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

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

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

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

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

February 26, 2019
City Council Meeting
6:00 PM

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL
AUDIENCE COMMUNICATION
  A. Public comment on items on or not on the agenda

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

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

NEW BUSINESS

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

STUDY SESSION

E. The Farm Development Agreement
   (Christi Amrine, Senior Planner)

F. Indoor Facility Use Policy and Ordinance Amending the Mill Creek Municipal Code Related to
   Facility Use Fees
   (Joni Kirk, Director of Communications & Marketing)

CONSENT AGENDA

G. Approval of Checks #59812 through #59907 and ACH Wire Transfers in the Amount of
   $754,960.91
   (Audit Committee: Councilmember Steckler and Councilmember Cavaleri)

H. Payroll and Benefit ACH Payments in the Amount of $284,459.87
   (Audit Committee: Councilmember Steckler and Councilmember Cavaleri)

I. City Council Meeting Minutes of October 9, 2018

J. City Council Meeting Minutes of October 23, 2018

REPORTS

K. Mayor/Council

L. City Manager
   - Council Planning Schedule
   - Council Liaison Positions

AUDIENCE COMMUNICATION

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

RECESS TO EXECUTIVE SESSION
(Confidential Session of the Council)

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

Action may or may not be taken by the Council.

ADJOURNMENT
AGENDA ITEM #C.

CITY COUNCIL AGENDA SUMMARY
City of Mill Creek, Washington

AGENDA ITEM: ORDINANCE AMENDING THE MILL CREEK MUNICIPAL CODE RELATED TO CODE ENFORCEMENT

PROPOSED MOTION:


KEY FACTS AND INFORMATION SUMMARY:

The City Council reviewed the proposed amendments to the Mill Creek Municipal Code relating to Code Enforcement at their regular meeting on February 19, 2019. It was the consensus of Council to add expired tabs as one of the factors to be considered in determining if a vehicle is a Junk Vehicle. Staff is recommending that the definition of Junk Vehicle still only need to meet three of the requirements, which will make it easier to classify a vehicle as a Junk Vehicle.

Based on a suggestion by Mayor Pro Tem Holtzclaw, and to improve clarity, staff has incorporated the proposed amendments into the Council Ordinance rather than only including them as an attachment to the Planning Commission Resolution. The revised Ordinance is attached.

CITY MANAGER RECOMMENDATION:

Adopt the attached ordinance amending the MCMC related to Code Enforcement.

ATTACHMENTS:

- Proposed Ordinance Adopting Amendments to the MCMC

Respectfully Submitted:

[Signature]

Robert S. Stowe
Interim City Manager
ORDINANCE NO. 2019-——

AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, AMENDING MILL CREEK MUNICIPAL CODE SECTION 14.01.030 DEFINITIONS, SECTION 17.22.080 VEHICLE PARKING, AND SECTION 17.24.030 MAINTENANCE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, RCW 36.70A.040 and 36.70A.120 require the City of Mill Creek ("City") to adopt development regulations, including zoning regulations, to implement the City's Comprehensive Plan; and

WHEREAS, the proposed amendments set forth below and included in the Planning Commission Resolution attached at Exhibit A ("Proposed Amendments") are intended to clarify and better communicate the intent of the Mill Creek Municipal Code ("Code") and improve staff’s ability to enforce the Code; and

WHEREAS, on October 23, 2018, the City issued a SEPA threshold Determination of Non-Significance for the Proposed Amendments to the Development Code; and

WHEREAS, on November 7, 2018, the comment period for the Determination of Non-Significance expired and no comments were received; and

WHEREAS, on October 23, 2018, the Proposed Amendments were submitted to the Washington State Department of Commerce for review, as required by RCW 36.70A.106; and

WHEREAS, notice of a public hearing before the Planning Commission on the Proposed Amendments was duly posted at City Hall on November 6, 2018, pursuant to MCMC Section 14.07.030(A); and

WHEREAS, notice of a public hearing before the Planning Commission on the Proposed Amendments was duly advertised in the Everett Herald on November 8, 2018, pursuant to MCMC Section 14.07.030(A); and

WHEREAS, on November 15, 2018, the Planning Commission duly held a public hearing

1
on the Proposed Amendments; and

WHEREAS, all persons desiring to comment on the Proposed Amendments were given a full and complete opportunity to be heard; and

WHEREAS, following the public hearing, the Planning Commission adopted Resolution 2018-165 recommending approval of the Proposed Amendments to the City Council; and

WHEREAS, the City Council has determined that adoption of the Proposed Amendments to the Mill Creek Municipal Code are in the best interests of the public health, safety and general welfare;

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

Section 1. Findings. Upon consideration of and based on the foregoing recitals of this Ordinance, the City Council finds that the Proposed Amendments set forth in Exhibit A are: (a) consistent with state law and the Mill Creek Comprehensive Plan; (b) substantially related to the public health, safety, and welfare; and (c) consistent with the best interest of the citizens, residents and property owners of the City.

Section 2. Based on the foregoing, the City Council herewith adopts the amendments to Titles 14 and 17 of the Mill Creek Municipal Code as set forth in Sections 3, 4, 5, 6 and 7 of this Ordinance.

Section 3. Subsection B of MCMC Section 17.22.080, entitled Vehicle parking, is hereby amended to read as follows:

B. No recreation vehicle, boat, trailer, or inoperable vehicle junk vehicle shall be parked or stored in any front yard or front yard setback area including the driveway, except that recreation vehicles and boats may be temporarily parked in the front yard setback area for purposes of cleaning and/or loading for a period not to exceed 72 hours. Any vehicles stored in a side yard shall be fully screened from view from any public right-of-way; see MCMC 17.22.070.

Section 4. Subsection C of MCMC Section 17.22.080, entitled Vehicle parking, is hereby amended to read as follows:

C. Commercial Vehicles. No commercial vehicles or combination of commercial vehicle and trailer of 6,000 pounds total gross weight, or any type of motorized construction equipment shall be parked on any lot in a residential zone.
except for motorized construction equipment currently being used in conjunction with an approved construction project.

Section 5. Subsection I of MCMC Section 17.23.060, entitled Minimum standards, is hereby amended to read as follows:

I. All parking shall be off-street, and shall be accommodated by the on-site garage and driveway. Gross vehicle weight of any one vehicle shall not exceed 6,000 (10,000) pounds.

Section 6. Subsections A and B of MCMC Section 17.24.030, entitled Maintenance, is hereby amended to read as follows:

A. All buildings and other structures shall be maintained by the property owner in good repair in original or better than original condition with respect to exterior appearance and landscaping.

B. All landscaped and open space areas and LID landscape features on or adjacent to the property, excluding public sidewalks and public rights-of-way subject to Chapter 12.06 MCMC, shall be maintained by the property owner, and shall be:
   1. Kept free of litter, debris, invasive vegetation/weeds and obstructions.
   2. Maintained in a clean, neat and orderly fashion.
   3. Maintained consistent with design review board and other approved landscape plans if applicable.
   4. Kept free of inoperable junk vehicles.
   5. Maintained so that all deposited materials in garbage and recycle containers are wholly contained within the structure as required by MCMC 17.22.070. No litter or recyclable material shall be allowed to accumulate outside said containers. Containers shall be kept clean, free of odors and pests, shall not constitute a public nuisance and shall be maintained to meet the conditions of the design review board and/or other conditions of approval.

Section 7. Subsections I, C and J of MCMC Section 14.01.030, entitled Definitions, are amended to delete the definition of “Inoperable motor vehicle” and add definitions of “Commercial vehicle” and “Junk vehicle” and to read as follows:

I. “I” Definitions
   “Inoperable motor vehicle” means any motor vehicle, which by reason of dismantling, disrepair, lack of licensing or other cause is either incapable of being propelled under its own power or is prevented by law from being propelled on a public highway.
C. "C" Definitions

"Commercial vehicle" means any vehicle that is used or maintained for the transportation of persons for hire or compensation, or for profit, or is designed, used, or maintained primarily for the transportation of property, goods and commodities; and

1. Is a motor vehicle having a declared gross weight of ten thousand pounds or more; or
2. Is a motor vehicle having three or more axles.

J. "J" Definitions

"Junk Vehicle" means a vehicle certified under RCW 46.55.230 as meeting at least three of the following requirements:

(a) is three years old or older;
(b) is extensively damaged, such damage including but not limited to any of the following: a broken window or windshield, or missing doors, hoods, wheels, tires, motor, or transmission;
(c) is apparently inoperable;
(d) has an approximate fair market value equal only to the approximate value of the scrap in it;
(e) has expired tabs.

Section 8. The City Clerk is directed to take steps as required to implement and effectuate the terms of this Ordinance and incorporate the foregoing changes into the Mill Creek Municipal Code. The Clerk is authorized to correct scrivener's errors, internal references, and the like.

Section 9. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionally of any other section, sentence, clause, or phrase of this ordinance.
Section 10. This Ordinance shall be in full force and effect five days after publication of a summary hereof consisting of the title of this Ordinance, in accordance with RCW 35A.13.200.

Adopted this _______ day of ________, 2019, by a vote of ________ for, ________ against, and ________ abstaining.

APPROVED:

________________________________________

MAYOR PAM PRUITT

ATTEST/AUTHENTICATED:

________________________________________

GINA PFISTER, CITY CLERK

APPROVED AS TO FORM:

________________________________________

OFFICE OF THE CITY ATTORNEY
SCOTT M. MISSALL, CITY ATTORNEY

FILED WITH THE CITY CLERK: ______________

PASSED BY THE CITY COUNCIL: ______________
PUBLISHED: ________________________________

EFFECTIVE DATE: __________________________

ORDINANCE NO.: __________________________

Attachments: EXHIBIT A – Planning Commission Resolution 2018-165
PLANNING COMMISSION RESOLUTION NO. 2018-165

A RESOLUTION OF THE CITY OF MILL CREEK
PLANNING COMMISSION, RECOMMENDING
APPROVAL TO THE MILL CREEK CITY COUNCIL
OF AMENDMENTS TO THE MILL CREEK MUNICIPAL CODE SECTION 14.01.030
DEFINITIONS, SECTION 17.22.080 VEHICLE PARKING, AND SECTION 17.24.030
MAINTENANCE.

WHEREAS, the Planning Commission is charged with the responsibility for conducting public hearings on proposed regulations concerning the use of land in the City of Mill Creek or amendments to existing regulations and for making recommendations to the City Council for appropriate action on such proposed land use regulations, as set forth in RCW chapter 35A.63 and Mill Creek Municipal Code Chapters 4.10 and 14.03; and

WHEREAS, RCW 36.70A.040 and 36.70A.120, portions of the Growth Management Act, require the City to adopt development regulations, including zoning regulations, to implement the City's Comprehensive Plan; and

WHEREAS, the intent of the amendments is to clarify and better communicate the intent of the Code and improve staff's ability to enforce the Code; and

WHEREAS, on October 23, 2018, the City issued a SEPA threshold Determination of Non-Significance for the proposed amendments to the Development Code; and

WHEREAS, on November 7, 2018, the comment period for the Determination of Non-Significance expired. No comments were received; and
WHEREAS, notice of a public hearing before the Planning Commission on the proposed amendments was duly posted at City Hall on November 6, 2018, pursuant to MCMC Section 14.07.030(A); and

WHEREAS, notice of the public hearing before the Planning Commission on the proposed amendments was duly advertised in the Everett Herald on November 8, 2018, in accordance with MCMC 14.07.030; and

WHEREAS, on October 23, 2018, the proposed amendments were submitted to the Washington State Department of Commerce for review, as required by RCW 36.70A.106; and

WHEREAS, a staff report to the Planning Commission was prepared to present, analyze, and recommend to the Planning Commission adoption of the proposed amendments to the development code; and

WHEREAS, on November 15, 2018, the Planning Commission held a public hearing on the proposed amendments to the development code; and

WHEREAS, the Planning Commission considered the staff report, attached hereto as Exhibit A and incorporated in full by this reference, and the proposed amendments to the MCMC and found that the proposed amendments are consistent with the City's Comprehensive Plan, the Growth Management Act, MCMC Chapter 17.38, and other applicable state and federal law, including the Comprehensive Plan, and will benefit the public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF MILL CREEK AS FOLLOWS:

Section 1: The Planning Commission finds the proposed amendments as described within the Planning Commission staff report, attached and incorporated in full by this reference as Exhibit A, are consistent with and implement the policies of the Comprehensive Plan, the Growth Management Act, and other applicable state and federal law, and further finds that the proposed Amendments make appropriate provisions for and further the public health, safety and general welfare.

Section 2: The Planning Commission adopts the findings, conclusions, and recommendations contained in the staff report, attached as Exhibit A, except as may be expressly modified herein by Exhibit B, attached and incorporated in full by this reference.
Section 3: The Planning Commission therefore recommends to the City Council adoption of the proposed Amendments as set forth in Exhibit A and as may be further modified by specific action of the Planning Commission as set forth in Exhibit B.

Passed in open meeting this 15th day of November 2018, by a vote of ___ for, ___ against and ___ abstaining.

CITY OF MILL CREEK PLANNING COMMISSION

STAN EISNER, PLANNING COMMISSION CHAIR

TOM ROGERS, PLANNING COMMISSION SECRETARY

ATTACHMENT: Exhibit A – Staff Report
Exhibit B – Planning Commission Motion

G:\PLANNING\wpd\Resolutions2018\Code Enforcement Amendments.docx
EXHIBIT A
DEPARTMENT OF COMMUNITY DEVELOPMENT
STAFF REPORT
TO THE MILL CREEK PLANNING COMMISSION

PART I - SUMMARY INFORMATION

PUBLIC HEARING: November 15, 2018

REQUESTED ACTION: Review of Mill Creek Municipal Code Amendments that have been proposed to clarify and better communicate the intent of the Code with regard to Code Enforcement and improve staff's ability to enforce the Code. The proposed regulations will apply citywide.

SITE LOCATION: City of Mill Creek

PROPOONENT: City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

COMPREHENSIVE PLAN DESIGNATION: Not applicable.

ZONING DISTRICT: Not applicable.

PART II - STATUTORY REQUIREMENTS

SEPA COMPLIANCE:

The proposed amendments to the MCMC are subject to the provisions of the State Environmental Policy Act (SEPA). The City’s SEPA Official has determined that the proposed code amendments will not have a probable significant adverse impact on the environment. Thus, an Environmental Impact Statement (EIS) was not required.

On October 23, 2018, a Determination of Non-significance (DNS) was issued on the proposed code amendments. The comment period ended on November 7, 2018. No comments were received.

PUBLIC NOTICE:

Pursuant to Section 14.07.030 Mill Creek Municipal Code (MCMC), a notice of the public hearing was posted at Mill Creek City Hall on November 6, 2018, and published in the Everett Herald on November 8, 2018. All legal requirements for public notice have been satisfied.
PART III - DESCRIPTION OF PROPOSED AMENDMENTS TO THE MILL CREEK MUNICIPAL CODE

ZONING ORDINANCE AMENDMENT:

The provisions governing amendments to the text of the Development Code are found in Section 17.38.020, MCMC. This section states that text amendments may be initiated by the City Council, the Planning Commission, or City staff. The proposed amendments listed below have been initiated by City staff.

MILL CREEK MUNICIPAL CODE AMENDMENTS RELATED TO CODE ENFORCEMENT

In 2017 the responsibility for land use code enforcement transitioned from the Police Department to the Development Services Department. Upon taking responsibility for code enforcement, Development Services staff reviewed the Mill Creek Municipal Code (MCMC) and determined that it could be modified to clarify and better communicate the intent of the Code and improve staff's ability to enforce the Code. Following are several minor amendments that staff is proposing:

SUMMARY OF PROPOSED ZONING TEXT AMENDMENTS:

<table>
<thead>
<tr>
<th>Staff Report Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Proposed new text is shown with <strong>bold and underline</strong>. Deleted text is shown in <strong>red-strike-through</strong>.</td>
</tr>
</tbody>
</table>

**Code Amendment #1 – MCMC Section 17.22.080.B Vehicle Parking**

**Issue:** The MCMC prohibits recreational vehicles, boats, trailers, and inoperable vehicles from being stored in the front yard including the driveway. There have been some challenges enforcing the Code with regard to inoperable vehicles. The current definition of inoperable vehicle includes cars with invalid licensing. This means that an operable car in good repair would be considered inoperable simply because it does not have current tabs. There are a variety of reasons why the owner may not currently be using the vehicle and may have chosen not to renew the tabs, including the following recent examples:

- Someone deployed in the armed forces
- Grandparent saving the vehicle for a grandchild
- Owner works internationally or is gone for extended periods

**Staff Recommendation:** The intent of the MCMC is to not allow junk vehicles to be stored in the front yard/driveway. This can be addressed by deleting the term “inoperable vehicle” from the pertinent code section and replacing it with “junk vehicle.” A definition of junk vehicle will need be added to MCMC 14.01 – see Code Amendment #4 below.
Issue: The MCMC also prohibits recreational vehicles and boats from being stored in the front yard. However, owners of an RV or boat that is generally stored off site in accordance with the Code periodically may want to temporarily park their RV or boat at their house for purposes of cleaning and/or loading.

