While there is no way to ensure the accuracy of this estimate, it is the most likely comparable available to staff for this purpose.

Given this extrapolation, staff reasonably assumes a CFS impact of 48 additional incidents in a two-year period.

The raw data for this complex is included in the chart below.

Gateway Plaza

Type Code	2017	2018	Total
Assault(s)	0	1	1
Burglary	1	1	2
Disturbance	0	0	0
DV Verbal	0	0	0
Forgery	0	0	0
Harassment	0	0	0
ID Theft	0	0	0
Malicious Mischief	1	0	1
Crisis Intervention	0	0	0
Poss. Stolen Prop.	0	0	0
Robbery	0	1	1
Sex Offense	0	0	0
Theft	0	6	6
Threats	0	0	0
Vehicle Recovery	1	0	1
Vehicle Prowl	0	0	0
Vehicle Theft	0	0	0
VUCSA (Drug)	0	0	0

		Total	12 x 4 = 48
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Citywide CFS information

In order to comparably measure the impact of these projected CFS, it is important to measure these numbers against historical data. Staff researched CFS data for the incident categories used in this comparison. City wide during the 2017-2018 biennium, there were **1494** CFS of this nature.

The raw data is included in the chart below.

Mill Creek Total	Type Code	Total
	Assault(s)	111
	Burglary	121
	Disturbance	7
	DV Verbal	139
	Forgery	47
	Harassment	24
	ID Theft	72
	Malicious Mischief	103
	Crisis Intervention	8
	Poss. Stolen Prop.	8
	Robbery	14
	Sex Offense	24
	Theft	406
	Threats	10
	Vehicle Recovery	49
	Vehicle Prowl	198
	Vehicle Theft	71
	VUCSA (Drug)	82
		1494

Summary

Staff projects the increase in CFS related to the Farm Development to be an additional **95 CFS** over a two-year period, based on an average of **47 CFS** from the two residential comparables and **48 CFS** from the one commercial comparable.

Compared to the two-year citywide historical CFS of 1494, this additional 95 CFS represents an approximately **6.4% increase in CFS**.

Given current workload in the police department, it is anticipated that current resources can accommodate this CFS adjustment without need for an increase in our service level expenses.

Public Works and Development Services Department

Overview

In considering the potential service level expenses that the Public Works and Development Services Department may experience regarding the proposed development (The Farm), staff identified activities based on other EGUV development.

A) Operational Expenditures related to the following activities:

- Street Sweeping
- Catch Basin cleaning
- Street Pavement Marking
- Street Light Repairs
- Street snow and ice removal
- Inspection of surface water private detention structures (permit requirement; NPDES - National Pollutant Discharge Elimination System)
- Maintenance of pathways in wetlands (after five years if City takes ownership of property)
- Snohomish PUD power
- Other street repairs (concrete curbs, etc.)
- Ad hoc support to new businesses

B) Capital Expenditures

Eventually, capital infrastructure will need to be rehabilitated or repaired –pavement, surface water facilities and street lighting. Major repairs or rehabilitation would not be expected within the first ten to fifteen years after construction and therefore no estimate of expenses can be projected at this time.

Summary:

The Department’s operations and maintenance crew is limited to 4.7 FTEs and even modest increases in maintenance responsibilities and growth may require additional funds. The Department will manage with existing resources and will further evaluate two years after The Farm construction is complete.



**Attachment 5 -
The Farm at Mill Creek
Response to Questions**

DEVELOPMENT PLAN

How many apartments are included in the development?

There are 380 units, which includes 355 apartment units and 25 live/work units.

How many new apartments have been approved/developed in last 5 years along the 128th/132nd Street SE corridor?

Three jurisdictions abut the 128th/132nd Street SE corridor, so the approved developments are listed by jurisdiction.

- City of Mill Creek:
The City has approved two developments. The first development was a multi-family development (Polygon) with 180 apartment units (The Mill Creek Meadows Apartments) and 122 townhouses (The Meadows at Mill Creek). The second development was the Vintage at Mill Creek with 216 senior (55 years and older) housing units.
- City of Everett:
Staff will research and tabulate this data.
- Snohomish County:
Staff will research and tabulate this data.

Is this a low-income housing development?

The developer is proposing a workforce housing project as part of the Farm development. 100% of the 355 units will be available to households at 60% of the average median income (see table below). Workforce housing is a term used increasingly used by planners, government and organizations concerned with housing policy or advocacy to describe housing for people making at least 60 percent of area median income (AMI). Workforce housing is promoted as attractive and affordable housing for teachers, law enforcement officers, firefighters, nurses, in close proximity to their jobs. "Workforce housing" can refer to any form of housing, including single or multi-family homes, as well as occupation of rental units. The tenants are screened and audited on an annual basis through the State program. The City code does not regulate developer funding sources. But the City does require the same high standard of development for all commercial and housing units in the City regardless of the funding sources.

Washington State Income & Rent Limits for Housing Trust Fund Projects - 2018								
Published 4-30-2018								
County:	Snohomish County							
2018 Median Income:	\$ 103,400							
	Income Limits by Household Size/Target Population AMI							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% AMI	\$ 22,500	\$ 25,700	\$ 28,900	\$ 32,100	\$ 34,700	\$ 37,250	\$ 39,850	\$ 42,400
35% AMI	\$ 26,215	\$ 29,960	\$ 33,705	\$ 37,450	\$ 40,460	\$ 43,470	\$ 46,445	\$ 49,455
40% AMI	\$ 29,960	\$ 34,240	\$ 38,520	\$ 42,800	\$ 46,240	\$ 49,680	\$ 53,080	\$ 56,520
45% AMI	\$ 33,705	\$ 38,520	\$ 43,335	\$ 48,150	\$ 52,020	\$ 55,890	\$ 59,715	\$ 63,585
50% AMI	\$ 37,450	\$ 42,800	\$ 48,150	\$ 53,500	\$ 57,800	\$ 62,100	\$ 66,350	\$ 70,650
60% AMI	\$ 44,940	\$ 51,360	\$ 57,780	\$ 64,200	\$ 69,360	\$ 74,520	\$ 79,620	\$ 84,780
65% AMI	\$ 48,685	\$ 55,640	\$ 62,595	\$ 69,550	\$ 75,140	\$ 80,730	\$ 86,255	\$ 91,845
80% AMI	\$ 56,200	\$ 64,200	\$ 72,250	\$ 80,250	\$ 86,700	\$ 93,100	\$ 99,550	\$ 105,950

How many parking spaces are planned for the development?

There are 1,197 parking stalls currently shown in this development. This includes 435 surface spaces and 762 spaces in parking garages. This number would change slightly as the site plan is refined.

What kinds of businesses are targeted for location at the development?

Among the businesses being targeted for development at this location are restaurants, a charter school, organic grocer, bistro, wine shops, advanced medical office space, financial institutions and more. A letter of intent has already been signed with some businesses for this development.

SCHOOLS

Does the developer have to pay for impacts to schools?

Yes. The City has an interlocal agreement with the school district. The school district has its own capital facilities plan, which includes a breakdown of projected facilities to accommodate student growth and population. The district sets a generation rate for each type of residential unit that determines the impact fee that the developer is charged. The developer must pay that fee when the development is approved. The school impact fee from this development is \$465,924 and it is paid by the developer directly to the schools. The City does not have any authority pertaining to the proposed development regarding this issue.

How will school student assignments be effected by the development?

City staff has requested a response on this topic from Everett School District.

TRAFFIC

How will this development impact traffic?

The overall project is anticipated to generate 6,112 gross daily trips at the site access driveways with 392 during the morning peak commute hour and 565 during the evening peak commute hour. When accounting for the trips between EGUV land uses and pass-by trips of the retail use, the new trips associated with the project total 3,620 daily, 238 AM peak hour, and 332 PM peak hour trips. This falls within the required levels of service for the City. Traffic mitigation fees of \$1,098,000 paid by the developer will help with traffic improvement projects in the area, including work on expanding the spine road eastward. [View the entire traffic report.](#)

Traffic mitigation money will be paid by the applicant for traffic mitigation. Traffic mitigation funds are necessary to fund the Capital Improvement Plan (CIP). Two projects in the CIP directly related to the project are the purchasing of segments of the spine road right-of-way.

What is the anticipated wait time at intersections?

The following information are excerpts from the Traffic Study prepared for the development.

**35th Street SE/132nd Street SE Intersection and 39th Street SE/132nd Street SE Intersection:
*Traffic Operations***

The operational characteristics of an intersection are determined by calculating the intersection level of service (LOS). At signalized intersections, LOS is measured in average control delay per vehicle and is typically reported using the intersection delay. Traffic operations and average vehicle delay for an intersection can be described qualitatively with a range of levels of service (LOS A through LOS F), with LOS A indicating free-flowing traffic and LOS F indicating extreme congestion and long vehicle delays. Attachment E contains a detailed explanation of LOS criteria and definitions.

For the operations analysis of existing conditions at the signalized study intersections, signal timing and phasing information was obtained from Washington State Department of Transportation (WSDOT). Analysis parameters including lane channelization were maintained for future (2021) without-project conditions from existing conditions. Signal timing splits and offsets were optimized under future (2021) conditions. Additionally, under future with-project conditions, the southern leg of the 39th Avenue SE/312nd Street SE intersection is included in the analysis reflecting the channelization shown in Figure 2.

Weekday PM peak hour traffic operations for existing and future conditions were evaluated at the study intersections based on the procedures identified in the *Highway Capacity Manual* (2010) and were evaluated using *Synchro 9.1*. *Synchro 9.1* is a software program that uses *HCM* methodology to evaluate intersection LOS and average vehicle delays. Results for the existing and future operations analyses are summarized in Table 2. Detailed LOS worksheets for each intersection analysis are included in Attachment F.

Table 2. Existing and Future PM Peak Hour Intersection LOS Summary

Intersection	Existing		2021 Without-Project		2021 With-Project	
	LOS ¹	Delay ²	LOS	Delay	LOS	Delay
1. 35th Avenue SE/132nd Street SE	E	73	E	69	E	72
2. 39th Avenue SE/132nd Street SE	C	22	C	23	D	48

Seattle Hill Road/132nd Street SE Intersection:

The operations of the Seattle Hill Road/132nd Street SE intersection reflecting the existing phasing and channelization for the with and without project volumes are summarized in Table below as well as the future with-project volumes with the proposed mitigated channelization and phasing. As shown in the table, the project is anticipated to result in an increase of approximately 7 seconds of delay relative to without project conditions with the existing channelization and phasing. With the proposed mitigated channelization and phasing, the project is anticipated to operate at LOS E with 77 seconds of delay. The traffic operation worksheets are included in Attachment A.

Table 1. Future PM Peak Hour Intersection LOS Summary

Intersection	2021 Without-Project		2021 With-Project		2021 With-Project – Mitigated	
	LOS ¹	Delay ²	LOS	Delay	LOS	Delay
3. Seattle Hill Road/132nd Street SE	F	80	F	87	E	77

1. Level of Service (A – F) as defined by the 2010 *Highway Capacity Manual* (HCM) (TRB)
2. Average delay per vehicle in seconds.

What is the accuracy of current traffic study, since additional commercial space and residential units have been added?

The traffic study will be updated prior to issuing SEPA to reflect the current square footages and unit counts.

Will there be a spine road?

Yes, the developer will finance and build a new public road connection to 132nd Street SE (SR 96) at the signalized intersection at 39th Avenue SE. The spine road will help bring people into the development and off the state route.



Doesn't the EGUV plan call for the spine road to be connected to 35th Ave? Why isn't that part of this plan?

The connection to 35th Avenue SE cannot be made because of environmental conditions between the development and 35th Avenue SE. The developer is required to construct the portion of the spine road that is on the subject property, which is planned to connect to 132nd Street SE at 44th Avenue SE and Seattle Hill Road to the west.

Will there be access to mass transit?

Yes. Community Transit runs along 132nd Street SE, and there are stops nearby, including one each direction at the intersection of 132nd Street SE and 39th Avenue SE.

ENVIRONMENTAL

What things are assessed as part of an environmental impact review?

The State Environmental Policy Act (SEPA) requires project assessment and mitigation of impacts to 16 different items, including:

- Earth
- Air
- Water
- Plants
- Animals
- Energy and Natural Resources
- Environmental Health
- Land and Shoreline Use
- Housing
- Aesthetics

- Light and Glare
- Recreation
- Historic and Cultural Preservation
- Transportation
- Public Services
- Utilities

As part of the offset from mitigating impacts, the City requires certain monetary compensation to build improvements, including recreation for community and neighborhood parks, traffic, schools, and more.

The developer will pay impact fees of \$449,736 for a City neighborhood park and \$273,000 for a community park.

How will this impact the adjacent wetlands?

The proposed preliminary Critical Areas Wetland Mitigation Plan has been reviewed by the Department of Ecology and City's wetland consultant is consistent with City environment regulations. Below is a summary of the project and for a detailed description, please see the project page links to the Critical Areas Study and Mitigation Plan.

The developer has proposed an innovative stormwater design that will infiltrate clean stormwater into a select fill layer so that a portion of the stormwater will be delayed in reaching the wetlands. The delayed discharge of stormwater will allow the hydration of the wetlands weeks to months into typically drier periods.

There is a 61-acre wetland park that is being rehabilitated as a wetland park. The developer recently purchased the land previously owned by Pacific Topsoils. An elevated footbridge will connect the development to the wetlands. The plans include trails, a learning center, and additional parking offsite. The goal is to connect it to the project site.

GENERAL

What is the economic benefit to the City from this development?

Based on a 2016 Fiscal Impact Analysis (currently under review and to be updated by The Farm developer) indicates that the development as proposed in 2016 would generate over \$391,000 in annual on-going tax revenues (property tax and sales taxes) and over \$552,000 of one-time construction related taxes (sales taxes). Although The Farm developer is currently evaluating an update to the 2016 analysis, he has reported that the revenues cited in the report remain relevant and may be lower than what may actually be generated since the overall cost of the project has increased since 2016.

How will surrounding property valuation be impacted by the proposed development?

The proximity of commercial services and a potential passive park typically increases the values of adjacent homes.

Can we change the development name?

There is no established process for the City to name a private development. Private developments in the City are named by the property owners. The City does not have any authority to name the development, aside from naming the spine road or other public areas such as the park. The name selected by the developer, The Farm at Mill Creek, gives homage

AGENDA ITEM #E.

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to the property's history as the old buffalo farm and is proposing to integrate historical and farm themed elements into the project design.

Attachment 5

Integra Realty Resources
Seattle

Fiscal Impact Analysis

The Farm at Mill Creek
Mixed Use Property
3830-4008 132nd Street SE
Mill Creek, Snohomish County, Washington 98012

Prepared For:
Vintage Housing Development Inc.

Effective Date of the Analysis:
March 3, 2019

IRR - Seattle
File Number: 154-2019-0135





The Farm at Mill Creek
3830-4008 132nd Street SE
Mill Creek, Washington

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March 7, 2019

Ryan Patterson
Vintage Housing Development Inc.
369 San Miguel Drive, Ste. 135
Newport Beach, CA 92660

SUBJECT: Fiscal Impact Analysis
The Farm at Mill Creek
3830-4008 132nd Street SE
Mill Creek, Snohomish County, Washington 98012
IRR - Seattle File No. 154-2019-0135

Dear Mr. Patterson:

Integra Realty Resources – Seattle is pleased to submit the accompanying fiscal impact study of the referenced property. The client for the assignment is Vintage Housing Development Inc., and the intended use is as a supporting document to present to the Mill Creek City Council as part of regulatory approvals.

The subject site area is 17.34 acres or 755,330 square feet, however, approximately 5.4 acres at the western end of the site is undevelopable for construction because it has wetlands, and will be preserved as a Native Growth Protection Area (NGPA) consistent with Mill Creek City Code (MCMC 18.06). The property is located on the south side of the intersection of 132nd Street SE and 39th Avenue SE in the East Gateway Urban Village area of Mill Creek.

The subject as proposed will be a mixed-use development planned for approximately 83,264 square feet of commercial space (excluding the commercial work space contained within the live/work units) and 355 apartment units. There will be three 5-story mixed-use buildings with commercial ground floor below apartments at the east and south areas of the site. A separate 650-stall, 5-story parking garage will supply most of the needed multifamily parking. There will be six separate single-story commercial buildings at the 39th Avenue SE intersection. Construction is planned to begin in May 2019 and conclude in October 2021.

Ryan Patterson
Vintage Housing Development Inc.
March 7, 2019
Page 2

with a total development cost estimate of \$144.8 million, of which \$82,703,204 is hard construction costs that are taxable as retail sales.

This fiscal impact analysis presents the following:

- 1) Evaluates the potential sales tax revenue generated by the proposed development of the subject
- 2) Estimates projected property tax revenues to the City of Mill Creek subsequent to development (over and above existing property tax revenues)
- 3) Estimates the city's share of one-time sales tax revenues on construction costs

Based on the analysis contained herein and subject to the definitions, assumptions, and limiting conditions expressed in the report, our estimate of revenues is as follows:

Summary of Economic Benefits		
Premise	Frequency	Amount
Mill Creek's portion of sales tax revenue projection	Annual	\$287,947
Mill Creek's portion of stabilized property tax increase	Annual	\$211,225
Annual Revenue to the City		\$499,172
Mill Creek's portion of sales tax on construction costs	One-time	\$980,033

This consulting study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Seattle



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Assignment Information**Effective Date**

The date of the report is March 7, 2019. The effective date of the analysis is March 3, 2019, the actual date of our on-site inspection.

Client, Intended Use and User

The client and intended user is Vintage Housing Development Inc. The intended use of this study is as a supporting document to present to the Mill Creek City Council as part of regulatory approvals.

Applicable Requirements

This analysis is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Prior Services

We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

This analysis does the following:

- 1) Evaluates the potential sales tax revenue generated by the proposed development of the subject
- 2) Estimates projected property tax revenues to the City of Mill Creek subsequent to development (over and above existing property tax revenues)
- 3) Estimates the City's share of one-time sales tax revenues on construction costs

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Methodology

- 1) Project the taxable retail sales potential and estimate the City sales tax potential based on the City's tax rate on retail sales.



Assignment Information

3

- 2) Estimate the potential assessed value as a basis for projecting the increase in City property tax revenue, over and above the existing property taxes currently in-place.
- 3) Estimate the one-time sales tax that would be paid on the construction of the project.

Inspection

Both Allen Safer, MAI, MRICS, and Gregory Bucklin, MAI, conducted an on-site inspection of the property.

The Farm at Mill Creek



Property Information

Identification of Subject

The subject site area is 17.34 acres or 755,330 square feet, however, approximately 5.4 acres at the western end of the site is undevelopable for construction because it has wetlands, and will be preserved as a Native Growth Protection Area (NGPA) consistent with Mill Creek City Code (MCMC 18.06). The property is located on the south side of the intersection of 132nd Street SE and 39th Avenue SE in the East Gateway Urban Village area of Mill Creek.

The subject as proposed will be a mixed-use development planned for approximately 83,264 square feet of commercial space (excluding the commercial work space contained within the live/work units) and 355 apartment units. There will be three 5-story mixed-use buildings with commercial ground floor below apartments at the east and south areas of the site. A separate 650-stall, 5-story parking garage will supply most of the needed multifamily parking. There will be six separate single-story commercial buildings at the 39th Avenue SE intersection. Construction is planned to begin in May 2019 and conclude in October 2021 with a total development cost estimate of \$144.8 million, of which \$82,703,204 is hard construction costs that are taxable as retail sales.

Property Identification

Property Name	The Farm at Mill Creek
Address	3830-4008 132nd Street SE Mill Creek, Washington 98012
Tax ID	28053300200300 and 28053300200200
Owner of Record	Eastgate by Vintage, LP

Land Area

The property consists of two contiguous tax parcels with a total area of 17.34 acres per the Snohomish County Assessor’s office. An estimated 5.39 acres at the west end of the property cannot be built on and will be used for a nature park. The following table summarizes the subject’s land area.

Land Area Summary

Tax ID	SF	Usable SF	Acres	Usable Acres
28053300200300	352,400	117,455	8.09	2.70
28053300200200	402,930	402,930	9.25	9.25
Total	755,330	520,385	17.34	11.95

Source: Snohomish County Assessor

Shape, Dimensions and Current Use

The subject site is rectangular with approximately 1,230 lineal feet of frontage along 132nd Street SE (State Route 96) and a depth of about 615 feet. The site is generally level and at street grade, with some upward sloping from west to east. There is a vacant house at the east end of the property and some assorted outbuildings; the remainder of the site is cleared with low ground cover.

The Farm at Mill Creek



Property Information

Ownership and Sale History

Sale Date	August 31, 2017
Seller	Penny Creek Partners, LLC
Buyer	Eastgate by Vintage, LP
Sale Price	\$5,832,200
Recording Instrument Number	201708310820

The subject property was purchased by current ownership in August 2017 for \$5,832,200, which is equivalent to \$11.21 per square foot of usable land area, and \$16,475 per planned apartment unit.

The seller Penny Creek Partners LLC had owned the property since 1994; the property was previously planned for a Walmart store under the jurisdiction of Snohomish County, and later a 114,000-square-foot, grocery-anchored shopping center. In 2010 two small pieces of the subject site totaling 1,831 square feet were acquired by the City of Mill Creek to install the signalized intersection at 132nd Street SE and 39th Avenue SE.

In February 2019 subject ownership purchased the property formerly owned by Pacific Topsoils adjacent to the south, consisting of approximately 61 acres that will be used as an off-site wetland mitigation area and developed into a wetland sanctuary and a park. This property will be connected to the subject via a footbridge, but is not a part of the property being analyzed in this report.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective date of this analysis.



Aerial Photo

The property is located on the south side of the signalized intersection of 132nd Street SE (State Route 96) and 39th Avenue SE. The subject is west end of the East Gateway Urban Village area in the northeast corner of the city of Mill Creek.



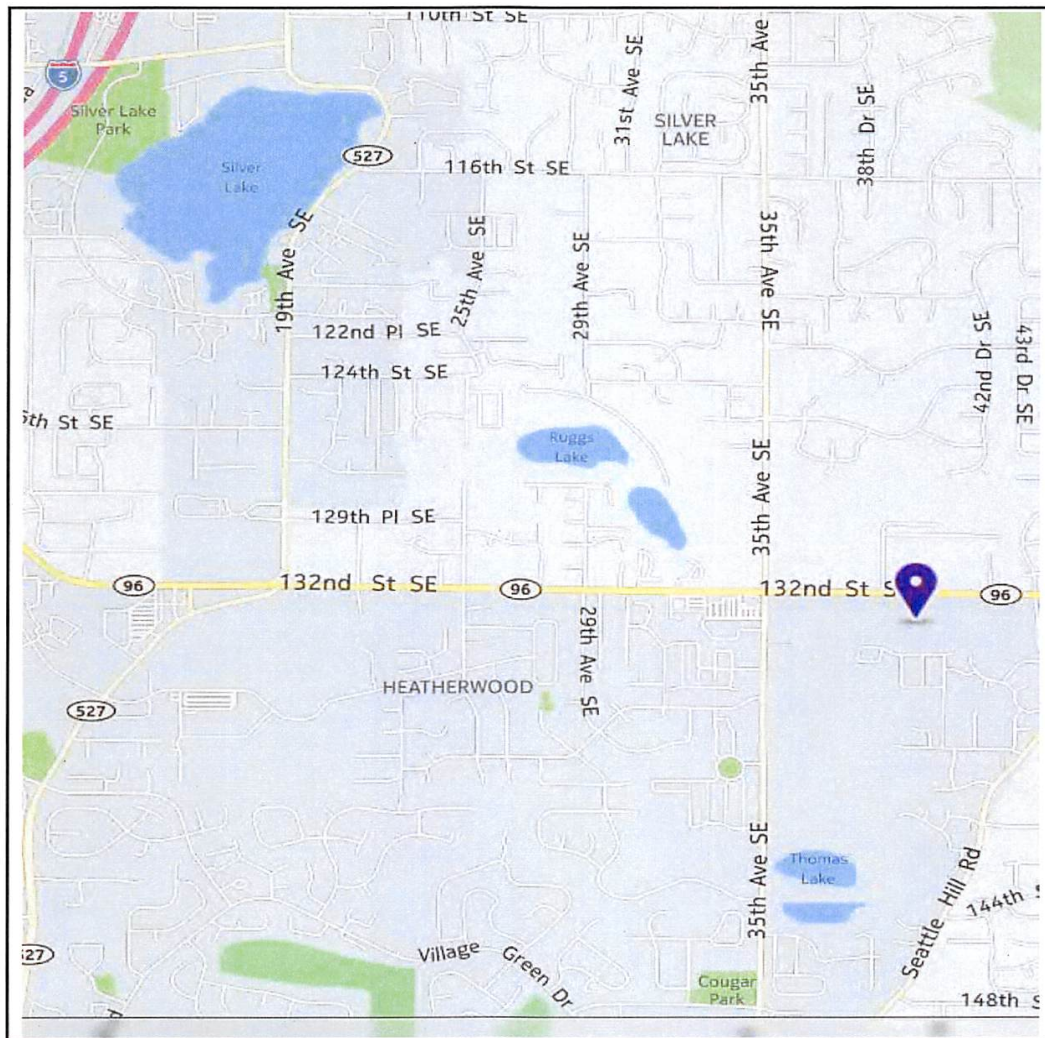
Site Plan



The Farm at Mill Creek



Area Map



The Farm at Mill Creek



Access and Visibility

The property has excellent access and visibility from 132nd Street SE (State Route 96), a major east-west arterial street that connects the neighborhood with 35th Avenue SE, State Route 527 (Bothell-Everett Highway) and Interstate 5 to the west (via 128th Street SE) as well as Seattle Hill Road and State Route 9 to the east.

