



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.

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

	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.

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.

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:

A handwritten signature in blue ink, appearing to read "Rob. S. Stowe", is positioned above a horizontal line.

Robert S. Stowe
Interim City Manager

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

**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

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

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

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.

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.

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

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,

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

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.

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.

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)

- 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.

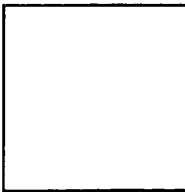
[signatures next page]

<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>

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.



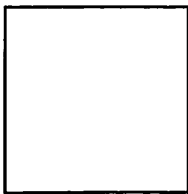
Print Name: _____
NOTARY PUBLIC in and for the state of
Washington, residing at:

My Appointment Expires: _____

STATE OF _____)
)
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.



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 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 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 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 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 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 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 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

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

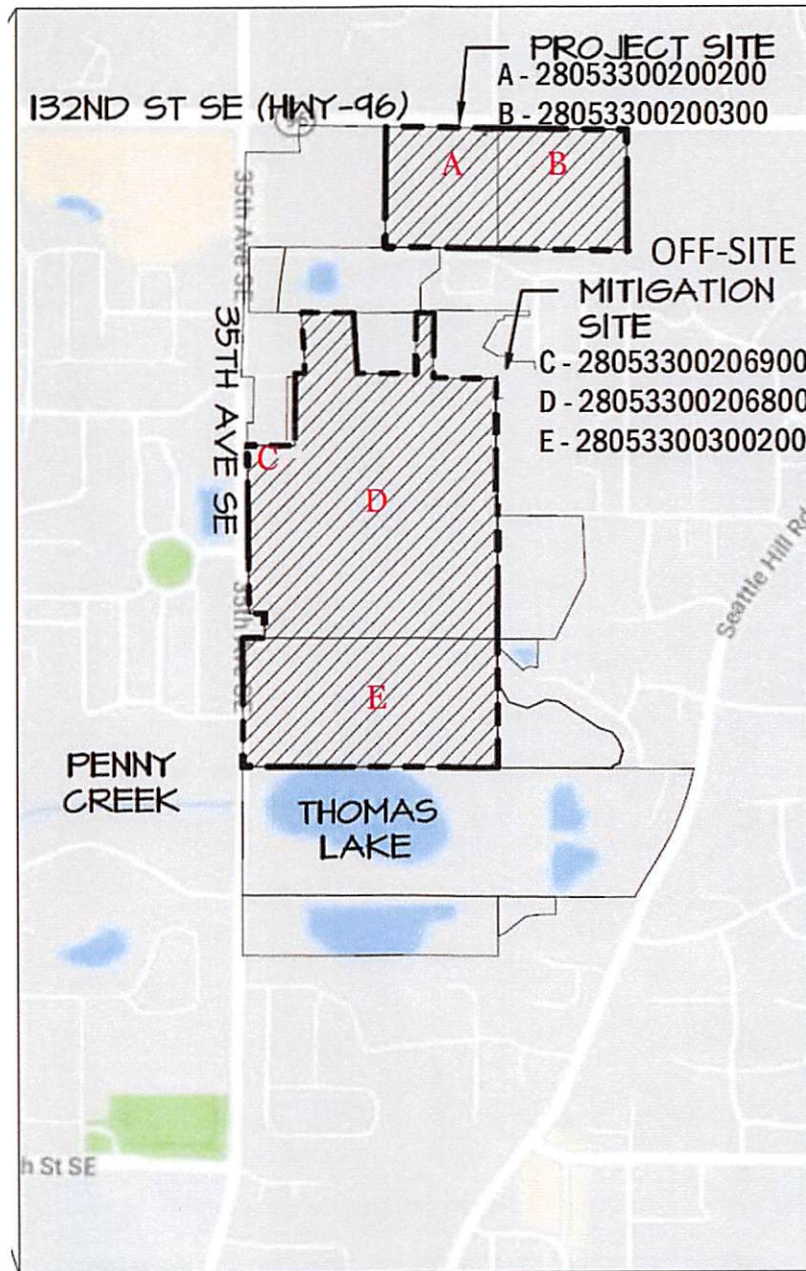


EXHIBIT C

A map generally depicting the proposed Project

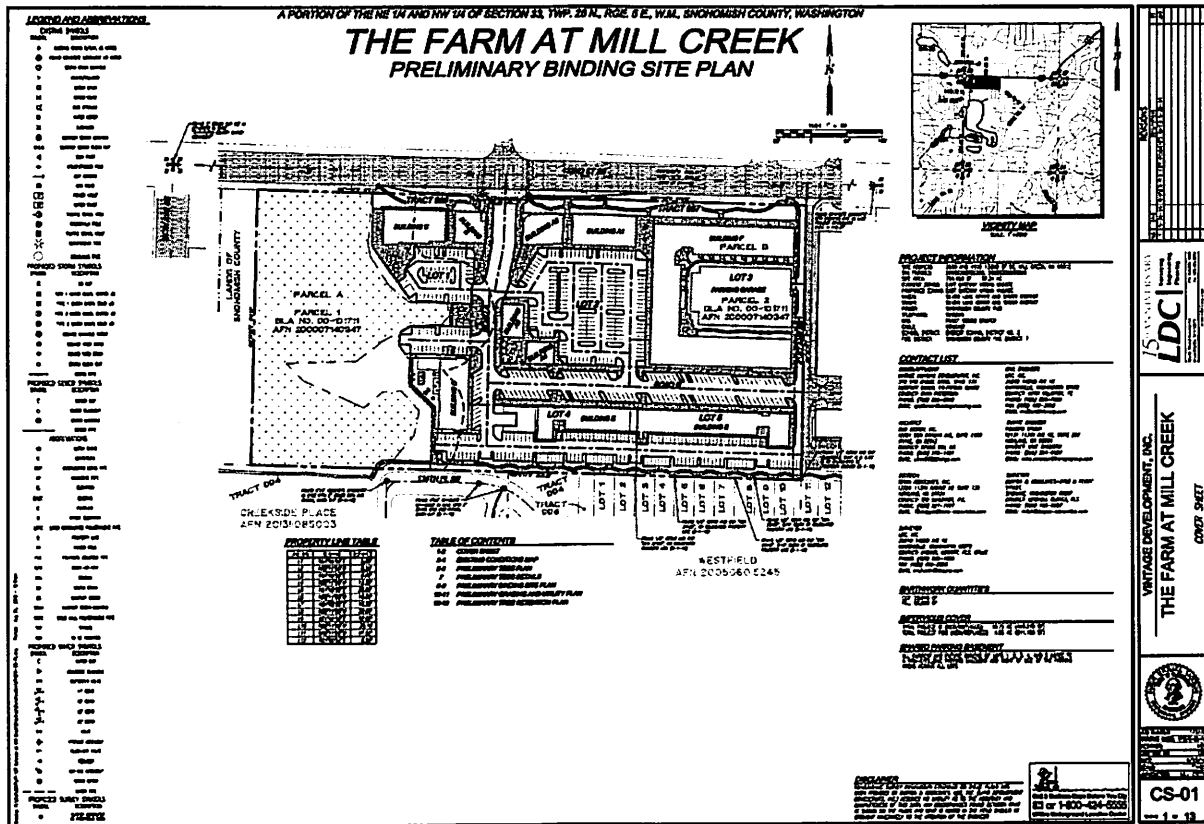


EXHIBIT D

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.