Staff Recommendation: Add an exception to allow temporary parking of RVs and boats for purposes of loading and/or cleaning for a period not to exceed 72 hours.

Proposed Text Amendments:

17.22.080.B Vehicle parking.

B. No recreation vehicle, boat, trailer, or inoperable vehicle junk vehicle shall be parked or stored in any front yard or front yard setback area including the driveway, except that recreation vehicles and boats may be temporarily parked in the front yard setback area for purposes of cleaning and/or loading for a period not to exceed 72 hours. Any vehicles stored in a side yard shall be fully screened from view from any public right-of-way; see MCMC 17.22.070.

Code Amendment #2 – MCMC Section 17.22.080.C Vehicle Parking

Issue: The MCMC currently prohibits Commercial Vehicles in excess of 6,000 pounds total gross weight from being parked on any lot in a residential zone. The 6,000 pound distinction is unrealistic since a large truck meets this definition (e.g., a Ford F350 weighs 8,000 pounds).

Staff Recommendation: Remove the 6,000 pound qualifier and add a definition of Commercial Vehicle to the MCMC 14.01 definition section – see Amendment #4 below.

Issue: The MCMC does not currently prohibit construction equipment from being parked on a residential lot.

Staff Recommendation: Add motorized construction equipment to the list of Commercial Vehicles that cannot be parked on a residential lot, with the exception of equipment currently being used in conjunction with an approved construction project.

Proposed Text Amendments:

17.22.080.C Vehicle parking.

C. Commercial Vehicles. No commercial vehicles or combination of commercial vehicle and trailer of 6,000 pounds total gross weight, or any type of motorized construction equipment shall be parked on any lot in a residential zone except for motorized construction equipment currently being used in conjunction with an approved construction project. (Ord. 2010-717 § 2 (Exh. B); Ord. 2005-609 § 2)

17.23.060.1 Minimum Standards
I. All parking shall be off-street, and shall be accommodated by the on-site garage and driveway. Gross vehicle weight of any one vehicle shall not exceed 6,000 10,000 pounds.
**Code Amendment #3 – MCMC Section 17.24.030 Maintenance**

**Issue:** The MCMC currently requires all buildings and structures to be maintained in original or better than original condition. This is an unrealistic expectation and is problematic to enforce.

**Staff Recommendation:** The intent of the Code is to ensure that all buildings and structures be maintained in good repair so staff proposes to change the Code to reflect that.

**Proposed Text Amendments:**

**17.24.030 Maintenance.**

A. All buildings and other structures shall be maintained by the property owner in good repair in original or better than original condition with respect to exterior appearance and landscaping.

B. All landscaped and open space areas and LID landscape features on or adjacent to the property, excluding public sidewalks and public rights-of-way subject to Chapter 12.06 MCMC, shall be maintained by the property owner, and shall be:

1. Kept free of litter, debris, invasive vegetation/weeds and obstructions.
2. Maintained in a clean, neat and orderly fashion.
3. Maintained consistent with design review board and other approved landscape plans if applicable.
4. Kept free of inoperable junk vehicles.
5. Maintained so that all deposited materials in garbage and recycle containers are wholly contained within the structure as required by MCMC 17.22.070. No litter or recyclable material shall be allowed to accumulate outside said containers. Containers shall be kept clean, free of odors and pests, shall not constitute a public nuisance and shall be maintained to meet the conditions of the design review board and/or other conditions of approval.

**Code Amendment #4 – MCMC 14.01.030 – Definitions**

**Issue:** The MCMC does not currently contain a definition for Commercial Vehicle.

**Staff Recommendation:** Add the following definition for Commercial Vehicle to MCMC 14.01 of the Code, which is based on the Department of Transportation definition.

**Proposed Text Amendments:**

"Commercial vehicle" means any vehicle that is used or maintained for the transportation of persons for hire or compensation, or for profit, or is designed, used, or maintained primarily for the transportation of property, goods and commodities; and

"Inoperable motor vehicle" means any motor vehicle, which by reason of dismantling, disrepair, lack of licensing or other cause is either inoperable of being propelled under its own power or is prevented by law from being propelled on a public highway.
1. Is a motor vehicle having a declared gross weight of ten thousand pounds or more; or
2. Is a motor vehicle having three or more axles.

Issue: The MCMC currently uses the term “inoperable vehicle” and as mentioned in Code Amendment #1 above, staff is proposing to replace inoperable vehicle with “junk vehicle.”

Staff Recommendation: Delete definition of “Inoperable Vehicle” in its entirety and replace with a new definition for Junk Vehicle, based on the RCW definition.

Proposed Text Amendments:

“Junk Vehicle” means a vehicle certified under RCW 46.55.230 as meeting at least three of the following requirements:
(a) is three years old or older;
(b) is extensively damaged, such damage including but not limited to any of the following: a broken window or windshield, or missing doors, hoods, wheels, tires, motor, or transmission;
(c) is apparently inoperable;
(d) has an approximate fair market value equal only to the approximate value of the scrap in it.

PART IV – FINDINGS, CONCLUSIONS, AND RECOMMENDATION

The proposed amendments to the City’s Municipal Code have been prepared to be consistent with the Growth Management Act, applicable state and federal regulations, the City’s Comprehensive Plan, and the City’s development code amendment process contained in Chapter 17.38. As reflected below, the proposed amendments have been reviewed for consistency with these requirements and are found to be consistent with applicable local, state and federal regulations.

FINDINGS AND CONCLUSIONS:

1. In accordance with the Growth Management Act (GMA), specifically RCW 36.70A.040 and 36.70A.120, the City is required to adopt development regulations, including development regulations, to implement the City’s Comprehensive Plan.

2. In accordance with the Mill Creek Municipal Code (MCMC) Chapter 17.38, the City has the authority to initiate amendments to the code.

3. A review of the MCMC revealed that certain housekeeping amendments would clarify the Code with respect to Code Enforcement provisions and improve staff’s ability to enforce the Code.

4. In accordance to MCMC Chapter 18.04, the proposed code amendments are subject to the provisions of the State Environmental Policy Act (SEPA). The City’s SEPA Official has
determined that the proposed code amendments will not have a probable significant adverse impact on the environment. Therefore, an Environmental Impact Statement (EIS) was not required.

5. On October 23, 2018, a Determination of Non-significance (DNS) was issued on the proposed code amendments. The comment period ended November 9, 2018. No comments were received and the DNS is deemed final.

6. Pursuant to Section 14.07.030 Mill Creek Municipal Code (MCMC), notice of public hearing was posted at Mill Creek City Hall on November 6, 2018, and published in the Everett Herald on November 8, 2018. All legal requirements for public notice have been satisfied.

7. On October 23, 2018, the proposed amendments were submitted to the Washington State Department of Commerce for review, as required by RCW 36.70A.106.

8. In accordance with Chapter 35A.63 RCW and MCMC Chapters 2.04 and 14.03, the City Council is charged with the responsibility of making decisions on amendments to the existing Mill Creek Municipal Code (MCMC) regulations.

9. The proposed amendments are consistent with the City’s Comprehensive Plan, the Growth Management Act, MCMC Chapter 17.38, and other applicable state and federal law, will implement the Comprehensive Plan, and will benefit the public health, safety, and welfare.

STAFF RECOMMENDATION:

Notwithstanding citizen testimony and revisions made by the Planning Commission in response to said testimony, staff recommends that the Mill Creek Planning Commission adopt the preceding findings and conclusions and recommend to the Mill Creek City Council adoption of the proposed code amendments set forth herein.
CITY COUNCIL AGENDA SUMMARY
City of Mill Creek, Washington

AGENDA ITEM: 2019 STREET PAVEMENT MARKING PROGRAM – AWARD CONSTRUCTION CONTRACT

PROPOSED MOTION:

Authorize the City Manager to execute a contract with Apply A-Line, LLC for the construction of the 2019 Street Pavement Marking Program in an amount not to exceed $139,720.

KEY FACTS AND INFORMATION SUMMARY:

The bid package was divided into a base bid and four additive alternates by taking into consideration factors such as roadway classification, condition of the existing pavement markings, and safety. Bid package components included:

- **Base Bid (basis of award) – Thermoplastic**:
  Installation of thermoplastic pavement marking items such as stop bars, pedestrian crosswalk bars, arrows and stencils on school routes and collectors/arterials including Village Green Drive, 148th Street, Trillium Boulevard, Mill Creek Boulevard and Main Street.

- **Additive A (Thermoplastic)**:
  Installation of thermoplastic pavement marking items such as stop bars, pedestrian crosswalk bars, arrows and stencils on residential streets, Dumas Road and North Creek Drive.

- **Additive B (Paint Striping)**:
  Installation of paint striping items such as double yellow center line, two way left turn lane and edge lines on arterial and collectors.

- **Additive C (Raised Pavement Markers)**:
  Installation of Type 1 and Type 2 raised pavement markers as needed on arterials and collectors.

- **Additive D (Paint)**:
  Installation of temporary paint pavement marking items such as stop bars, pedestrian crosswalk bars and arrows on Seattle Hill Road.

The project was advertised in late January and bids were opened on February 19, 2019. Three bids were received as summarized in Table 1.
Table 1. 2019 Street Pavement Marking Program Bids (Summary)

<table>
<thead>
<tr>
<th>Item</th>
<th>Engineer’s Estimate</th>
<th>Stripe Rite, Inc.</th>
<th>Apply-A-Line</th>
<th>Specialized Pavement Marking, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASE BID (Thermoplastic)</td>
<td>$73,221.00</td>
<td>$77,388.34</td>
<td>$74,545.00</td>
<td>$99,813.00</td>
</tr>
<tr>
<td>ADDITIVE A (Thermoplastic)</td>
<td>$35,032.00</td>
<td>$38,199.96</td>
<td>$35,746.00</td>
<td>$47,192.00</td>
</tr>
<tr>
<td>ADDITIVE B (Paint Striping)</td>
<td>$50,525.00</td>
<td>$40,875.00</td>
<td>$56,525.00</td>
<td>$43,625.00</td>
</tr>
<tr>
<td>ADDITIVE C (Raised Pavement Markers)</td>
<td>$26,199.00</td>
<td>$39,633.00</td>
<td>$32,650.00</td>
<td>$44,000.00</td>
</tr>
<tr>
<td>ADDITIVE D (Paint)</td>
<td>$3,712.00</td>
<td>$3,467.00</td>
<td>$5,345.00</td>
<td>$6,507.00</td>
</tr>
<tr>
<td>Total Bid</td>
<td>$203,563.30</td>
<td>$203,563.30</td>
<td>$203,563.30</td>
<td>$241,047.00</td>
</tr>
</tbody>
</table>

Funding

Construction inspection will be conducted by City staff. Given the straightforward nature of the project, a modest 5% contingency is considered appropriate by staff. Hence, the total estimated construction cost is $146,706.00 as shown in Table 2. This is within the project budget of $150,000 as identified in the City’s adopted 2019-2020 Budget.

Table 2. Construction Phase Total Cost Estimate

<table>
<thead>
<tr>
<th>Item</th>
<th>Contract</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apply A-Line, LLC</td>
<td>*$139,720.00</td>
</tr>
<tr>
<td>2</td>
<td>Contingency (5%)</td>
<td>$6,986.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$146,706.00</td>
</tr>
</tbody>
</table>

*Additive A (Thermoplastic) and Additive D (Paint) not included. Work included in Additive D could be added as a change order at a later time if funds are available.

The total construction contract time is 30 working days and construction is planned to begin in Spring 2019. Staff has checked references and information included in the supplemental bidder responsibility forms and has confirmed that Apply A-Line, LLC is the lowest responsible bidder.

CITY MANAGER RECOMMENDATION:

Authorize the City Manager, to execute a contract with Apply A-Line, LLC for construction of the 2019 Street Pavement Marking Program in an amount not to exceed $139,720 to include the Base Bid (Thermoplastic), Additive B (Paint Striping) and Additive C (Raised Pavement Markers).

ATTACHMENTS:


Respectfully Submitted:

Robert S. Stowe  
Interim City Manager
Please note that because this is a construction project the contract itself consists of the contract document that incorporates the call for bids, the contractor’s proposal, including bid schedules, information required of bidder, proposal bond and all required certificates and affidavits, the performance bond, the Public Works Payment Bond, the contract provisions included within the bid package, the plans and specifications, addendums and future change orders. The entire package has been reviewed by staff and City Attorney’s Office prior to bid. Due to the size and technical nature of these documents, they are not included as part of this agenda item; however, the contract template included in the bid package that incorporates the aforementioned documents is included as a reference. When the contract is formally authorized by Council, the staff and contractor will effectuate the various provisions of the documents.
CITY OF MILL CREEK CONTRACT NO. __________
SMALL PUBLIC WORKS CONTRACT
FOR
2019 STREET PAVEMENT MARKING PROGRAM

THIS SMALL PUBLIC WORKS CONTRACT ("Contract") dated March _____, 2019 is effective on the date the Contract is fully executed by the Parties. The Parties to this Contract are the CITY OF MILL CREEK, a Washington municipal corporation ("City") and, [Contractor], [Address] ("Contractor").

A. The City desires to retain Contractor to furnish all labor and materials necessary to perform the 2019 Street Pavement Marking Program ("Project"), and

B. The Contractor desires to furnish all labor and materials necessary to perform the Project pursuant to the terms contained in this Contract, and Contractor has the requisite skill and experience to perform such work.

NOW, THEREFORE, the parties ("Parties") agree to the following terms and conditions:

1. SERVICES BY CONTRACTOR

1.1 Description of Work. Contractor shall perform all work and furnish all tools, materials, supplies, equipment, labor and other items incidental thereto necessary for completion of the Project as described in the Contract Plans with Location Maps and Site Listings, which are attached hereto and incorporated by this reference as Exhibit A ("Work"). The Work shall be completed to the City's satisfaction no later than the Completion Date stated in Section 2. No Work shall be performed before the effective date of this Contract.

1.2 Performance Standard. Contractor shall perform the Work in a manner consistent with accepted practices for other properly licensed contractors.

1.3 Compliance with Laws. Contractor shall perform the Work in accordance with all applicable federal, state and City laws, including but not limited to all City ordinances, resolutions, standards or policies, as now existing or hereafter adopted or amended, and obtain all necessary permits and pay all permit, inspection or other fees, at its sole cost and expense.

1.4 Change Orders. The City may, at any time, without notice to sureties, order changes within the scope of the Work. Contractor agrees to fully perform any such alterations or additions to the Work. All such change orders shall be in the form of the Contract Change Order Agreement attached hereto as Exhibit B, which shall be signed by both the Contractor and the City, shall specifically state the change in the Work, the completion date for such changed Work, and any increase or decrease in the compensation to be paid to Contractor as a result of such change in the Work. Adjustments to the completion date and compensation for any change agreed to by the City and Contractor on a particular change order shall constitute full and total compensation for such change and for the cumulative effect of that and previous changes, and no other claim or cost shall be made on as a result of such change. If Contractor disagrees with the adjustments to the completion date and compensation, it must provide the City with a notice of claim as stated in Section 1.5. Oral change orders shall not be binding upon the City unless confirmed in writing by the City.