Interstate 5 is approximately 2½ road miles to the west of the subject and is accessed by a full diamond interchange at 128th Street SE. State Route 9 is approximately 3½ road miles to the east of the subject.

At the subject location, 132nd Street SE has a turn lane and two travel lanes in each direction with curbs, gutters and sidewalks on both sides of the street. The speed limit is 40 miles per hour.

Zoning

The subject is part of the proposed East Gateway Urban Village and is EGPUV, East Gateway Planned Urban Village by the City of Mill Creek. The purpose of the planned urban village zone district is to implement the planned urban village policies and East Gateway Urban Village illustrative development plan contained in the Mill Creek comprehensive plan. This district is intended to accommodate pedestrian-oriented mixed-use commercial, office, residential and public uses that conform to the design and layout of the approved detailed master development plan.

Zoning Summary

Zoning Jurisdiction	City of Mill Creek	
Zoning Designation	EGUV	
Description	East Gateway Urban Village	
Legally Conforming?	Appears to be legally conforming	
Zoning Change Likely?	No	
Permitted Uses	Retail, office, multifamily, lodging and public uses (see MCMC 17.19)	
Category	Zoning Requirement	
Maximum Building Height	Five stories or 60 feet for mixed-use structures; 3 stories/35 feet if built adjacent to SFRs in LDR zone	
Parking Requirement	Apartments	Retail
	One Bedroom: 1.5/unit	1.0 per 250 square feet
	Two+ Bedroom: 2.5/unit	
	25% to be reserved for guest parking	
	Code allows for mixed-use developments to reduce parking by 10%, and to share parking spaces between different space types if those uses have different hours of use.	

Source: Mill Creek Municipal Code



Current Real Estate Taxes

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2019							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Total Tax Rate	Taxes	Direct Assessments	Total
28053300200300	\$1,753,700	\$0	\$1,753,700	1.07662%	\$18,881	\$7	\$18,888
28053300200200	\$4,172,300	\$0	\$4,172,300	1.07662%	\$44,920	\$6,899	\$51,819
	\$5,926,000	\$0	\$5,926,000		\$63,801	\$6,906	\$70,707

The western subject parcel is assessed at a lower value because approximately 2/3 of it, or 5.4 acres, is undevelopable wetlands.

The overall Property Tax rate is calculated at \$10.7662 per \$1,000 assessed value (or 1.07662%). Of this, the City of Mill Creek currently collects \$1.9376 per \$1,000 of assessed value (or 0.19376%). The City's portion of the total 2019 tax amount of \$63,801 is \$11,482.



Planned Improvements

The subject as proposed will be a mixed-use development planned for approximately 83,264 square feet of commercial space (excluding the commercial work space contained within the live/work units) and 355 apartment units. Construction is planned to begin in May 2019 and conclude in 2021 with a total development cost estimated at \$130.5 million, of which \$82,703,204 is construction costs which are taxable as retail sales.

Improvements Description

Overall Property			
Name of Property	The Farm at Mill Creek		
General Property Type	Mixed Use	Commercial	Apartment
Number of Units	354		355
Units per Usable Acre (Density)	29.6		
Gross Building Area (SF)	505,109	83,264	421,845
Rentable Area (SF)	420,740	83,264	337,476

Apartments

There are 355 apartments units planned at the subject, with a unit mix and proposed rental rates as follows:

Apartment Unit Mix

Unit Type	Average Unit		% of Units	Total Rentable SF	Proforma Rent	
	Size	Total Units			Average	Avg. \$/SF
1 Bed 1 Bath	694	102	29%	70,780	\$1,164	\$1.68
2 Bed 1 Bath	1,006	165	46%	166,024	\$1,395	\$1.39
3 Bed 2 Bath	1,144	88	25%	100,672	\$1,610	\$1.41
TOTAL/AVG.	951	355	100%	337,476	\$1,382	\$1.45
				Rentable to Gross Factor		0.8
				Estimated Gross SF		421,845

1. Includes employee & model units, if any.

The total rentable square footage of the 355 apartment units will be 337,476 square feet. We were not provided with a gross building area, so we estimated by dividing the rentable area by a factor of 80% (0.80), allowing for 20% of the estimated gross building area for hallways, circulation and amenities.



Commercial

The subject’s commercial space will be spread among all nine subject buildings, including the ground floors of the three mixed-use buildings. Per the developer, the current space breakdown and proforma rents are as follows:

Space Type	SF	Proforma	
		Rent/SF/Yr	Annual Rent
Grocery	6,130	\$26.00	\$159,380
Shop	34,652	\$24.00	\$831,648
Restaurant/Winery	16,379	\$36.00	\$589,644
Daycare	10,513	\$32.00	\$336,416
Medical Office	15,590	\$28.00	\$436,520
Total/Average	83,264	\$28.27	\$2,353,608



Projected City Revenues from Development

Retail Sales Tax Estimate

The client supplied us with an annual retail sales projection prepared by Hambleton Resources, Inc. dated December 6, 2016. This study estimated taxable retail sales per square foot for the three retail space types: grocery, restaurant and retail (shop). We also surveyed actual sales data from similar shopping centers in the metro area. We have trended the 2016 projection numbers upward by 10% to account for increasing retail sales activity over the interim.

The subject developer is projecting \$459,000 in annual parking revenue for the multifamily portion of the property, calculated as 450 parking spaces with an \$85.00 monthly charge. Monthly parking is subject to sales tax when the specific parking spaces are not assigned, consistent with other apartment complexes.

The total retail sales tax for Mill Creek is 10.5%, of which 6.5% goes to the state. The City of Mill Creek's share is 1.185% (consisting of 1.0% under RCW 82.14.030, 0.1% for city public safety under RCW 82.14.450, and 0.085% under RCW 82.14.340 which is the City's share of Snohomish County's 0.1% criminal justice tax). The balance of the overall sales tax goes to regional transit taxes, criminal justice, public safety, etc. We apply the City's 1.185% share of sales taxes to the retail sales and parking revenue projections, summarized below:

Subject Tenant Taxable Retail Sales							
Space Type	Retail Sales SF	Retail Sales Per SF	Taxable Portion	Taxable Sales Per SF	Total Taxable Sales	Mill Creek Sales Tax Rate Share	Mill Creek Sales Tax Revenue
Grocery	6,130	\$990	28%	\$277	\$1,699,236	1.185%	\$20,136
Shop	34,652	\$275	100%	\$275	\$9,529,300	1.185%	\$112,922
Restaurant/Winery	16,379	\$770	100%	\$770	\$12,611,830	1.185%	\$149,450
Daycare	10,513	\$0	NA	NA	NA	NA	NA
Medical Office	15,590	\$0	NA	NA	NA	NA	NA
Apartment Parking					\$459,000	1.185%	\$5,439
Total/Average	83,264				\$24,299,366	1.185%	\$287,947

Subject construction is planned to begin in April 2019 and conclude in 2021 and there will most likely be upward inflation to the expected revenues over that time which would lead to higher sales tax collection.



Property Tax Increase Estimate

To estimate the property tax increase upon construction and stabilization of the proposed subject development we must first estimate the assessed values of both the multifamily and retail components. To do this we have analyzed comparable properties from the local area, as follows.

Multifamily Assessed Value Comparables & Projection

No.	Property Name	Year	Bldgs.	Acres	Units /Ac	Units	2019 Total		
							Assessed Value	Assessed Value/ Unit	
1	Mill Creek Meadows	2014	4	6.56	27.4	180	\$46,593,000	\$258,850	
2	Reserve at Town Center Ph III	2013	5	3.36	28.3	95	\$25,112,000	\$264,337	
3	Tivalli	2014	6	9.8	49.1	383	\$92,734,000	\$242,125	
4	Bailey Farm	2013	19	20.1	18.5	372	\$100,440,000	\$270,000	
Subject Projection						20.4	354	\$92,040,000	\$260,000

Four multifamily properties were selected as tax comparables, representing similar recent developments in and around Mill Creek.

Comparable 1 is Mill Creek Meadows, the first multifamily property in the East Gateway area, constructed by Polygon Northwest on part of the Henry’s Plant Farm property at the east end of the area.

Comparable 2 is located in Mill Creek, just north of the town center.

Comparable 3 is located just west of Mill Creek in unincorporated Snohomish County along Interstate 5.

Comparable 4 is located immediately south of the Mill Creek city limits in unincorporated Snohomish County along the Bothell-Everett Highway, State Route 527.

The assessed value per unit of these properties range from \$242,125 to \$270,000, with the lowest being the high-density Tivalli property immediately adjacent Interstate 5. We conclude to an assessed value at the upper end of the range at \$260,000 per unit. This is equivalent to an overall assessed value of the subject’s multifamily component of \$92,040,000 in 2019.

The apartment component is then added to a projection for the proposed commercial component.



Commercial Assessed Value Comparables & Projection

No.	Property Name	Anchor	Year	Bldgs.	Acres	SF	2019 Total	
							Assessed Value	Assessed Value/SF
1	Silver Firs	Safeway	2007	4	8.3	76,530	17,380,820	\$227.11
2	Thomas Lake	Albertsons, Rite Aid	1996	7	13.9	112,080	21,401,600	\$190.95
3	Mill Creek Town Center	Central Market	2005	14	14.1	184,236	61,749,100	\$335.16
4	Gateway Center	Vacant Safeway	1996	7	10.0	99,283	20,318,800	\$204.66
5	Mill Creek Plaza	Albertsons, Rite Aid	1980	10	12.6	134,638	32,598,600	\$242.12
	Subject Projection	Retail	2021	7	11.95	83,264	\$22,897,600	\$275.00

We selected five nearby shopping centers for comparison to the subject, with assessed values ranging from \$190.95 per square foot for Thomas Lake (located just west of the subject) to \$335.16 per square foot for the Mill Creek Town Center. With its smaller size new construction and adjacent multifamily customer base, the subject commercial portion is estimated toward the upper end of the range at \$275.00 per square foot, or \$22,900,000 in 2019.

The sum of the estimated 2019 assessed values of the proposed multifamily and commercial at the subject is \$114,937,600. The Mill Creek property tax increase estimate is as follows:

2019 Property Tax Increase Estimate

Description	Assessed Value	Mill Creek Property Tax Rate	Mill Creek Property Tax
Current - Land	\$5,926,000	0.19376%	\$11,482
Projected-Mixed Use	\$114,937,600	0.19376%	\$222,707
Increase	\$109,011,600		\$211,225

The increase in property taxes allocated to the city of Mill Creek under the proposed development is \$211,225 (projected property taxes less existing taxes in-place). Subject construction is planned to begin in April 2019 and conclude in 2021 and there will most likely property tax increases over that time.



One-Time Sales Tax on Construction Costs

Taxable construction costs are based upon the developer's hard cost construction estimate of \$82,703,204. This cost estimate has been cross checked using the Marshall Valuation Service and several cost comparables and verified as reasonable. The hard costs are the only construction costs that actually incur sales tax (does not include architect & engineering fees, financing fees, etc.); the total project cost estimate of \$144.8 million includes land, soft costs, contingency, financing and contractor/developer fees that are not subject to sales tax.

The \$82.7 million in taxable construction costs is multiplied by the Mill Creek allocated Sales Tax Rate of 1.185% to arrive at the one-time sales tax on construction costs figure, as shown below:

One-Time Sales Tax on Construction Costs	
Taxable Construction Cost Estimate	\$82,703,204
Mill Creek Sales Tax Rate	1.185%
One-Time Sales Tax on Construction Costs	\$980,033



Summary of Economic Benefits

Based on the preceding analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our estimate of annual and one-time revenues under the current plan is as follows:

Summary of Economic Benefits		
Premise	Frequency	Amount
Mill Creek's portion of sales tax revenue projection	Annual	\$287,947
Mill Creek's portion of stabilized property tax increase	Annual	\$211,225
Annual Revenue to the City		\$499,172
Mill Creek's portion of sales tax on construction costs	One-time	\$980,033



Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Allen Safer, MAI, MRICS, made a personal inspection of the property that is the subject of this report. Gregory Bucklin, MAI, has personally inspected the subject.
12. No one provided significant assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.



- 14. As of the date of this report, Allen Safer, MAI, MRICS and Gregory Bucklin, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



Allen Safer, MAI, MRICS
Certified General Real Estate Appraiser
Washington Certificate # 1100662



Gregory Bucklin, MAI
Certified General Real Estate Appraiser
Washington Certificate # 1101619



Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. A real property consulting study is inherently subjective and represents our opinions as to the property analyzed.
2. The conclusions stated in our analysis apply only as of the effective date of the analysis, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this assignment, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the analysis assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The assignment covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical,



electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

8. The analysis shall be considered only in its entirety. No part of the analysis shall be utilized separately or out of context.
9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
10. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
11. Any revenue estimates contained in the analysis are used only for the purpose of estimating the fiscal impact of proposed development to the City and do not constitute predictions of future operating results.
12. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
13. The projections found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
14. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
15. The consulting report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
16. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.



17. Integra Realty Resources – Seattle, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
18. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
19. All findings presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.



Addenda

Addendum A
Appraiser Qualifications

The Farm at Mill Creek



Allen Safer, MAI, MRICS

Experience

Senior Managing Director for Integra Realty Resources-Seattle in Washington State. Integra Realty Resources Seattle is part of Integra Realty Resources (IRR), a national valuation and consulting firm with 66 offices in the U.S. and Caribbean.

Mr. Safer and his firm are experienced in the analysis of various property types including: vacant land, residential plats, master planned communities, multifamily developments, retail, office, industrial and special purpose properties in Washington State and Alaska. Clients served include various financial concerns, law and public accounting firms, private and public agencies, pension and advisory companies, investment firms, and the general public. Further, utilizing the resources of Integra's nationwide coverage, the firm is actively involved in the completion of large portfolio engagements.

Mr. Safer's background includes 30+ years of counseling and valuation analysis for the general public on commercial and residential properties in Washington and Alaska. Entered the appraisal profession with Coldwell Banker Appraisal Services from 1977 to 1981. Founded Safer & Company in 1982 and transitioned to Property Counselors from 1986 to 2001.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

President: Local Chapter of the Appraisal Institute, January 2007 - December 2007

Chairman: Seattle Chapter Real Estate Fall Conference, January 2008 - December 2010

Chairman: National Appraisal Institute Regional Chairs, January 2000 - December 2000

Chairman: National Appraisal Institute Executive Committee, January 2000 - December 2000

Chairman: Pacific NW Region 1 Board of Directors, January 1998 - December 1999

Board of Director: Appraisal Institute, January 1996 - December 2001

Member: Appraisal Institute Finance Committee, January 1996 - December 1997

Board of Director: General Appraisal Board of the Appraisal Institute, January 1994 - December 1996

Chairman: National Comprehensive Exam Subcommittee of the Appraisal Institute, Jan. 1990 -Dec.1992

Member: National Comprehensive Exam Subcommittee of the Appraisal Institute, Jan. 1983 -Dec.1992

Member: Government Relations Committee, January 2002 December 2004

Member: National Admissions Committee of the Appraisal Institute, January 1990 December 1993

Board of Director: Seattle Chapter of the Appraisal Institute, January 1989 December 1992

Member: Regional Professional Standards Panel of the Appraisal Institute, January 1984

Chairman: Local Chapter Admissions and Programs, January 1986 December 1991

Licenses

Alaska, Appraiser, APRG412, Expires June 2019

Washington, Appraiser, 1100662, Expires September 2019

Washington, Designated Broker, 3341, Expires December 2017

Education

Bachelor of Science, Real Estate, University of Colorado, Boulder, Colorado

Qualified Before Courts & Administrative Bodies

United States Bankruptcy Court, Seattle Washington

King County Superior Court, Washington

King County Board of Equalization

Pierce County District Court

Washington State Board of Tax Appeals

Various Arbitration & Land Use Hearings

Miscellaneous

Recipient of the Seattle AI Chapter's "Appraiser of the Year" Award for 2001.

Recipient of the Seattle AI Chapter's 2009 "President's Award".

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Gregory H. Bucklin, MAI

Experience

Greg Bucklin is a Director with Integra Realty Resources – Seattle. He has been actively involved in appraising commercial real estate in the State of Washington since 2001. Prior to joining Integra in 2007, he most recently worked for McKee and Schalka.

Greg is experienced in the analysis of unique property types such as car washes, marinas and hotels. His body of work is varied and includes several eminent domain projects.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

Licenses

Washington, Certified General Real Estate Appraiser, 1101619, Expires October 2019

Education

Bachelor of Arts, Geography, University of Washington, 2001
Bachelor of Arts, Community & Environmental Planning, University of Washington, 2001
Minors: Architecture and Urban Design & Planning, University of Washington, 2001
Certificate of Commercial Real Estate, University of Washington, 2006
Standards of Professional Practice, Part A (USPAP), 2002
Report Writing and Valuation Analysis, 2003
Advanced Income Capitalization, 2005
Highest & Best Use and Market Analysis, 2005
7-Hour USPAP Update, 2005
Advanced Sales Comparison & Cost Approaches, 2006
Advanced Applications, 2006
Uniform Appraisal Standards for Federal Land Acquisitions, 2008
Business Practices and Ethics, 2011
Fundamentals of Separating Real Property, Personal Property, 2012

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Addenda

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

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The Farm at Mill Creek



Attachment 6



The Farm at Mill Creek

Frequently Asked Questions
Updated March 7, 2019

DEVELOPMENT PLAN

How many apartments are included in the development?

There are 380 units, which includes 355 apartment units and 25 live/work units.

How many new apartments have been approved/developed in last 5 years along the 128th/132nd Street SE corridor?

Three jurisdictions abut this corridor, so the approved developments are listed by jurisdiction.

- City of Mill Creek: The City has approved one development multi-family development with 180 units: The Meadows at Mill Creek.
City of Everett: Staff will research and tabulate this data.
Snohomish County: Staff will research and tabulate this data.

Is this a low-income housing development?

The developer is proposing a workforce housing project as part of the Farm development targeting 100% of the 355 units at 60% of the average median income (AMI). The developer has indicated that the financing program he is considering will allow up to a maximum of 60% of the Snohomish County AMI. Based upon a 60% AMI of Snohomish County, incomes of residential tenants must be no more than \$44,940 for an individual, \$51,360 for a family of two, or \$57,780 for a family of three, etc.

Washington State Income & Rent Limits for Housing Trust Fund Projects - 2018
Published 4-30-2018
County: Snohomish County
2018 Median Income: \$ 103,400
Income Limits by Household Size/Target Population AMI
Table with columns for household size (1-8 person) and rows for AMI percentages (30% to 80%). A red arrow points to the 60% AMI row.

What are the maximum rents the developer can receive in a workforce housing project?

The maximum rents that the developer can collect are as follows:

- 1 bedroom: \$1,200
- 2 bedroom: \$1,300
- 3 bedroom: \$1,400

What is Workforce housing?

This is a term used increasingly used by planners, government and organizations concerned with housing policy or advocacy to describe housing for AMI. Workforce housing is promoted as attractive and affordable housing for teachers, law enforcement officers, firefighters, nurses, in close proximity to their jobs. "Workforce housing" can refer to any form of housing, including single or multi-family homes, as well as occupation of rental units. The tenants are screened and audited on an annual basis through the State program. The City code does not regulate developer funding sources. But the City does require the same high standard of development for all commercial and housing units in the City regardless of the funding sources.

How many parking spaces are planned for the development?

There are 1,197 parking stalls in this development. This includes 435 surface spaces and 762 spaces in parking garages.

What kinds of businesses are targeted for location at the development?

Among the businesses being targeted for development at this location are restaurants, a charter school, organic grocer, bistro, wine shops, advanced medical office space, financial institutions and more. A letter of intent has been signed with some businesses already for this development.

Is all the commercial space going to be sold or is it going to be leased?

It is the developer's intent to lease the space.

Why have some changes been made to the developer's initial plan? Is this allowable?

The City's development review process allows and often requires developers/applicants to change site plans and document to ensure the site plan is consistent with City regulations. Applicant revisions occur typically up to the point prior to issuing the SEPA Threshold Determination. Once the SEPA Threshold Determination is issued and the comment period has expired, then a project is eligible to be schedule for a public hearing before the hearing examiner. As an example, in the original drawings for this application, Building D showed underground parking. The developer has updated the concept to eliminate parking under Building D and relocated the parking stalls elsewhere on the site and the overall plan gained parking spaces, which were added parking in the five-story parking structure.

FINANCIAL IMPACT TO THE CITY FOR SERVICES

Do we anticipate the Fire District wanting to increase the contract?

In-fill development does not adjust the costs the City pays for fire services. Only annexation increases contractual costs.

Did you provide the project proposal to the Fire District to review this?

Yes. Their conditions were carried forth through the project design.

How many service calls do we get at Heatherwood Apartments, how much time does each call require, and what is the cost to the Police Department?

Table one below identifies the number of service calls at Heatherwood Apartments, the number of officers responding to the call and average time such a police call for service (CFS) takes.

Table #1

Heatherwood	Type Code	2017	2018	Total	# of Officers/ CFS	# of Hours/ CFS	Total hours
	Assault(s)	8	8	16	2	1	32
	Burglary	1	0	1	1	1	1
	Disturbance	1	0	1	2	0.5	1
	DV Verbal	12	17	29	2	0.5	29
	Forgery	2	0	2	1	1	2
	Harassment	0	0	0	1	1	0
	ID Theft	2	0	2	1	1	2
	Malicious Mischief	7	1	8	1	0.5	4
	Crisis Intervention	1	0	1	2	1	2
	Poss. Stolen Prop.	0	0	0	2	1	0
	Robbery	0	0	0	2	2	0
	Sex Offense	1	1	2	1	2	4
	Theft	10	6	16	1	1	16
	Threats	0	0	0	1	1	0
	Vehicle Prowl	8	1	9	1	1	9
	Vehicle Recovery	4	1	5	1	1	5
	Vehicle Theft	4	1	5	1	1	5
	VUCSA (Drug)	0	0	0	2	2	0
			Total	97			112
						Hourly rate:	50
						Total biennial:	\$5,600.00

What are the projected costs associated with call for police CFS data projected for The Farm development?

This information is intended to supplement the data provided in the [Feb. 26 Council Agenda Summary \(see Attachment 4 – Department Expense Analysis\)](#). The data included is compiled from CFS records related to responses for the following 18 call types. The numbers in parenthesis represent the number of officers on average that respond to the call type (first number) and the number of hours on average the officer(s) spend on the call (second number).

- | | | |
|-----------------------------|---------------------------|---------------------------|
| Assault (2 officers/1 hour) | Burglary (1/1) | Disturbance (2/.5) |
| DV Verbal (2/.5) | Forgery (1/1) | Harassment (1/1) |
| ID Theft (1/1) | Malicious Mischief (1/.5) | Crisis Intervention (2/1) |
| Poss. Stolen Prop. (2/1) | Robbery (2/2) | Sex Offense (1/2) |
| Theft (1/1) | Threats (1/1) | Vehicle Recovery (1/1) |
| Vehicle Prowl (1/1) | Vehicle Theft (1/1) | VUCSA/ Drug crime (2/2) |

For comparative purposes, staff researched CFS data from The Meadows Apartments (Polygon), the Hawthorne Apartments, and the Gateway Plaza Shopping Center. The

methodology for the data collection is described in the attachment and the same methods were utilized to calculate hours associated with CFS and the cost associated with the hours.

In addition, to the calculation of estimated hours for the three properties listed above, CFS data was also acquired for the Heatherwood Apartments. The same formula for calculating cost was applied.

Table #2 below lists the CFS data for The Meadows Apartments. Based on calculations, officers spent approximately 67 hours working on the listed CFS during 2017 and 2018.

Table #2

The Meadows	CFS Type Code	2017	2018	Total	Factor of 2*	# of Officers/ CFS	# of Hours/ CFS	Total hours
	Assault(s)	3	2	5	10	2	1	20
	Burglary	0	1	1	2	1	1	2
	Disturbance	0	0	0	0	2	0.5	0
	DV Verbal	2	2	4	8	2	0.5	8
	Forgery	0	0	0	0	1	1	0
	Harassment	0	0	0	0	1	1	0
	ID Theft	0	0	0	0	1	1	0
	Malicious Mischief	1	0	1	2	1	0.5	1
	Crisis Intervention	0	0	0	0	2	1	0
	Poss. Stolen Prop.	0	0	0	0	2	1	0
	Robbery	0	0	0	0	2	2	0
	Sex Offense	0	1	1	2	1	2	4
	Theft	2	3	5	10	1	1	10
	Threats	0	1	1	2	1	1	2
	Vehicle Recovery	0	0	0	0	1	1	0
	Vehicle Prowl	3	2	5	10	1	1	10
	Vehicle Theft	1	0	1	2	1	1	2
	VUCSA (Drug)	1	0	1	2	2	2	8
	Total			25	50			67

Table #3 (on the following page due to space) lists the CFS data for The Hawthorne Apartments. Based on calculations, officers spent approximately 49 hours working on the listed CFS during 2017 and 2018.