A map depicting the Off-Site Mitigation Site

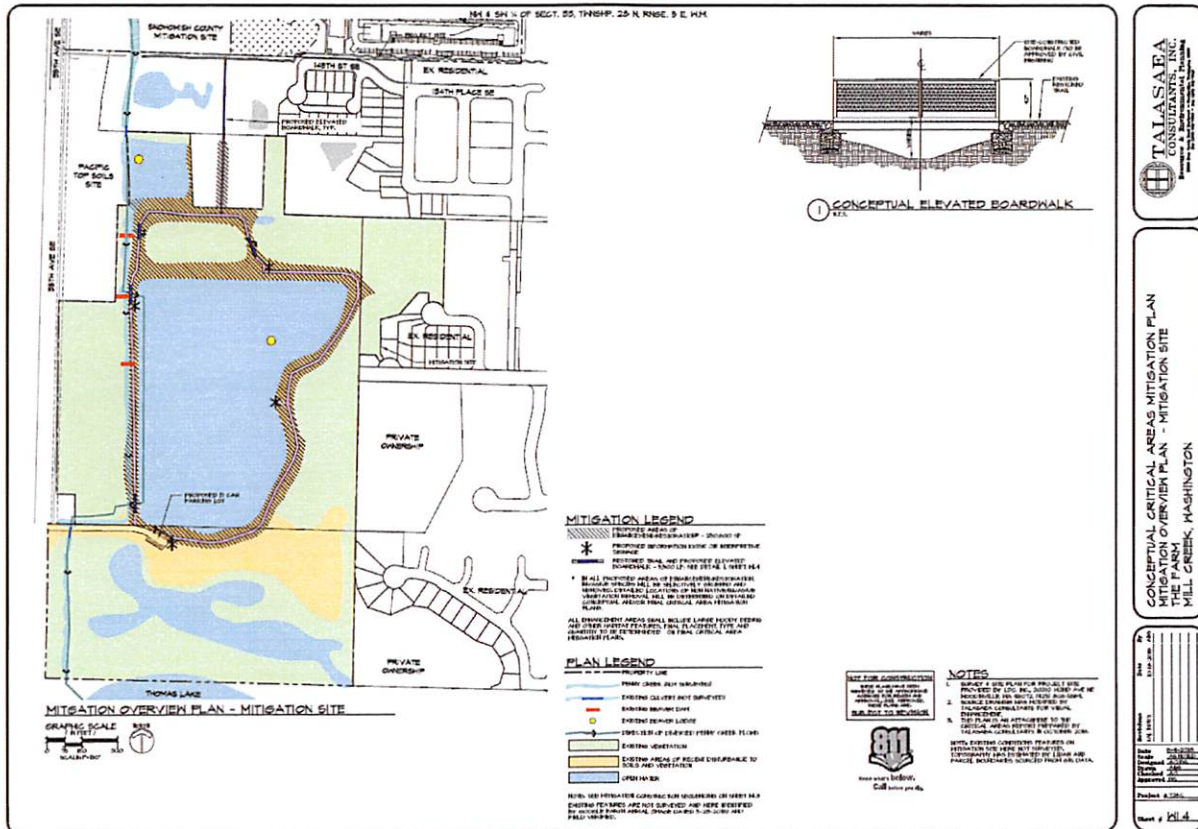
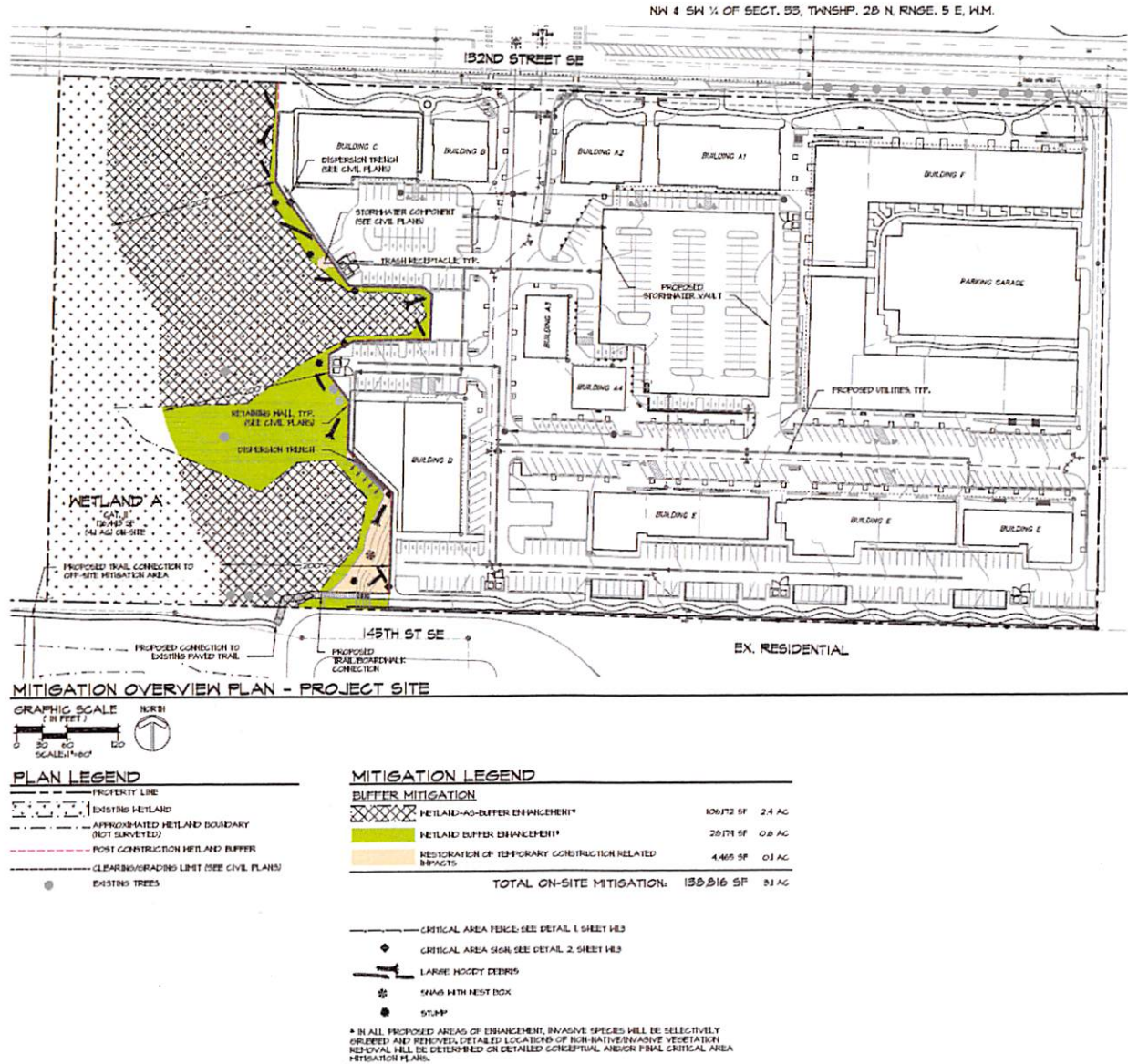