1.5 Notice of Claims. If the Contractor intends to assert a claim against the City, including claims for additional payment or time extension, Contractor shall, within five (5) days after the event giving rise to the claim, submit to the City a written statement setting forth the general nature and monetary extent of such claim; provided the City, in its sole discretion, may extend such five (5) day submittal period upon request by the Contractor. The Contractor shall supply such supporting documents and analysis for the claims as the City may require to determine if the claims and costs have merit. Contractor waives the right to make a claim for any costs incurred more than five (5) days before the Contractor gives written notice as required. Contractor also waives the right to recover on any claims that are not asserted with the required notice until after final payment under this Contract.

1.6 Work and Materials Omitted. The Contractor shall, when directed in writing by the City, omit work, services, and materials to be furnished under the Contract and the value of the omitted work and materials will be
deducted from the Contract Price and the Contract Time will be reviewed if appropriate. The value of the omitted work, services and materials will be a lump sum or unit price, as mutually agreed upon in writing by the Contractor and the City. If the parties cannot agree on an appropriate deduction, the City reserves the right to issue a unilateral change order adjusting the price and the delivery schedule.

1.7 Utility Location. Contractor is responsible for locating any underground utilities affected by the Work and is deemed to be an excavator for purposes of Chapter 19.122 RCW, as amended. Contractor shall be responsible for compliance with Chapter 19.122 RCW, including utilization of the "one call" locator system before commencing any excavation activities.

1.8 Air Environment. Contractor shall fully cover any and all loads of loose construction materials including without limitation, sand, dirt, gravel, asphalt, excavated materials, construction debris, etc., to protect said materials from air exposure and to minimize emission of airborne particles to the ambient air environment within the City of Mill Creek.

2. CONTRACT TIME

2.1 Completion Date. This Contract shall commence on the effective date of this Contract and continue until the Work is completed, but no later than August 30th, 2019 ("Completion Date"), or as otherwise agreed to in writing by the parties. The time between the effective date and the Completion Date shall be the "Contract Time."

2.2 Liquidated Damages. Contractor acknowledges the City will foreseeably suffer damages in the event Contractor fails to timely achieve the Completion Date. Thus, if Contractor fails to complete the Work within the time specified, including any authorized extension thereof, then Contractor and the City hereby agree, as a part consideration for the awarding of this Contract, to pay the City per WSDOT Spec., Sec. 1-08.9 for each consecutive calendar day the Work remains uncompleted after the Completion Date, not as a penalty, but as liquidated damages. The parties agree that such sum represents a genuine and reasonable pre-estimate of the damages the City will suffer from Contractor's failure to timely deliver the conforming Work. Damages under this Section 2.2 may be deducted by the City from any payment owing to Contractor, or are otherwise payable by Contractor to the City within thirty (30) days after demand.

3. WARRANTY

3.1 Requisite Skill. The Contractor warrants that it has the requisite skill to complete the Work, and is appropriately accredited and licensed by all applicable agencies and governmental entities, including but not limited to being registered to do business in the City of Mill Creek by obtaining a City of Mill Creek business license. Contractor represents that it has visited the site and is familiar with all of the plans and specifications in connection with the completion of the Work.

3.2 Defective Work. The Contractor shall, at its sole cost and expense, correct all Work which the City deems to have defects in workmanship and material discovered within one (1) year after the City's final acceptance of the Work.

4. COMPENSATION

4.1 Total Compensation. The City agrees to pay the Contractor as set forth in the Bid Form submitted by the Contractor and attached and incorporated by reference as Exhibit C, including local and Washington State sales tax that the Contractor is required by law to collect from the City for the Work. In any event, the total compensation paid to Contractor shall not exceed $___________, which includes applicable local and Washington State sales tax ("Contract Price"). The Project Cost shall not exceed this amount without prior written authorization from the City in accordance with City Policy No. CCP 96-002.

4.2 Method of Payment. Subject to the total compensation described in Section 4.1, the City will make payment based on the actual quantities properly performed by the Contractor as such quantities are determined by the City's inspector, multiplied by the unit prices stated in the Bid Form attached as Exhibit C. Payment for Work performed by the Contractor during any month shall be made by the City within thirty (30) days after the end of that
month, and be subject to retainage and the City’s right to withhold payment pursuant to this Contract or applicable law.

4.3 **Contractor Responsible for Taxes.** Except as otherwise provided in Section 4.1, the Contractor shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of the performance and payment of this Contract.

4.4 **Nonpayment.** The City shall have the right to withhold payment to the Contractor for any of the Work not completed in a workmanlike manner, in the City’s sole discretion, which shall be withheld until such time as Contractor modifies or repairs the Work so that the Work is acceptable to the City.

4.5 **Retainage.** Pursuant to Chapter 60.28 RCW, five percent (5%) of all payments to the Contractor shall be retained by the City to assure payment of Contractor’s state taxes as well as payment of subcontractors, suppliers and laborers. Pursuant to Section 10, this amount may be increased to ten percent (10%) for projects with a Contract Price of $150,000 or less. Upon execution of this Contract, Contractor shall complete, execute and deliver to the City the Contractor’s Retainage Agreement attached hereto as Exhibit D. If the form is not returned before the first payment is due, Contractor agrees to retainage being held in a non-interest bearing fund by the public body until released in accordance with applicable state statutes. If Contractor has met all requirements of applicable laws and regulations regarding release of retainage, and all claims filed against retainage have been resolved, the City will release retainage 60 days following the Completion Date.

5. **EQUAL OPPORTUNITY EMPLOYER**

In all Contractor services, programs or activities, and all Contractor hiring and employment made possible by or resulting from this Contract, there shall be no discrimination by Contractor or by Contractor’s employees, agents, subcontractors or representatives against any person because of sex, sexual orientation, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any disability, including sensory, mental or physical handicaps, unless based upon a bona fide occupational qualification in relationship to hiring and employment. This requirement shall apply, but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall not violate any of the terms of Chapter 49.60 RCW, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973 or any other applicable federal, state or local law or regulation regarding non-discrimination. Any material violation of this provision shall be grounds for termination of this Contract by the City and, in the case of the Contractor’s breach, may result in ineligibility for further City agreements.

6. **INDEPENDENT CONTRACTOR/CONFLICT OF INTEREST**

It is the intention and understanding of the Parties that the Contractor shall be an independent contractor and that the City shall be neither liable nor obligated to pay Contractor sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Contractor shall pay all income and other taxes as due. Industrial or any other insurance which is purchased for the benefit of the City, regardless of whether such may provide a secondary or incidental benefit to the Contractor, shall not be deemed to convert this Contract to an employment contract. It is recognized that Contractor may perform work during the Term of this Contract for other third parties; provided, however, that such performance of other work shall not conflict with or interfere with the Contractor’s ability to perform the Work. Contractor agrees to resolve any such conflicts of interest in favor of the City.
7. **TERMINATION**

Prior to the expiration of the Term, this Contract may be terminated immediately, with or without cause by the City. In the event of termination by the City where the Contractor has not breached its obligations, the City will pay the Contractor for the value of the Work properly performed prior to termination, and in no event shall such amount exceed the Contract Price, including executed Change Orders. In the event of termination by the City for cause, the City may, without prejudice to any other remedy the City may have, take possession of the Site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by Contractor and may finish the Work by whatever method the City may deem expedient. If the costs of finishing the Work exceed the unpaid balance of the Contract Price owed to Contractor for work properly performed, Contractor shall pay the difference to the City within thirty (30) days of receipt of the City’s invoice.

8. **INDEMNIFICATION**

8.1 **Contractor Indemnification.** The Contractor agrees to indemnify and hold the City, its elected officials, officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees associated therewith or associated with successfully establishing the right to indemnification) to or by any and all persons or entities arising out of, resulting from Contractor, its Work under this Contract, or its default of this Contract.

To the extent of the foregoing indemnity, and solely as respects bodily injury claims by employees of Contractor or its Subcontractors that fall within the scope of the foregoing indemnity, Contractor expressly waives its immunity under industrial insurance laws, including but not limited to Title 51 of the Revised Code of Washington, with respect to injuries or death suffered by employees of Contractor or any Subcontractor thereof.

CONTRACTOR AND CITY EXPRESSLY AGREE THAT EACH HAS READ AND REVIEWED THIS SECTION ENTITLED INDEMNIFICATION, THAT THIS SECTION HAS BEEN THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES, AND THAT CONTRACTOR AGREES TO BE BOUND BY THE TERMS THEREOF.

Nothing contained in this Section 8.1 shall require Contractor to hold harmless, pay the defense costs, or indemnify the City for the sole negligence of the City, its agents, or employees. Further, in the case of concurrent negligence of (a) the Contractor, its agents, or employees; and (b) the City, its agents, or employees, this Section 8.1 shall only require Contractor to hold harmless, pay the defense costs, and indemnify the City to the extent of the negligence of the Contractor, its agents, or employees.

8.2 **Survival.** The provisions of this Section shall survive the expiration or termination of this Contract with respect to any event occurring prior to such expiration or termination.

9. **INSURANCE**

The Contractor agrees to carry as a minimum, the following insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the Work by Contractor, its agents, representatives, employees or subcontractors with a carrier having a current A.M. Best rating of not less than A:\VII:

9.1 **Workers’ Compensation and Employer’s Liability Insurance** in amounts sufficient pursuant to the laws of the State of Washington.

9.2 **Commercial general liability insurance** shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Commercial General Liability insurance policy with respect to the Work performed.
for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage with limits of no less than $1,000,000 each occurrence, $2,000,000 general aggregate and a $2,000,000 products-completed operations aggregate limit.

9.3 Automobile liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on ISO form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage with combined single limits for bodily injury and property damage of not less than $1,000,000 per accident.

9.4 Asbestos Abatement or Hazardous Materials. If asbestos abatement or hazardous materials work is performed, Contractor shall review coverage with the City's attorney and provide scope and limits of coverage that are appropriate for the scope of Work and are satisfactory to the City. Contractor shall not commence any Work until its coverage has been approved by the City Attorney.

9.5 The City shall be named as additional insured on all such insurance policies, with the exception of workers' compensation coverages. All insurance provided by the Contractor under this Section 9 shall be primary and non-contributory with any of City's insurance. Contractor shall provide certificates of insurance, concurrent with the execution of this Contract, evidencing the required coverage and, at City's request, furnish the City with copies of all insurance policies and with evidence of payment of premiums or fees of such policies. All insurance policies shall contain a clause of endorsement providing that they may not be terminated or materially amended during the Term of this Contract, except after thirty (30) days prior written notice to the City. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the same insurance requirements as stated herein for the Contractor. Contractor's failure to maintain such insurance policies shall be grounds for the City's immediate termination of this Contract.

The provisions of this Section shall survive the expiration or termination of this Contract with respect to any event occurring prior to such expiration or termination.

10. PERFORMANCE/PAYMENT BOND OR ADDITIONAL RETAINAGE

Pursuant to RCW 39.08.010 and prior to commencing work on each awarded project, Contractor shall provide the City with a Performance/Payment Bond in an amount sufficient to fully cover the Contractor's performance of all provisions of this Contract and the payment of all laborers and suppliers for each project to which the Contract bond applies. The Contract bond(s) shall be in a form attached hereto as Exhibit E. The Contract bond(s) shall assure that the Contractor will faithfully perform all of the provisions of the Contract as well as pay all laborers, mechanic subcontractors, materialmen and suppliers. Contractor's obligations under this Contract shall not be limited to the bond amount(s). If Contract Price is $150,000 or less, Contractor authorizes the City, in lieu of the bond, to retain 10% of the Contract Price in accordance with RCW 39.08.010(3).

11. SAFETY

Contractor shall take all necessary precautions for the safety of its employees on the work site and shall comply with all applicable provisions of federal, state and municipal safety and health laws and codes, including without limitation, all OSHA/WSHA requirements, Safety and Health Standards for Construction Work (Chapter 296-155 WAC), General Safety and Health Standards (Chapter 296-24 WAC), and General Occupational Health Standards (Chapter 296-62 WAC). Contractor shall erect and properly maintain, at all times, all necessary guards, barricades, signals and other safeguards at all unsafe places at or near the Work for the protection of its employees and the public, safe passageways at all road crossings, crosswalks, street intersections, post danger signs warning against known or unusual hazards and do all other things necessary to prevent accident or loss of any kind. Contractor shall protect from damage all water, sewer, gas, steam or other pipes or conduits, and all hydrants and all other property that is likely to become displaced or damaged by the execution of the Work. The Contractor shall, at its own expense, secure and maintain a safe storage place for its materials and equipment and is solely responsible for the same.
12. **PREVAILING WAGES**

12.1 **Wages of Employees.** This Contract is subject to the minimum wage requirements of Chapter 39.12 of the Revised Code of Washington, as now existing or hereafter amended or supplemented. In the payment of hourly wages and fringe benefits to be paid to any of Contractor's laborers, workpersons and/or mechanics, Contractor shall not pay less than the "prevailing rate of wage" for an hour's work in the same trade or occupation in the locality within the State of Washington where such labor is performed, as determined by the Industrial Statistician of the Department of Labor and Industries of the State of Washington, which "prevailing rates of wage" are available on the Department of Labor and Industries website at: [http://www.lni.wa.gov/TradesLicensing/PrevWageWageRates/default.asp](http://www.lni.wa.gov/TradesLicensing/PrevWageWageRates/default.asp) and available in paper form upon request to the City. Prevailing wages paid pursuant to this Contract shall be the prevailing wage rates which are in effect on the date when the Contractor's bid, proposal, or quote was requested to be submitted to the City.

12.2 **Reporting Requirements.** Contractor shall comply with all reporting requirements of the Department of Labor and Industries of the State of Washington. Upon the execution of this Contract, Contractor shall complete and file a Statement of Intent to Pay Prevailing Wages with the Department of Labor and Industries. Upon completion of the Work, Contractor shall complete and file an Affidavit of Wages Paid with the Department of Labor and Industries. Contractor shall deliver copies of both the Statement of Intent to Pay Prevailing Wages and the Affidavit of Wages Paid, certified by the Department of Labor and Industries, to the City.

12.3 **Disputes.** In the event any dispute arises as to what are the prevailing rates of wages for work of a similar nature and such dispute cannot be resolved by the City and the Contractor, the matter shall be referred for arbitration to the Director of the Department of Labor and Industries of the State of Washington and the decision therein shall be final and conclusive and binding on all parties involved in the dispute.

13. **FAILURE TO PAY SUBCONTRACTORS**

In the event the Contractor shall fail to pay any subcontractors or laborers, or fail to pay for any materials, the City may terminate this Contract and/or the City may withhold from the money which may be due the Contractor an amount necessary for the payment of such subcontractors, laborers, or materials.

14. **SUBCONTRACTOR RESPONSIBILITY**

Contractor shall verify responsibility criteria for each first tier subcontractor, and a subcontractor of any tier that hires other subcontractors must verify responsibility criteria for each of its subcontractors. Verification shall include that each subcontractor, at the time of subcontract execution, meets the responsibility criteria required by RCW 39.04.350 and any supplemental responsibility that Contractor was required to meet as part of the bid for this Contract. This verification requirement must be included in every public works subcontract or every tier.

15. **OWNERSHIP OF DOCUMENTS**

All reports, plans, specifications, data, maps and documents produced by the Contractor to the City in the performance of this Contract, whether in draft or final form and whether written, computer or other form, shall be the property of the City. To the extent it is determined any other records held by the Contractor relating to the Work are subject to the Washington Public Records Act (RCW 42.56), the Contractor shall promptly deliver such records to the City for purpose of responding to a public records request. This section shall survive termination of this Contract.

16. **CONFIDENTIALITY**

If it is necessary to provide proprietary information, the Contractor shall clearly mark the information on each page of the document(s) as "Proprietary and Confidential". The City is subject to laws regarding the disclosure of public records and document. Proposals and other materials, submitted by the Contractor become public record and may be subject to public disclosure, in whole or in part, and may be released by the City in the event of a request for disclosure. In the event the City receives a public record request for information and the Contractor has marked the requested document as "Proprietary and Confidential", the City shall notify the Contractor of such request and

{AET1854502.DOCX;105739.000003/}
withhold disclosure of such information for not less than five (5) business days, to permit the Contractor to seek judicial protection of such information; provided that the Contractor shall be solely responsible for all attorney fees and costs in such action and shall save and hold harmless the City from any costs, attorney’s fees or penalty assessments under Chapter 42.56 RCW for withholding or delaying public disclosure of such information.