Table #3

Hawthorne	CFS Type Code	2017	2018	Total	# of Officers/ CFS	# of Hours/ CFS	Total hours
	Assault(s)	2	0	2	2	1	4
	Burglary	3	0	3	1	1	3
	Disturbance	0	0	0	2	0.5	0
	DV Verbal	7	6	13	2	0.5	13
	Forgery	1	0	1	1	1	1
	Harassment	1	0	1	1	1	1
	ID Theft	1	0	1	1	1	1
	Malicious Mischief	2	0	2	1	0.5	1
	Crisis Intervention	0	1	1	2	1	2
	Poss. Stolen Prop.	0	0	0	2	1	0
	Robbery	0	0	0	2	2	0
	Sex Offense	1	1	2	1	2	4
	Theft	3	4	7	1	1	7
	Threats	0	0	0	1	1	0
	Vehicle Prowl	8	2	10	1	1	10
	Vehicle Recovery	0	0	0	1	1	0
	Vehicle Theft	2	0	2	1	1	2
	VUCSA (Drug)	0	0	0	2	2	0
	Total			45			49

Table #4 below lists the CFS data for The Gateway Plaza. Based on calculations, officers spent approximately 15.5 hours working on the listed CFS during 2017 and 2018.

Table #4

GATEWAY PLAZA	CFS Type Code	2017	2018	Total	# of Officers/ CFS	# of Hours/ CFS	Total hours
	Assault(s)	0	1	1	2	1	2
	Burglary	1	1	2	1	1	2
	Disturbance	0	0	0	2	0.5	0
	DV Verbal	0	0	0	2	0.5	0
	Forgery	0	0	0	1	1	0
	Harassment	0	0	0	1	1	0
	ID Theft	0	0	0	1	1	0
	Malicious Mischief	1	0	1	1	0.5	0.5
	Crisis Intervention	0	0	0	2	1	0
	Poss. Stolen Prop.	0	0	0	2	1	0
	Robbery	0	1	1	2	2	4
	Sex Offense	0	0	0	1	2	0
	Theft	0	6	6	1	1	6
	Threats	0	0	0	1	1	0
	Vehicle Recovery	1	0	1	1	1	1
	Vehicle Prowl	0	0	0	1	1	0
	Vehicle Theft	0	0	0	1	1	0
	VUCSA (Drug)	0	0	0	2	2	0
	Total			12			15.5

Based on the previous methodology, the total hours spent on CFS at the Meadows Apartments (67) was added to the total hours spent on CFS at the Hawthorne Apartments (49) and averaged (58). This averaged number (58) was added to the total hours spent on CFS at the Gateway Plaza (15.5). This total number represents the estimated time spent on CFS at a comparable residential development and a comparable commercial development; 73.5 hours.

In an effort to calculate the service costs for Police Department calls to The Farm, it is anticipated that the officers will spend 73.5 hours working on these CFS type codes over a two-year period at the proposed Farm Development. The top step hourly rate for a police sergeant is approximately \$50 per hour. This equates to roughly \$3,700.00 in officer time over a biennium, or just less than \$1,850 per year. The Police Department is not proposing additional staff increasing the City's Budget for The Farm. The calculations for estimating a service cost is for analysis purposes only.

What are the Public Works anticipated operational expenditures as a result of this development?

Anticipated biennial operational expenditures are estimated below. These costs are anticipated to occur in the first biennium *after* construction of the development is complete. The calculations for estimating a service cost is for analysis purposes only.

Table #5

Operational Expenditures Biennium Cost Estimates			
Item	Task	Hours (biennium)	Cost
1	Street Sweeping	50	\$2,400
2	Catch Basin cleaning	50	\$2,400
3	Street Pavement Marking	20	\$960
4	Street Light Repairs	20	\$960
5	Street snow and ice removal	10	\$480
6	Inspection of surface water private detention structures (permit requirement; NPDES -National Pollutant Discharge Elimination System)	10	\$480
7	Maintenance of pathways in wetlands (after five years if City takes ownership of property)	100	\$4,800
8	Snohomish PUD power		\$400
9	Other street repairs (concrete curbs, etc.)		\$5,000
10	Ad hoc support to new businesses	15	\$720
Total		275	\$18,600

What are the City's expected capital expenditures over time due to this project?

Eventually, capital infrastructure will need to be rehabilitated or repaired, including pavement, surface water facilities and street lighting. Major repairs or rehabilitation would not be expected within the first 10 to 15 years after construction and therefore no estimate of expenses can be projected at this time.

Will Public Works need to hire additional staff to handle maintenance responsibilities because of this project?

The Public Works and Development Services department's operations and maintenance crew is limited to 4.7 FTEs and even modest increases in maintenance responsibilities and growth may require additional funds. The Department will manage with existing resources and will further evaluate two years after The Farm construction is complete.

SCHOOLS

Does the developer have to pay for impacts to schools?

Yes. The City has an interlocal agreement with the school district. The school district has a capital facilities plan, which includes a breakdown of projected facilities to accommodate student growth and population. The district sets a generation rate for each type of residential unit that determines the impact fee that the developer is charged. The developer must pay that fee when the development is approved. The school impact fee from this development is \$465,924 and it is paid by the developer directly to the schools. The City does not have any authority pertaining to the proposed development regarding this issue.

How will school student assignments be effected by the development?

City staff has requested this data from Everett School District.

TRAFFIC

How will this impact traffic?

The overall project is anticipated to generate 6,112 gross daily trips at the site access driveways with 392 during the morning peak commute hour and 565 during the evening peak commute hour. When accounting for the trips between EGUV land uses and pass-by trips of the retail use, the new trips associated with the project total 3,620 daily, 238 AM peak hour, and 332 PM peak hour trips. This falls within the required levels of service for the City. Traffic mitigation fees of \$1,098,000 paid by the developer will help with traffic improvement projects in the area. [View the entire traffic report.](#)

What is the anticipated wait time at intersections?

- **35th Street SE/132nd Street SE Intersection:**
The existing level of service (LOS) is E with a 73 second delay. In 2021 without the project this intersection is projected to be at a LOS E with a 69 second delay and in 2021 with the project (and operational mitigation) the intersection is projected to be at a LOS E with a delay of 72 seconds.
- **39th Street SE/132nd Street SE Intersection:**
The existing level of service (LOS) is C with a 22 second delay. In 2021 without the project this intersection is projected to be at a LOS C with a 23 second delay and in 2021 with the project (and operational mitigation) the intersection is projected to be at a LOS D with a delay of 48 seconds.

- **Seattle Hill Road/132nd Street SE Intersection:**

The existing level of service (LOS) is F with an 80 second delay. In 2021 without the project this intersection is projected to be at a LOS F with an 87 second delay and in 2021 with the project (and operational mitigation) the intersection is projected to be at a LOS E with a delay of 77 seconds. See [Transportation Memorandum dated October 24, 2018](#).

What is the accuracy of current traffic study, since additional commercial space and residential units have been added?

The traffic study will be updated prior to issuing SEPA to reflect the current square footages and unit counts.

One piece that is missing from this plan is a connection to 35th Avenue SE, which would improve traffic at the intersection of 132nd Street SE and 35th Avenue SE. Why is a vehicle connection to 35th Ave SE not provided?

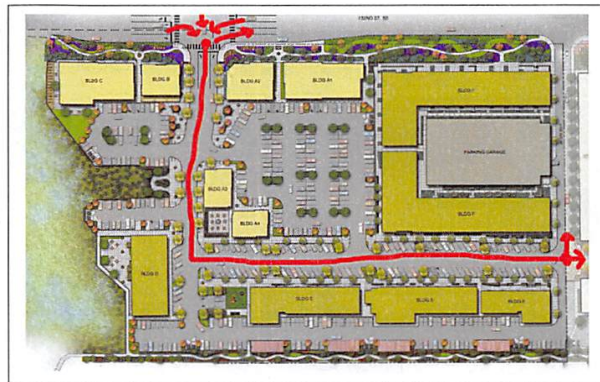
The Illustrative Master Plan is just one concept (scenario) of how the EGUV zoned properties could be developed in accordance with the zoning regulations. Once the Engineering Study was finalized in 2012, it was determined that due to environmental features and the future development (to be constructed) of Plat of Creekside West, the road connection from The Farm at Mill Creek site west to 35th Avenue SE infeasible. Pedestrian connections are provided, but not vehicular. The proposed preliminary site plan is consistent with the EGUV zoning regulations.

Will there be a spine road?

Yes, the developer will finance and build a new public road connection to 132nd Street SE (SR 96) at the signalized intersection at 39th Avenue SE. The spine road will help bring people into the development and off the state route.

Will there be access to mass transit?

Yes. Community Transit runs along 132nd Street SE, and there are stops nearby, including one each direction at the intersection of 132nd Street SE and 39th Avenue SE. The developer has coordinated with Community Transit and will be providing a new bus shelter southeast of the 39th Avenue SE/132nd Street SE intersection.



What does Community Transit say about this? Does it support greater bus frequency by this development?

Community Transit has reviewed the proposal and has coordinated with the developer to relocate the existing bus stop, which is located west of the 39th Street SE/132nd Street SE on the south side of the 132nd Street SE roadway. The relocated stop will be improved with a 70 foot bus zone within the right turn pocket at the southeast corner of 39th Avenue SE and 132nd Street SE with a Type 4 bus shelter. This request is consistent with the lane geometry included in [East Gateway Urban Village Preliminary Engineering Design Study](#) (page 72, section 5.2).

Improve existing west bound bus stops (ID #3130) along 132nd St SE at 39th Ave SE with Type 4 bus pads and shelters.

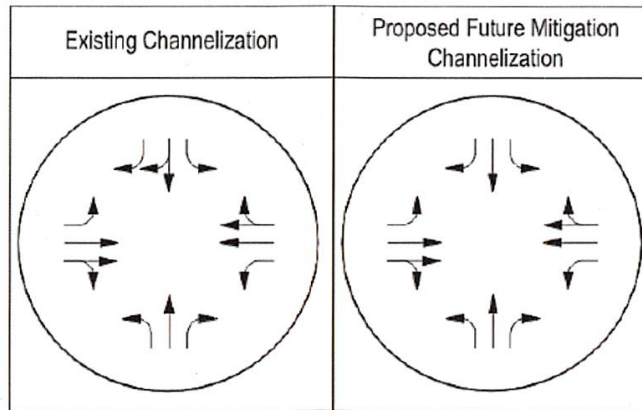


Relocate and improve existing east bound bus stop (ID #3129) at 132nd St SE and 39th Ave SE to the right turn pocket being developed with the new traffic signal, east of 39th Ave SE. Improvements include Type 4 bus pad and shelter.

What is the developer doing to mitigate traffic?

The developer is responsible to provide intersection and frontage improvements and pay traffic impact mitigation fees. The recommended operational mitigation measures to address the impacts of the proposed project include the following:

- **132nd Street SE (SR 96)/39th Avenue SE Intersection Modifications.** The south leg of the 132nd Street SE (SR 96)/39th Avenue SE signalized intersection will be constructed with the project. The traffic signal and channelization will be modified to accommodate this improvement. This includes the addition of the south leg of the intersection, as well as construction of an eastbound right-turn lane at the intersection. This will reduce congestion created by eastbound vehicles turning into the south leg of the intersection.
- **Spine Road Construction in the Farm.** A spine road is proposed within The Farm at Mill Creek development connecting to the proposed south leg of the 132nd Street SE (SR 96)/39th Avenue SE signalized intersection.
- **Signal Modifications at the Seattle Hill Road/132nd Street SE Intersection.** With WSDOT approval, the developer is proposing to modify the intersection phasing and southbound channelization according to the image shown below.



With the removal of the shared through/right lane in the southbound direction, the operations of the Seattle Hill Road/132nd Street SE intersection reflecting the existing phasing and channelization for the with and without project volumes are summarized in **Table #6** below.

Table #6

Future PM Peak Hour Intersection LOS Summary						
Intersection	2021 Without-Project		2021 With-Project		2021 With-Project – Mitigated	
	LOS¹	Delay²	LOS	Delay	LOS	Delay
Seattle Hill Road/132nd Street SE	F	80	F	87	E	77

1. Level of Service (A – F) as defined by the 2010 *Highway Capacity Manual* (HCM) (TRB)
 2. Average delay per vehicle in seconds.

The Traffic Impact Analysis (TIA) assumed optimized signal timing to account for the County’s adaptive signal project; however, limitations to the software used in the analysis do not fully capture the improvements associated with adaptive signal timing. Actual implementation of adaptive signal timing would result in further improvements associated with vehicular progression that are not captured in the analysis. In addition, the TIA did not include adjustments to mode split to account for increased transit usage with future Bus Rapid Transit or transit expansion, resulting in a conservative operational analysis.

What can the City do to mitigate transportation issues?

Above and beyond the developer’s responsibilities to provide intersection and frontage improvements and pay traffic impact mitigation fees, the City will receive impact fees from the developer. These monies may be used to do improvements that the City has identified in the Transportation Improvement Plan (TIP).

Table 2. TIP Transportation Projects.

Description	Cost Estimate
East Gateway Urban Village “Spine Road” West Connection (Phase 1)	\$ 5,000,000
East Gateway Urban Village “Spine Road” East Connection (Phase 2)	\$ 6,000,000
SR 96 at Dumas Road Intersection Improvements	\$ 5,390,000
SR 96 at 35th Avenue Intersection Improvements	\$ 3,460,000
SR 527 at 164th Street Intersection Improvements	\$ 2,090,000
SR 96 at SR 527 Intersection Improvements	\$ 9,460,000
Old Seattle Hill Road at SR 527 Intersection Improvements	\$ 1,150,000
164th Street SE at Mill Creek Boulevard Intersection Improvements	\$ 7,370,000
Total	\$ 39,920,000



ENVIRONMENTAL

What things are assessed as part of an environmental impact review?

The State Environmental Policy Act (SEPA) requires project assessment and mitigation of impacts to 16 different items, including:

- Earth
- Air
- Water
- Plants
- Animals
- Energy and Natural Resources
- Environmental Health
- Land and Shoreline Use
- Housing
- Aesthetics
- Light and Glare
- Recreation
- Historic and Cultural Preservation
- Transportation
- Public Services
- Utilities

As part of the offset from mitigating impacts, the City requires certain monetary compensation to build improvements, including recreation for community and neighborhood parks, traffic, schools, and more.

The developer will pay impact fees of \$449,736 for a City neighborhood park and \$273,000 for a community park.

How will this impact the adjacent wetlands?

The proposed preliminary Critical Areas Wetland Mitigation Plan has been reviewed by the Department of Ecology and City's wetland consultant is consistent with City environment regulations. Below is a summary of the project and for a detailed description, please see the project page links to the Critical Areas Study and Mitigation Plan.

The developer has proposed an innovative stormwater design that will infiltrate clean stormwater into a select fill layer so that a portion of the stormwater will be delayed in reaching the wetlands. The delayed discharge of stormwater will allow the hydration of the wetlands weeks to months into typically drier periods.

There is a 61-acre wetland park that is being rehabilitated as a wetland park. The developer recently purchased the land previously owned by Pacific Topsoils. An elevated footbridge will connect the development to the wetlands. The plans include trails, a learning center, and additional parking offsite. The goal is to connect it to the project site.

GENERAL

What is the economic benefit to the City from this development?

Based on an updated Fiscal Impact Analysis completed in March 2019 by Integra Realty Resources on behalf of the developer indicates that the proposed development would generate over \$499,000 in annual ongoing tax revenues (property tax and sales taxes) and over \$980,000 of one-time construction-related taxes (sales taxes).

Will the developer be claiming tax exempt status?

The City will receive property taxes from the proposed development. The developer has stated that he will be use a financing program that does not exempt the project from paying property taxes.

How will surrounding property valuation be impacted by the proposed development?

The proximity of commercial services and a potential passive park typically increases the values of adjacent homes.

Can we change the development name?

There is no established process for the City to name a private development. Private developments in the City are named by the property owners. The City does not have any authority to name the development, aside from naming the spine road or other public areas such as the park. The name selected by the developer, The Farm at Mill Creek, gives homage to the property's history as the old buffalo farm and is proposing to integrate historical and farm themed elements into the project design.

3/5/2019

Attachment 7



**City Council Study Session
Development Agreement
The Farm at Mill Creek
PL2018-004**

February 26, 2019

Development Agreement Process

- In March 2018 development application
- On April 13, 2018 application deemed complete
- Applicant & City negotiated draft DA
- On 2-19-19 City Council Study Session on EGUV Zone and The Farm application
- On 2-20-19 Developer Open House
- **On 2-26-19 City Council Study Session on DA**
- Set 3/12/13 as public hearing date
- Public notification per City and state law



Development Agreement – The Farm

2

3/5/2019

City Council Packet Attachments

1. Proposed Development Agreement
2. Preliminary Binding Site Plan
3. Fiscal Impact Analysis Prepared by Integra Reality Resources 2016
4. Department Expense Analysis
5. The Farm at Mill Creek Response to Questions



Development Agreement – The Farm

3

Purpose of Study Session

- Present draft Development Agreement for The Farm at Mill Creek and answer questions.
- Receive input from City Council.



Development Agreement – The Farm

4

2

3/5/2019

Purpose of Study Session

- Not the consideration of the binding site plan.
- Binding Site Plan consideration at later date by Hearing Examiner.



Development Agreement – The Farm

5

Development Agreement Purpose

- Increase certainty and reduce risk for both developer and the City by addressing issues of interest that are not addressed in the code.
- This is specifically required for developments in the EGUV zone.



Development Agreement – The Farm


6

3

3/5/2019

Development Agreement Highlights

Development Agreement Section	Summary
9.1-Occupancy and Sale 9.2-Certificates of Occupancy	City is requiring that 75% of the commercial leasable area be completed and that the certificate of occupancy has been issued for this area prior to the City issuing any Certificate of Occupancy for residential units. This assures that the commercial areas are completed and are an initial part of the project.
9.6-Municipal Space Allowance	Developer is providing the City a 50-year lease for a minimum of 500 square feet of municipal space at no cost, except the payment of utilities. The developer is providing the same basic tenant improvements for basic office set-up as was listed in Vintage at Mill Creek Development Agreement (carpet, walls electrical, paint, and plumbing fixtures). The City would be responsible for additional tenant improvements based on the municipal use selected by the City.



Development Agreement – The Farm
7

Development Agreement Highlights

11.2-Off-Site Mitigation Site	<p>Developer has purchased approximately 61 acres (former Pacific Topsoils site) and is restoring the site per the City’s standards. This site is necessary to allow the reduced wetland buffer adjacent to the development. The developer is offering to dedicate the site to the City once the five-year monitoring period is over. Public access will be provided during the five years on trails being placed on the property by the developer. A small parking area will be provided by the developer. The five-year period will allow the City to partner with other private and public entities to determine a long term vision for the site and assess the maintenance costs associated with the property. The City can decline the dedication within the five-year period.</p> <p style="color: red; text-align: center;">Video Narbeck Sanctuary</p>
-------------------------------	--

Development Agreement – The Farm
8

3/5/2019

Development Agreement Highlights

13 (entire section)

The private parking lot west of Building F will be designed to allow the area to be utilized as a public gathering area for families, markets, festivals, concerts and the like. In addition, a public restroom and a water fountain will be constructed in one of the commercial buildings near the public gathering area.



Development Agreement – The Farm

9

The Farm at Mill Creek



355 units
25 live/work units
1202 parking stalls
Festival Area
Public open spaces

RETAIL - ONE LEVEL		SPRINKLERED WOOD-DECK RETAIL AREAS		LOBBY	
BUILDING A1	10,000 S.F.	BUILDING D	7,275 S.F.	LOBBY - WORK	
BUILDING A2	8,000 S.F.	BUILDING E	25,000 S.F.	RETAIL - ONE LEVEL	
BUILDING A3	3,000 S.F.	BUILDING F	16,000 S.F.	WOODS USE RETAIL BY RESIDENTIAL MIXTURE	
BUILDING A4	3,100 S.F.	TOTAL	48,800 S.F.	LOBBY / OFFICE / FITNESS	
BUILDING B	4,400 S.F.			PARKING GARAGE	
BUILDING C	10,000 S.F.				
TOTAL	37,770 S.F.				

4,000 sq. ft. of residential apartment units
ONE RESIDENTIAL APARTMENT UNIT

4,000 sq. ft. of residential apartment units
ONE RESIDENTIAL APARTMENT UNIT

the LAB
THE FARM at MILL CREEK
DR002

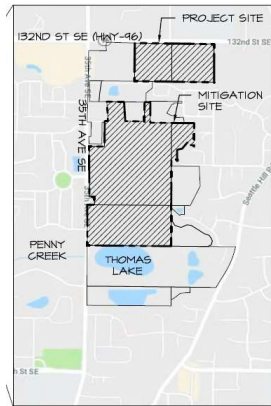


EGUV & The Farm

10

3/5/2019

Provides Environmental Protection and Public Access



TOTALS:

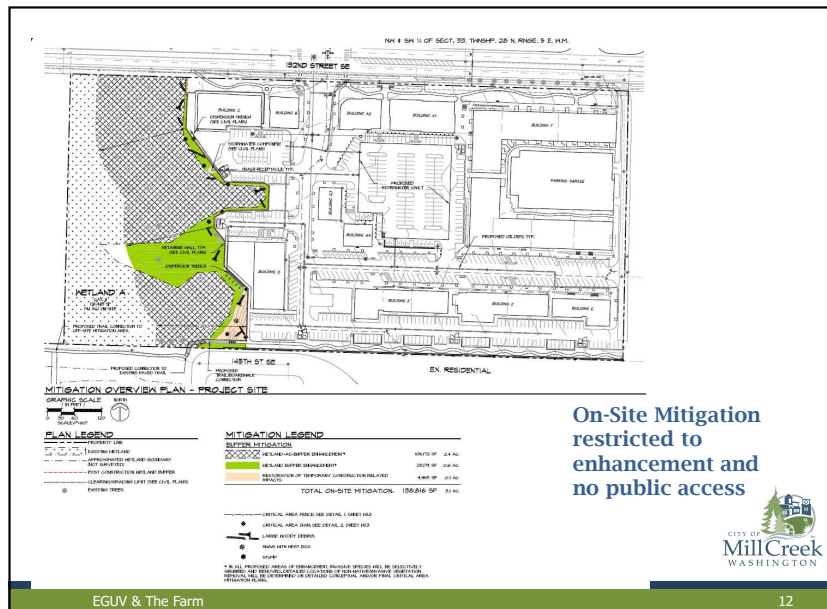
Preservation	2,657,160 sf (61 acres)
Trails System	over 5,500 lf
Project Site -- Habitat & Vegetative Enhancement	138,816 sf (3.1 ac)
Mitigation Site -- Habitat & Vegetative Enhancement	250,600 sf (5.8 ac)

- Project Site Habitat Enhancement & Restoration:
 - Wetland as Buffer -- Enhancement: 106,172 sf (2.4 ac)
 - Wetland A -- Buffer Enhancement: 28,179 sf (0.6 ac)
 - Temporary Construction Impacts -- Restoration: 4,465 sf (0.1 ac)
- Mitigation Site Habitat & Trail Enhancement & Restoration:
 - Vegetative/Habitat Enhancement: 250,600 sf (5.8 ac)
 - Trail System -- including Boardwalks: approximately 5,500 lf