EXHIBIT F

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

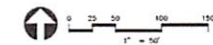
354 RESIDENTIAL APARTMENT UNITS

BUILDING HEIGHTS

1 STORY - 20' +/-
A1, A2, A3, A4, B, C
5 STORY - 50' - <60'
D, E, F, GARAGE

LEGEND

[Light Yellow Box]	LIVE / WORK
[Yellow Box]	RETAIL - ONE LEVEL
[Orange Box]	MIXED-USE RETAIL W/ RESIDENTIAL ABOVE
[Pink Box]	LOUNGE / OFFICE / FITNESS
[Grey Box]	PARKING GARAGE



REVISIONS		PROJECT #	1801
		DRAWN	LAE
		CHECKED	KS
		DATE	11.01.18
		SITE PLAN	
		THE FARM at MILL CREEK	DR002
		132ND STREET SE (2000) - MILL CREEK, WASHINGTON	

Attachment 3

Integra Realty Resources
Seattle

Fiscal Impact Analysis

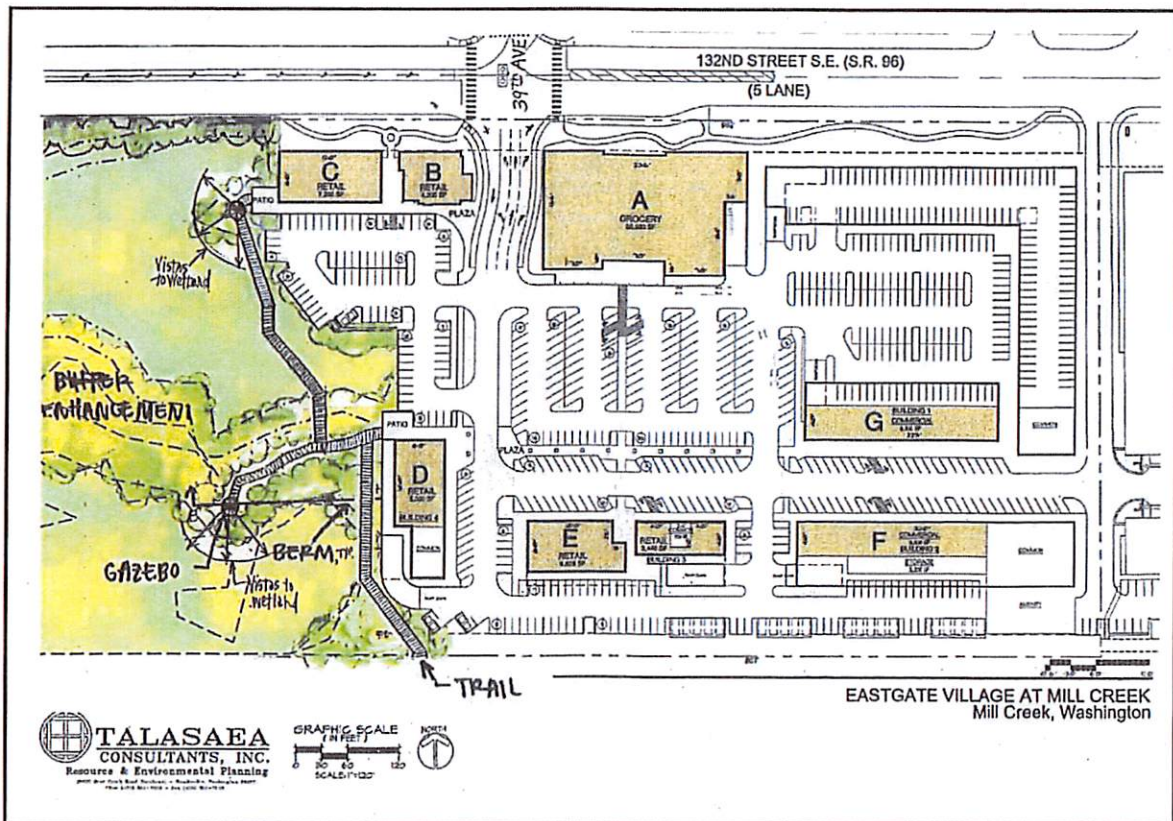
Eastgate Village at Mill Creek
Mixed Use Property
3830-4008 132nd Street SE
Mill Creek, Snohomish County, Washington 98012