17. **BOOKS AND RECORDS**

The Contractor agrees to maintain books, records, and documents which sufficiently and properly reflect all direct and indirect costs related to the performance of this Contract and such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Contract. These records shall be subject at all reasonable times to inspection, review or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Contract.

18. **CLEAN UP**

At any time ordered by the City and immediately after completion of the Work, the Contractor, shall, at its own expense, clean up and remove all refuse and unused materials of any kind resulting from the Work. In the event the Contractor fails to perform the necessary clean up, the City may, but in no event is it obligated to, perform the necessary clean up and the costs thereof shall be immediately paid by the Contractor to the City and/or the City may deduct its costs from any remaining payments due to the Contractor.

19. **GENERAL PROVISIONS**

19.1 **Entire Contract.** The Contract documents contain all of the agreements of the Parties with respect to any matter covered or mentioned in this Contract and no prior agreements or understandings pertaining to any such matters shall be effective for any purpose.

19.2 **Modification.** No provision of this Contract may be amended or added to except by written agreement and signed by the Parties or their respective agents or successors in interest.

19.3 **Full Force and Effect.** Any provision of this Contract which is declared invalid, void or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

19.4 **Assignment.** The Contractor shall not transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the City. In the event the City consents to any such assignment or transfer, such consent shall in no way release the Contractor from any of its obligations or liabilities under this Contract.

19.5 **Successors in Interest.** Subject to the preceding Subsection, this Contract shall be binding upon and inure to the benefit of the Parties’ successors in interest, heirs and assigns.

19.6 **Attorney’s Fees.** In the event the City or the Contractor defaults on the performance of any terms in this Contract, and the Contractor or City places the enforcement of the Contract or any part thereof, or the collection of any monies due, or to become due hereunder, or recovery of possession of any belongings, in the hands of an attorney, or file suit upon the same, each Party shall pay all its own attorneys’ fees, costs and expenses. The venue for any dispute related to this Contract shall be King County, Washington.

19.7 **No Waiver.** Failure of the City to declare any breach or default immediately upon occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City’s right to declare another breach or default.

19.8 **Governing Law.** This Contract shall be made in and shall be governed by and interpreted in accordance with the laws of the State of Washington.
19.9 **Authority.** Each individual executing this Contract on behalf of the City and Contractor represents and warrants that such individuals are duly authorized to execute and deliver this Contract on behalf of the Contractor or City.

19.10 **Notices.** Any notices required to be given by the City to Contractor or by the Contractor to the City shall be delivered to the Parties at the addresses set forth below. Any notices may be delivered personally to the addressee of the notice or may be deposited in the United States mail, postage prepaid, to the address set forth herein. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

19.11 **Captions.** The respective captions of the Sections of this Contract are inserted for convenience of reference only and shall not be deemed to modify or otherwise affect in any respect any of the provisions of this Contract.

19.12 **Performance.** Time is of the essence of this Contract and each and all of its provisions in which performance is a factor. Adherence to completion dates is essential to the Contractor's performance of this Contract.

19.13 **Conflicting Provisions.** In the event of a conflict between the terms and provisions of any of the Contract documents, the City Manager or his or her designee shall issue an interpretation of the controlling document, which interpretation shall be final and binding.

SIGNATURE PAGE Follows
IN WITNESS WHEREOF, the parties have executed this Contract the ______ day of 
____________________, 2019.

CITY OF MILL CREEK

By: ____________________________

Bob Stowe, Interim City Manager

ATTEST:

Peggy Lauerman, City Clerk

APPROVED AS TO FORM:

Scott Missall, City Attorney

[CONTRACTOR]

By: ____________________________

(Signature)

(Printed Signature Name and Title)

Address

[Address]

Phone

[Phone]

(Federal Tax ID #)

{AET1854502.DOCX;1/05739.000003/}
EXHIBIT A
PLANS AND SPECIFICATIONS
(Attached)
EXHIBIT B
CONTRACT CHANGE ORDER
(Attached if Needed)
EXHIBIT C
CONTRACTOR'S BID FORM

(Attached)
CONTRACTOR'S RETAINAGE AGREEMENT

Contract Title

Contract Date

Contractor Name

Contractor Address

Contractor Phone

Contractor Federal ID #

State Law on How Contract Retainage Monies can be Reserved:
RCW 60.28.010 Retained percentage, labor and material Contracts for public improvements or work other than for professional services, provides that there shall be reserved by the city from the monies earned by the contractor on estimates during the progress of the improvement or work, a sum of five percent of such estimates, said sum to be retained by the city as a trust fund for the protection and payment of any persons performing work or supplying provisions or supplies during the work. The monies reserved for contract retainage may be reserved by the contractor choosing one of the following four options:

[All investments selected below are subject to City approval.]

Contractor Options
(Contractor shall place an "x" in one of the boxes below.)

[ ] (a) Retained in a non-interest bearing fund by the public body until released in accordance with applicable state statutes;

[ ] (b) Deposited by the public body in an interest bearing account in a bank, mutual savings bank, or savings and loan association, not subject to withdrawal until released in accordance with applicable state statutes, provided that interest on such account shall be paid to the contractor;

[ ] (c) Placed in escrow with a bank or trust company by the public body until released in accordance with applicable state statutes. The cost of the investment program and the risk thereof is to be borne entirely by the contractor.

[ ] (d) Contractor may submit a Retainage Bond equal to 5% of the total awarded bid amount for all schedules to be held by the public body until released in accordance with applicable state statutes.
If Contractor selects options (b) or (c) above, Contractor shall designate below the bank in which the retainage is to be deposited:

<table>
<thead>
<tr>
<th>ACCOUNT NO.</th>
<th>BANK NAME</th>
<th>BANK ADDRESS</th>
<th>BANK PHONE #</th>
</tr>
</thead>
</table>

Agreement

Contractor and City agree that all or part of the monies in the account can only be approved for disbursement by Bank to Contractor upon written authorization of the City Finance Director, or his/her authorized designee.

By ___________________________  By ___________________________
   City of Mill Creek               Contractor

Date ___________________________  Date ___________________________
EXHIBIT E
PERFORMANCE/PAYMENT BOND TO CITY OF MILL CREEK

KNOW ALL PERSONS BY THESE PRESENTS that we, the undersigned, as principal ("Principal"), and ______________, a Corporation organized and existing under the laws of the State of ______________, as a surety Corporation, and qualified under the laws of the State of Washington to become surety upon bonds of Contractors with Municipal Corporations, as surety ("Surety"), are jointly and severally held and firmly bound to the City of Mill Creek ("City") in the penal sum of:

($____________) for the payment of which sum we bind ourselves and our successors, heirs, administrators or personal representatives, as the case may be.

This obligation is entered into in pursuant to the statutes of the State of Washington and the ordinances, regulations, standards and policies of the City, as now existing or hereafter amended or adopted.

Pursuant to proper authorization, the City Manager is authorized to enter into a certain public works contract with the Principal, providing for ______________, which contract is incorporated herein by this reference ("Contract").

The Principal has accepted, or is about to accept, the Contract, and undertake to perform the work therein provided for in the manner and within the time set forth.

NOW, THEREFORE, if the Principal shall perform all the provisions of the Contract in the manner and within the time period prescribed by the City, or within such extensions of time as may be granted under the Contract, and shall pay all laborers, mechanics, subcontractors and material men or women, and all persons who shall supply the Principal or subcontractors with provisions and supplies for the carrying on of said work, and shall hold the City, their officials, agents, employees and volunteers harmless from any loss or damage occasioned to any person or property by reason of any carelessness or negligence on the part of the Principal, or any subcontractor in the performance of said work, and shall indemnify and hold the City harmless from any damage or expense by reason of failure of performance as specified in the Contract, or from defects appearing or developing in the material or workmanship provided or performed under the Contract within a period of one year after its final acceptance thereof by the City, then and in that event this obligation shall be void; but otherwise, it shall be and remain in full force and effect.

And the Surety, for value received, hereby further stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any change, extension of time, alterations or additions to the terms of the Contract or to the Work.

The Surety hereby agrees that modifications and changes may be made in the terms and provisions of the Contract without notice to Surety, and any such modifications or changes increasing the total amount to be paid the Principal shall automatically increase the obligation of the Surety on this Performance Bond in a like amount, such increase, however, not to exceed twenty-five percent (25%) of the original amount of this bond without the consent of the Surety.

Within forty-five (45) days of receiving notice that the Principal has defaulted on all or part of the terms of the Contract, the Surety shall make a written commitment to the City that it will either: (a) cure the default itself within a reasonable time period, or (b) tender to the City, the amount necessary for the City to remedy the default, including legal fees incurred by the City, or (c) in the event that Surety’s evaluation of the dispute
is not complete or in the event the Surety disputes the City's claim of default, the Surety shall notify the City of its finding and its intent, if any, to interplead. The Surety shall then fulfill its obligations under this bond, according to the option it has elected. Should Surety elect option (a) to cure the default, the penal sum of the Bond shall be reduced in an amount equal to the costs actually incurred by the Surety in curing the default. If the Surety elects option (b), then upon completion of the necessary work, the City shall notify the Surety of its actual costs. The City shall return, without interest, any overpayment made by the Surety and the Surety shall pay to the City any actual costs which exceed the City estimate, limited to the bond amount. Should the Surety elect option (c), the Parties shall first complete participation in mediation, described in the below paragraph, prior to any interplead action.

In the event a dispute should arise between the Parties to this Bond with respect to the City's declaration of default by the Principal, the Parties agree to participate in at least four hours of mediation in accordance with the mediation procedures of the American Arbitration Association ("AAA"). The Parties shall proportionately share in the cost of the mediation. The mediation shall be administered by the Seattle AAA office, 1020 One Union Square, 600 Union Street, Seattle, Washington 98122. The Surety shall not interplead prior to completion of the mediation.

The parties have executed this instrument under their separate seals this __ day of __________, 20__, the name and corporate seal of each corporate party hereto affixed, and these presents duly signed by its undersigned representatives pursuant to authority of its governing body.

CORPORATE SEAL OF PRINCIPAL: ________________________________

(Name of Principal)

By: ________________________________

(Name of Person Executing Bond)

Its: ________________________________

(Title)

______________________________

(Address)

______________________________

(Phone)

CERTIFICATE AS TO CORPORATE SEAL

I hereby certify that I am the (Assistant) Secretary of the Corporation named as Principal in the within bond; that __________________________, who signed the said bond on behalf of the Principal, was __________________________ of the said Corporation; that I know his or her signature thereto is genuine, and that said bond was duly signed, sealed, and attested for and in behalf of said Corporation by authority of its governing body.

Secretary or Assistant Secretary

(AET1854502.DO CX;1/05739.000003/ )

827842.1/014455.00065

- 16 -
CORPORATE SEAL OF SURETY:

(Name of Surety)

By: (Attorney-in-Fact / Attach Power of Attorney)

(Name of Person Executing Bond)

(Address)

(Phone)

APPROVED AS TO FORM:

SCOTT MISSALL, CITY ATTORNEY
AGENDA ITEM #E

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.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use</td>
<td>Addressing specific land use issues</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Ensuring infrastructure compatibility</td>
</tr>
<tr>
<td>Environmental</td>
<td>Ensuring environmental sustainability</td>
</tr>
<tr>
<td>Economic</td>
<td>Promoting economic development</td>
</tr>
<tr>
<td>Public Benefits</td>
<td>Providing public benefits and amenities</td>
</tr>
</tbody>
</table>
City Council Agenda Summary  
Page 2

**Development Agreement Highlights:**

<table>
<thead>
<tr>
<th>Development Agreement Section</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1-Occupancy and Sale 9.2-Certificates of Occupancy</td>
<td>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.</td>
</tr>
<tr>
<td>9.6-Municipal Space Allowance</td>
<td>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.</td>
</tr>
<tr>
<td>11.2-Off-Site Mitigation Site</td>
<td>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.</td>
</tr>
<tr>
<td>13 (entire section)</td>
<td>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</td>
</tr>
</tbody>
</table>
City Council Agenda Summary
Page 3

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.

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

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 ongoing 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:

<table>
<thead>
<tr>
<th></th>
<th>2019 City Revenues</th>
<th>$ per Capita</th>
<th>The Farm</th>
<th>$ per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax *</td>
<td>$6,220,000</td>
<td></td>
<td>$191,907</td>
<td></td>
</tr>
<tr>
<td>Sales Tax *</td>
<td>$2,725,000</td>
<td></td>
<td>$199,144</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$8,945,000</td>
<td>$436.98</td>
<td>$391,051</td>
<td>$472.85</td>
</tr>
</tbody>
</table>

*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:

Robert S. Stowe
Interim City Manager
After recording return to:
City Clerk
City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

<table>
<thead>
<tr>
<th>Document Title(s)</th>
<th>Development Agreement for BSP PL2018-0004 (EGUV)</th>
</tr>
</thead>
</table>
| Reference Number(s) of related documents | City of Mill Creek  
Eastgate by Vintage, LP |
| Grantor(s) | Eastgate by Vintage, LP  
City of Mill Creek |
| Grantees(s) | 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 though 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

PL2018-0004 Development Agreement -- Page 4 of 25
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

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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 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

PL2018-0004 Development Agreement – Page 9 of 25
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 conforming 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)

PL2018-0004 Development Agreement -- Page 14 of 25
WHEREFORE, the Parties have signed and executed this Agreement on the dates set forth below.

(signatures next page)

<table>
<thead>
<tr>
<th>City of Mill Creek:</th>
<th>Eastgate by Vintage LP:</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: Robert S. Stowe, Interim City Manager</td>
<td>By: Ryan Patterson, Owner</td>
</tr>
<tr>
<td>Date</td>
<td>Date</td>
</tr>
</tbody>
</table>

ATTEST:

| By: Gina Pfister, Acting City Clerk       |                                   |
| Date                                     |                                   |

APPROVED AS TO FORM:

| By: Scott M. Missall, City Attorney       | By: Attorney for Eastgate by Vintage LP |
| Date                                     | Date                                  |

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

PL2018-0004 Development Agreement -- Page 15 of 25
STATE OF WASHINGTON
COUNTY OF SNOHOMISH

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.


Print Name: 

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

My Appointment Expires: ____________
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.