EGUV & The Farm

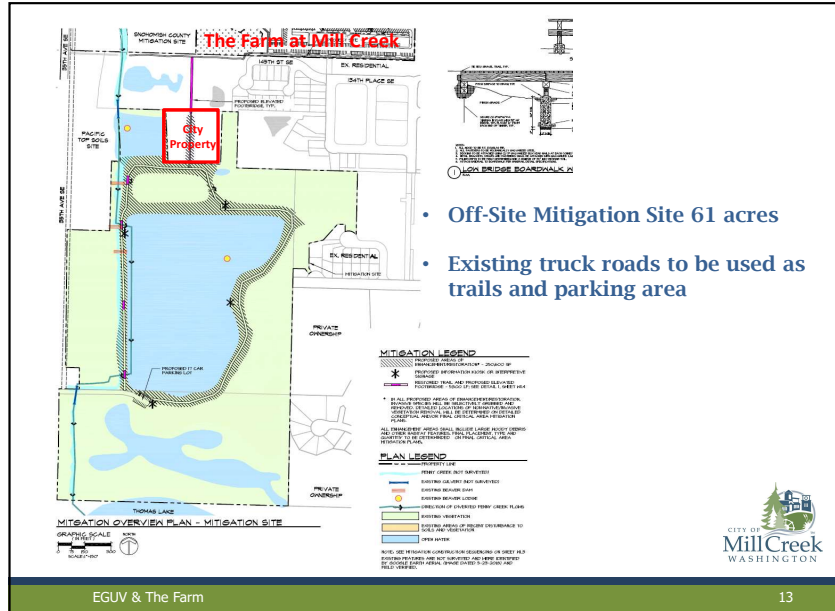
11



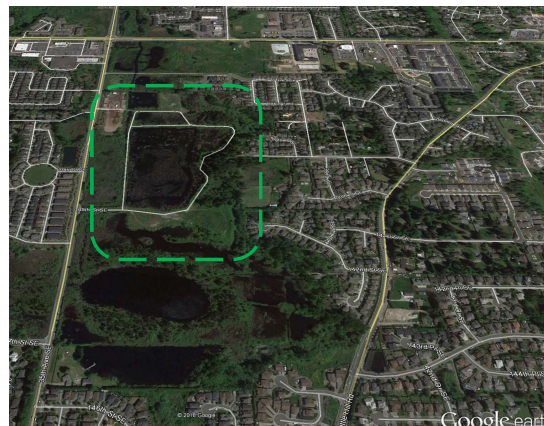
EGUV & The Farm

12

3/5/2019



Off-Site Mitigation Site



Development Agreement – The Farm



14

3/5/2019

Revenues and Expenses - City

(1st Year Built-out)

	2019 City Revenues	\$ per Capita	The Farm	\$ per Capita
Property Tax *	\$6,220,000		\$191,907	
Sales Tax *	\$2,725,000		\$199,144	
Revenue	\$8,945,000	\$436.98	\$391,051	\$472.85

*Ongoing revenue **
The Farm Revenue Source: 2016 Fiscal Impact Analysis
Population for the City is estimated at 20,470 and 827 for the Farm



Revenues and Expenses - City

- Public Works and Police will have increased service demands
- City departments have not identified a need for additional funds to support City services for proposed development



3/5/2019

City Council Discussion



Development Agreement – The Farm

17

Development Agreement Process

- In March 2018 development application
- On April 13, 2018 application deemed complete
- Applicant & City negotiated draft DA
- On 2-19-19 City Council Study Session on EGUV Zone and The Farm application
- On 2-20-19 Developer Open House
- **On 2-26-19 City Council Study Session on DA**
- Set 3-12-13 as public hearing date
- Public notification per City and state law



Development Agreement – The Farm

18

9

3/5/2019

End of Presentation



Development Agreement – The Farm

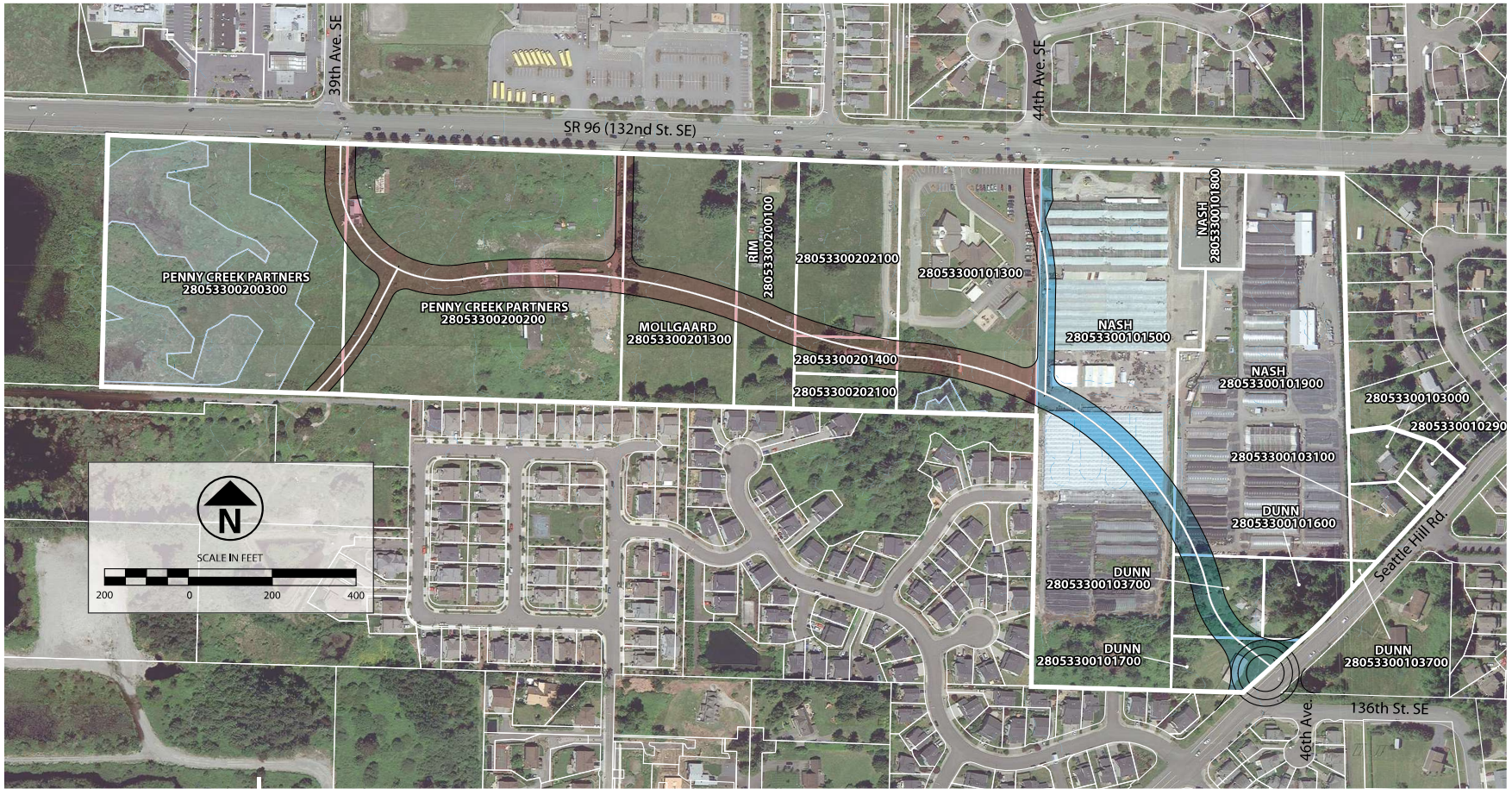
19

10

Phase I - Shown in brown
Phase II - Shown in blue

Attachment 8 Spine Road Phases

FIGURE 2



ReidMiddleton

EAST GATEWAY
URBAN VILLAGE
MASTER PLAN
City of Mill Creek

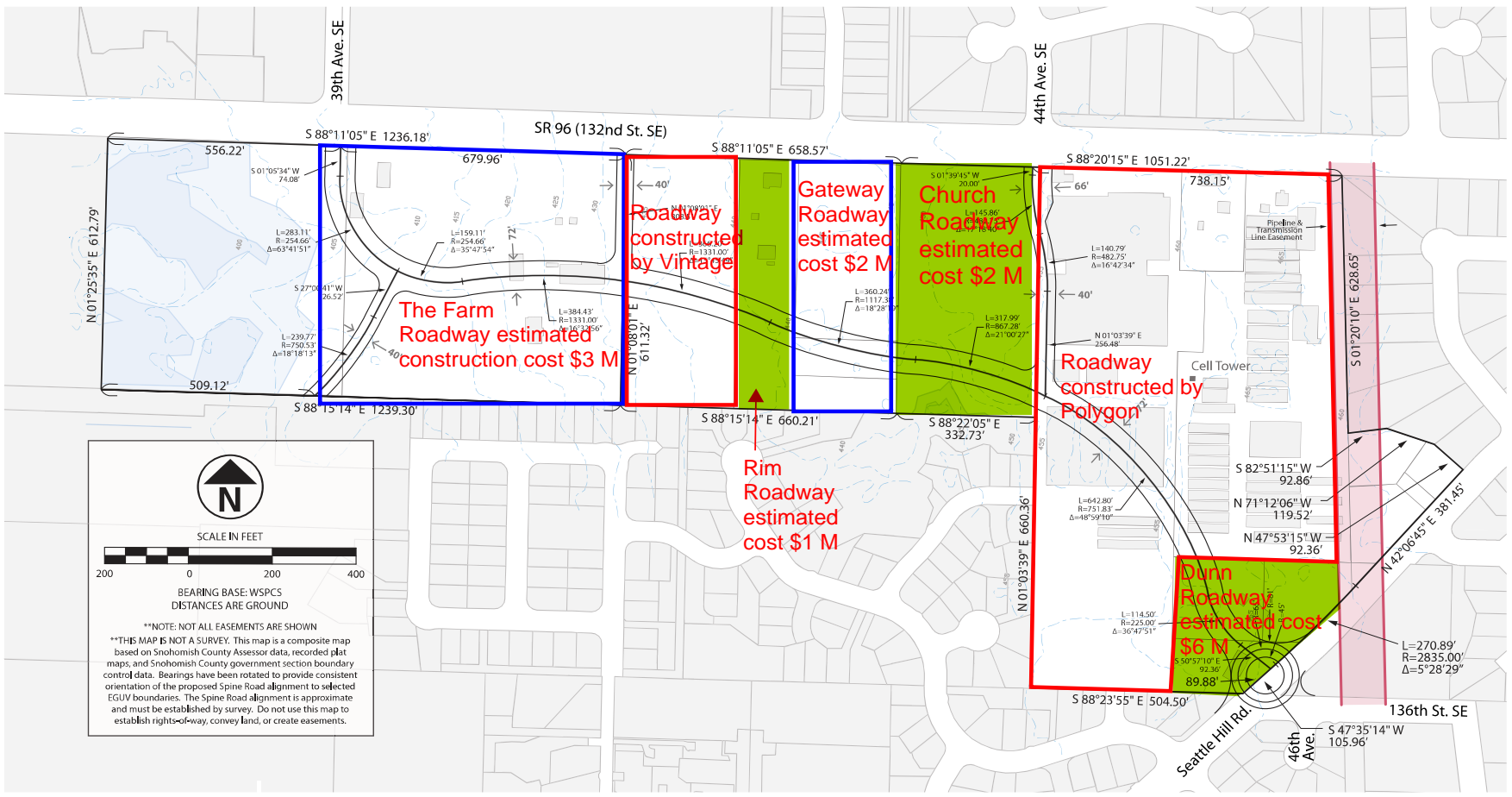


MILL CREEK EAST GATEWAY
Property Owners

Attachment 9 Spine Road Estimated Construction Costs

FIGURE 3

- Right-of-way to be purchased and constructed
- Right-of-way to be constructed



**EAST GATEWAY
URBAN VILLAGE
MASTER PLAN**
City of Mill Creek

MILL CREEK EAST GATEWAY
Spine Road & Connectors Alignments

Attachment 10
Public Comments
Received between
October 19, 2018 and March 20, 2019

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:16 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: The FARM project

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:50 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: The FARM project

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:24 PM
To: Bob Stowe
Subject: Fw: The FARM project

Forwarded for the record

From: notification@cityofmillcreek.com [notification@cityofmillcreek.com]
Sent: Friday, October 19, 2018 2:30 PM
To: Pam Pruitt
Subject: The FARM project

Honorable Pam Pruitt;
As a resident of Mill Creek I implore you to vote no on the projected " Farm " project
now under review.
Thank you,
Dan Stearns
3628 147th Pl SE
Mill Creek, WA., 98012-4264
Sent By: Dan Stearns
Sent From: danstearns@hotmail.com

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:15 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: Feedback on The Farm proposal

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:50 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: Feedback on The Farm proposal

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:23 PM
To: Bob Stowe
Subject: Fw: Feedback on The Farm proposal

Forwarded for the record

From: notification@cityofmillcreek.com <notification@cityofmillcreek.com>
Sent: Monday, October 22, 2018 2:12:07 PM
To: Pam Pruitt
Subject: Feedback on The Farm proposal

Mayor Pruitt, I just read about a proposal that would add more apartments to the city at the East Gateway Urban Village. I do not support additional apartment development in our city. I'm concerned about congestion which it is already high and impact of higher property taxes, which are already too high. Thank you

Peter Gustafson
The Parks
Sent By: Peter Gustafson
Sent From: Peter@gustafson-nw.com

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:15 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: The Farm Project

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:51 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: The Farm Project

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:22 PM
To: Bob Stowe
Subject: Fw: The Farm Project

Forwarded for the record.

From: websitecontact@cityofmillcreek.com <websitecontact@cityofmillcreek.com>
Sent: Friday, January 18, 2019 4:41:11 PM
To: Pam Pruitt
Subject: The Farm Project

Ms. Pruitt,
After trying to gain information concerning the " Farm Project " what I have gleaned so far has prompted me to request you vote NO on approving project as is. The term " workforce housing " clearly is an attempt to change the term " low income housing ". What this also means is our surrounding neighborhoods get to deal with a rise in higher crime rates. This will decrease our home values not to mention the strife that goes with it. The increase in police, fire and other resources the city cannot afford. Thank you,
Dan Stearns

Sent By: Dan Stearns

Sent From: danstearns@hotmail.com

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:15 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: The Farm

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:51 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: The Farm

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:21 PM
To: Bob Stowe
Subject: Fw: The Farm

Forwarded for the record.

From: Jen Ski <jenski@hotmail.com>
Sent: Saturday, January 19, 2019 8:08:44 PM
To: Pam Pruitt
Subject: FW: The Farm

Mayor Pruitt,

We had contact over the wetlands a few years ago and you graciously responded to my email. You reminded me that you ran for office on protecting the parks and wetlands in Mill Creek, and that you take the environment seriously. I am emailing you now because I believe you carefully and thoughtfully vote in line with the interests of community of Mill Creek. You know that the citizens of this great city do not want more apartments. They have told you and you have expressed as much in chambers. This is a bedroom community and a place where people want to raise their families. We want a safe environment for our children, send our children to schools that are not over crowded, get to them in a reasonable time if they need us, and most importantly know they are safe when they play outside their homes. You have the power to provide all these things and voting against The Farm project will ensure that the families

who chose to live here will take pride in their community and make it the best it can be. The Farm project does not give back to our community in any positive way. I implore you to please vote down this apartment complex. Don't give into the thinking of "if not this, than what?" There are so many other options that would benefit Mill Creek. Vote NO on The Farm project. Thank you for your time.

Jennifer Pawlowski
4125 138th St SE
Mill Creek, WA

Sent from [Mail](#) for Windows 10

From: Jen Ski <jennskij@hotmail.com>
Sent: Saturday, January 19, 2019 6:55:59 PM
To: bholtzclaw@cityofmillcreek.com; jsteckler@cityofmillcreek.com; mbond@cityofmillcreek.com; mtodd@cityofmillcreek.com; ppruitt@cityofmillcreek.com; Vince Cavelari
Cc: Jen Ski
Subject: The Farm

I am not surprised that we are here again, but I am disheartened that those we elect continue to make decisions to benefit themselves or their interests and not the people who elect them into their position on the council. I have emailed you my thoughts about The Farm before, as well as spoken to you personally in chambers about the numerous negative impacts on the Mill Creek Community if this project goes forward. Others in the community have expressed their "no support" for this project to you as well. As its apparent a reminder is needed, I have listed what you must take into consideration while making a decision regarding The Farm project:

- Increase in traffic on community roads. This large apartment complex will increase traffic in Mill Creek. Traffic is at an all time high and finding shortcuts through your neighborhoods in order to get around the city puts innocent children at risk.
- Increase in crime. Mill Creek has more crime than some of our larger neighboring cities, such as Bothell and Mountlake Terrace. The Mill Creek Police Department has in the recent past struggled with overtime expenditures, which will only increase as the large influx of people move into the proposed apartment complex at The Farm. The police department already has a high volume of response calls from the Heatherwood apartments.
- To increase efficiencies, Fire District 7 has to contract with more cities. If the proposed Farm apartments are built, fire services will be stretched. Fire District 7 has already in the recent past threatened to end its contract with the City of Mill Creek, imagine the impact this apartment complex will have on first responders, as well as the costs associated with increased services.
- The Farm will not bring revenue to Mill Creek. I don't know how some council members can argue fiscally that this is the best project for the City of Mill Creek. The city will generate initial upfront fees, but there are no long term tax benefits once the apartments are built.
- Environmental impact on the wetlands. The category III wetlands are home to wildlife and salmon that use the wetlands for migration to the Puget Sound. This wetland is unique to Mill Creek and should be protected. Governor Jay Inslee is thrusting the State of Washington on the national map as a leader in environmental protection.

These are real issues that will impact the city and the citizens that you have duly sworn to represent. You do not represent the builders of The Farm project. Is there a conflict of interest and if so, you must recuse yourself from voting for this project. Most of the above will affect the City of Mill Creek's budget. You know this project will not generate any long term and sustaining tax revenue for Mill Creek, but it will drain our budget and we will be left holding the bag, as the builders walk away with their pockets lined. The builders have no vested interest in our community, but you do. This project should be a "no starter", not only for all the reasons I have mentioned above, but because

your constituents have told you over and over again that we do not want any more apartments in Mill Creek. I urge you to vote against The Farm project. Just because there is a lack of vision, doesn't mean you just make a bad deal. Why do you think they have hung around for so long. The builders have been incrementally chipping away at common sense so you will just give in. Fight for the citizens of Mill Creek and protect our community. That is what is expected of you, as we elected you to represent us and to do the right thing. Doing the right thing seems to be a luxury now a days; when it should be automatic. Vote NO on The Farm project.

Jennifer Pawlowski
4125 138th St SE
Mill Creek, WA 98012

Sent from [Mail](#) for Windows 10

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:14 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: The Farm

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:51 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: The Farm

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:20 PM
To: Bob Stowe
Subject: Fw: The Farm

Just forwarding these emails to you for the record.

From: websitecontact@cityofmillcreek.com <websitecontact@cityofmillcreek.com>
Sent: Tuesday, January 22, 2019 12:34:26 PM
To: Pam Pruitt
Subject: The Farm

Hello Mayor Pruitt,

I am very concerned about another apartment complex being built in Mill Creek. We already have overcrowded schools and roadways. As a resident of Mill Creek with children in school this is very concerning to me. It is very concerning that projects like The Farm continue to be approved and yet on each ballot we are expected to pay more in taxes for schools, police, fire, etc. to keep up with this increased population growth. I see no benefit to this proposal other than money in the city councils coffers that never makes it back to the residents. I will be voting accordingly at the next elections. This needs to stop until roadways and schools can handle the increased population. Do the right thing here.

Trevor Dundon
Sent By: Trevor A Dundon
Sent From: trevor@northshorecf.com

Christi Amrine

From: Tom Rogers
Sent: Friday, February 15, 2019 12:14 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: NO to The Farm Apartments

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Wednesday, February 13, 2019 10:52 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: Fw: NO to The Farm Apartments

From: Pam Pruitt
Sent: Sunday, February 10, 2019 2:17 PM
To: Bob Stowe
Subject: Fw: NO to The Farm Apartments

Forwarding this to you for the record.

From: websitecontact@cityofmillcreek.com <websitecontact@cityofmillcreek.com>
Sent: Tuesday, January 22, 2019 8:25:33 PM
To: Pam Pruitt
Subject: NO to The Farm Apartments

I urge you not to approve development of The Farm apartment complex. Mill Creek is already overrun with housing at the expense of the environment and the quality of life of current residents. Traffic is out of control and Jackson High School can not handle higher capacity and both of these will get worse with the addition of a large apartment complex. Please think about what is best for your town and its residents. Say no.

Thank you,
Leslie Bernhardt
Sent By: Leslie Bernhardt
Sent From: Leslie.bernhardt1@gmail.com

Christi Amrine

From: Bob Cooke <ecars33@gmail.com>
Sent: Sunday, February 24, 2019 9:03 PM
To: Christi Amrine
Subject: The Farm

Hello Christi,

As a teacher at Heatherwood Middle School for 24 years, I have witnessed an incredible change in our population of students. As more apartments and condos are built, our students become more transient. It used to be that having a child move in or out of my class during the school year was rare; now it is commonplace. We are also bursting at the seams with no solution to this overcrowding. By choosing to add more high-density housing, the city is choosing to make our schools worse and decrease the desirability of living in Mill Creek.

Yes, developers pay a small fee to help with traffic and schools, but if I recall correctly, the amount doesn't even pay to have a portable classroom installed (let alone the cost of the portable itself).

I understand the city's need to generate income, and I'm not against development, but I'm imploring the city to allow only development that adds to the quality of life that Mill Creek residents and shoppers desire and expect. Please think carefully about how the development of The Farm will impact Mill Creek decades into the future.

Thank you for your good work; I appreciate the difficult decisions you must make.

Bob Cooke

Christi Amrine

From: Christi Amrine
Sent: Monday, February 25, 2019 2:45 PM
To: 'khurram S Khan'
Subject: RE: The Farm development in MC
Attachments: City Council Packet 2-19-19.pdf

Good afternoon,
The packet of information that was prepared for tomorrow's meeting has a response to this in Attachment.5. In addition, please see the City's adopted Capital Facilities Plan and TIP online at:

https://www.cityofmillcreek.com/city_government/public_works_and_development_services

Have a good evening~



Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: khurram S Khan <khurramsarwar99@yahoo.com>
Sent: Monday, February 25, 2019 11:38 AM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: Re: The Farm development in MC

I will appreciate if you can reply to my email below and please share the City's Capital Facility Plan for roadway improvements with me. Thanks

Best Regards,
Khurram

On Monday, February 25, 2019, 9:32:18 AM PST, khurram S Khan <khurramsarwar99@yahoo.com> wrote:

Thanks for a prompt response, appreciate it.

You mentioned, "pay impact fees to the City to build roadway improvements identified in the City's Capital Facility Plan in the area of the project".

Since last 7 years, I have seen a number of new developments on 35th Ave SE, Sunset, and on 132nd and assuming all those developers also paid impact fees to the City of Mill Creek however we have not seen any road projects to improve the traffic conditions and it's getting worse and worse. Sunset and 35th are single lane roads and there is nothing you can do about it, right? Seattle Hill up to 164th Lynnwood and 128th/ 132nd/ 134th is super crowded as well, is there any way you folks can add a lane or increase traffic capacity on 35th, 132nd, and Settle hill/164th?

Best Regards,
Khurram

On Monday, February 25, 2019, 9:13:23 AM PST, Christi Amrine <christia@cityofmillcreek.com> wrote:

Hi Khurram,

Thank you for your comments. You are correct. In brief, the plans in place require the developer to build their frontage improvements and right-of-way on their property and then to pay impact fees to the City to build roadway improvements identified in the City's Capital Facility Plan in the area of the project. As for the Everett School District the developer is required to pay an impact fee to the District directly. The developer is complying with the codes and requirements in place.

Best regards,



Christi Amrine, AICP

Senior Planner

City of Mill Creek

christia@cityofmillcreek.com

P: 425-921-5738

[Facebook](#) | [Twitter](#) | [Instagram](#)

From: khurram S Khan <khurramsarwar99@yahoo.com>
Sent: Sunday, February 24, 2019 6:53 PM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: The Farm development in MC

Hello Christi,

Almost entire Mill Creek community is against this new development which will create a traffic nightmare and problems in schools. Money offered from the developer will not gonna solve these issues and we are very concern about both traffic and school problems due to more people in the community. Please listen to our genuine concern and do not approve the development without having a solid plan for traffic and schools improvement.

Best Regards,

Khurram

Christi Amrine

From: Christi Amrine
Sent: Monday, February 25, 2019 3:24 PM
To: Diana Pavek
Cc: *ICE HUBBY* John Pavek
Subject: RE: The Farm

Hi Diana,

Thank you for forwarding me the article and your comments will be forwarded to the school district and included in the binding site plan file/record and forwarded to the hearing examiner once a hearing date is set.

The Council meeting tomorrow is related to the Development Agreement, which addresses items outside of the code typically. If you have related DA item for the Council, please send an email to Ginap@cityofmillcreek.com.

Best regards,



Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Diana Pavek <dianapavek@hotmail.com>
Sent: Monday, February 25, 2019 10:46 AM
To: Christi Amrine <christia@cityofmillcreek.com>
Cc: *ICE HUBBY* John Pavek <john.g.pavek@boeing.com>
Subject: The Farm

PLEASE consider already overcrowded schools in your decision!

Diana Pavek
Webster's Pond

More apartments scheduled for Mill Cr

by Fred Fillbrook

The last remaining large parcel of developable land known as "The Farm" may bring hundreds more apartments to Mill Creek.

Affordable housing discussion

The developer is considering two affordable housing options. The city has been informed of these two options:

1. Workforce housing, targeting 100% of the units at 60% of the average median income.

2. Workforce housing, targeting 20% of the units at 60% of the average median income.

In 2015-2016, several council members were concerned about more apartments coming to Mill Creek. The council placed a temporary moratorium on the development of more apartments on the site. The moratorium expired March 31, 2016.

Former Mill Creek councilwoman Donna Michelson, Fairway, said that

multi-family should be eliminated from the EGV. "I'm not in favor of adding any more multi-family in that area."