Prepared For:
Vintage Housing Development LLC

Effective Date of the Analysis:
December 3, 2016

IRR - Seattle
File Number: 154-2016-0482





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

- 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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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.

- 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.

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

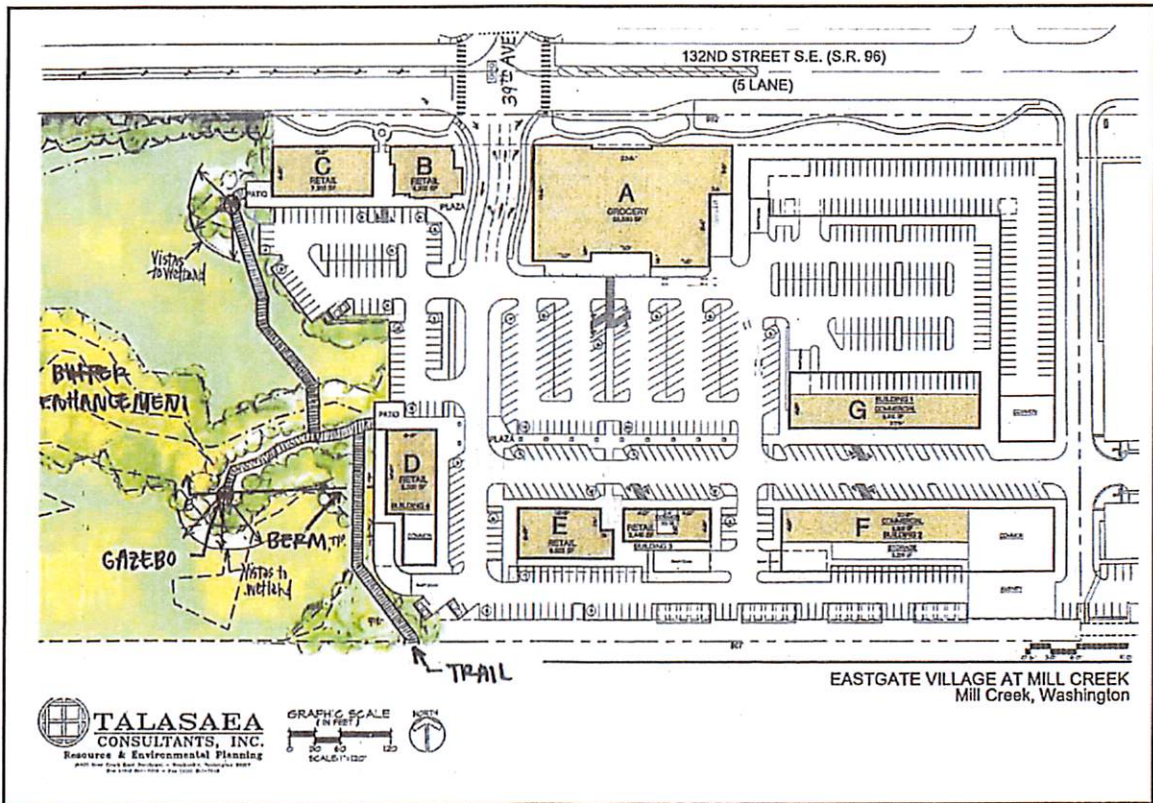
The subject property has been under control and ownership by Penny Creek Partners LLC since 1994; the property was previously planned for a Walmart store, and later a 114,000-square-foot, grocery-anchored shopping center. In 2010 two small pieces of the subject totaling 1,831 square feet were acquired 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.