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 TH S89°50'40" 1997.80FT AS CONVYD TO SNO CO FOR RD BY DEED REC UND AFN 219641;

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

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

Parcel A Identification Number: 28053300200200

Legal Description of Property B

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

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

EXC TH PTNS THOF CONVYD TO SNO CO FOR RD BY INST REC UND AFNOS 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 THN 1320FT TO TPB TH E990FT TH N330FT TH W 990FT TH S 330FT TO TPB

EXC ANY PTN THOF LY WHN THOMAS LK RD & EXC ANY PTN THOF CONVYD TO SNO CO BY DEEDS REC AFN 1730042 & 20012280181 40FT WIDE STRIP TH PTN SD REAL PRTY DAF COM AT NW COR SD REAL PRTY TH S88°19'22E(DEED EAST) ALG

PL2018-0004 Development Agreement -- Page 18 of 25
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 CONVYD 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*40 38W 25FT TAP TH 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 TH IS PLW & 20FT NLY OF SD N LN TO POB TH N01*23 38E 20FT TH N88*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 AFN 201206075002

Legal Description of Property E

PL2018-0004 Development Agreement -- Page 19 of 25
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 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.
EXHIBIT F

A map depicting the On-Site Mitigation Site

PL2018-0004 Development Agreement -- Page 25 of 25
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
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
Ryan Patterson  
Vintage Housing Development LLC  
December 22, 2016  
Page 2

2) Estimates projected property tax revenues to the City of Mill Creek subsequent to development (over and above existing property tax revenues)

3) Estimates the city’s share of one-time sales tax revenues on construction costs

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

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<th>Summary of Economic Benefits (Mixed-Use New Plan)</th>
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<tr>
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<td>Mill Creek’s portion of sales tax revenue projection</td>
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<td>Mill Creek’s portion of stabilized property tax increase</td>
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<td>Yearly Revenue to the City</td>
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<tr>
<td>Mill Creek’s portion of sales tax on construction costs</td>
<td>One-time</td>
<td>$552,500</td>
</tr>
</tbody>
</table>

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
**Table of Contents**

<table>
<thead>
<tr>
<th>Assignment Information</th>
<th>2</th>
</tr>
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<tbody>
<tr>
<td>Effective Date</td>
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<tr>
<td>Applicable Requirements</td>
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</tr>
<tr>
<td>Prior Services</td>
<td>2</td>
</tr>
<tr>
<td>Scope of Work</td>
<td>2</td>
</tr>
<tr>
<td>Methodology</td>
<td>2</td>
</tr>
<tr>
<td>Inspection</td>
<td>3</td>
</tr>
<tr>
<td>Property Information</td>
<td>4</td>
</tr>
<tr>
<td>Identification of Subject</td>
<td>4</td>
</tr>
<tr>
<td>Land Area</td>
<td>4</td>
</tr>
<tr>
<td>Ownership and Sale History</td>
<td>4</td>
</tr>
<tr>
<td>Aerial Photo</td>
<td>5</td>
</tr>
<tr>
<td>Site Plan</td>
<td>6</td>
</tr>
<tr>
<td>Shape, Dimensions and Current Use</td>
<td>7</td>
</tr>
<tr>
<td>Access and Visibility</td>
<td>8</td>
</tr>
<tr>
<td>Zoning</td>
<td>8</td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td>9</td>
</tr>
<tr>
<td>Planned Improvements</td>
<td>10</td>
</tr>
<tr>
<td>Projected City Revenues from Development</td>
<td>12</td>
</tr>
<tr>
<td>Summary of Economic Benefits</td>
<td>16</td>
</tr>
<tr>
<td>Certification</td>
<td>17</td>
</tr>
<tr>
<td>Assumptions and Limiting Conditions</td>
<td>19</td>
</tr>
<tr>
<td>Addenda</td>
<td></td>
</tr>
<tr>
<td>A. Appraiser Qualifications</td>
<td></td>
</tr>
</tbody>
</table>

**The Farm Development Agreement (Christi Amrine, Senior Planner)**

Page 73 of 153
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.
Assignment Information

2) Estimate the potential assessed value as a basis for projecting the increase in City property tax revenue, over and above the existing property taxes currently in-place.

3) Estimate the one-time sales tax that would be paid on the construction of the project.

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

Eastgate Village at Mill Creek
Property Information

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

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Eastgate Village at Mill Creek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3830-4008 132nd Street SE</td>
</tr>
<tr>
<td></td>
<td>Mill Creek, Washington 98012</td>
</tr>
<tr>
<td>Tax ID</td>
<td>28053300200300 and 28053300200200</td>
</tr>
<tr>
<td>Owner of Record</td>
<td>Penny Creek Partners LLC</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Tax ID</th>
<th>SF</th>
<th>Usable SF</th>
<th>Acres</th>
<th>Usable Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>28053300200300</td>
<td>352,400</td>
<td>117,455</td>
<td>8.09</td>
<td>2.70</td>
</tr>
<tr>
<td>28053300200200</td>
<td>402,930</td>
<td>402,930</td>
<td>9.25</td>
<td>9.25</td>
</tr>
<tr>
<td>Total</td>
<td>755,330</td>
<td>520,385</td>
<td>17.34</td>
<td>11.95</td>
</tr>
</tbody>
</table>

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

Eastgate Village at Mill Creek
Site Plan

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

Area Map

Eastgate Village at Mill Creek
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 EGUV, 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.

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

Source: Mill Creek Municipal Code
Real Estate Taxes

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

<table>
<thead>
<tr>
<th>Tax ID</th>
<th>Assessed Value</th>
<th>Taxes and Assessments</th>
<th>Total Ad Valorem</th>
<th>Tax Rate</th>
<th>Taxes</th>
<th>Direct Assessments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>28053300200300</td>
<td>$1,695,800</td>
<td>$0</td>
<td>$1,695,800</td>
<td>1.105584%</td>
<td>$18,765</td>
<td>$5</td>
<td>$18,771</td>
</tr>
<tr>
<td>28053300200200</td>
<td>$4,172,700</td>
<td>$0</td>
<td>$4,172,700</td>
<td>1.105584%</td>
<td>$46,174</td>
<td>$3,589</td>
<td>$49,763</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th>Name of Property</th>
<th>Overall Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastgate Village at Mill Creek</td>
<td>Eastgate Village at Mill Creek</td>
</tr>
<tr>
<td>General Property Type</td>
<td>Mixed Use</td>
</tr>
<tr>
<td>Number of Units</td>
<td>350</td>
</tr>
<tr>
<td>Units per Usable Acre (Density)</td>
<td>29.3</td>
</tr>
<tr>
<td>Gross Building Area (SF)</td>
<td>454,040</td>
</tr>
<tr>
<td>Rentable Area (SF)</td>
<td>378,165</td>
</tr>
</tbody>
</table>

Apartments

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

<table>
<thead>
<tr>
<th>Apartment Unit Mix</th>
<th>Unit Type</th>
<th>Average Unit</th>
<th>Total Units</th>
<th>Vacant</th>
<th>Leased 1</th>
<th>Rented Units</th>
<th>% of Total</th>
<th>Total SF</th>
<th>Rentable to Gross Factor</th>
<th>Proforma Rent 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Average, Avg. $/SF</td>
</tr>
<tr>
<td></td>
<td>1 Bed 1 Bath</td>
<td>668</td>
<td>125</td>
<td>0</td>
<td>125</td>
<td>125</td>
<td>36%</td>
<td>83,500</td>
<td>83,500</td>
<td>$1,600, $1.40</td>
</tr>
<tr>
<td></td>
<td>2 Bed 2 Bath</td>
<td>900</td>
<td>175</td>
<td>0</td>
<td>175</td>
<td>175</td>
<td>50%</td>
<td>157,500</td>
<td>157,500</td>
<td>$1,900, $2.11</td>
</tr>
<tr>
<td></td>
<td>3 Bed 3 Bath</td>
<td>1,250</td>
<td>50</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>14%</td>
<td>62,500</td>
<td>62,500</td>
<td>$2,350, $1.88</td>
</tr>
<tr>
<td></td>
<td>TOTAL/AVG.</td>
<td>867</td>
<td>350</td>
<td>0</td>
<td>350</td>
<td>350</td>
<td>100%</td>
<td>303,500</td>
<td>303,500</td>
<td>$1,857, $2.14</td>
</tr>
</tbody>
</table>

1. Includes storage, GF units, if any.
2. Projected 2019 rents increasing at 3.0% per year over 2017 market ($1,500 for 1BR, $1,600 for 2BR; $2,000 for 3BR).

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

Eastgate Village at Mill Creek
Planned Improvements

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:

<table>
<thead>
<tr>
<th>Retail Space Summary</th>
<th>% of Total Area</th>
<th>Proforma Rent/SF/Yr</th>
<th>Total Proforma Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space Type</td>
<td>SF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery</td>
<td>29,500</td>
<td>39.51%</td>
<td>$18.54</td>
</tr>
<tr>
<td>Shop</td>
<td>37,965</td>
<td>50.85%</td>
<td>$25.00</td>
</tr>
<tr>
<td>Restaurants</td>
<td>7,200</td>
<td>9.64%</td>
<td>$30.00</td>
</tr>
<tr>
<td>Totals/Averages</td>
<td>74,665</td>
<td>100%</td>
<td>$22.93</td>
</tr>
</tbody>
</table>

Eastgate Village at Mill Creek
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:

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Square Feet</th>
<th>Estimated Sales/SF</th>
<th>Total Taxable</th>
<th>Mill Creek’s Sales Tax Rate</th>
<th>Mill Creek’s Projected Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery</td>
<td>29,500</td>
<td>$900 28%</td>
<td>$7,434,000</td>
<td>0.85%</td>
<td>$63,189</td>
</tr>
<tr>
<td>Shop</td>
<td>37,965</td>
<td>$250 100%</td>
<td>$9,491,250</td>
<td>0.85%</td>
<td>$80,676</td>
</tr>
<tr>
<td>Restaurant</td>
<td>7,200</td>
<td>$700 100%</td>
<td>$5,040,000</td>
<td>0.85%</td>
<td>$42,840</td>
</tr>
<tr>
<td>Retail Subtotal</td>
<td>74,665</td>
<td>$1,165,250</td>
<td>$136,705</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment Parking</td>
<td>$612,000</td>
<td></td>
<td>$5,202</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>$22,577,250</td>
<td></td>
<td>$191,907</td>
</tr>
</tbody>
</table>

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.
Projected City Revenues from Development

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.

<table>
<thead>
<tr>
<th>No.</th>
<th>Property Name</th>
<th>Year</th>
<th>SF</th>
<th>Total Assessed Value</th>
<th>Assessed Value/SF</th>
<th>Assessed Value/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mill Creek Meadows</td>
<td>2014</td>
<td>27.4</td>
<td>200,690</td>
<td>180</td>
<td>1,115</td>
</tr>
<tr>
<td>2</td>
<td>Reserve at Town Center Ph III</td>
<td>2013</td>
<td>28.3</td>
<td>107,586</td>
<td>95</td>
<td>1,132</td>
</tr>
<tr>
<td>3</td>
<td>Tivalli</td>
<td>2014</td>
<td>49.1</td>
<td>426,238</td>
<td>383</td>
<td>1,113</td>
</tr>
<tr>
<td>4</td>
<td>Bailey Farm</td>
<td>2013</td>
<td>18.5</td>
<td>426,238</td>
<td>372</td>
<td>1,074</td>
</tr>
<tr>
<td></td>
<td>Subject Projection</td>
<td></td>
<td></td>
<td>379,375</td>
<td>350</td>
<td>1,084</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

---

Eastgate Village at Mill Creek
Projected City Revenues from Development

Commercial Assessed Value Comparables & Projection

<table>
<thead>
<tr>
<th>No</th>
<th>Property Name</th>
<th>Anchor</th>
<th>Year</th>
<th>Bldgs.</th>
<th>Acres</th>
<th>SF</th>
<th>Assessed Value</th>
<th>2016 Total Assessed Value/ SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Silver Firs</td>
<td>Safeway</td>
<td>2007</td>
<td>4</td>
<td>8.3</td>
<td>76,530</td>
<td>14,818,000</td>
<td>$193.62</td>
</tr>
<tr>
<td>2</td>
<td>Thomas Lake</td>
<td>Albertsons, Rite Aid</td>
<td>1996</td>
<td>7</td>
<td>13.9</td>
<td>112,080</td>
<td>19,941,300</td>
<td>$177.92</td>
</tr>
<tr>
<td>3</td>
<td>Mill Creek Town Center</td>
<td>Central Market</td>
<td>2005</td>
<td>14</td>
<td>14.1</td>
<td>184,236</td>
<td>48,314,000</td>
<td>$262.24</td>
</tr>
<tr>
<td>4</td>
<td>Gateway Center</td>
<td>Vacant Safeway</td>
<td>1996</td>
<td>7</td>
<td>10.0</td>
<td>99,283</td>
<td>20,208,000</td>
<td>$203.54</td>
</tr>
<tr>
<td>5</td>
<td>Mill Creek Plaza</td>
<td>Albertsons, Rite Aid</td>
<td>1980</td>
<td>10</td>
<td>12.6</td>
<td>134,638</td>
<td>28,639,300</td>
<td>$212.71</td>
</tr>
</tbody>
</table>

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 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)

<table>
<thead>
<tr>
<th>Description</th>
<th>Assessed Value</th>
<th>Mill Creek Property Tax Rate</th>
<th>Mill Creek Property Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$5,868,500</td>
<td>0.23837%</td>
<td>$13,989</td>
</tr>
<tr>
<td>Projected-Mixed Use</td>
<td>$89,400,000</td>
<td>0.23837%</td>
<td>$213,103</td>
</tr>
<tr>
<td>Increase</td>
<td>$83,531,500</td>
<td></td>
<td>$199,114</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Description</th>
<th>Assessed Value</th>
<th>Mill Creek Property Tax Rate</th>
<th>Mill Creek Property Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$5,868,500</td>
<td>0.23837%</td>
<td>$13,989</td>
</tr>
<tr>
<td>Projected-Mixed Use</td>
<td>$27,714,000</td>
<td>0.23837%</td>
<td>$66,062</td>
</tr>
<tr>
<td>Increase</td>
<td>$21,845,500</td>
<td></td>
<td>$52,073</td>
</tr>
</tbody>
</table>

Eastgate Village at Mill Creek
Projected City Revenues from Development

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:

<table>
<thead>
<tr>
<th>One-Time Sales Tax on Construction Costs (Mixed-Use New Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Construction Cost Estimate</td>
</tr>
<tr>
<td>Mill Creek Sales Tax Rate</td>
</tr>
<tr>
<td>One-Time Sales Tax on Construction Costs</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>One-Time Sales Tax on Construction Costs (Old Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Construction Cost Estimate</td>
</tr>
<tr>
<td>Mill Creek Sales Tax Rate</td>
</tr>
<tr>
<td>One-Time Sales Tax on Construction Costs</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th>Premise</th>
<th>Frequency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill Creek’s portion of sales tax revenue projection</td>
<td>Annual</td>
<td>$191,907</td>
</tr>
<tr>
<td>Mill Creek’s portion of stabilized property tax increase</td>
<td>Annual</td>
<td>$199,114</td>
</tr>
<tr>
<td>Yearly Revenue to the City</td>
<td></td>
<td>$391,021</td>
</tr>
<tr>
<td>Mill Creek’s portion of sales tax on construction costs</td>
<td>One-time</td>
<td>$552,500</td>
</tr>
</tbody>
</table>

**Summary of Economic Benefits (114,000 SF Retail) Old Plan**

<table>
<thead>
<tr>
<th>Premise</th>
<th>Frequency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill Creek’s portion of sales tax revenue projection</td>
<td>Annual</td>
<td>$229,602</td>
</tr>
<tr>
<td>Mill Creek’s portion of stabilized property tax increase</td>
<td>Annual</td>
<td>$52,073</td>
</tr>
<tr>
<td>Yearly Revenue to the City</td>
<td></td>
<td>$281,675</td>
</tr>
<tr>
<td>Mill Creek’s portion of sales tax on construction costs</td>
<td>One-time</td>
<td>$170,000</td>
</tr>
</tbody>
</table>

**Comparison of New and Old Project’s Economic Benefits**

<table>
<thead>
<tr>
<th></th>
<th>OLD PLAN</th>
<th>NEW PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Size (SF)</td>
<td>Sales (/year)</td>
</tr>
<tr>
<td>Grocery</td>
<td>50,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Restaurant 1</td>
<td>4,320</td>
<td>$3,024,000</td>
</tr>
<tr>
<td>Restaurant 2</td>
<td></td>
<td>$3,000</td>
</tr>
<tr>
<td>Drug Store</td>
<td>16,480</td>
<td>$7,416,000</td>
</tr>
<tr>
<td>Retail Pad</td>
<td>35,019</td>
<td>$9,630,225</td>
</tr>
<tr>
<td>Retail Pad D</td>
<td>8,181</td>
<td>$2,249,775</td>
</tr>
<tr>
<td>Apt Parking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total $</td>
<td></td>
<td>$52,320,000</td>
</tr>
<tr>
<td>sales subject to sales tax</td>
<td>$27,012,000</td>
<td>$22,577,250</td>
</tr>
<tr>
<td>TOTAL SF</td>
<td>114,000</td>
<td>74,665</td>
</tr>
<tr>
<td>City Sales Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>$229,602</td>
</tr>
</tbody>
</table>

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

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

Eastgate Village at Mill Creek
Certification

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

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

Eastgate Village at Mill Creek
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,

Eastgate Village at Mill Creek
Assumptions and Limiting Conditions

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

8. The analysis shall be considered only in its entirety. No part of the analysis shall be utilized separately or out of context.

9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

10. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

11. Any revenue estimates contained in the analysis are used only for the purpose of estimating the fiscal impact of proposed development to the City and do not constitute predictions of future operating results.

12. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

13. The projections found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

14. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

15. The consulting report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

16. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

Eastgate Village at Mill Creek
Assumptions and Limiting Conditions

17. Integra Realty Resources – Seattle, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

18. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

19. All findings presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
Addenda

Addendum A

Appraiser Qualifications

Eastgate Village at Mill Creek
Allen Safer, MAI, MRICS

Experience
Senior Managing Director for Integra Realty Resources-Seattle in Washington State. Integra Realty Resources-Seattle is part of Integra Realty Resources (IRR), a national valuation and consulting firm with 65 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 serve 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.