"I don't want multi-family. I don't want apartments. I want lower density," said councilman Mark Bond, Highland Trails. He also told the council that multi-family housing required more city services such as police and fire protection.

Mayor pro tem Brian Holtzclaw, Brighton and councilman Mike Todd, Spring Tree, led the charge for additional multi-family housing.

"I know we have a lot of constituents who hate multi-family," Holtzclaw said. "My personal opinion is I think that is a little bit of an irrational reaction."

"As long as we get our ground floor commercial, whatever happens above is extra value to the property owners who have been paying taxes and have a right to get a reasonable return out of their investment. I'm not opposed

to residential over commercial if a developer thinks they can make money and a landlord thinks they can make money and they think it's going to rent, more power to them," said Mike Todd in 2016. "It's not up to us to decide what the market will take."

At the same meeting, councilman Vincent Cavaleri, Webster's Pond, repeatedly asked for examples where mixed use was working in our city.

Mayor Pam Pruitt, Cottonwood, held out for no more multi-family housing. She said her primary concern was the long term financial health of the city and that meant as much sales tax revenue as possible. She told the council that mixed use will give the city a fraction of the revenue a retail business would create.

Former councilman Sean Kelly, (a Heatherstone resident at that time), said that he did not want more apartments, but had no problem with four stories of multi-family over a first floor of commercial businesses.

John Steckle pointed in February 2016 an opinion on multi-family.

Stephanie N latest council interview process, multi-family use

The council on February 19 version of the plan was scheduled for February 20 to the desire to ward, there was for interested residents meeting.

The council a proposed development February 26. N ward without an agreement. The negotiated by the

A public hearing for the agreement has been set for

Get Outlook for Android

Christi Amrine

From: Chrissie M <homeschooledhousewife@gmail.com>
Sent: Monday, February 25, 2019 7:15 PM
To: Christi Amrine
Subject: Re: The farm

Follow Up Flag: Follow up
Flag Status: Flagged

So basically, your response is "not our problem" in regards to overcrowded schools.

And what about traffic? Let me guess- not your problem?

I really think you & the rest of this council need to be a part of the social media discussions regarding this. You are all so out of touch with what the residents actually want or don't want or this city.

Sent from my iPhone

> On Feb 25, 2019, at 3:47 PM, Christi Amrine <christia@cityofmillcreek.com> wrote:

>

> Hi Christine,

>

> The City does not collect the school impact fee. The Everett School District has their own Capital Facility Plan and they collect the impact fee directly from the Developer. The City just ensures that the developer enters into a Developer Agreement with the District as part of the binding site plan application.

>

> I hope this information helps.

>

>

> Christi Amrine, AICP

> Senior Planner

> City of Mill Creek

> christia@cityofmillcreek.com

> P: 425-921-5738

> Facebook | Twitter | Instagram

>

>

>

> -----Original Message-----

> From: Chrissie M <homeschooledhousewife@gmail.com>

> Sent: Monday, February 25, 2019 1:01 PM

> To: Christi Amrine <christia@cityofmillcreek.com>

> Subject: The farm

>

> My name is Christine Mead & I'm sending this email to inform you & the city that I'm against the proposal for The Farm project off 132nd.

>

> I am unable to attend the meeting.

>

> The last thing the residents of Mill Creek want is another multi structure building. We don't need more retail space- we need to improve the retail space we've already got! For the love, how many dentists & orthodontists & specialists do we need in this area?!?

>

> This will make traffic worse.

>

> This will cause over crowding in our already crowded schools.

>

> This will overburden wetland areas.

>

> Not too mention it's straight up ugly.

>

> This topic has been circulating for months now on Facebook & not one single resident has been in favor of it. And while I realize you don't record Facebook responses as "real feedback" at some point you need to start listening to the community. We are saying NO.

>

> With re-election coming up soon, it would be a smart move to think about what THE RESIDENTS are saying. The residents who can & will vote you out for not listening.

>

> Just no.

>

> Christine Mead

>

> Sent from my iPhone

Christi Amrine

From: Christi Amrine
Sent: Friday, March 1, 2019 5:00 PM
To: 'David Dickman'
Subject: RE: Proposed land use plan for The Farm

Good evening David,

Thank you for your comments and email. The City has prepared a Frequently Asked Questions that will answer many of your questions at:

<https://www.cityofmillcreek.com/cms/One.aspx?portalId=9100937&pageId=12760145>

In addition, your comments will be put in the project file and forwarded to the developer and the hearing examiner.

Best regards,



Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: David Dickman <dedickman@msn.com>
Sent: Wednesday, February 27, 2019 11:01 AM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: Proposed land use plan for The Farm

Ms. Amrine:

I am a resident of Mill Creek and a lifelong resident of the Pacific Northwest, and I wanted to comment on the proposed plan for the area known as The Farm. Having reviewed the plan, I am writing to urge the city to REJECT its development.

Like many residents of this area, I have watched with astonishment the growth and development that has taken place in the last 10 years. Multiple family dwellings, or zero plot line townhomes swelling our city to the point of bursting for virtually ALL of our infrastructure.

Schools, roads, and emergency services are all stretched beyond their usefulness, all because of such developments. All of this with little or no attention to the natural environment that first drew me to this area.

Having walked through this plot of land, I can see many uses for it much more impactful to our population than housing. What an opportunity for the development of natural spaces so that our children can experience the true beauty of the Northwest. I can envision so many alternatives. We could develop part of it into parkland with play fields, picnic areas for children and families, an off leash dog park, farmers markets during the summer, and holiday markets in the winter. It could become a true space where we could teach children about what nature has to offer, even perhaps with walking trails for all citizens, not limited to the select few who live in that development, with clear markings and signs explaining what is being experienced.

I URGE THE COUNSEL TO REJECT this project. We simply do not need more people, housing and pressure on all of our resources.

Thank you for your interest,

David Dickman
2531 136th St. S.E.
Mill Creek
(253) 508-0108

Christi Amrine

From: Christi Amrine
Sent: Friday, March 1, 2019 4:58 PM
To: 'maureen beegle'
Subject: RE: The Farm Concerns

Hi Maureen,

Thank you for your comments and email. The City has prepared a Frequently Asked Questions that will answer many of your questions at:

<https://www.cityofmillcreek.com/cms/One.aspx?portalId=9100937&pageId=12760145>

In addition, your comments will be put in the project file and forwarded to the hearing examiner.

Best regards,



Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: maureen beegle <marbee_a@yahoo.com>
Sent: Wednesday, February 27, 2019 6:56 PM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: The Farm Concerns

Hello,

I am writing to voice concerns our community (Silver Firs a master plan community) has regarding the Farm.

When plans for The Farm were introduced we were explained the project would resemble Mill Creek Town Center. We were recently informed the Farm would consist of high density apartments and less space for small shops, businesses or restaurants. In addition the landscaping and decorative architecture were eliminated.

The Farm was initially appealing when explained it would be similar to Mill Creek Town Center. Which is a balance of condos, homes, apartments, local businesses and restaurants. Projects similar to Town Center enhance, support and build strong communities. We are concerned the area is becoming over run with apartments. Which will impact the quality of schools, housing values and traffic.

The only ones who gain with apartments are investors. We would prefer any multifamily housing be condos because homeowners are invested in the community. On the other hand, apartment dwellers don't really have any skin in the game and able to move with no financial risks.

We have seen an increase in apartments in the last 2 years, approximately 5 new high density complexes on and near 132nd. With the additional of these apartment complexes we have experience an overcrowding in schools, and traffic congestion.

We love living in the Mill Creek area, and would like to ensure we keep the surrounding area appealing to residents and support our community. We ask Mill Creek to model its growth to mimic other successful communities like Bothell and Woodinville.

The current increase in apartments will ensure Mill Creek resembles less successful areas such as; Casino Rd. and Highway 99.

I would be happy to express these concerns in person, if provided an opportunity to do so,

Thank you,

Maureen Beegle
marbee_a@yahoo.com
13811 54th Ave SE
Everett, WA 98208

Christi Amrine

From: Christi Amrine
Sent: Friday, March 1, 2019 4:59 PM
To: 'Carol Bettis'
Subject: RE: The Farm apartments

Hi Carol,

Thank you for your comments and email. The City has prepared a Frequently Asked Questions that will answer many of your questions at:

<https://www.cityofmillcreek.com/cms/One.aspx?portalId=9100937&pageId=12760145>

In addition, your comments will be put in the project file and forwarded to the hearing examiner.

Best regards,

Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

-----Original Message-----

From: Carol Bettis <carol.bettis@icloud.com>
Sent: Wednesday, February 27, 2019 2:52 PM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: The Farm apartments

Christie,

I'm am writing this to express my personal opposition to the development called The Farm. I'm extremely concerned that this development will adversely affect the schools in the Mill Creek area. These schools are already overcrowded and I have no confidence the mitigation fees paid to the Everett School District will in anyway impact the overcrowding.

My second concern is the effect that this development will have on traffic on both 132nd Street and 35th. Both are already extremely congested. The current work on 35th is doing nothing to expand capacity. 132nd/128th is a traffic jam from 3pm until 8pm each weeknight. Weekend are becoming a nightmare too!

And finally if this project is low income housing, I believe the estimate of money the city will receive from property taxes are greatly overstated.

This is not good for Mill Creek!

Sincerely,

Carol J Bettis
Property owner
13933 25th Ave
Mill Creek, Wa 98013
425-337-9398

Sent from my iPhone

Christi Amrine

From: Christi Amrine
Sent: Friday, March 1, 2019 4:58 PM
To: 'Aaron Hansen'
Subject: RE: "The Farm"

Hi Aaron,

Thank you for your comments and email. The City has prepared a Frequently Asked Questions that will answer many of your questions at:

<https://www.cityofmillcreek.com/cms/One.aspx?portalId=9100937&pageId=12760145>

In addition, your comments will be put in the project file and forwarded to the hearing examiner.

Best regards,

Christi Amrine, AICP
Senior Planner
City of Mill Creek
christia@cityofmillcreek.com
P: 425-921-5738
[Facebook](#) | [Twitter](#) | [Instagram](#)

-----Original Message-----

From: Aaron Hansen <aahansen78@hotmail.com>
Sent: Wednesday, February 27, 2019 7:30 PM
To: Christi Amrine <christia@cityofmillcreek.com>
Subject: "The Farm"

Dear Ms. Amrine,

I am writing you as a concerned citizen of Mill Creek. I am very concerned about the development project called The Farm. I have lived in the area for 6+ years with my wife and two small children. This area, like most of western Washington has seen tremendous growth. My kids are packed into their classes with the fear of it only getting worse. Our streets are crowded with terrible traffic. By approving this project, you are only adding to the problem. More people, with no more resources. I am sure money has a large impact here, but this isn't the answer. I would rather see a retail store there such as Target, etc. Are there going to be more schools built, wider roads, more police and fire resources? We have already lost friends who have decided to move away, and we have considered the same. Please realize that your decision to approve this project will only exacerbate the problems we are facing.

Aaron Hanse

Sent from my iPhone

Christi Amrine

From: Sherrie Ringstad
Sent: Monday, March 11, 2019 2:33 PM
To: Christi Amrine; Gina Hortillosa
Subject: FW: Citizen comment

Hi Mike,
 Following is the data regarding new construction since 2005:

Subdivision	Year Approved	#ofLots	Type
Cedar Vista	2017	3	SFD
Dorsey SP	2017	3	SFD
Woodland Trails	2016	28	SFD
Crest View Village	2016	25	SFD
McDowell SP	2015	4	SFD
Polygon Townhomes	2013	122	SFD
The Ridge at Mill Creek	2013	16	SFD
Apple Tree at Thomas Lake	2013	21	SFD
Creekside Place	2013	25	SFD
Apple Tree West SP	2010	3	SFD
Sudel SP	2009	5	SFD
Westling SP	2008	5	SFD
Estates at Thomas Lake	2007	21	SFD
Montage at Mill Creek	2007	10	SFD
Sunrise Court	2007	12	SFD
Paschke SP	2007	2	SFD
North Pointe	2006	225	SFD
Magnolia Falls	2005	9	SFD
Total		539	
Vintage at Mill Creek	2018	216	MF
Polygon Apartments	2013	180	MF
Reserve III Apartments	2012	95	MF
Total		491	

If there is anything else you need, please don't hesitate to call.
 Sherrie



Sherrie Ringstad
 Associate Planner
 City of Mill Creek
sherrie@cityofmillcreek.com
 P: 425-921-5717
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Tom Rogers <tomr@cityofmillcreek.com>
Sent: Monday, March 11, 2019 1:31 PM
To: Sherrie Ringstad <sherrier@cityofmillcreek.com>
Subject: FW: Citizen comment

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Mike Todd <MTodd@cityofmillcreek.com>
Sent: Saturday, March 9, 2019 8:50 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Cc: Bob Stowe <bobs@cityofmillcreek.com>
Subject: Citizen comment

Tom:

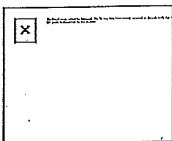
A citizen comment came in w.r.t. the upcoming public hearing on the Farm. In it, the author says

"I am a single family home owner in Mill Creek, and have been so for over 12 years. Over this time I have seen one after another of new multi-family developments sprout up, and this has been a growing concern of mine. The infrastructure to support the population 12 years ago was insufficient, and has gotten grossly worse. Vehicle traffic alone has become horrendous. And what about the adequacy of the police and fire departments?? Schools are way over crowded. This is just the tip of the iceberg in terms of the population of Mill Creek outgrowing the infrastructure and public support services."

My memory is not all that good, but I think the only MF we have had in the last twelve years is Polygon in EGUV and Reserve 3. There has been other MF in the county that they may be seeing and attribute to Mill Creek (people don't really know our city boundaries all that well), but my memory doesn't match his statement. Don't spend a lot of time but can you refresh me (us?) on how much MF versus SF (including townhomes like were added in Northpointe) we have added since 2005?

Mostly just curious, but if his comments get legs, I'd like to be appropriate informed if someone asks me directly. Thanks.

Mike



Mike Todd
Councilmember
City of Mill Creek
mtodd@cityofmillcreek.com
P: 425-308-2669 | F: 425-745-9650

Christi Amrine

From: Bob Stowe
Sent: Monday, March 11, 2019 1:01 PM
To: Christi Amrine; Tom Rogers; Gina Hortillosa
Subject: Fwd: The Farm project

Bob Stowe
Interim City Manager
City of Mill Creek
bobs@cityofmillcreek.com
P: 425-921-5724 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

Sent from my iPhone.

Begin forwarded message:

From: Pam Pruitt <ppruitt@cityofmillcreek.com>
Date: March 11, 2019 at 12:59:27 PM PDT
To: Bob Stowe <bobs@cityofmillcreek.com>
Subject: Fwd: The Farm project

FYI

Sent from my iPad

Begin forwarded message:

From: <websitecontact@cityofmillcreek.com>
Date: March 11, 2019 at 12:07:08 PM PDT
To: <ppruitt@cityofmillcreek.com>
Subject: The Farm project
Reply-To: <kandsmom4@gmail.com>

I am strongly against the Farm project. Every morning I sit at that signal in grid locked traffic as it is now. It is very irresponsible to add hundreds more cars and people with out adding the infrastructure needed to support the increase. We need more fire and police protection as it is now. We need more schools. We need to add more car lanes instead of spending millions on adding bike lanes like was done to Seattle Hill Road. (what a waste!) I write this in the hope that you will stop and realize there is too much traffic in this area now, but sadly I don't think anything we say matters. It's money over people and the environment as is obvious all over both our community and society.

Sent By: Jean Roso

Sent From: kandsmom4@gmail.com

Christi Amrine

From: Tom Rogers
Sent: Friday, March 15, 2019 3:03 PM
To: Christi Amrine
Subject: FW: The Farm

FYI



Tom Rogers, AICP
Planning and
Development Services Manager
tomr@cityofmillcreek.com
P: 425-921-5721 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Bob Stowe <bobs@cityofmillcreek.com>
Sent: Friday, March 15, 2019 7:25 AM
To: Tom Rogers <tomr@cityofmillcreek.com>
Subject: FW: The Farm



Bob Stowe
Interim City Manager
City of Mill Creek
bobs@cityofmillcreek.com
P: 425-921-5724 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Pam Pruitt <ppruitt@cityofmillcreek.com>
Sent: Thursday, March 14, 2019 7:10 PM
To: Bob Stowe <bobs@cityofmillcreek.com>
Subject: Fw: The Farm

FYI - for the record

From: websitecontact@cityofmillcreek.com <websitecontact@cityofmillcreek.com>
Sent: Thursday, March 14, 2019 2:21 PM
To: Pam Pruitt
Subject: The Farm

I see that you and the council have now approved The Farm. Curious if you EVER decline a project? Seems like if you can get a little revenue or in this case some free municipal space you go for it regardless of the impact to our schools, roads, and police. More apartments with low income housing is the last thing we need. Look at how crowded our schools are and how bad traffic already is. This

council is very short sided. I look forward to the next election where hopefully changes to the council will be made.

Sent By: Trevor Dundon

Sent From: trevor@northshorecf.com

Christi Amrine

From: City Clerk
Sent: Wednesday, March 20, 2019 8:47 AM
To: Christi Amrine
Subject: PUBLIC COMMENT 3 of 3



Gina Pfister
City Clerk
City of Mill Creek
ginap@cityofmillcreek.com
P: 425-921-5725 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Nika O. <nrq10@hotmail.com>
Sent: Tuesday, March 19, 2019 10:12 PM
To: City Clerk <cityclerk@cityofmillcreek.com>
Subject: The Farm

Good evening,

I am writing today to voice my concern regarding the traffic and school impact of the Farm. Your study shows little use of 39th as a north/south crossing for 132nd and I believe that my complex would have increased traffic on a road that is heavily populated with kids, students from Arch Bishop Murphy (who already use it as a short cut).

Also, school boundaries have just been redone and adding more people to the area, will hurt our local schools (no matter how much money they "give" to the district, it will not help build a new school). The retail part may add more tax revenue to the area but the money the builder will pay will not offset traffic, school burdens and overall area appeal, traffic is already horrendous.

Thank you

Christi Amrine

From: City Clerk
Sent: Wednesday, March 20, 2019 8:47 AM
To: Christi Amrine
Subject: PUBLIC COMMENT 2 of 3

Gina Pfister
City Clerk
City of Mill Creek
ginap@cityofmillcreek.com
P: 425-921-5725 | F: 425-745-9650
Facebook | Twitter | Instagram

-----Original Message-----

From: Mary Kudo <mekudo@comcast.net>
Sent: Monday, March 18, 2019 8:04 AM
To: City Clerk <cityclerk@cityofmillcreek.com>
Subject: The Farm hearing

Question

There will be children and dogs living in the development.

What provisions are being made for playground and a dog area.

Crossing the busy parking lot is not an acceptable option.

I understand there will be access to trails on the opposite side of the development from the residential area.

Mary Kudo
mekudo@comcast.net

Christi Amrine

From: City Clerk
Sent: Wednesday, March 20, 2019 8:47 AM
To: Christi Amrine
Subject: PUBLIC COMMENT 1 of 3



Gina Pfister
City Clerk
City of Mill Creek
ginap@cityofmillcreek.com
P: 425-921-5725 | F: 425-745-9650
[Facebook](#) | [Twitter](#) | [Instagram](#)

From: Angie Crittenden <gacrit@hotmail.com>
Sent: Friday, March 8, 2019 10:55 AM
To: City Clerk <cityclerk@cityofmillcreek.com>
Subject: Development Agreement for The Farm at Mill Creek

Dear Gina Pfister, Mill Creek City Clerk

Per your Notice of Public Hearing announcement regarding the above captioned proposed development, I am submitting these comments.

I am a single family home owner in Mill Creek, and have been so for over 12 years. Over this time I have seen one after another of new multi-family developments sprout up, and this has been a growing concern of mine. The infrastructure to support the population 12 years ago was insufficient, and has gotten grossly worse. Vehicle traffic alone has become horrendous. And what about the adequacy of the police and fire departments?? Schools are way over crowded. This is just the tip of the iceberg in terms of the population of Mill Creek outgrowing the infrastructure and public support services.

I recognize the rising cost and affordability issues of single family homes in Mill Creek and surrounding areas. Still, the City of Mill Creek cannot disproportionately bear the burden of multi-family housing development to address these issues. Simply put, enough is enough. In fact, in my opinion, we passed the enough is enough level of multi-family units a number of years ago.

The potential new tax revenues from multi-family residents pales in comparison to the impacts it creates on the overall makeup, value, and livability of our small community.

I strongly urge the City of Mill Creek to turn down this proposed development at The Farm, and any other new multi-family development.

It boils down to what we want the City of Mill Creek to be. I love Mill Creek, but I have to say, I don't love it as much as I did 12 years ago. I don't want to see it get worse.

George Crittenden



OGDEN MURPHY WALLACE, PLLC
901 FIFTH AVENUE, SUITE 3500
SEATTLE, WA 98164-2008

T 206.447.7000
F 206.447.0215

OMWLAW.COM

March 26, 2019

MEMORANDUM

To: City Council; City Staff
From: City Attorney
Re: The Farm Development Agreement; Final Agreed Changes

Based on conversations that concluded the morning of March 26th between the City Attorney and attorney Joseph McCarthy representing the Developer of The Farm mixed use proposal, City staff and the Developer have agreed to the following final changes to the proposed Development Agreement that will be presented for public hearing tonight. These changes are reflected in **red text** in the 5 specific sections of the Development Agreement that follow:

Section 9.2 Certificates of Occupancy. In addition to the requirements of the MCMC and the enforcement provisions set forth in Section 16, the City may withhold certificates of occupancy for all or any part of the Project until all building permit requirements and Project conditions of approval have been met to City's satisfaction. Sale **or lease** of commercial buildings or commercial spaces (e.g. stand-alone pads) will be allowed provided that not less than 75% of the overall commercial square footage has first received certificates of occupancy. Certificates of occupancy for commercial spaces will be issuable upon completion of the building shell for that building.

Section 9.6 Municipal Space Allowance. In exchange for the provisions of this Agreement the Developer shall enter into a 50-year lease with the City for a municipal space ("Municipal Space") in the Project at no cost to the City. The lease shall be negotiated and executed prior to issuance of the first certificate of occupancy for the Project and contain the following terms: The Municipal Space shall be approximately, but not less than, 500 rentable square feet of ground floor commercial space at a Project location mutually satisfactory to the Developer and the City in Building D, E or F. Developer shall build out the following initial interior improvements for the Municipal Space ; walls, windows, ceiling, floors, doors, utilities, electrical, cabling and security, paint and trim, and interior fixtures. Materials and finishes shall be consistent with the other commercial spaces in those buildings. The space layout shall be approved by the City. The City shall be responsible for any further tenant improvements. The Municipal

Space shall be used, maintained, and operated by the City for any public purpose for the duration of this Agreement. Upon completion of the 8-year duration of the Agreement, the City may continue such use under the provisions stated herein for the remaining term of the lease, or the City may at its discretion assign or sublease all or any portion of the Municipal Space to any other governmental or non-profit entity by providing not less than 60 days written notice to Developer. In the event the City receives rent for such assignment or sublease exceeding the cost of utilities, the City shall pay one-half of such amount to Developer as it is received for the term of the assignment or sublease. The City shall pay utilities for the Municipal Space but shall not pay rent or common area expenses. ~~shall have no restrictions on future status or use of the Municipal Space and may use, assign, or sub lease, transfer or sell the Municipal Space to any person or for any purpose at the City's sole discretion subject to Developer's approval of the assignee or sub-lessee and of the proposed use of the Municipal Space. The assignment or sub-lease may contain a capture of any excess rent paid by a commercial assignee or sub-lessee. The City shall pay utilities for Municipal Space but shall not pay common area expenses.~~

Section 11.2.4 Mid-Block Crossing Analysis. ~~Should~~ Upon receipt of notice that the City elects dedication of the Off-Site Mitigation Site, the Developer shall engage a consultant to provide the City with a mid-block crossing analysis to determine if a mid-block crossing is warranted on 35th Avenue SE between the west and east sides. Said analysis shall be provided to the City ~~within 90 days of~~ prior to the transfer to the City.

Section 15.1 Authority to Transfer. Developer's right to sell, transfer, assign, mortgage, hypothecate, convey or take any other similar action regarding the title to or financing for the Project and Property shall not be infringed by this Agreement, provided any such transfer, assignment, sale, etc. shall be subject to all the terms, conditions, rights, duties and obligations of all development approvals pertaining to the Project and Property, specifically including without limitation this Agreement, the MDP, and Project Approvals. ~~Developer and any subsequent transferor, assignor, etc. shall give actual notice of and copies to the transferee, assignee, etc. of all development approvals and related documents.~~

Section 17.2 Disputes. In the event of a dispute between the Parties about the application or interpretation of this Agreement, principals for City and Developer shall promptly meet and attempt to resolve the issue. ~~If that is not successful, Developer shall request an official interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). In accordance with MCMC 14.11.090, the Developer may appeal the administrative interpretations to the Hearing Examiner.~~ If that is not successful, the Parties shall promptly apply for and schedule a mediation using JAMS, WAMS, JDR or a similar mediation service prior to commencing any judicial proceedings. Each Party shall pay its own costs and expenses and one-half the mediator's cost.