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.



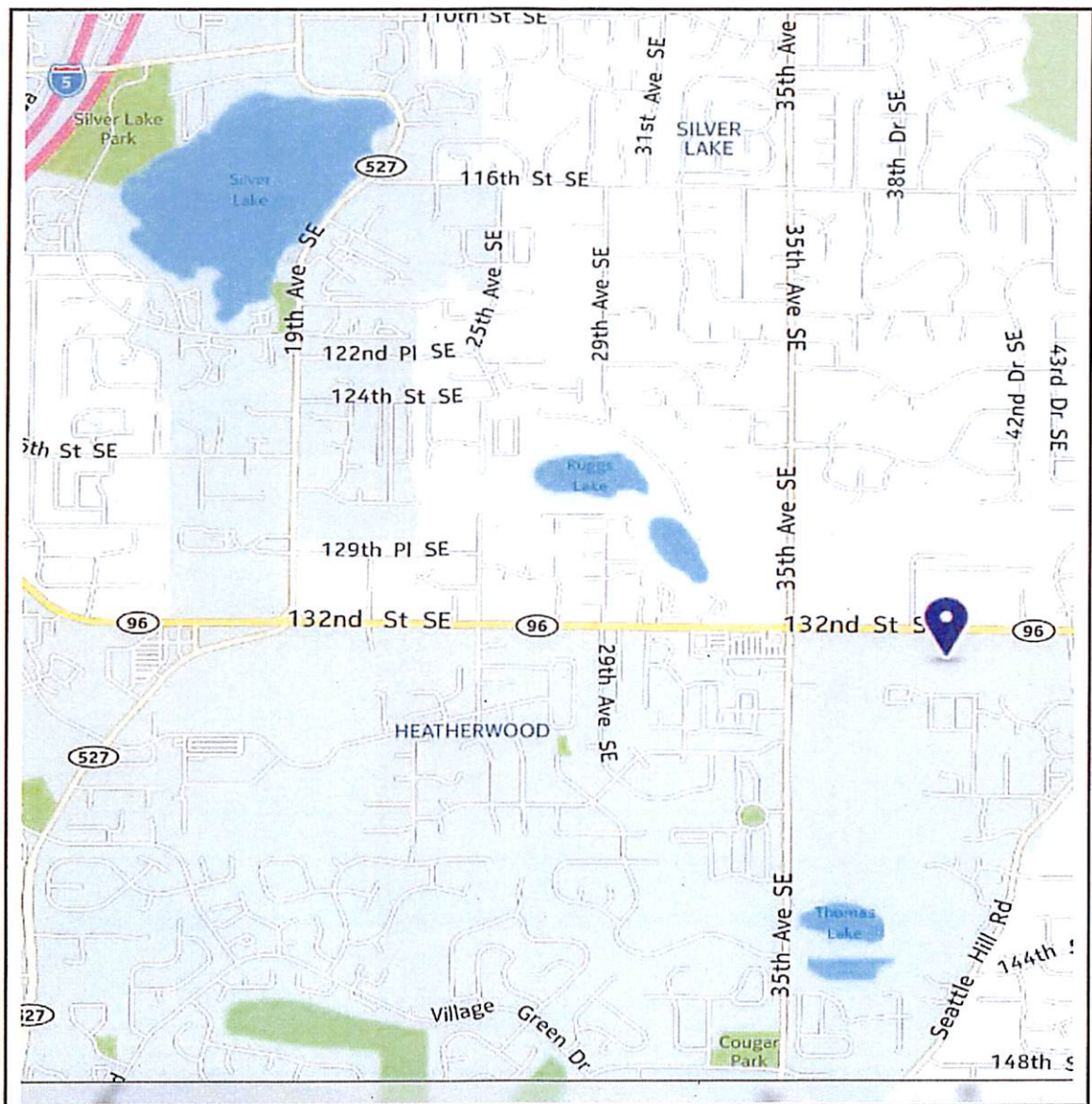
Site Plan



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



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	
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

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.

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.

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

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.

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.

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

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

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>		<i>\$27,012,000</i>		<i>\$22,577,250</i>
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.

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.

Addendum A
Appraiser Qualifications

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
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Corporate Profile

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

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BOISE, ID - Bradford T. Nipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
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CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
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JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
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LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS

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MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Krauser, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
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WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
WILMINGTON, DE - Douglas L. Nickel, 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.

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 about 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

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