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
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
asafer@irr.com - 206.436.1190
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
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
Business Practices and Ethics, 2011
Fundamentals of Separating Real Property, Personal Property, 2012

gbucklin@irr.com  -  (206) 436-1183
Integra Realty Resources, Inc.
Corporate Profile

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

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

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knife, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Corp, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitchugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Fujino, MAI, FRICS
CINCINNATI/DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodd, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark A. Lamb, MAI CPA, FRICS
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sonne, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Gools, MAI, SR/WA
GREENSBORO, NC - Nancy Trigg, MAI, SRA, FRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lundy, MAI, SRA, CCIM, FRICS
JACKSON, MS - John B. Fraytar, MAI
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jappens, MAI, FRICS
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
MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - Paul Pentrell, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Matthew S. Kreszer, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Steve Colombo, MAI
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Passarelli, MAI, CRE, FRICS
PHOENIX, AZ - Walter "Tres" Whitus III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glasow, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDavid, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Udell, MAI, FRICS, CCIM
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jen Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SEATTLE, WA - Allen N. Sager, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Owen S. Ard, MAI
WASHINGTON, DC - Patrick C. Kerr, MAI, FRICS, SRA
WILMINGTON, DE - Douglas L. Nickell, 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

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

### Meadows Apartments

<table>
<thead>
<tr>
<th>Type Code</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assault(s)</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Burglary</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Disturbance</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DV Verbal</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Forgery</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Harassment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ID Theft</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Malicious Mischief</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Crisis Intervention</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Poss. Stolen Prop.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Robbery</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sex Offense</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Theft</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Threats</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
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.

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>25 x 2</td>
<td>= 50</td>
</tr>
</tbody>
</table>
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.

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

Total 12 x 4 = 48

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.
**DEVELOPMENT PLAN**

How many apartments are included in the development?
There are 380 units, which includes 355 apartment units and 25 live/work units.

How many new apartments have been approved/developed in last 5 years along the 128th/132nd Street SE corridor?
Three jurisdictions abut the 128th/132nd Street SE corridor, so the approved developments are listed by jurisdiction.

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

- City of Everett:
Staff will research and tabulate this data.

- Snohomish County:
Staff will research and tabulate this data.

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

<table>
<thead>
<tr>
<th>County</th>
<th>2018 Median Income</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
<th>7 Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snohomish County</td>
<td>103,400</td>
<td>$22,590</td>
<td>$25,700</td>
<td>$28,000</td>
<td>$32,100</td>
<td>$34,700</td>
<td>$37,230</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$26,215</td>
<td>$29,960</td>
<td>$33,705</td>
<td>$37,450</td>
<td>$40,480</td>
<td>$43,660</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$29,960</td>
<td>$34,700</td>
<td>$38,530</td>
<td>$42,600</td>
<td>$46,240</td>
<td>$49,480</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$33,705</td>
<td>$38,530</td>
<td>$43,335</td>
<td>$48,150</td>
<td>$52,020</td>
<td>$55,890</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$37,450</td>
<td>$42,280</td>
<td>$48,150</td>
<td>$53,950</td>
<td>$58,810</td>
<td>$63,685</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$41,200</td>
<td>$46,140</td>
<td>$52,020</td>
<td>$57,890</td>
<td>$62,780</td>
<td>$67,665</td>
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<tr>
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<td>$44,940</td>
<td>$50,180</td>
<td>$56,040</td>
<td>$61,910</td>
<td>$67,820</td>
<td>$72,785</td>
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<td></td>
<td>$48,685</td>
<td>$54,640</td>
<td>$60,610</td>
<td>$66,580</td>
<td>$72,550</td>
<td>$78,520</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$52,430</td>
<td>$58,600</td>
<td>$64,570</td>
<td>$70,550</td>
<td>$76,520</td>
<td>$82,495</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$56,180</td>
<td>$62,590</td>
<td>$68,550</td>
<td>$74,530</td>
<td>$80,510</td>
<td>$86,495</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$59,930</td>
<td>$66,500</td>
<td>$72,490</td>
<td>$78,470</td>
<td>$84,480</td>
<td>$90,450</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$63,685</td>
<td>$69,550</td>
<td>$75,540</td>
<td>$81,550</td>
<td>$87,550</td>
<td>$93,510</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>105,590</td>
</tr>
</tbody>
</table>

*Washington State Income & Rent Limits for Housing Trust Fund Projects - 2018*
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 (and 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>
<thead>
<tr>
<th>Table 2. Existing and Future PM Peak Hour Intersection LOS Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intersection</td>
</tr>
<tr>
<td>Los</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>1. 35th Avenue SE/132nd Street SE</td>
</tr>
<tr>
<td>2. 39th Avenue SE/132nd Street SE</td>
</tr>
</tbody>
</table>

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. As 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>
<thead>
<tr>
<th>Table 1. Future PM Peak Hour Intersection LOS Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intersection</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Los</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>3. Seattle Hill Road/132nd Street SE</td>
</tr>
</tbody>
</table>

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
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 onsite. 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.
AGENDA ITEM: UPDATING THE CITY'S INDOOR FACILITY USE POLICY AND ORDINANCE AMENDING THE MILL CREEK MUNICIPAL CODE RELATED TO FACILITY USE FEES

PROPOSED MOTION:

Motion to update the City’s indoor facility use policy and adopt Ordinance 2019-____ amending the Mill Creek Municipal Code (MCMC) related to facility use fees.

KEY FACTS AND INFORMATION SUMMARY:

The City of Mill Creek has rooms that are available for use by the public. The policy that governs use of indoor facilities was last modified in September 2007. The policy identifies and prioritizes user groups, specifies deposit and fee schedules, and establishes administrative rules.

In 2016, the City took possession of office space in the City Hall North building. In 2018, the Senior Center moved to the Vintage at Mill Creek. These changes provided access to two smaller rooms that can be made available to the public.

- The City Hall North Conference Room, which is adjacent to the Community Rooms, is available for use 5-10 p.m. Monday through Friday, and 8 a.m. to 10 p.m. on Saturday and Sunday.
- City Hall North Room 216 is available for use daily from 8 a.m. to 10 p.m.

Rates for these two new rooms offered for public use were determined based on:

- Research of other local jurisdiction room rental rates (including Bellevue, Bothell, Everett, Mountlake Terrace, Mukilteo, Seattle, and Snohomish County);
- Staff time to facilitate reservations; and
- Comparison to use rates of the City’s other community rooms based on size and amenities.

The policy is updated to include these rooms and use fees. Since indoor facility use fees are codified under Mill Creek Municipal Code Section 3.42.230, the code must be amended to reflect these additions.

The policy also updates administrative rules, including:

- Cancellation process and refunds;
- Insurance coverage / proof of insurance;
- Responsibility for damage caused by users; and
- Prohibition of certain things in the facilities (e.g., open flames, inflatables, confetti).
A redline version of the proposed policy is attached that identifies relevant changes from the prior policy, not including a format change to match the City’s current policy practice.

**CITY MANAGER RECOMMENDATION:**

Approve the indoor facility use policy updates and adopt the attached ordinance amending the MCMC related to facility use fees.

**ATTACHMENTS:**

- Facility Rental Policies 2007
- CM200-11 Indoor Facility Use Policy
- Proposed Ordinance Adopting Amendment to the MCMC

Respectfully Submitted:

[Signature]
Robert S. Stowe
Interim City Manager
STATEMENT OF POLICY FOR USE OF CITY OF MILL CREEK
INDOOR FACILITIES

City Policy No.: CCP 07-002
Effective: September 12, 2007
Amended: Originally passed by City Council 01/10/95
Revised by City Council 07/09/02 and 9/11/07

1. PURPOSE:
The City of Mill Creek has three rooms that are available for use by the public. In order to be consistent in granting use of these rooms, identifying priority user groups, specifying deposit and fee schedules, and establishing administrative rules, the following policy applies.

2. USERS:
a. First Priority
   (1) City-sponsored or co-sponsored activities and or meetings shall have priority of use for rooms at all times.

b. Second Priority
   (1) Activities sponsored by other governmental jurisdictions; such as the library, city or county agencies, or Everett Public Schools.
   (2) Mill Creek 501(c)3 non-profit organizations, Mill Creek homeowner associations, educational, recreational, or community service activities or organizations (documentation may be required).
   (3) Educational, recreational or community service activities offered by private schools within a five-mile radius of the City.
   (4) Meetings of or by ad-hoc groups of Mill Creek residents for which no fee is charged for participation.

c. Third Priority
   (1) Business meetings or functions sponsored by a private group or individual where no fee is charged for participation. This includes Non-Profits not based in Mill Creek.
   (2) Activities for which a fee is charged for participation.
   (3) Others not qualifying for first or second priority.

3. ROOM RESERVATIONS:
The City of Mill Creek designates the following facility areas as available to the public:
- Smaller Community Room Maximum Capacity 43
- Larger Community Room Maximum Capacity 120
- Council Chambers Maximum Capacity 74

To reserve a room, a reservation form, available at the front counter at City Hall, must be completed, signed and returned with the appropriate fee no later than one (1) week prior to the scheduled event. If two (2) reservations are received at the same time, for the same date, the priority ranking will prevail. No first time reservations will be made or accepted by telephone or fax. Applicants must be at least 21 years of age. Proof of age may be required.
First Priority users may schedule use of a room up to six (6) months prior to the event. Second Priority users may schedule use of a room up to three (3) months in advance. Third Priority users may schedule use of a room up to two (2) months in advance.

4. RENTAL FEES/DAMAGE DEPOSITS:
All Rental fees and/or damage deposits must be paid in full at the time the reservation form is submitted to the City. Fees are listed below:

a. First priority users pay no rental fee or damage deposit.

b. Second priority users will be charged:

<table>
<thead>
<tr>
<th>Rooms Rates</th>
<th>Daytime *</th>
<th>After Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Community Room</td>
<td>$24.00 per hour</td>
<td>$40.00 per hour</td>
</tr>
<tr>
<td>Large Community Room</td>
<td>$36.00 per hour</td>
<td>$56.00 per hour</td>
</tr>
<tr>
<td>Council Chambers</td>
<td>No Charge **</td>
<td>No Charge **</td>
</tr>
</tbody>
</table>

(*8:00 a.m. to 5:00 p.m. Monday through Friday)
** Council Chambers not suitable for use with children.

< Refundable damage/cleaning deposit of $75.00 or
< Refundable damage/cleaning deposit of $150.00 if group is serving food and/or beverages.

c. Third priority users will be charged:

<table>
<thead>
<tr>
<th>Rooms Rates</th>
<th>Daytime *</th>
<th>After Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Community Room</td>
<td>$30.00 per hour</td>
<td>$45.00 per hour</td>
</tr>
<tr>
<td>Large Community Room</td>
<td>$50.00 per hour</td>
<td>$70.00 per hour</td>
</tr>
</tbody>
</table>

(*8:00 a.m. to 5:00 p.m. Monday through Friday)
< Refundable damage/cleaning deposit of $75.00; or
< Refundable damage/cleaning deposit of $150.00 if group is serving food and/or beverages.

5. LIABILITY INSURANCE:
In most circumstances the City will require that all third priority groups obtain Tenant/User Program liability insurance, with a $1 million per occurrence limit. Depending on the activities, first and second priority groups may be required to obtain tenant/user liability insurance. If you do not have liability insurance for your event, the City can assist you in making application for this coverage.

6. ADMINISTRATIVE RULES:

a. Use/possession of alcoholic beverages and/or narcotics is prohibited in City facilities.

b. Smoking is prohibited in and within twenty-five feet of City facilities.

c. Persons who are loud, disorderly and/or abusive to other users of the facility, equipment, or the facility itself will be asked to leave.

d. Users are responsible for bringing their own linen (unless previously arranged), coffee pots, dishes, utensils, and other equipment.
e. Users are responsible for their own setup and cleanup, which includes wiping down and returning tables and chairs to their pre-event location, sweeping floors, cleaning spills, and removing trash. Reasonable cleaning supplies and trash receptacles will be provided. All setup and cleanup must be completed within the time designated of the rental.

f. Animals and pets are not allowed (exceptions: service animals, or when scheduled for recreation/activity programs).

g. The City reserves the right to waive, reduce or increase rental fees, damage deposits, or liability insurance as determined necessary by the City Manager to carry out the purpose and intent of this policy and/or safeguard City personnel, property and facilities.

7. OTHER PROVISIONS:
   a. If you cancel your event, please notify City Hall as soon as possible so the room can be made available for another group.
   
   b. The City reserves the sole right to deny requests for room use due to maintenance or security concerns, inappropriate use of City facilities, or other reasons as appropriate. For additional information about this policy, please contact the Recreation Supervisor at (425) 745-1891.

   c. Disclaimer – Permission to use Mill Creek City Hall facilities does not constitute support for or an endorsement of any sort concerning the user or any affiliated group.

   Adopted this 11th day of September 2007 by a vote of _____ for, _____ against, and _____ abstaining.

   APPROVED: 

   ATTEST/AUTHENTICATED: 

   MAYOR DONNA MICHELSON

   CITY CLERK KELLY M. CHELIN

   APPROVED AS TO FORM:

   OFFICE OF THE CITY ATTORNEY
   SHORT CRESSMAN & BURGESS
POLICY FOR USE OF CITY OF MILL CREEK INDOOR FACILITIES

Subject USE OF CITY OF MILL CREEK INDOOR FACILITIES

Index: Communications & Marketing Number: 200-11

| Effective Date: | Supersedes: CCP 07-002 MCMC 3.42.230.A.1 | Staff Contact: Joni Kirk | Clerk ID Number: | Approved By and Date: |

1.0 PURPOSE:
The City of Mill Creek has three indoor facilities that are available for use by the public. This policy establishes consistent procedures for granting use of these rooms, prioritizing user groups, specifying deposit and fee schedules, and establishing administrative rules.

2.0 ORGANIZATIONS AFFECTED:
All departments/divisions.

3.0 REFERENCE:
- MCMC 3.42: Fees and Other Assessments
- MCMC 12.08: Special Event Permits

4. POLICY

4.1 The following procedures will be used by all City staff for scheduling, approving and facilitating use of the City of Mill Creek’s indoor facilities.

4.2 In order to prevent any appearance of violation of any state law regulating political campaigns, City facilities will not be available for use in connection with any particular campaign for office or regarding a particular side of a ballot measure. This restriction shall not apply to forums where representatives of each candidate or campaign are included.

4.3 Permission to use the facilities does not constitute an endorsement of a group’s philosophies, policies or beliefs.
5.0 DEFINITIONS:

5.1 Applicant: The individual or organization requesting use of a City facility. Applicants must be 21 years of age or older.

5.2 City: The City of Mill Creek, including any office, department, division, board, committee or other entity therein.

5.3 City Manager: The city’s chief executive officer.

5.4 Everett School District: The public school district that provides educational services for Mill Creek residents.

5.5 Priority Ranking: The order by which users are granted room access, as identified in section 6.1.

5.6 Recreation Office: The City office that is responsible for receiving, approving and facilitating indoor facility use requests.

5.7 Resident: A person whose primary residence is within the City of Mill Creek boundaries.

5.8 Responsible Party: The person directly responsible for informing team coaches, representatives, and participants of the Mill Creek Sports Park policy and for ensuring payment of all fees assessed for field rentals and usage.

5.9 User: The individual or organization that uses a City indoor facility.

6.0 PROCEDURES:

6.1 Users:

6.1.1 First Priority: City-sponsored or co-sponsored activities/and or meetings shall have priority of use for rooms at all times.

6.1.2 Second Priority:

6.1.2.a Activities sponsored by other governmental jurisdictions; such as the library, city or county agencies, or Everett Public Schools.

6.1.2.b Mill Creek 501(c)3 non-profit organizations, Mill Creek homeowner associations, educational, recreational, or community service activities or organizations (documentation may be required).
6.1.3 Third Priority:

6.1.3.a Business meetings, birthday parties, workshops, baby showers, or other functions sponsored by a private group or individual where no fee is charged for participation. This includes Non-Profits and homeowner groups not based in Mill Creek.