These provisions will be presented and reviewed by the City Attorney at tonight's public hearing on the Farm development proposal.

ATTACHMENT 1
All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

After recording return to:

~~Town Clerk~~City Clerk
 City of Mill Creek
 15728 Main Street
 Mill Creek, Washington 98012

Document Title(s)	Development Agreement for BSP PL2018-0004 (EGUV)
Reference Number(s) of related documents	
Grantor(s)	City of Mill Creek Eastgate-The Farm by Vintage, LP
Grantees(s)	Eastgate-The Farm by Vintage, LP City of Mill Creek
Abbrev. Legal Description	Portion Parcels 1 & 2 per BLA No. 00-101711, Rec. 200007140347
Assessor's Property Tax Parcel/Account Numbers	28053300200200; 28053300200300
Assessor's Off-Site Mitigation Site Parcel/Account Numbers	28053300206800; 28053300206900; and 28053300300200

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

**CONTRACT 2019-1493
CITY OF MILL CREEK**

**DEVELOPMENT AGREEMENT
FOR THE
~~EASTGATE-THE FARM~~ BY VINTAGE, LP
BINDING SITE PLAN (PL2018-0004)
IN THE EAST GATEWAY URBAN VILLAGE**

1.0 Parties

1.1 This Development Agreement ("Agreement") is entered into on the Effective Date set forth below between the City of Mill Creek, a Washington municipal corporation having its principal place of business at 15728 Main Street, Mill Creek, Washington 98012 ("City"), and ~~Eastgate-The Farm~~ by Vintage, LP, a Washington limited liability company, having its principal place of business at 369 San Miguel Drive, Suite #135, Newport Beach, California 92660-7813 ("Developer"). The City and Developer may be individually referred to as "Party" and collectively as the "Parties."

1.2 The Parties enter into this Agreement for and in consideration of the mutual benefits and advantages of this Agreement. The Parties agree to comply with all of the terms and conditions of this Agreement.

2.0 Purpose

2.1 Mill Creek Municipal Code ("MCMC") Section 17.19.020 requires every development in the East Gateway Urban Village ("EGUV") zone district to obtain approval of a detailed master development plan ("~~MDP~~"). The detailed ~~master development plan-MDP~~ requires a binding site plan, a development agreement with the City, and a consistency analysis. The development agreement is subject to approval by the City Council and the binding site plan together with the development agreement is subject to review and approval by the City Hearing Examiner ("Hearing Examiner"). The Hearing Examiner's decision is appealable to the City Council as a closed record appeal.

2.2 Developer has submitted a binding site plan application under file number PL2018-0004 ("BSP") to develop the project described in Section 5.1 ("Project"). This Agreement comprises the development agreement for the Project and is required by MCMC 17.19.030.C to be in accord with RCW 36.70B.170. The property to be developed in accordance with this Agreement is vested to the development regulations in effect on the effective date of this Agreement unless different development standards are set forth herein. This Agreement is not intended to conflict with or supplant existing state and local regulations that otherwise govern the Project. This Agreement does not serve as an approval of any permit or any specific proposal within Developer's application for the Project, which permits or proposal shall be reviewed pursuant to the City's procedures. The Agreement sets forth negotiated terms and conditions

PL2018-0004 Development Agreement -- Page 2 of 28

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applicable to future Project approvals and the ongoing obligations and rights of the Parties after Project approval. These negotiated terms and conditions supplement the terms and conditions of the MCMC. Developer's proposed BSP (~~as defined in Section 5.1~~) remains subject to review and approval by the Hearing Examiner. If the BSP is approved, related permits (e.g. building and design review) will be subject to review and approval by those designated to review such permits (e.g. building code official and design review board).

2.3 The Parties acknowledge that this Agreement will benefit the Parties by assuring them of their respective rights, duties, obligations, privileges and commitments with regard to the Property and Project for the duration of this Agreement.

3.0 Definitions

3.1 The following terms are initially defined and/or described at the indicated sections of this Agreement:

Agreement (Section 1.1)

Binding Site Plan ("BSP") (Section ~~5.1~~2.2)

City (Section 1.1)

Commercial Property Use Agreement (Section 9.3)

Developer (Section 1.1)

Design Guidelines (Section 8.2.2)

East Gateway Urban Village ("EGUV") (Section 2.1)

Effective Date (Section 20.4)

EGUV Regulations (Section 8.2)

Engineering Study (Section 8.2.3)

Leasing Office (Section 9.5)

Hearing Examiner (Section 2.1)

Live-Work Units (Section ~~9.4 and~~ 9.5)

Master Development Plan ("MDP") (Section ~~7.3~~2.1)

Mill Creek Municipal Code ("MCMC") (Section 2.1)

Mitigation Plan (Section 11.1)

Municipal Space (Section 9.6)

Notice (Section 11.2.3)

Off-Site Mitigation Site (Section 4.2)

Project (Section 5.1)

Project Approvals (Section 8.3)

Property (Section 4.1)

Successors (Section 15.2)

Residential Amenity Space (Section 9.5)

Road Construction (Section 10.4)

SEPA (Section 8.2)

Vested Term (Section 8.4)

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4.1 **Property Sites.** The property which is the subject of this Agreement and is to be developed with the proposed binding site plan consists of the ~~parcels-land~~ legally described as Parcels A and B in attached **Exhibit A** (collectively, the "Property"). The parcels comprising the Property bear Snohomish County tax parcel numbers (~~"TPN"~~) 28053300200300 (Parcel A) and 28053300200200 (Parcel B). This Agreement shall bind Developer and the Property pursuant to Section ~~20.549.5~~. A tax parcel map generally depicting the Property (Project Site) is attached as **Exhibit B**. References to "Property" shall include the Project described in Section 5.1 below.

~~Section 4.2~~ **Off-Site Mitigation Site.** The property which is proposed to provide off-site wetland mitigation for the development of the Property Site ~~of the Agreement~~ consists of the ~~parcels-land~~ legally described as parcels C, D and E in attached Exhibit A ("Off-Site Mitigation Site"). This Agreement does not regulate the development of the Off-Site Mitigation Site, however it does regulate the use of the OSMS (e.g. Section 11). The parcels comprising the Off-Site Mitigation Site bear the Snohomish County tax parcel numbers 28053300206800; 28053300206900; and 28053300300200. A tax parcel map generally depicting the Off-Site Mitigation Site is attached as **Exhibit B**.

5.0 Project Description

5.1 **Project Description.** ~~Developer has submitted a Binding Site Plan ("BSP") application to develop the Property bearing file number PL2018-0004.~~ The Project generally consists of subdividing ~~the two parcels described in Section 4.1 Property~~ for the purposes of developing nine (9) buildings. Buildings A1 through F will have commercial uses (approximately ~~85,000-100,000~~ square feet) ~~and include a parking structure, below-ground parking, and parking on the ground floor.~~ Buildings A1, A2, A3, A4, B and C will be commercial uses and will be one story in height with the option for the Developer to add a mezzanine or a second story. Buildings D, E and F will have five stories with a total of 355 residential apartment units above the ground floor. One hundred percent of the proposed residential units (above ground floor) will be workforce housing targeting households at 60% of the area average median income (AMI) for Snohomish County. The live/work units will be market rate. Building F will include a residential parking structure. Building E will include two levels of below-ground residential parking. The project will also include commercial and residential surface parking. The preliminary BSP depicting the Project is attached as **Exhibit C**.

6.0 Authority

6.1 **Authority.** This Agreement is a development agreement authorized by and entered into under the authority of MCMC 14.03 and 17.19, and the Revised Code of Washington ("RCW") at Section 36.70B.170 et seq. This Agreement establishes certain terms and conditions pertaining to development of the Project and the Property, and establishes an overall framework for current and future development of the Property, but is not exclusive nor a comprehensive list of development requirements affecting the Property. Other requirements for development of the

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Property will be established during the application and review process for specific components of the Project under the EGUV Regulations (defined in Section 8.2) and the MCMC.

7.0 Development Review Procedures for Project

7.1 Review Process. This Agreement has been processed in accordance with MCMC 14.03 and 17.19, and RCW 36.70B.170 et seq. Approval of this Agreement by the Mill Creek City Council is required before any other development approvals affecting the Property may be heard or decided. Following the Parties' execution of the Agreement, the Agreement shall be recorded in accordance with Section 15.3. Developer shall promptly record the Agreement with the Snohomish County Auditor's Office at Developer's expense and provide a conformed and recorded copy to City. In the event that the Agreement is recorded and the Project does not receive further approvals or Developer does not proceed with the Project, Developer and City will timely execute and record any necessary termination document, and Developer will pay the costs of recording such document and providing a conformed copy to City.

7.2 Hearing Examiner Notice. In reviewing subsequent development applications for the Project or Property, the Hearing Examiner shall take notice of this Agreement in accordance with MCMC 4.34, 14.03, and 17.19.

7.3 Project Review. Subsequent applications, approvals, and development actions for the Project, including the BSP and consistency review required for the Project under MCMC 17.19.030, environmental decisions, and all subsequent permits implementing the Project, shall be reviewed pursuant to the applicable development and MCMC regulations existing on the effective date of the Agreement. No development approval shall be granted unless it is consistent with the MCMC, this Agreement and the EGUV Regulations. This Agreement, any future approved BSP for the Project, and any future approved consistency review for the Project shall collectively comprise the master development plan ("MDP") for the Project described in MCMC 17.19.020 and .030.

8.0 Project Review and Evaluation; Vested Rights

8.1 Project Evaluation. The Project shall be reviewed in accordance with City's development review procedures and the requirements of RCW 36.70B.170 et seq. City shall use this Agreement and the EGUV Regulations during the development review process as additional standards and criteria to evaluate the Project and determine appropriate conditions and requirements of development. Project approval and subsequent build out will require various City permits and approvals.

8.2 EGUV Regulations. Following initial approval of the Project, the Project and its component parts will be developed consistent with the following as applied during the development review process: (i) this Agreement; (ii) the version of Titles 16, 17, and 18 of the MCMC in effect on the date the Agreement is approved by the City Council; (iii) EGUV Design Guidelines as adopted by the City Council on July 1, 2008, in City Council Ordinance No. 2008-684 ("Design Guidelines"); (iv) Reid Middleton EGUV Infrastructure Design Report dated

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December 2012 ("Engineering Study") attached and incorporated as **Exhibit D**; (v) environmental decisions and documents issued for the Project under the State Environmental Policy Act, RCW Chapter 43.21C, and/or MCMC 18.04 (collectively "SEPA"); (vi) the version of the Mill Creek Comprehensive Plan in effect on the date the Agreement is approved by the City Council;; (vii) other applicable City, state, or federal regulations as those regulations exist and apply at the time of development or a vested application therefore (e.g. building permits will be subject to the building codes in effect at the time a building permit is applied for). All of the foregoing comprise development regulations within the meaning of RCW 36.70A.030 and shall collectively comprise and be referred to as the "EGUV Regulations." Without limiting the foregoing, the following components of the EGUV Regulations are emphasized for clarity:

8.2.1 Applicable Regulations. The Project shall comply with all applicable regulations in the MCMC (i) in effect on the effective date of this Agreement except as modified herein, and (ii) to the extent not vested hereunder upon the vesting date of any subsequent application pertaining to the Project.

8.2.2 EGUV Design Guidelines. All structures and facilities comprising the Project shall comply with the Design Guidelines, ~~as adopted by the City Council on July 1, 2008, in City Council Ordinance No. 2008-684.~~

8.2.3 Engineering Study. The Engineering Study shall be used as the design guideline for the public roadway alignment, access management, traffic impacts and analysis, regional drainage facilities if coordinating with adjacent property owners, public infrastructure facilities, and utility coordination. All required public infrastructure, facilities and mitigation arising from the Project shall be consistent with the Engineering Study. The Parties agree the alignment of 39th Avenue SE and 133rd Street SE as depicted on **Exhibit C** is an approved deviation from the alignment of that road as contemplated within the Engineering Study.¹ The City Manager or designee, in his or her sole discretion, may authorize additional deviations from the Engineering Study to the extent such deviations do not prevent the Project from complying with other applicable aspects of the EGUV Regulations and will not materially impact existing or future developments within the EGUV zone district.

8.3 Compliance with Project Approvals. Once approved, this Agreement, the subsequent associated BSP and MDP, and all other related governmental approvals (e.g., SEPA determination, building permits, etc.) required for development of the Project shall collectively comprise the "Project Approvals." The Project shall comply with the Project Approvals in all particulars, and City may take enforcement action in accordance with Section 15 at any time to compel such compliance.

8.4 Binding Nature of Development Agreement; Vested Term; Vested Rights. This Agreement shall constitute a binding development regulation for the Project and Property for

¹ With the exception of the alignment of 39th Ave SE and 133rd Street SE, Project elements depicted in **Exhibit C** (e.g. parking, buffers, setbacks, open space, building locations) are provided for conceptual purposes only. The Hearing Examiner shall determine whether such elements comply with applicable EGUV Regulations.

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purposes of the City's review of Binding Site Plan File PL2018-0004 and related applications received within 8 years of the effective date of this Agreement ("Vested Term"). During the Vested Term, Developer shall have the right to develop the Project in accordance with the terms of this Agreement and the Project Approvals regardless of intervening changes in the EGUV Regulations or other applicable development regulations (but excluding, for example, changes in building code regulations and mitigation assessments not set forth with the Project terms). Upon the expiration of the Vested Term, this Agreement shall continue to apply to the use of all Property and development approved pursuant to this Agreement. Development applications received after the Vested Term or for different projects shall be subject to review under all then-applicable development regulations.

9.0 Occupancy of Buildings; Sale of Lots; Uses

9.1 Occupancy and Sale. There shall be no occupancy or use of the Project components and no sale or lease of any lots, tracts or parcels created by the BSP until (i) the BSP is recorded in accordance with the MCMC and (ii) certificates of occupancy have been issued as required by the MCMC and Section 9.2.

9.2 Certificates of Occupancy. In addition to the requirements of the MCMC and the enforcement provisions set forth in Section 16, the City may withhold certificates of occupancy for all or any part of the Project until all building permit requirements and Project conditions of approval have been met to City's satisfaction. Sale or lease of commercial buildings or commercial spaces (e.g. stand-alone pads) will be allowed provided that not less than 75% of the overall commercial square footage has first received certificates of occupancy. Certificates of occupancy for commercial spaces will be issuable upon completion of the building shell for that building.

9.2.1 Phasing of Commercial-Residential Buildings/Spaces. Both the 75% of the freestanding commercial buildings (Buildings A1-A4, B and C) and the ground floor commercial spaces in the mixed-use buildings (Buildings D, E and F) must be completed and the commercial spaces listed for lease and/or sale prior to the City issuing the first Certificate of Occupancy for a residential living unit.

9.3 Commercial Uses. Pursuant to MCMC 17.19.040(D)(1), residential uses are prohibited on the Property unless the residential uses are located above commercial uses. This requirement is intended to encourage a mix of residential and commercial uses that provide active pedestrian circulation and economic stability within the East Gateway Urban Village in compliance with the City's Comprehensive Plan.

9.4 No Residential Accessory Uses. Except as otherwise expressly allowed under Section 9.5: (i) the ground floor commercial space may not be used as or for residential use or units or as an accessory to the Project's residential uses; (ii) the live-work units shall have a minimum 12-foot exterior soffit height and a minimum 14-foot interior ceiling height, and (iii) access to or use of ground floor uses shall not be limited on the basis of residency within the Project.

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9.5 Limitation on Section 9.4. Notwithstanding the restriction set forth in Section 9.4, the Parties recognize that there may be some commercial uses that can fulfill the intent of the EGUV Regulations while also serving as accessories to the residential aspect of the Project. Specifically, Developer intends to develop and operate (i) 25 live-work units on the ground floor of Building F (“Live-Work Units”); (ii) a leasing office of up to 1,600 square feet that will serve residents and potential residents (“Leasing Office”); and (iii) an amenity space of up to 3,600 square feet that will include a beauty parlor, kitchen, fitness center or other amenities for use by Project residents (“Residential Amenity Space”). The Live-Work Units, Leasing Office and Residential Amenity Space may be located on the ground floor of the Project subject to the terms and conditions described in Section 9.4.

9.6 Municipal Space Allowance. In exchange for the provisions of this Agreement the Developer shall enter into a 50-year lease with the City for a municipal space (“Municipal Space”) in the Project at no cost to the City. The lease shall be negotiated and executed prior to issuance of the first certificate of occupancy for the Project and contain the following terms: The Municipal Space shall be not less than 500 rentable square feet of ground floor commercial space at a Project location satisfactory to the City in Building D, E or F. Developer shall build out the following initial interior improvements for the Municipal Space ~~in a design, style and manner approved by the City, which shall include but is not limited to:~~ walls, windows, ceiling, floors, doors, utilities, electrical, cabling and security, paint and trim, and interior fixtures. Materials and finishes shall be consistent with the other commercial spaces in those buildings. The space layout shall be approved by the City. The City shall be responsible for any further tenant improvements. The Municipal Space shall be used, maintained, and operated by the City for any public purpose for the duration of this Agreement. Upon completion of the 8-year duration of the Agreement, the City may continue such use under the provisions stated herein for the remaining term of the lease, or the City may at its discretion assign or sublease all or any portion of the Municipal Space to any other governmental or non-profit entity by providing not less than 60 days written notice to Developer. In the event the City receives rent for such assignment or sublease exceeding the cost of utilities, the City shall pay one-half of such amount to Developer as it is received for the term of the assignment or sublease. shall have no restrictions on future status or use of the Municipal Space and may use, assign, lease, transfer or sell the Municipal Space to any person or for any purpose at the City’s sole discretion. The City shall pay utilities for the Municipal Space but shall not pay rent or common area expenses.

10.0 Transportation and Traffic Requirements

10.1 City and County Traffic System Impact Mitigation Requirements. Traffic impacts and mitigation fees will be analyzed, and determined by the City through the City’s SEPA and development review process and in accordance with the Engineering Study per Section 8.2.

10.2 Construction of 132nd Street SE Improvements. Developer shall construct or pay to construct all 132nd Street S.E. frontage and related access point improvements required by the Washington State Department of Transportation and the Engineering Study per Section 8.2. The

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design, construction, and operation of the improvements are subject to the review and approval of the Washington State Department of Transportation.

10.3 Dedication of Road Right-of-Way. In accordance with MCMC 16.14, Developer shall dedicate or cause to be dedicated to the City the full width of the public Right-of-Way for 39th Avenue SE and 133rd Street SE and the remaining the width of the public Right-of-Way for 41st Avenue SE. as depicted in **Exhibit C** as such widths and alignments are contemplated in the Engineering Study, except to the extent deviations are permitted by Section 8.2. Dedication shall be completed either by (i) showing the dedication on the face of the BSP for the Project; or (ii) by separate dedication deed or easement approved and accepted by City before the BSP is released for recording. Developer is solely responsible for negotiating all necessary legal interests from underlying property owners of the public Right-of-Way in order to accomplish the required dedication.

10.4 On-Site Road Construction. Developer shall design and construct to City specifications the full width of the public roadway improvements on the property dedicated pursuant to Section 10.3 ("Road Construction"). Road Construction shall comply with all applicable EGUV Regulations, including but not limited to MCMC 16.16, the current version of the Mill Creek Design and Construction Standard Plans, Design Guidelines, and the Engineering Study. Road Construction shall include (i) the full width of the street and sidewalk cross section; (ii) on-street parking as approved by City; (iii) street and pedestrian lighting; (iv) storm water and drainage facilities; (v) street trees (grates and lighting conduit), landscaping and street furnishings; and (vi) signage and striping.

11.0 Critical Areas Mitigation Plan

11.1 Mitigation Plan. Developer is proposing a critical areas mitigation plan ("Mitigation Plan") that provides local and regional benefits in exchange for a reduced critical area buffer on the Project site. The Mitigation Plan encompasses two sites, one on-site and one off-site.

11.2 Off-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of actions, including (i) preservation and dedication of approximately 61 acres of undeveloped land to the City ("Off-Site Mitigation Site"); (ii) enhancement and extension of an integrated trail system of more than a mile in length comprised of gravel paths, boardwalks, and elevated pathways within and providing access to the Off-Site Mitigation Site; (iii) inclusion of environmental education signage and kiosks on the Off-Site Mitigation Site; (iv) a combination of habitat and vegetation enhancement and restoration; and (v) parking area, and information kiosk to allow for public recreational and educational opportunities.

11.2.1 Off-Site Mitigation Site Concept. The foundation of the Mitigation Plan for the Off-Site Mitigation Site is the Developer's acquisition, restoration, enhancement, and donation of approximately 61 acres of undeveloped land located to the south of the Project site to the City. See "Off-Site Mitigation Site" map attached and incorporated as **Exhibit E**. The Off-Site Mitigation Site consists of both wetlands and uplands. A clear

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value is associated with the land acquisition and donation of the Mitigation Site that establishes the regional benefit to the City in terms of the value of the habitat and value of the land. The dedication of a the Off-Site Mitigation Site to the City will provide additional open space, providing more trails for local residents, additional areas of land for stormwater/floodwater management, and the protection, restoration, and enhancement of a high-quality wetland that currently has been degraded by past land use practices. Large open space areas are generally lacking in this area due to the required infill and encouraged high-density development based on the local comprehensive plan. This land preservation, enhancement, and dedication stemming from the Off-Site Mitigation Site will help fill a need for passive recreational areas for the community.

11.2.2 Maintenance, Restoration and Enhancement. Developer will maintain, restore and enhance the Off-Site Mitigation Site as required under the MCMC 18.06 and as described in the Mitigation Plan.

11.2.3 Transfer of Title to City. At any time during development approval for the Project and up to 5 years following issuance of all Project Approvals, the City may elect to take fee simple ownership of the Off-Site Mitigation Site at no cost to the City by giving written notice (“Notice”) to Developer. In that event and until completion of title transfer to City, Developer shall continue to maintain and monitor and shall promptly complete all remaining maintenance on the Off-Site Mitigation Site, and shall repair or replace all amenities on the Off-Site Mitigation Site, all to City’s satisfaction and per the approved final wetland mitigation plan Mitigation Plan at Developer’s cost. Developer shall provide a title commitment for the Site acceptable to City within 30 days of the City’s Notice and shall remove all financial encumbrances on the Site prior to title transfer. Developer shall transfer title to City by statutory warranty deed within 60 days of the City’s Notice. On the effective date of title transfer Developer will be relieved of all further obligations relating to the Off-Site Mitigation Site. Should the City elect to reject dedication of the Off-Site Mitigation Site, the area shall be maintained and owned by the Developer consistent with MCMC 18.06.

11.2.4 Mid-Block Crossing Analysis. ~~Should~~ Upon receipt of notice that the City elect dedication of the Off-Site Mitigation Site, the Developer shall engage a consultant to provide the City with a mid-block crossing analysis to determine if a mid-block crossing is warranted on 35th Avenue SE between the west and east sides. Said analysis shall be provided to the City within 90 days of prior to the transfer to the City.

11.2.4—5 Public Access. Public access to and within the Off-Site Mitigation Site within designated parking areas and/or trails shall be permitted during the initial 5 years following issuance of all Project Approvals. Should the City elect to reject dedication of the Off-Site Mitigation Site, the Developer may elect to not provide access to the public. While under the ownership of the Developer, and open to public access, the Developer may reasonably control/limit the hours that the public has access to and within the site, akin to setting hours of operation to provide security to the public and the property.

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11.3 On-Site Mitigation Site. Developer will comply with MCMC 18.06 requirements via a combination of habitat and vegetation enhancement and restoration, **Exhibit F**.

11.4 Native Growth Protection Area. Under the proposed BSP, approximately 12.6 acres of the approximate 17.43 acre Project site will be developed. The remaining approximate 5 acres will be retained as a Native Growth Protection Area within Tract 999, **Exhibit F**.

11.5 Critical Areas Buffer Reduction. In exchange for the Developer's actions described in this Section 11, critical areas buffer requirements will be allowed to vary from 2 feet to 108 feet with an average width of 54 feet.

12.0 Parking Requirements

12.1 Parking Standards. Parking shall be provided consistent with the requirements of MCMC 17.27.

12.2 Reciprocal Parking Covenant for Commercial Space Parking Stalls. The unified and mixed-use nature of the EGUV is designed to encourage pedestrian activity and discourage internal vehicle trips. Developer shall grant a reciprocal parking covenant approved by City for commercially designated surface parking stalls in the Project to the other commercially developed properties within the EGUV that provide an equivalent reciprocal parking agreement. The parking covenant shall be shown on the face of the BSP.

12.3 Use of Commercial Parking Facilities. Developer will actively manage the use of approved parking in the Project to ensure that stalls required to be available for commercial uses will not be used by residents, guests, and staff of the Project's residential units during operating hours of the Project's commercial businesses. The City is requiring a parking management plan as a condition of approval for the BSP to provide an enforceable method of requiring residents, their guests and employees to park only in areas dedicated to serving the residential portion of the Project. Use of parking stalls dedicated to support commercial uses shall be managed to ensure the spaces directly adjacent to commercial uses will be available for customers and not used by staff and/or owners of the commercial businesses. Developer will update the parking management plan as necessary or requested by City to ensure parking stalls reserved for customers, invitees and guests of commercial ground floor tenants remain available to such users during normal business hours.

13.0 Plazas, Public Gathering Areas, Art Work, and Public Access

13.1 Required. Plazas and public gathering places shall be provided along 39th Avenue SE and 133rd Street SE of the Project as shown on the BSP pursuant to MCMC 17.19 and the Design Guidelines. Plazas shall incorporate informal public seating areas, sidewalks, and other public spaces on the Property consistent with the EGUV Illustrative Plan, Design Guidelines, Comprehensive Plan, and as agreed through approval of the MDP. Plazas and public gathering spaces are subject to review and approval of the Design Review Board prior to the issuance of a building permit. The private parking lot west of Building F shall be designated and designed to be utilized as public gathering areas for families, markets, festivals, concerts, and the like

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produced, promoted or held by the Developer. Nothing in this Section 13.1 shall allow the City or any other person to use private property without the permission of Developer, consistent with MCMC 12.08, Special Event Permits.

13.2 Plazas and Public Gathering Areas; Infrastructure and Furnishings. Developer shall design, obtain and install infrastructure and furnishings in plazas and other gathering areas in accordance with the Design Guidelines and MCMC 17.34. Plaza design and furnishings are subject to review and approval of the Design Review Board. Maintenance and replacement of infrastructure and furnishings shall be the responsibility of Developer. This may include, but is not limited to, public access to commercial restrooms, water fountains, flush curbs to allow for vehicular access, electrical conduits for vendors, providing seating, extra trash cans, and festival lighting.

13.3 Public Access. Developer shall grant ~~a public access~~ an easement to City allowing public pedestrian access ~~to~~ over and across the roadway buffer, perimeter trail, and Wetland Park as well as through the private drive aisles and sidewalks to enable public access from the public roadways to the perimeter trail as shown on the approved BSP. All public access easements, locations, and types shall be described and shown on the face of the BSP.

14.0 Maintenance Responsibilities

14.1 Developer Responsibilities. In addition to any other requirement stated in this Agreement, Developer shall be responsible for the following ongoing maintenance obligations, which shall be timely performed at Developer's expense: (i) oversee and coordinate the use and maintenance of, and activities and events held on, privately-owned open spaces within the subject properties (ii) maintain improvements in the public rights-of-way in accordance with MCMC 12.06 and 17.24, including public right-of-way areas between the street curbs and property lines, including but not limited to sidewalks, plazas and open spaces, canopies, all landscaping including tree grates, trash cans including daily servicing, and benches and all outdoor furniture; (iii) maintain the Property; and (iv) maintain all drainage facilities on the Property outside the public rights-of-way.

14.2 Multiple Owners. To the extent there are multiple owners of the Property (e.g., commercial units operated under separate ownership from residential uses and owners of multifamily residential buildings), said multiple owners shall manage and maintain the common areas and shall remain jointly and severally responsible to the City for compliance with Section 14.1. This Section 14.2 shall not apply to the City.

14.3 City Responsibilities. City shall be responsible for the following ongoing maintenance obligations within the publicly-owned rights-of-way except as noted in Section 14.1: streets, pavement, curbs, gutters, structural sidewalk repairs, lighting, on-street parking and meters, raised crosswalks, street signage, channelization, and drainage facilities, per MCMC 12.06.

15.0 Transfer of Property; Notice

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15.1 Authority to Transfer. Developer's right to sell, transfer, assign, mortgage, hypothecate, convey or take any other similar action regarding the title to or financing for the Project and Property shall not be infringed by this Agreement, provided any such transfer, assignment, sale, etc. shall be subject to all the terms, conditions, rights, duties and obligations of all development approvals pertaining to the Project and Property, specifically including without limitation this Agreement, the MDP, and Project Approvals. ~~Developer and any subsequent transferor, assignor, etc. shall give actual notice of and copies to the transferee, assignee, etc. of all development approvals and related documents.~~

15.2 Obligations of Successors. This Agreement, the MDP, all Project Approvals and all Developer obligations shall be binding on all subsequent owners, assigns, purchasers, lessees, lessors, tenants, and transferees of every kind and nature ("Successors") of the Project and Property. Any reference to Developer herein shall be construed to apply to any Successor. All Successors are hereby advised to make inquiries with the City as to all applicable Project Approvals and their terms and conditions.

15.3 Recording. The City shall promptly record this Agreement and any other Project documents ~~required~~requested by City in the Snohomish County Recorder's Office and provide conformed copies to Developer. The City shall invoice the direct recording costs to the Developer as part of the BSP application.

16.0 Enforcement Authority; Police Power; Penalties

16.1 Enforcement Authority. City may enforce this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property, in whole or in part, in any manner allowed by law and this Agreement. Developer and every future Successor shall be fully responsible for compliance with and full and complete performance of this Agreement, the BSP, the MDP, the Project Approvals, and all other related approvals for development of the Property.

16.2 Police Power. Except to the extent necessary to comply with RCW 36.70B.170 et seq., the limitations of which shall expire at the end of the Vested Term, nothing in this Agreement shall limit, waive or release, or be construed to limit, waive or release, City's municipal duties, responsibilities or enforcement authority of any kind, including its police power authority and its condemnation authority, whether arising under the MCMC, state or federal law, Washington constitution, or any other source of lawful authority.

16.3 Penalties. Without limiting the foregoing sections, the City may take any or all of the following enforcement actions, in any order and without limitation, and may impose any or all of the following penalties for failure to comply with this Agreement, against Developer and any Successors:

16.3.1 Stop action on any pending permits or approvals by Developer or a related entity.

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16.3.2 Stop action on any pending permits or approvals pertaining to the Property or Project.

16.3.3 Withhold certificates of occupancy pursuant to Section 9.

16.3.4 Require cash deposits or other security to ensure future performance and compliance.

16.3.5 Fines and penalties authorized under the MCMC.

17.0 Conflicts; Dispute Resolution

17.1 Conflicts. In the event of an internal conflict between any of the terms and conditions of this Agreement or between this Agreement and any Project Approvals, the most restrictive shall apply as determined by City, unless City and Developer agree otherwise.

17.2 Disputes. In the event of a dispute between the Parties about the application or interpretation of this Agreement, principals for City and Developer shall promptly meet and attempt to resolve the issue. ~~If that is not successful, Developer shall request an official interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). Developer may appeal said interpretation as provided in the MCMC. In accordance with MCMC 14.11.090, the Developer may appeal the administrative interpretations to the Hearing Examiner.~~ If that is not successful, the Parties shall promptly apply for and schedule a mediation using JAMS, WAMS, JDR or a similar mediation service prior to commencing any judicial proceedings. Each Party shall pay its own costs and expenses and one-half the mediator's cost. ~~If that is not successful, Developer shall request an official interpretation from the Director of Community and Economic Development pursuant to MCMC 14.09.010(A)(7) or (8). Developer may appeal said interpretation as provided in the MCMC.~~

18.0 Modification; Termination

18.1 Modification. This Agreement may be modified only upon mutual consent of the Mill Creek City Council and Developer. Either Party may seek a modification by giving written notice thereof to the other Party. No Party is obligated to agree to any modification of this Agreement. Modification may require compliance with the public notice and hearing requirements of RCW 36.70B.200 et seq. or other applicable laws then in effect.

18.2 Termination. This Agreement may not be terminated except upon mutual consent of the Mill Creek City Council and Developer or order of a court having competent jurisdiction.

18.3 Continuation. After the Vested Term, this Agreement shall continue in whole as an applicable development regulation for the Property, provided that City may change, and Developer may request changes in, all or any portion of the Agreement or land use characteristics of the Property or Project in accordance with then-applicable rules for making such changes.

19.0 Authority to Approve Agreement

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

19.1 By executing this Agreement, each Party represents and warrants that it has taken all necessary steps under its corporate authority and/or applicable city or state law to authorize such act, and that its execution of this Agreement is knowing, voluntary, made upon consultation with legal counsel, and is valid and binding for all purposes.

19.2 In the case of City, the Mill Creek City Council has found that this Agreement is in the public interest and furthers the public health, safety and welfare ~~all as set forth in Council Ordinance 2015-798.~~

20.0 General Terms

20.1 Integration. This Agreement constitutes the entire agreement between the Parties as to the subject matter herein. No prior oral or written agreements respecting same shall be valid, and any such agreements shall be considered to be merged and subsumed herein.

20.2 Consent and Waiver. Developer acknowledges and agrees that construction and dedication of the public right-of-way, public pedestrian easement dedications, creation of public open space areas (together with furnishings and infrastructure), and other Developer actions listed in this Agreement shall: (i) constitute lawful and appropriate dedications and/or uses of land under MCMC Titles 14 – 18 and applicable state law, specifically including but not limited to MCMC 18.04.220(B), MCMC 18.04.220(D), RCW 43.21C, RCW 58.17, and RCW 36.70B; (ii) meet and/or satisfy the requirements, obligations and scope of actions set forth in said laws, and/or have been made by the voluntary act of Developer for its benefit and to enhance the success of the Project; and (iii) are binding on Developer.

20.3 Venue. Venue for all disputes arising under or connected with this Agreement and Project Approvals shall be in the Superior Court for Snohomish County. This Agreement and the Project Approvals shall be governed and interpreted in accordance with Washington law.

20.4 Effective Date. The effective date of this Agreement shall be , 2019 ("Effective Date").

20.5 Covenant Running with Land. From and after the Effective Date, this Agreement shall be a covenant running with the Property and/or an equitable servitude on the Property, and shall be binding on the Parties, their Successors, their assigns, and on all subsequent owners, purchasers, assigns, lessees or lessors, tenants, transferees, and transferors of every nature as set forth herein.

20.6 Authority. The Parties each represent and warrant that they have full power and actual authority to enter into this Agreement and carry out all actions required of them by this Agreement. All persons executing this Agreement in their representative capacities represent and warrant that they have full power and authority to bind their respective organizations.

20.7 Responsibility. Developer is responsible for compliance with this Agreement. Any act or omission required of or permitted by Developer hereunder may be taken by Developer's authorized agents, contractors or employees, but Developer shall not thereby be relieved of its responsibility or liability to City under this Agreement.

ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

20.8 Attorney's Fees. In any action arising under or related to this Agreement, the substantially prevailing Party shall be entitled to be paid its reasonable attorney's fees, expenses and costs by the non-prevailing Party, whether in arbitration, at trial, on appeal, bankruptcy proceeding, or other legal action.

20.9 Third Parties. This Agreement is entered into for the sole benefit of the Parties. There are no third party beneficiaries to this Agreement.

20.10 Severability. If any section, sentence, clause or portion of this Agreement is declared unlawful or unconstitutional for any reason, the Parties intend that the remainder of this Agreement shall continue in full force and effect.

21.0 Exhibits

21.1 The following exhibits are attached and incorporated into this Agreement by this reference as though fully set forth herein:

- Exhibit A:** Property Legal Descriptions (Section 4)
- Exhibit B:** Tax Parcel Map (Section 4)
- Exhibit C:** Conceptual Map of Binding Site Plan (PL2018-0004) (Section 5)
- Exhibit D:** EGVV Engineering Study (Section 8.2)
- Exhibit E:** Off-Site Mitigation Site (Section 11.4)
- Exhibit F:** On-Site Mitigation Site

WHEREFORE, the Parties have signed and executed this Agreement on the dates set forth below.

<p>City of Mill Creek:</p> <p>By: _____ Robert S. Stowe, Date Interim City Manager</p>	<p>Eastgate <u>The Farm</u> by Vintage LP:</p> <p>By: <u>The Farm by Vintage Partners, LLC</u> _____ Ryan Patterson, Michael Gancar Date <u>Owner</u> <u>Manager</u></p>
<p>ATTEST:</p> <p>By: _____ Gina Pfister, Date Acting City Clerk</p>	

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

APPROVED AS TO FORM: By: _____ Scott M. Missall, Date City Attorney	APPROVED AS TO FORM: By: _____ _____ Attorney for Eastgate by Vintage LP

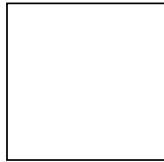
ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss:

I certify that I know or have satisfactory evidence that **Robert S. Stowe** is the person who appeared before me, and he acknowledged that she signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the City Manager, of City of Mill Creek, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: _____, 2019.



Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:

My Appointment Expires: _____

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

GENERAL ACKNOWLEDGMENT

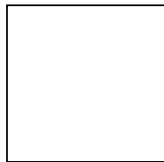
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
) ss:
COUNTY OF _____)

~~I certify that I know or have satisfactory evidence that **Ryan Patterson** the person who appeared before me, and s/he acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____, of Eastgate by Vintage, LP to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.~~

DATED: _____, 2019.

On _____, 2019, before me, _____, Notary Public, personally appeared Michael K. Gancar, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Signature of Notary Public
(Seal)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Print Name: _____

NOTARY PUBLIC in and for the state of
Washington, residing at:

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

My Appointment Expires: _____

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

EXHIBIT A

Legal Description of ~~Property~~ Parcel A

Section 33 Township 28 Range 05 Quarter NW - PAR 2 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - NW1/4 NE1/4 NW1/4 SD SEC 33

EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN THS89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AFN
8310200114;

EXC W 0.22FT THOF & EXC ADDL NWLY R/W TO CITY OFMILL CR PER SWD REC
UND AFN 201004190475.

Parcel A Identification Number: 28053300200200

Legal Description of ~~Property~~ Parcel B

Section 33 Township 28 Range 05 Quarter NW - PAR 1 OF SNO CO BLA 00-101711 REC
UND AFN 200007140347 DAF - N1/2 NW1/4 NW1/4 SD SEC 33 & W 0.22FT W1/2 NW1/4
NE1/4 NW1/4 SD SEC 33;

EXC STRIP 20FT WIDE ON S SIDE C/L COM NW COR SD SEC 33 RUN TH S89*50 40E
1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AF NOS
8310200114 & 9201230590 EXC TH PTN CONDMD FOR RD IN SNO CO SCC NO 98-2-
08976-6;

EXC ADDL NELY R/W TO CITY OF MILL CR PER SWD REC UND AFN 201004190474.

Parcel B Identification Number : 28053300200300

Legal Description of ~~Property~~ Parcel C

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4
NW1/4 SD SEC 33 TGW BEG AT SW COR NW1/4 SD SEC 33 TH N 1320FT TO TPB TH E
990FT TH N330FT TH W 990FT TH S 330FT TO TPB

PL2018-0004 Development Agreement -- Page 21 of 28

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

EXC ANY PTN THOF LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 40FT WIDE STRIP TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E(DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP TH IS 20FT NLY OF WHEN MEAS ATR/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN TH IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN35TH AVE SE TH S00*38 45W ALG SD E MGN 40.01FT TH S88*19 22E 241.69FT TAP TH BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA 40FT WIDE STRIP OF CITY OF MILL CR SP 11-12 REC AFN201206075002

Legal Description of Property Parcel D

Section 33 Township 28 Range 5 Quarter NW A PTN OF FOL DESC REAL PRTY SW1/4 NW1/4 SD SEC 33 TGW BEG SW COR NW1/4 SD SEC 33 TH N1320FT TO TPB TH E 990FT TH N 330FT TH W 990FT TH S 330FT TO TPB

EXC ANY PTN LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVD TO SNO CO BY DEEDS REC AFN 1730042 & 200012280181 DAF ALL OF SD REAL PRTY

EXC FOL 3 PAR PAR 1 TH PTN SD RAL PRTY LY NLY & WLY OF FDL BEG ATNW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TO POB TH S04*16 23E 43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*4038W 25FT TAP THAT IS 20FT NLY OF WHEN MEASE AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH AVE SE & TERM OF THIS LN DESC PAR 2 COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN SD PAR 549.23FT TO POB TH CONT S88*19 22E (DEEDEAST) ALG SD N LN 320.25FT TH S01*40 38W 310FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN OF SW1/4 NW1/4 SD SEC 33 TH N88*19 22W 299.67FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TH N01*4038E 25FT TAP THAT BEARS S02*27 15E FR POB TH N02*27 15W 285.74FT TO POB PAR 3 TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88*19 22E (DEED EAST) ALG N LN THOF 279.23FT TH S04*16 23E43.17FT TH S02*59 48E 48.94FT TH S03*17 04E 65.87FT TH S01*29 54E 62.61FT TH S00*54 20E 65.21FT TH S01*40 38W 25FT TAP THAT IS 20FT NLY OF WHEN MEAS AT R/A TO N LN SW1/4 NW1/4 SD SEC 33 TH N88*19 22W49.11FT ALG A LN THAT IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*19 22W 40FT TH S01*23 38W 390.26FT TH N88*19 22W 202.21FT M/L TO E MGN 35TH

ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

AVE SE TH S00*38 45W ALG SD E MGN40.01FT TH S88*19 22E 241.69FT TAP THAT BEARS S01*23 38W FR POB TH N01*23 38E 410.26FT M/L TO POB AKA LOT 3 CITY OF MILL CR SP 11-12 REC AFN 201206075002

Legal Description of Property Parcel E

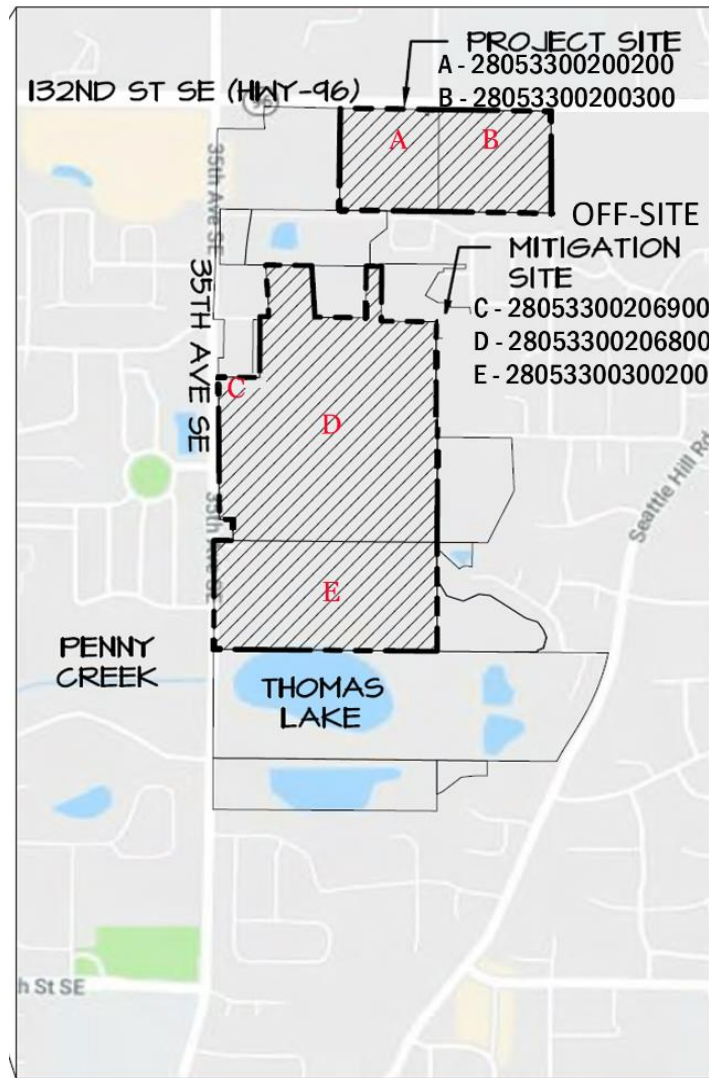
SEC 33 TWP 28 RGE 05. N1/2 NW1/4 SW1/4

EXC ANY PTN LY WITH THOMAS LAKE RD & EXC RD R/W PER DEED REC AFN 1730042 & ADDL R/W TO SNO CO PER REC AFN 200012280181.

ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

EXHIBIT B

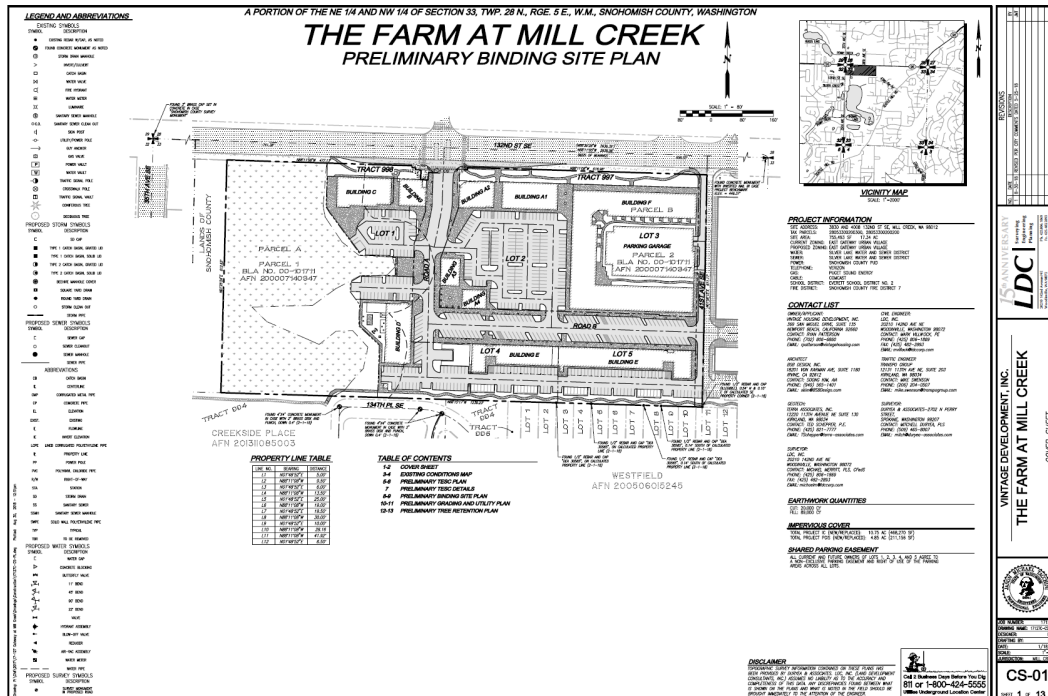


ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

EXHIBIT C

A map generally depicting the proposed Project



ATTACHMENT 1

All consolidated edits as of 3.26.2019

Ordinance DA-3-219-19

EXHIBIT D

EGUV Engineering Study

The document is available for review on the City's web site at:

<http://cityofmillcreek.com/DocumentCenter/View/77>

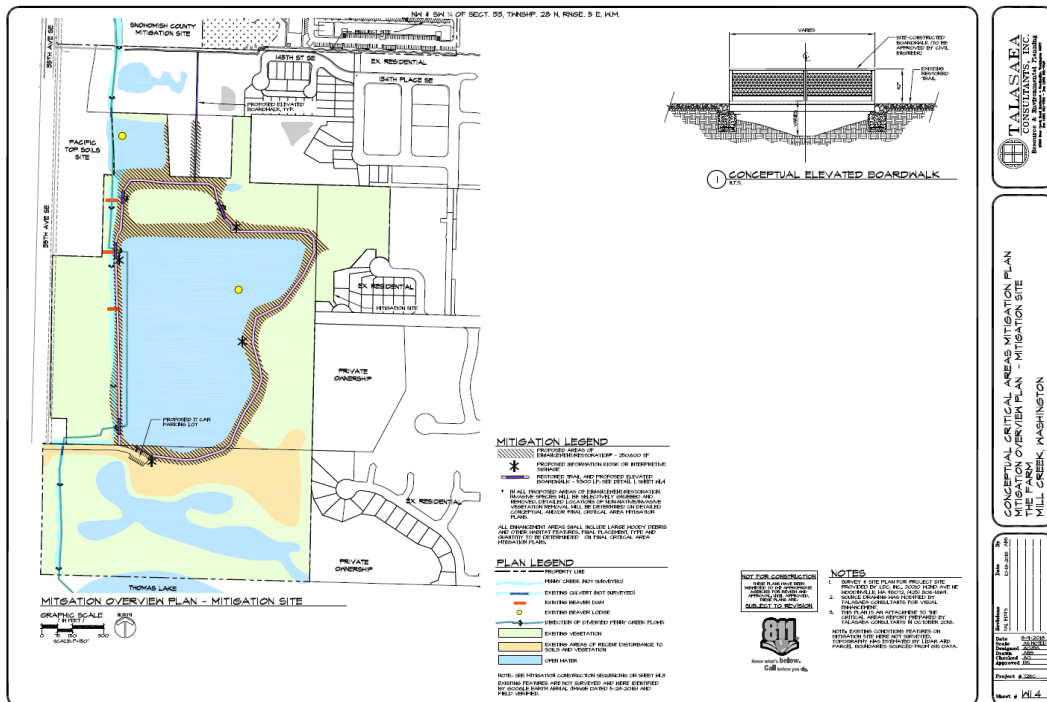
If you need a hard copy, please contact the City Clerk.

ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

EXHIBIT E

A map depicting the Off-Site Mitigation Site

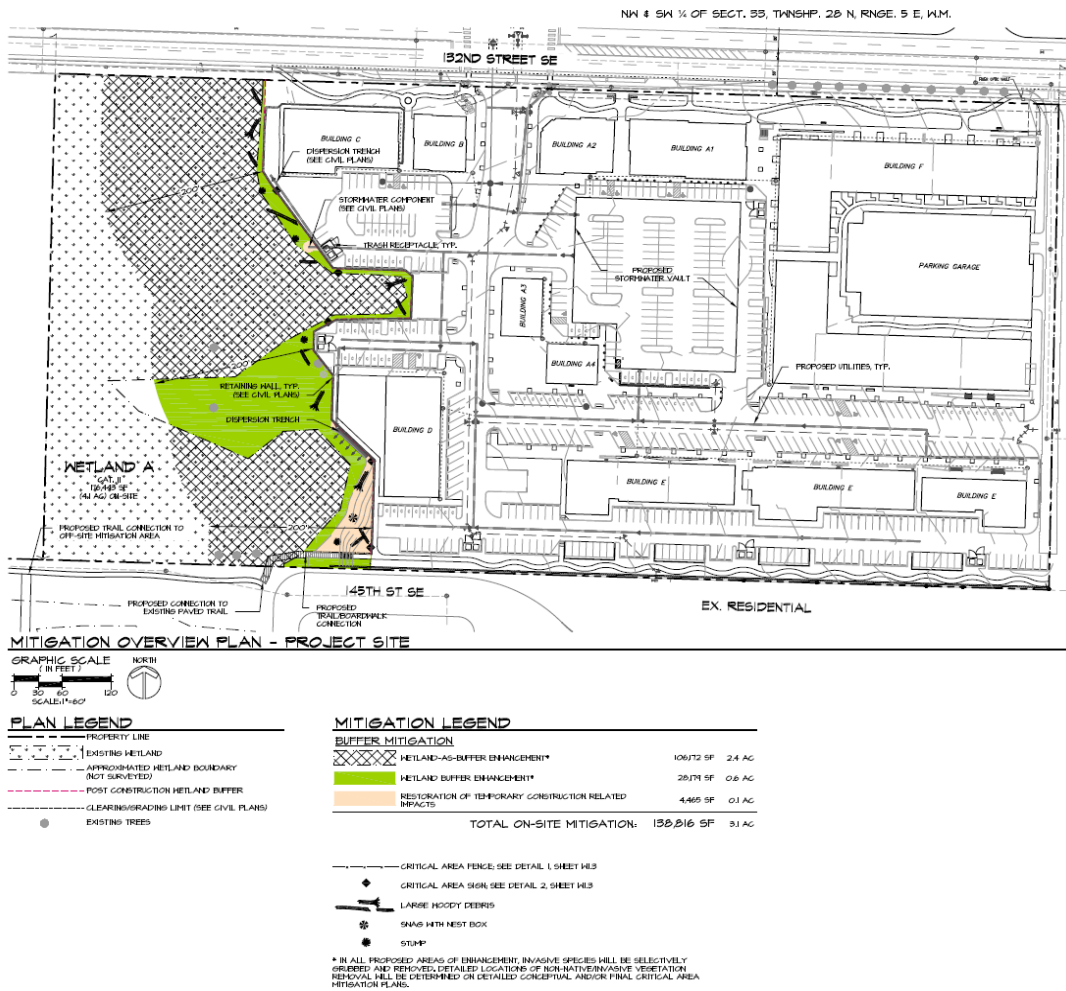


ATTACHMENT 1

All consolidated edits as of 3.26.2019
Ordinance DA-3-219-19

EXHIBIT F

A map depicting the On-Site Mitigation Site





Agenda Item # C

Meeting Date: March 26, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

AGENDA ITEM: APPOINTMENT TO THE PARK AND RECREATION BOARD

PROPOSED MOTION:

Motion to appoint one volunteer to serve a mid-term appointment on the Park and Recreation Board expiring Oct. 31, 2020.

KEY FACTS AND INFORMATION SUMMARY:

One position on the Park and Recreation Board was vacated with Stephanie Vignal was appointed to the Mill Creek City Council. Staff conducted a recruitment process that included the following:

- The notice was posted on the bulletin boards at City Hall and at the Library.
- A press release was sent to the local newspapers.
- The notice was posted on the City's website.
- The notice was sent out through the "Notify Me" feature on the City's website, where people interested in serving on the Park and Recreation Board have signed-up to receive notice when a vacancy occurs.
- The City's social media outlets were utilized to advertise the vacancies.

Three applicants applied for the single vacancy on the Park and Recreation Board. Interviews are scheduled for Tuesday, March 26, 2019. The Interview Committee is comprised of Councilmember Cavaleri, Councilmember Bond, and Park and Recreation Board Member Melissa Duque.

CITY MANAGER RECOMMENDATION:

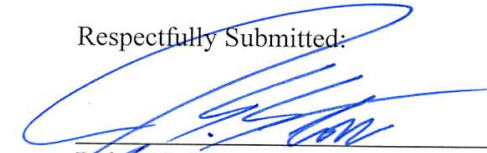
N/A

ATTACHMENTS:

Applications for the volunteer position on the Park and Recreation Board from: Earl Bardin, Tammy Dunn, and Alex Vo.

City Council Agenda Summary
Page 2

Respectfully Submitted:



Robert S. Stowe
Interim City Manager



**City of Mill Creek
Boards & Commissions Application**

Community Service

The City of Mill Creek values the residents who volunteer their time to serve on our boards and commissions. The contribution made by such members has helped make Mill Creek the great city it is today.

Application

If you are interested in serving on the Arts and Beautification Board, Parks & Recreation Board, Design Review Board, Planning Commission or Civil Service Commission, please complete this application and submit it to the City Clerk at cityclerk@cityofmillcreek.com, or by mail at:

City of Mill Creek
Attn: City Clerk
15728 Main Street
Mill Creek, WA 98012

Please fill out the following information:

First Name: Earl Last Name: Bardin

Address: [REDACTED] City: Mill Creek Zip: 98012

Email: [REDACTED] Phone: [REDACTED]

Please complete each of the following questions:

1. What board or commission would you like to be considered for?

Park and Recreation Board – Application recycled from **Art and Beautification Board**

2. Why are you interested in serving on a board or commission?

Being a new retiree, I now have time to contribute in a meaningful way to our community. I desire to provide a well-researched, broad based view to aesthetics of our town and neighborhoods.

3. Please explain your professional background and list any professional licenses, registrations or certificates held.

I grew up on an apple farm which inculcated sustained and environmental growth. However, a science background led to my BS in Zoology at WSU, followed by U W Medical School and Residency in Seattle. My professional life was in Everett, until I retired in 2018. I have lived in Mill Creek since 1987, raising three adult daughters who live in the Puget Sound area. I continue to be a lifelong learner and have enjoyed attaining my Bee Keeping Apprentice certificate from WSU.

4. What are some of the most important concerns or issues that you think the City will have to face in the next 5-10 years?

I feel maintaining the current quality of life as neighborhoods struggle with continued growth is paramount. We need to continue to be vigilant in maintaining a current mixture of green spaces, parks, and development.

5. What do you see as the City's best asset to bring visitors and new residents to the City?

I see a vibrant, clean, organized town core with surrounding well maintained neighborhoods, accessible by private and public transportation alternatives. Our vibrant city appeals to multiple generations which enrich the area. Due to the current aesthetics of greenery and public art, it provides an ambience that is unmatched.

6. Please list any other comments that would help the City Council evaluate your skills for this position.

My extensive world travel with exposure to ancient world and modern art, architecture, city planning and how this can interact with current infrastructure has enhanced my ability to assist with beautification and park development. I appreciate the different ways of achieving a well-organized city, neighborhood, and social fabric to enhance a life enjoyed by many. A community attractive to all ages, families and retirees is critical for a balanced sense of community. My adult children love to return to Mill Creek due to green walkable neighborhoods and a vibrant downtown core with a diverse set of retailers. Developing new areas while maintaining current open spaces, parks, public art is not contradictory, but requires vigilance and a keen sense of the future.

Thank you,
Earl Bardin, MD



**City of Mill Creek
Boards & Commissions Application**

Community Service

The City of Mill Creek values the residents who volunteer their time to serve on our boards and commissions. The contribution made by such members has helped make Mill Creek the great city it is today.

Application

If you are interested in serving on the Arts and Beautification Board, Parks & Recreation Board, Design Review Board, Planning Commission or Civil Service Commission, please complete this application and submit it to the City Clerk at cityclerk@cityofmillcreek.com, or by mail at:

City of Mill Creek
Attn: City Clerk
15728 Main Street
Mill Creek, WA 98012

Please fill out the following information:

First Name: Tammy

Last Name: Dunn

Address: [REDACTED]

City: Mill Creek

Zip: 98012

Email: [REDACTED]

Phone: [REDACTED]

Please complete each of the following questions:

1. What board or commission would you like to be considered for?

I would like to be considered for the Parks & Recreation Board.

2. Why are you interested in serving on a board or commission?

I am interested in serving on the board as I believe that my professional work, being a resident who enjoys parks, and is an advocate for health, wellness and recreation with in the community will provide a new insight to the Mill Creek Parks & Recreation Board.

I serve on the Snohomish County Parks & Recreation Advisory Board. My knowledge with parks & recreation will provide another insight for the city of Mill Creek.

3. Please explain your professional background and list any professional licenses, registrations or certificates held.

I am the sports development director of the Snohomish County Sports Commission, sports division of the Snohomish County Tourism Bureau for the last fourteen years. One of my roles is working with the city parks and recreation departments as well as Snohomish County Parks & Recreation. I promote parks and trails to out of town visitors and our residents throughout the county.

With my position, I work with other sports tourism industry leaders and parks & recreation leaders throughout the United States. By learning from others in the industry, their ideas and ways may be done in our community.

4. What are some of the most important concerns or issues that you think the City will have to face in the next 5-10 years?

One concern is ensuring open spaces (parks) for families of all ages to enjoy the outdoors. As Snohomish County is slated to have 20,000 people moving to the area, more homes will be constructed which could reduce the open spaces available for families to recreate or enjoy a day outside in their neighborhood. Several multiple family homes have been built in the last year in Mill Creek, so we could be feeling the effects of this in the near future.

Another concern could be ensuring that there is funding for the Parks & Recreation department's programs and special events. Based on how well the economy is, local businesses may not be sponsors in coming years for special events or the residents may not register to participate in the program or special event. It is important to continue to be creative in finding new resources and funds.

It is important to start addressing this potential concerns so that we are proactive rather than reactive. Partnerships which involves and creates awareness for everyone is one of the ways to reduce this concerns or issues in the future. I consider myself as a person who seeks partnerships among the community, business, sports organizations, and government.

5. What do you see as the City's best asset to bring visitors and new residents to the City?

As a resident of Mill Creek, I believe Mill Creek has several best assets. One best asset to bring visitors and new residents to the City is Mill Creek Town Center and the new development at the Gateway Center. The opportunity to have retail and restaurants in Mill

Creek allows the residents to shop and eat in the neighborhood rather than going to Alderwood Mall or another city.

Development of partnerships with the hotels in South Everett (128th Street), even in Lynnwood, could bring more visitors to shop and eat in Mill Creek. Partnerships with the sports facilities (Mariner High School, Archbishop Murphy High School, Jackson High School) and Arena Sports could bring more sports visitors to the retail and restaurants in Mill Creek. These are just a few partnership opportunities.

The Mill Creek Sports Park and the other parks within the city limits are assets as it allows the residents to have a place to play and be outside. When tournaments are scheduled at the sports fields this brings out of town visitors to the city.

6. Please list any other comments that would help the City Council evaluate your skills for this position.

As I work in the sports tourism industry, I believe that I am able to bring my expertise to the parks & recreation board. The Snohomish County Sports Commission is a member of the National Association of Sports Commission which provides industry resources for destinations, parks & recreations and facilities. As I talk with colleagues throughout the country, I am learning new ways for our community to enhance our work.

I am ex-officio on the Snohomish County Parks & Recreation Advisory Board.

Partnerships are valuable. I am always looking for ways to partner with others within the community.

I am passionate about sports and active lifestyle.

am now able to have some free time to give back to the community and a volunteer position with the city would be a great opportunity to do just that.

3. Please explain your professional background and list any professional licenses, registrations or certificates held.

I am a professional in the biotech industry. I have a Ph.D. degree in Biochemistry and have been working in the health science industry for the last 20 years. I am a member of several scientific organizations including the American Chemical Society, American Society of Clinical Oncology, American College of Clinical Pharmacology. I am the founder and President of the Pacific Northwest Bioscience Society, a non-profit society.

4. What are some of the most important concerns or issues that you think the City will have to face in the next 5-10 years?

Mill Creek has been a beautiful city to live and raise a family in, and I believe maintaining this high standard quality of our community life is one of the most important goal for the city. This would include the on-going regular maintenance of the roads, parks, buildings and general infrastructures of the city as the city is aging. I believe going greener would also be a worthy goal for the city to consider. Efforts to reduce the use of plastics, for example, have been implemented in several cities in the greater seattle areas and it would be great if Mill Creek can also become a greater champion for a greener environment. Affordable housing to accommodate the increase in population and economic growth currently experienced in the greater region would be important to plan for, undoubtedly also the myriad issues that come with that growth. I believe it's critically important to nurture and balance growth while maintaining the charms and tranquility that Mill Creek has always been able to offer.

5. What do you see as the City's best asset to bring visitors and new residents to the City? Continue to keep Mill Creek clean and safe, this is why we decided to make Mill Creek our home 10 years ago. Invest in our schools and parks. Promote community events and the Arts. Our best asset is our citizens, so keep them involved and interested in the community.

6. Please list any other comments that would help the City Council evaluate your skills for this position.

In my professional career I have been a Senior Director managing departments with multi-million dollar budget, lead cross-functional teams, a decision maker, an analyst, balancing the need for progress without compromising quality, taking calculated and weighted risk with supporting mitigation strategy in place. I founded a non-profit society in the seattle area after moving here to support the scientific community. I am passionate about work life balance and believe strongly in responsible living, being good stewards of our city, our community and our environment. It's the best legacy we could leave for ourselves, and our children. Thank you for your consideration.

**Agenda Item D:
Approval of the Development
Agreement Between the Farm
by Vintage, LP at Mill Creek
and the City of Mill Creek**

See item B for materials.





Agenda Item # E
Meeting Date: **March 26, 2019**

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

AGENDA ITEM: SALE AND DISPOSAL OF SURPLUS POLICE DEPARTMENT VEHICLES

PROPOSED MOTION:

Declare a 2013 Harley Davidson police motorcycle and a 1999 Ford Explorer police administration vehicle as surplus and authorize the City Manager to direct that an auction occur using a licensed auctioneer.

KEY FACTS AND INFORMATION SUMMARY:

In February of 2019, the Police Department acquired a 2017 BMW police motorcycle to replace the 2013 Harley Davidson police motorcycle the City acquired in 2016.

In November of 2018, the 1999 Ford Explorer police administration vehicle was involved in a collision. An estimate of the repair costs compared to the value of the vehicle indicated that the vehicle was a total loss. A replacement has since been purchased and placed into service and there is no operational need to keep the damaged vehicle.

In accordance with Mill Creek Municipal Code (MCMC) 3.44 – *Sale and disposal of surplus property*, specifically MCMC 3.44.030 – *Sale of surplus property over \$1000 in value*, City Council approval is required to sell the vehicles described. The code allows for surplus property to be sold by *either* calling for sealed bids or by live auction. Staff recommends utilizing a licensed auction business to sell the vehicles at the City Manager’s direction and in accordance with MCMC 3.44. Once the City Council declares the vehicles as surplus property, staff will make the appropriate arrangements with a licensed auctioneer.

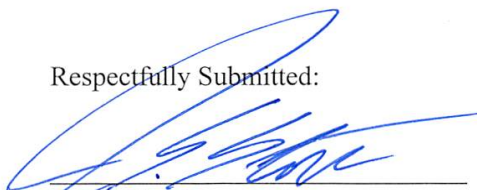
CITY MANAGER RECOMMENDATION:

Declare a 2013 Harley Davidson police motorcycle and a 1999 Ford Explorer police administration vehicle as surplus and authorize the City Manager to direct that an auction occur using a licensed auctioneer.

ATTACHMENTS:

- None

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

APRIL						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
		Council				
7	8	9	10	11	12	13
		Council				
14	15	16	17	18	19	20
21	22	23	24	25	26	27
		Council				
28	29	30				
MAY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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JUNE						
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		Council				

Tentative Council Meeting Agendas
Subject to change without notice

Last updated: March 21, 2019

April 2, 2019

(Agenda Summary due March 25)

- Study Session: Compensation Strategies
- Study Session: Financial Management Policies
- Report: Procurement Procedures
- Report: Contract for Services – DV Services
- Study Session: Winter Storm Update
- Executive Session: Acquisition or sale of property

April 9, 2019

(Agenda Summary due April 1)

- Proclamation: National Volunteer Week
- Presentation / Recognition of City Volunteers
- Contract for Services – Mill Creek Blvd Corridor Study
- Purchase of PW Bucket Truck
- Updates to the Governance Manual
- Study Session: Dobson/Remillard Property

April 23, 2019

(Agenda Summary due April 10)

- Presentation: Community Transit
- Planning Commission Appointments
- Report: Memorial Day Plans

May 7, 2019

(Agenda Summary due April 29)

- Proclamation: Public Works Month

May 14, 2019

(Agenda Summary due May 6)

- Check Presentation to City’s AWC Scholarship Nominee
- Surface Water F Failures – Construction Contract Award

May 28, 2019

(Agenda Summary due May 20)

- Hawk/SR 96 – Consideration of Speed

June 4, 2019

(Agenda Summary due May 27)

- Presentation: Youth Advisory Board Year-End Recognition
- Presentation: Waste Management

JULY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
		Council				
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		Council				
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		Council				
28	29	30	31			

AUGUST						
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SEPTEMBER						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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22	23	24	25	26	27	28
29	30					

Possible Work Session Topics for Discussion

- Business signs
- MCCA storm water discussions
- Utility Project Management
- Hotel/Motel Theater Tax
- Mill Creek Blvd Vision
- ST3 Stations
- 5G Presentation
- Legislative Retreat
- Gold Star Memorial
- Dobson Remillard Property
- Fleet Program
- Bike Lanes
- Community Funding Criteria and Source of Funds
- Surface Water System Study Group



15728 Main Street, Mill Creek, WA 98012
Administration 425-745-1891
Police 425-745-6175
All Other Departments 425-551-7254

**Park & Recreation Board Meeting Minutes
January 2, 2019**

Members Present:

Jim Erlewine, Chair
David Chapin
Peter Lalic
Stephanie Vignal

Not Present:

Brett Nagle, Vice Chair
Tyler Hogan
Melissa Duque
Vince Cavaleri, Council Representative

Also Present:

Joni Kirk, Director of Communications and Marketing
Jay Sandstrom, Recreation Coordinator
Kristen Rasmussen, Community Engagement Coordinator
Alli Phofl, Youth Advisory Board

I. CALL TO ORDER

Chair Erlewine called the meeting to order at 5:01 p.m. Members and staff were present as noted above.

II. MINUTES

Member Chapin moved, seconded by Member Lalic, to approve the Nov. 7, 2018, minutes as presented. The minutes were approved by members present with Chair Erlewine abstaining due to his absence from the Nov. 7, 2018, meeting.

III. YOUTH ADVISORY BOARD UPDATES

Youth Advisory Board Photo Journalist and Liaison Alli Phofl reviewed the recently completed and upcoming events of the Youth Advisory Board. This included Operation Paperback and Operation Gratitude, where the Youth Advisory Board members took donations of books, and other supplies to send to military service members. All supplies have been mailed to service members. The Youth Advisory Board also served at Santa Parade and Tree Lighting Ceremony on December 1, which had a large turnout.

IV. OLD BUSINESSOpen Public Meetings Training

Community Engagement Coordinator Kristen Rasmussen reminded all board members about their responsibility to complete the training for the Open Meetings Regulations, which is required by the Washington State Attorney General's Office Open Government.

Review Priorities from Parks Tour Handout

Community Engagement Coordinator Kristen Rasmussen recapped the purpose of prioritizing items to address from the 2018 park tour handout. Members were asked to review highlights and checks from the tour document and look for items to prioritize.

V. NEW BUSINESSExploration Park Update

Director of Communications and Marketing Joni Kirk informed the board that the Mill Creek City Council has approved the project at Exploration Park. The accepted bid came in low and as a result the City of Mill Creek was able to add two out of three additional items to the base bid. This includes elements of the natural play theme desired by the community, including a beaver den/cave, rock scramble, parkour play structure, balance beam, balance steppers, basket swing and play logs. It also will include picnic tables and bike racks. Director Kirk noted Exploration Park is one of many ways the City of Mill Creek is investing in the community. Also addressed were the upcoming projects at Heron Park and the Mill Creek Sports Park.

Director Kirk noted there has been negative feedback from the community about the Exploration Park project. Chair Erlewine asked staff to put together talking points on how to address these community concerns. Chair Erlewine suggested referring back to notes from the 2016 community feedback about the Exploration Park project. Director Kirk and staff will look into past community feedback and find a way to share the relevant information with the public.

Mill Creek Sports Park Construction Update

Director of Communications and Marketing Joni Kirk provided the board with updates on the construction project at the Mill Creek Sports Park. Construction officially will begin on Jan. 7, 2019. Construction will operate Monday through Friday. This project is expected to be completed by April 2019.

Mill Creek Sports Park Fee Update

Director Kirk informed the board about the proposed Mill Creek Sports Park Fee Update that was taken to council in November 2018. The Mill Creek City Council requested more information about the practices of other municipalities and their rental rates and processes. In December, Council accepted the fee increase with

the condition that no increase shall be assessed to the rates of non-select youth user groups until after 2019. The non-select youth rates will be adjusted with inflation in subsequent years.

Director Kirk also noted that City Council has asked to revisit the concession agreement in the near future. Next month this topic will be brought back to the Park Board to discuss in further detail. Chair Erlewine requested research be done into how other municipalities handle concession sales and agreements. Recreation Coordinator Jay Sandstrom will be conducting research on this topic.

VI. FOR THE GOOD OF THE ORDER

Upcoming Events:

The City Manager recruitment process has begun and the position is posted. The recruitment is being conducted by the executive search firm Peckham & McKenney. It is hoped that candidates will be identified by third week of March, with the goal of hiring the new City Manager by April 2019.

Director Kirk reminded the board that Councilmember Jared Mead was elected to the State Legislature and vacated his seat as of Dec. 31, 2018. As a result, there is a council vacancy. Board members were encouraged to apply if they had interest.

Recreation Coordinator Jay Sandstrom informed the board about the start of the Mill Creek Youth Basketball league games on Jan. 5.

VII. ADJOURNMENT

Chair Erlewine moved to adjourn the meeting at 5:42 p.m., seconded by Member Chapin. The motion passed unanimously. The next meeting is scheduled for Feb. 6, 2019, at 5 p.m. in the City Hall Council Chambers.

Submitted by:



Jay Sandstrom, Recreation Coordinator



Mill Creek Sports Park Grand Reopening March 26, 2019

Overview

Mill Creek Sports Park has been the City of Mill Creek's most popular recreational facility since it opened in 2004. The park serves approximately 3,800 youth annually. The field is rented an average of 2,661 hours over the course of 330 days by local youth sports organizations, including Mill Creek Little League, Silver Lake Soccer Club, and Washington Rush Soccer. It is the only all-weather turf baseball and soccer field in the City.

The City is invested in significant field upgrades this year with the Mill Creek Sports Park Turf and Light Replacement project, which replaces 64,000 square feet of aging field turf, and retrofits and upgrades the existing park lighting system at the field, skate park, and parking lot. The City also will add a 60-inch ADA-compliant gate to serve as a primary entrance from the main parking lot. Field fencing and netting have been replaced, and kick boards were added at the field and skate park. Finally, the project includes improvements to the public address system. During construction, the park has been closed to the public.

With the revitalization of this community jewel, it is appropriate to have a grand reopening event when the park reopens.

Event Overview

The Mill Creek Sports Park construction will largely be complete the first full week of April. Lingering projects include the lights in the skate park and in the parking lot. Since the field will be ready for use, the City is proposing a grand reopening event on Saturday, April 13, beginning at 11 a.m.

It would include:

- A brief ceremony and ribbon-cutting will take place with the City Council and City staff.
- Recreation staff will hold a "Run the bases" event for kids.
- A celebratory first pitch will be thrown out.
- Light refreshments will be served.
- A Softball game will take place between the Mill Creek Police and Snohomish County Fire District 7.

Dignitaries from the Recreation Conservation Office and the County Council, along with the three primary user groups (Mill Creek Little League, Silver Lake Soccer and Washington Rush Soccer) will be invited to participate in the event.

The Mill Creek Police Foundation will sell concessions to benefit the foundation.

Details will be forthcoming later this week.