6.1.3.b Activities for which a fee is charged for participation.

6.1.3.c Others not qualifying for first or second priority.

6.2 Available Facilities: The City of Mill Creek designates the following facility areas as available to the public:

- Council Chambers, maximum capacity 74 (not suitable for use with children)
- City Hall North Small Community Room, maximum capacity 43
- City Hall North Large Community Room, maximum capacity 120
- City Hall North Conference Room, maximum capacity 16
- City Hall North Room 216, maximum capacity 20

6.3 Room Reservations:

6.3.1 To reserve a room, a reservation form (available at the front-counter at City Hall) must be completed, signed and returned with the appropriate fee no later than one (1) week prior to the scheduled event. The form is available online at www.cityofmillcreek.com/rental or in the Recreation Office of City Hall North (15720 Main St.).

6.3.2 Reservations are accepted on a first paid/first served basis. Until payment is received, the room is not reserved.

6.3.3 If two (2) reservations are received at the same time for the same date, the priority ranking will prevail.

6.3.4 No first-time reservation by a user will be made or accepted by telephone or fax.

6.3.5 Applicants must be at least 21 years of age. Proof of age may be required.
6.3.65 First Priority users may schedule use of a room up to six (6) months prior to the event. Second Priority users may schedule use of a room up to three (3) months in advance. Third Priority users may schedule use of a room up to two (2) months in advance. All other reservations may be made a maximum of three (3) months prior to the desired date.

6.3.67 If you—an applicant must cancel your—an event for which a reservation has been secured, the applicant shall please notify City Hall as soon as possible so the room can be made available for another group.

6.3.8 When notice of cancellation is received at least one week in advance of reservation date, a full rental fee will be refunded. No refund will be made when notice of cancellation is received less than one week prior to the reservation date.

6.3.9 Under certain conditions, the City may be forced to cancel a reservation prior to an event or activity. Possible reasons for cancellation include, but are not limited to, a declared state of emergency, unsafe environmental or health conditions, or interrupted utility services. The City will attempt to notify the applicant as soon as possible if such cancellation occurs. All fees paid to the City by the applicant shall be refunded to the applicant if the reservation is cancelled by the City for any of the above reasons.

6.3.10 The City shall not be held responsible or liable for any damages caused as a result of the cancellation of the event.

6.3.10 Unless written approval has been granted, no group using City facilities will be allowed to use the City logo or imply in any way that the City is a sponsor/co-sponsor of the event or activity.

6.4 Rental Fees / Damage Deposits: All rental fees and/or damage deposits must be paid in full at the time of reservation. Fees are identified below by user group.

6.4.1 First priority users pay no rental fee or damage deposit.

6.4.2 Second priority users:

<table>
<thead>
<tr>
<th>Rooms Rates</th>
<th>Daytime*</th>
<th>After Hours**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Chambers</td>
<td>No Charge</td>
<td>No Charge</td>
</tr>
<tr>
<td>Small Community Room</td>
<td>$24.00 per hour</td>
<td>$40.00 per hour</td>
</tr>
<tr>
<td>Large Community Room</td>
<td>$36.00 per hour</td>
<td>$56.00 per hour</td>
</tr>
<tr>
<td>City Hall North Conference Room</td>
<td>Not Available</td>
<td>$25.00 per hour</td>
</tr>
</tbody>
</table>
6.4.3 Third priority users:

6.4.3.a Third priority users rate schedule is as follows:

<table>
<thead>
<tr>
<th>Rooms</th>
<th>Rates</th>
<th>Daytime*</th>
<th>After Hours**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Chambers</td>
<td>No Charge</td>
<td>No Charge</td>
<td></td>
</tr>
<tr>
<td>Small Community Room</td>
<td>$30.00 per hour</td>
<td>$45.00 per hour</td>
<td></td>
</tr>
<tr>
<td>Large Community Room</td>
<td>$50.00 per hour</td>
<td>$70.00 per hour</td>
<td></td>
</tr>
<tr>
<td>City Hall North Conference Room</td>
<td>Not Available</td>
<td>$30.00 per hour</td>
<td></td>
</tr>
<tr>
<td>City Hall North Room 216</td>
<td>$15.00 per hour</td>
<td>$30.00 per hour</td>
<td></td>
</tr>
</tbody>
</table>

* 8:00 a.m. to 5:00 p.m. Monday through Friday
** 5:00 p.m. to 10:00 p.m. Monday through Friday, and 8 a.m. to 10 p.m. Saturday and Sunday

6.4.4 The reservation fee for all applicants will include a refundable damage/cleaning deposit of $75.00, or refundable damage/cleaning deposit of $150.00 if group is serving food and/or beverages.

6.4.5 Rentals are hourly and may be extended in 15-minute increments. Set-up and clean-up time shall be factored into the rental time.

6.4.6 Payment methods accepted are: Visa/MasterCard, cash, check or money order.

6.4.7 Only rooms requested on the reservation application, as well as restrooms, are to be used.

6.4.8 Facilities and equipment both inside and outside the facility shall be left in the same condition as found prior to the activity or event. The cost of cleaning or repairs required of City staff as a result of the event will be subtracted from the damage/cleaning deposit, with a minimum of a $25 charge.

6.5 Liability Insurance:

6.5.1 In most circumstances the City will require that all third priority groups obtain Tenant/User Program liability insurance, with a $1 million per occurrence limit and it must name the City of Mill Creek as an additional insured. Depending on the activities, first and second
priority groups may be required to obtain tenant/user liability insurance.

6.5.2 User shall provide the City with a certificate of insurance coverage no less than fourteen (14) days in advance of the rental date(s). Failure to obtain required insurance is grounds for forfeiture of the rental fee and use of the facility.

6.5.3 For those users who do not have liability insurance for their event, the City can provide assistance in applying for this coverage.

6.6 Damage:

6.6.1 Users of City facilities are financially responsible for any damage to property or loss of property. A fee equal to the total replacement cost will be charged.

6.6.2 The applicants shall be required to pay the full cost of breakage, damage or loss to City facilities and/or equipment, regardless of amount. Up to a 15% administrative fee may be added to the actual expenses and an hourly fee will be charged for repairs that are required as a result of damage.

6.6.3 Failure to remit the required payment shall bar the applicant from any further use of the facility. Any amount unpaid for more than 60 days will be turned over to a collection agency.

6.7 Administrative Rules:

6.7.1 Use/possession of alcoholic beverages and/or narcotics is prohibited in City facilities.

6.7.2 Smoking is prohibited in and within twenty-five (25) feet of City facilities.

6.7.3 Use of an open flame is prohibited within City facilities.

6.7.4 All events shall meet the occupancy load and fire and safety regulations of the City and the State of Washington.

6.7.5 Use of inflatables and amusement rides within City facilities is prohibited.

6.7.6 Persons who are loud, disorderly and/or abusive to other users of the facility, equipment, or the facility itself will be asked to leave.

6.7.7 Users are responsible for bringing their own linen, coffee pots, dishes, utensils, and other equipment. Tablecloths are strongly
recommended to protect tables, especially when serving food and/or drink.

6.7.8 Users are responsible for their own setup and cleanup, which includes wiping down and returning tables and chairs to their pre-event location, and cleaning spills. Reasonable cleaning supplies and trash receptacles will be provided. All setup and cleanup must be completed within the time designated of the rental.

6.7.9 **Confetti is prohibited.**

6.7.10 Animals and pets are prohibited (exceptions: service animals, or when scheduled for recreation/activity programs).

6.7.11 **Groups composed of minors shall be supervised by adults (21 years of age or older) at all times while using City facilities.**

6.7.12 **No items may be stored in a City of Mill Creek facility without explicit approval by the Recreation Office.**

6.7.13 **The City is not responsible for loss or theft of articles during the rental of City facilities and/or left in the facility.**

6.7.14 The City reserves the right to waive, reduce or increase rental fees, damage deposits, or liability insurance as determined necessary by the City Manager to carry out the purpose and intent of this policy and/or safeguard City personnel, property and facilities.

6.7.15 The City reserves the sole right to deny requests for room use due to maintenance or security concerns, inappropriate use of City facilities, or other reasons as appropriate. For additional information about this policy, please contact the Recreation Office at (425) 745-1891.
ORDINANCE NO. 2019-______

AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, AMENDING THE MILL CREEK MUNICIPAL CODE SECTION 3.42.230 COMMUNITY ROOM USE CHARGES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Mill Creek Municipal Code section 3.42 establishes fees and other assessments for the City of Mill Creek (“City”); and

WHEREAS, MCMC section 3.42.230 addresses miscellaneous fees, including those for City facility rental rates; and

WHEREAS, additional rooms at City Hall North are available for public use during certain hours; and

WHEREAS, the City desires to be consistent in specifying deposit and fee schedules;

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

A. Modify MCMC Section 3.42.230.A.1.a.ii as follows:

<table>
<thead>
<tr>
<th>Rooms Rates</th>
<th>Daytime</th>
<th>After Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Chambers</td>
<td>No Charge</td>
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</tr>
<tr>
<td>Small Community Room</td>
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<td>Large Community Room</td>
<td>$36.00 per hour</td>
<td>$56.00 per hour</td>
</tr>
<tr>
<td>City Hall North Conference Room</td>
<td>Not Available</td>
<td>$25.00 per hour</td>
</tr>
<tr>
<td>City Hall North Room 216</td>
<td>$10.00 per hour</td>
<td>$25.00 per hour</td>
</tr>
</tbody>
</table>

B. Modify MCMC Section 3.42.230.A.1.a.iii as follows:

<table>
<thead>
<tr>
<th>Rooms Rates</th>
<th>Daytime</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>Large Community Room</td>
<td>$50.00 per hour</td>
<td>$70.00 per hour</td>
</tr>
<tr>
<td>City Hall North Conference Room</td>
<td>Not Available</td>
<td>$30.00 per hour</td>
</tr>
</tbody>
</table>
Room City Hall North Room 216 $15.00 per hour $30.00 per hour

C. This Ordinance shall be in full force and effect five days after publication of a summary hereof consisting of the title of this Ordinance, in accordance with RCW 35A.13.200.

Adopted this _______ day of ________, 2019, by a vote of _______ for, _______ against, and _______ abstaining.

APPROVED:

________________________________________
MAYOR PAM PRUITT

ATTEST/AUTHENTICATED:

________________________
GINA PFISTER, CITY CLERK

APPROVED AS TO FORM:

________________________________________
OFFICE OF THE CITY ATTORNEY
SCOTT M. MISSALL, CITY ATTORNEY

FILED WITH THE CITY CLERK: ____________
PASSED BY THE CITY COUNCIL: ____________
PUBLISHED: ____________________________
EFFECTIVE DATE: ______________________
ORDINANCE NO.: ________________________

2
### A/P Check Batches

<table>
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<td>02/14/2019</td>
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<td>$173,077.68</td>
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**Total** $754,960.91

### Voided Checks

<table>
<thead>
<tr>
<th>Numbers</th>
<th>Explanation</th>
</tr>
</thead>
</table>

**CLAIMS APPROVAL**

We, the undersigned Finance/Audit Committee of the City of Mill Creek, recommend approval of check numbers 59812 through 59907, and ACH in the amount of $754,960.91.

We recommend approval of the above stated amount with the following exceptions:

__________________________________________
Councilmember

__________________________________________
Interim City Manager

__________________________________________
Finance Director
Business Licensing and Taxes

Period Payment

Welcome, Sandra Kollke

CITY OF MILL CREEK
Leasehold 503-000-685
Dec-31-2018
4,783.00

Source: ACH Debit
Posted: Jan-31-2019
Received: Jan-31-2019

https://secure.dor.wa.gov/atlastheservices/wtp/2/5/2019

Working together to fund Washington’s future
### Accounts Payable Checks by Date - Detail by Check Date

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<thead>
<tr>
<th>Check No</th>
<th>Vendor No</th>
<th>Vendor Name</th>
<th>Check Date Reference</th>
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<td>2</td>
<td>Digital Marketing Conf Fee-G Bink</td>
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<td>Best Tree Service</td>
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AP Checks by Date - Detail by Check Date (2/21/2019 9:54 AM)
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AGENDA ITEM #G.

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Total for Check Number 59856: 0.00 72.36

| 59857    | BRIDPETS            | Bridges Pets | Victor Ultra Pro Dog Food-Bagira | 02/14/2019 | 78.53 |

Total for Check Number 59857: 0.00 78.53

| 59858    | CBALDDES            | Christopher Baldwin Design | Graphic Design-City of Mill Creek Parks & Trails | 02/14/2019 | 500.00 |

Total for Check Number 59858: 0.00 500.00

| 59859    | CIEDMOND            | City of Edmonds | Domestic Violence Coordinator-Feb | 02/14/2019 | 1,176.72 |

Total for Check Number 59859: 0.00 1,176.72

| 59860    | CINTAS              | Cintas Corporation Loc. #460 | Floor Mat Service 02/01 | 02/14/2019 | 96.19 |
| 4016014396 |                      | Floor Mat Service 02/01 | 02/14/2019 | 56.03 |

Total for Check Number 59860: 0.00 152.22

| 59861    | Connie              | Connie Lewis | Babysitting Safety Class 01/29-01/31 | 02/14/2019 | 245.00 |

Total for Check Number 59861: 0.00 245.00

| 59862    | CRIMESTP            | Crime Stoppers of Puget Sound | CrimeStoppers Agreement Fee 01/01/19-12/31/1 | 02/14/2019 | 1,006.64 |

Total for Check Number 59862: 0.00 1,006.64

| 59863    | DATAQST             | DataQuest, LLC | 02/14/2019 | 3,842.04 |

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AP Checks by Date - Detail by Check Date (2/21/2019 9:54 AM)
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<th>Reference</th>
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AP Checks by Date - Detail by Check Date (2/21/2019 9:54 AM)
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Total for Check Number 59906: 0.00 1,429.49
Total for Check Number 59907: 0.00 219.42
Total for 2/14/2019: 0.00 173,077.68
Report Total (96 checks): 0.00 750,177.85

AGENDA ITEM #G.
Approval of Checks #59812 through #59907 and ACH Wire Transfers in the A...
Date: February 26, 2019

### Payroll Check Batches

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**Total** $284,459.87

### Voided Checks

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**CLAIMS APPROVAL**

We, the undersigned Finance/Audit Committee of the City of Mill Creek, recommend approval of the ACH Automatic Deposit checks and ACH Wire Transfers in the amount of $284,459.87.

We recommend approval of the above stated amount with the following exceptions:

---

Councilmember

Finance Director

City Manager
ASSOCIATION OF WASHINGTON CITIES
MILL CREEK, CITY OF

ACCOUNT SUMMARY - contains all changes to this account as of 02/07/2019 10:11:03 AM

FUND: 100
ACCOUNT NUMBER: 186 L

BILL MONTH: 02/2019
COVERAGE MONTH: 02/2019
PAYMENT DUE BY: 02/10/2019
CURRENT BILLING AMOUNT: $82,795.44
PRIOR OVERAGE OR SHORTAGE: $0.00
ADJUSTMENTS: $0.00
TOTAL AMOUNT DUE: $82,795.44

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If you have questions concerning your billing, please contact the Association of Washington Cities Office at (800) 562-8981 or (360) 753-4137 or Northwest Administrators, Inc. at (206) 726-3345.

MAIL PAYMENT TO: If payment is made by check, please print a copy of this page and mail it with your payment to the following address.

ASSOCIATION OF WASHINGTON CITIES
PO BOX 84303
SEATTLE, WA 98124-5603
## Statistical Summary

### Company:
AOW - City Of Mill Creek Service Center: 0076 Pacific North West

### Week:
6

### Pay Date:
02/08/2019

### Run Time/Date:
18:10:53 PM EST 02/06/2019

### Status:
Cycle Complete

### P/E Date:
01/31/2019

### Taxes Debited

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<td>State Disability Insurance - EE</td>
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<td>State Medical Leave Insurance - ER</td>
<td>204.00</td>
</tr>
<tr>
<td>Transit Tax - EE</td>
<td>0.00</td>
</tr>
<tr>
<td>Workers' Benefit Fund Assessment - EE</td>
<td>0.00</td>
</tr>
<tr>
<td>Workers' Benefit Fund Assessment - ER</td>
<td>0.00</td>
</tr>
<tr>
<td>Local Income Tax</td>
<td>0.00</td>
</tr>
<tr>
<td>School District Tax</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Total Taxes Debited: 25,756.73

### Other Transfers

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service Direct Deposit Acct. No.</td>
<td>148,814.25</td>
</tr>
</tbody>
</table>

### Total Amount Debited From Your Account: 174,570.98

### Bank Debits & Other Liability

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Checks</td>
<td>0.00</td>
</tr>
<tr>
<td>Adjustments/Prepay/Voids</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Taxes- Your Responsibility

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>None this payroll</td>
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</tr>
</tbody>
</table>

### Total Liability: 174,570.98

---

StatisticalSummary 2.8.19.xls
Payment Confirmation
Company: City of Mill Creek
Requester: Kotike, Sandy
Run Date: 02/08/2019 11:56:13 AM CST

Domestic High Value (Wire)
Payment Category: Urgent/Wire

<table>
<thead>
<tr>
<th>Status: Pending Approval</th>
<th>Template Name: MATRIX/MEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Number: 1928C5559BV0R78</td>
<td>Template Code: WILTRUST</td>
</tr>
</tbody>
</table>

Debit Account Information
Debit Bank: 
Debit Account: 
Debit Account Name: Treas Checking
Debit Currency: USD

Beneficiary Details
Beneficiary Name: MATRIX TRUST COMPANY
Beneficiary Address: NA
Beneficiary City: NA
Beneficiary Postal Code: NA
Beneficiary Country: US - United States of America

Beneficiary Account: 
Beneficiary Bank ID: JPMORGAN CHASE BANK, NA
Beneficiary Bank Address: 1111 POLARIS PKWY
Beneficiary City: COLUMBUS
Beneficiary Country: US - United States of America
Beneficiary Email: 
Beneficiary Mobile Number:

Payment Details
Credit Currency: USD
Credit Amount: 21,187.60
Value Date: 02/09/2019

Optional Information
Sender's Reference Number: CITY MILL CREEK
Beneficiary Information: City of Mill Creek n3177e

Additional Routing
Intermediary Bank ID:
Receiver Information:

Control Information
Input: sankottke
Input Time: 02/08/2019 11:56:05 AM CST
Payment Confirmation
Company: City of Mill Creek
Requester: Kottke, Sandy
Run Date: 02/08/2019 11:55:22 AM CST

Domestic High Value (Wire)
Payment Category: Urgent/Wire

Status: Pending Approval
Transaction Number: 1928C5502QCV2R44

Debit Account Information
- Debit Bank:
- Debit Account:
- Debit Account Name: Treas Checking
- Debit Currency: USD

Beneficiary Details
- Beneficiary Name: ICMA RC
- Beneficiary Address: P.O. Box 64563
- Beneficiary City: Baltimore
- Beneficiary Postal Code: 21264-4553
- Beneficiary Country: US - United States of America

Beneficiary Account: MANUFACTURERS AND TRADERS TR C
ONE M AND T PLAZA, 15TH FL
BUFFALO
US - United States of America

Beneficiary Email:
Beneficiary Mobile Number:

Payment Details
- Credit Currency: USD
- Credit Amount: 1,762.87
- Value Date: 02/08/2019

Optional Information
- Sender's Reference Number: 302029
- Beneficiary Information: City of Mill Creek 302029

Additional Routing
- Intermediary Bank ID:
- Receiver Information:

Control Information
- Input: sankotke
- Input Time: 02/08/2019 11:55:13 AM CST
### Batch Summary Report by ID Number

<table>
<thead>
<tr>
<th>Name</th>
<th>ID</th>
<th>Amount</th>
<th>C/C</th>
<th>Bank ID</th>
<th>Account #</th>
<th>Acct Type</th>
<th>Trace #</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAC</td>
<td>BENEFIT ADMIN C</td>
<td>$1,778.00</td>
<td>C</td>
<td>C</td>
<td>BAC</td>
<td>C</td>
<td></td>
</tr>
</tbody>
</table>

**Total Amount in Batch**
- Debits: $0.00
- Credits: $1,778.00
- Prenotes: $0.00

**Total Count in Batch**
- Debits: 0
- Credits: 1
- Prenotes: 0

**Grand Total Amount**
- Debits: $0.00
- Credits: $1,778.00
- Prenotes: $0.00

**Grand Total Count**
- Debits: 0
- Credits: 1
- Prenotes: 0
Payroll and Benefit ACH Payments in the Amount of $284,459.87 (Audit Com...
Payment Confirmation
Company: City of Mill Creek
Requester: Kottke, Sandy
Run Date: 02/08/2019 11:57:06 AM CST

Domestic High Value (Wire)
Payment Category: Urgent/Wire

Status: Pending Approval
Transaction Number: 1928C56507WT0P45

Debit Account Information
Debit Bank:
Debit Account:
Debit Account Name: Treas Checking
Debit Currency: USD

Beneficiary Details
Beneficiary Name: Mill Creek Police Officer Guild
Beneficiary Address: PO Box 13261
Beneficiary City: Mill Creek
Beneficiary Postal Code: 98082
Beneficiary Country: US - United States of America

Beneficiary Account:
Beneficiary Bank ID: BANK OF AMERICA, NA
Beneficiary Address: 1424 164TH ST SW
LYNNWOOD
US - United States of America

Beneficiary Email:
Beneficiary Mobile Number:

Payment Details
Credit Currency: USD
Credit Amount: 2,040.00
Value Date: 02/08/2019

Optional Information
Sender's Reference Number: Police Guild
Beneficiary Information: Police Guild Dues Direct Deposit

Additional Routing
Intermediary Bank ID:
Receiver Information:

Control Information
Input: sankottke
Input Time: 02/08/2019 11:56:57 AM CST

Template Name: GUILD DUES
Template Code: GUILD
MINUTES
City Council Regular Meeting

6:00 PM - Tuesday, October 9, 2018
Council Chambers, 15728 Main Street, Mill Creek, WA 98012

Minutes are the official record of Mill Creek City Council meetings. Minutes document action taken at the council meeting, not what was said at the council meeting.

A recording of this City Council meeting can be found here. The agenda packet for this City Council meeting can be found here.

CALL TO ORDER
Mayor Pruitt called the meeting of the Mill Creek City Council to order at 6:00 p.m. and led the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

ROLL CALL

Councilmembers Present: Pam Pruitt, Mayor
Brian Holtzclaw, Mayor Pro Tem
Vince Cavaleri, Councilmember
Mike Todd, Councilmember
Mark Bond, Councilmember
Jared Mead, Councilmember
John Steckler, Councilmember

Councilmembers Absent: 

AUDIENCE COMMUNICATION

A. There were no comments from the audience.

STUDY SESSION

B. Surface Water Rate Setting Fundamentals

Director of Public Works & Development Services Gina Hortillosa reviewed the current surface water utility rate, the scope of services provided by FCS Group, and the surface water aging infrastructure program included in the proposed Capital Improvement Program.

Director Hortillosa introduced FCS Group consultants Sergey Tarasov and John Ghilarducci who walked Council through a PowerPoint presentation highlighting the City’s surface water system, surface water rate study steps, capital facility charges, and goals of the study.

Council engaged in Q&A with the consultants.
PUBLIC HEARING

C. 2019-2024 Transportation Improvement Plan

Mayor Pruitt opened the Public Hearing at 6:40 p.m. and introduced Director of Public Works & Development Services Gina Hortillosa who presented a PowerPoint presentation that briefed Council on elements of the proposed Transportation Improvement Plan including funded and unfunded projects; and funding opportunities.

Mayor Pruitt opened the Public Hearing for comments:

1. Wil Nelson, a Mill Creek resident, expressed to Council his lack of understanding regarding a need for an Opportunity Fund shown in the proposed Capital Improvement Plan and expressed concern over money being spent to beautify Mill Creek Blvd instead of putting more money towards surface water infrastructure. Mr. Nelson stated he does not want to see the pavement cut at 35th & 132nd St SE, and would like to see the County fund the proposed HAWK signal on 132nd.

2. Sherrie Brunsther, a resident of unincorporated Snohomish County introduced her 10 year old daughter, Elana, who asked Council to build a sidewalk on the east side of Bothell Everett HWY between 173rd and Seattle Hill Road. Ms. Brunsther left a handout with the Clerk to be entered into record.

Mayor Pruitt closed the public comment portion of the hearing.
Mayor Pruitt opened the hearing for discussion among the Council. Council engaged in discussion.
Mayor Pruitt closed the public hearing at 7:40 p.m.

NEW BUSINESS

D. Adoption of the 2019-2024 Transportation Improvement Program

Mayor Pro Tem Holtzclaw made a motion to approve Resolution 2018-575 adopting the 2019-2014 Transportation Improvement Plan for the City of Mill Creek as presented with a caveat to amend the description justification for project #3. Councilmember Todd seconded the motion. The motion passed unanimously.

E. Surface Water Aging Infrastructure (Grade F Pipe Repairs) Project - Professional Services Contract

Director of Public Works & Development Services Gina Hortillosa reviewed findings from the Mill Creek Storm Pipe Assessment performed by Perteet that identified pipe faults and graded their severity on a 3-tiered level of granularity.

Director Hortillosa explained the scope of work for the surface water aging infrastructure professional services contract including tasks, locations, bid schedule, repair methods, project schedule, and funding.

Council engaged in discussion.
Councilmember Cavaleri made a motion to authorize the Interim City Manager to execute a contract for professional services of the Surface Water Aging Infrastructure (Grade F Pipe Repairs) Project with Perteet, Inc. in an amount not to exceed $119,980. Councilmember Mead seconded the motion. The motion passed unanimously.

F. Revised Interlocal Agreement with Snohomish County for Reciprocal Mitigation of Transportation Impacts

Interim City Manager Bob Stowe explained traffic mitigation impacts and compensation by developments. Director Stowe introduced Director of Public Works & Development Services Gina Hortillosa who explained how trips are calculated and briefed Council on projected growth over the next 5 year period and highlighted active and anticipated growth in Snohomish County and the City of Mill Creek.

Councilmember Steckler made a motion to authorize the City Manager to sign the revised interlocal agreement with Snohomish County for reciprocal mitigation of transportation impacts. Councilmember Mead seconded the motion. The motion passed unanimously.

G. Executive Search Firm Request for Proposal

Interim City Manager Bob Stowe explained the benefits of issuing a Request for Proposal (RFP) rather than simply reaching out to executive search firms to conduct a search for a City Manager. City Manager Stowe reviewed the proposed RFP including the anticipated time frame and expected costs.

Council engaged in discussion.

Mayor Pro Tem Holtzclaw made a motion to authorize the issuance of an Executive Search Firm Request for Proposal for City Manager Recruitment with modifications as discussed. Councilmember Todd seconded the motion. The motion passed unanimously.

OLD BUSINESS

H. Appointments to the Design Review Board

Mayor Pro Tem Holtzclaw announced that he, Councilmember Steckler and Councilmember Todd interviewed three candidates to fill two vacancies on the Board and encouraged the candidate not selected to apply for the Art & Beautification Board vacancy.

Mayor Pro Tem Holtzclaw made a motion to appoint Dave Gunter and Beverly Tiedje to serve a three-year term on the Design Review Board. Councilmember Todd seconded the motion. The motion passed unanimously.

RECESS

I. Council recessed for a five minute break at 8:12 p.m.

RECONVENE TO REGULAR SESSION
J. Council reconvened to regular session at 8:17 p.m.

**Mayor Pro Holtzclaw made a motion to extend the meeting up to 9:30 p.m. Councilmember Steckler seconded the motion. The motion passed unanimously.**

**STUDY SESSION CONTINUED**

K. 2019-2024 Capital Improvement Plan

Interim City Manager Bob Stowe presented the preliminary Capital Improvement Project (CIP) and noted key projects including the Mill Creek Sports Park turf and lighting replacement, pavement preservation, planning/vision process for Mill Creek Blvd, EGUV “spine road,” and the surface water aging infrastructure program. City Manager Stowe explained that this plan is a living document, highly dependent on present economic conditions and is subject to change.

Director of Public Works & Development Services Gina Hortillosa and Finance Director Peggy Lauerman joined Council and City Manager Stowe for the study session. Council engaged in discussion and requested additional information on several projects at the next CIP study session.

L. Ordinance to Amend Section 10.08.030 of the Mill Creek Municipal Code Lowering the Speed Limit on State Route 96 within the City Limits to 35 MPH

Director of Public Works & Development Services Gina Hortillosa reviewed the proposal to lower the speed limit on SR 96 within the City limits to 35 MPH. Director Hortillosa reviewed the area growth, residential uses, frequency of crashes, and dates provided by WSDOT. Director Hortillosa briefed Council on the HAWK (High Intensity Activated Crosswalk) signal project being pursued by her department.

Director Hortillosa explained that an adopted Ordinance is a required step in WSDOT’s official approval process for lowering speed limits on State Routes and that Ordinance adoption does not guarantee that the speed reduction will be approved by the State.

Council engaged in discussion and requested additional information on alternative solutions and coordination with the County and State. Chief of Police Greg Elwin answered speed related crash questions.

**CONSENT AGENDA**

M. Approval of Checks #59209 through #59268 and ACH Wire Transfers in the Amount of $244,889.67

(Audit Committee: Mayor Pruitt and Mayor Pro Tem Holtzclaw)

N. Payroll and Benefit ACH Payments in the Amount of $313,398.92

(Audit Committee: Mayor Pruitt and Mayor Pro Tem Holtzclaw)

O. City Council Meeting Minutes of August 2, 2018

P. City Council Meeting Minutes of August 22, 2018

Q. Interim City Manager Extension Agreement
Mayor Pro Tem Holtzclaw made a motion to approve the consent agenda. Councilmember Todd seconded the motion. The motion passed unanimously.

REPORTS

R. Mayor/Council

Councilmember Steckler reported that the Mill Creek Kiwanis and People’s Bank are co-sponsoring a document shredding event on October 27 in the parking lot of City Hall North and asked everyone to spread the word.

Councilmember Todd reported that EASC is hosting a Public Officials Reception at the new Paine Field terminal on October 16 and encouraged Council to attend.

S. City Manager

- Council Planning Schedule

T. Staff

- Veterans Day Events

Director of Communications & Marketing Joni Kirk announced this year’s theme “100 years of honor” and reported that the parade has 65+ participants.

AUDIENCE COMMUNICATION

U. Jon Ramer, a Mill Creek resident, asked Council if the City Manager recruiting process would be open to anyone, or exclusive to an executive search firm. Interim City Manager Bob Stowe advised the position would be open to anyone.

ADJOURNMENT

With no objection, Mayor Pruitt adjourned the meeting at 9:42 p.m.

Pam Pruitt, Mayor

Gina Pfister, Acting City Clerk
MINUTES
City Council Regular Meeting

6:00 PM - Tuesday, October 23, 2018
Council Chambers, 15728 Main Street, Mill Creek, WA 98012

Minutes are the official record of Mill Creek City Council meetings. Minutes document action taken at the council meeting, not what was said at the council meeting.

A recording of this City Council meeting can be found here. The agenda packet for this City Council meeting can be found here.

CALL TO ORDER
Mayor Pruitt called the meeting of the Mill Creek City Council to order at 6:00 p.m. and led the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

ROLL CALL

Councilmembers Present:
Pam Pruitt, Mayor
Brian Holtzclaw, Mayor Pro Tem
Vince Cavaleri, Councilmember
Mike Todd, Councilmember
Jared Mead, Councilmember
John Steckler, Councilmember

Councilmember Cavaleri made a motion to excuse Councilmember Bond due to vacation. Councilmember Mead seconded the motion. The motion passed unanimously.

AUDIENCE COMMUNICATION

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

David Lee, owner and developer of Clock Tower Self Storage in Mill Creek, expressed his frustration with the litter and loitering on the trail on the north end of the storage facility; and is concerned about his liability as he is required to maintain it.

Jennifer Pawlowski, a Mill Creek resident, expressed concern over congestion, overcrowding and possible strain on emergency services that would come with the development of The Farm.

Wil Nelson, a Mill Creek resident, echoed the comments of Ms. Pawlowski and let Council know that he is in disagreement with The Farm development.

OLD BUSINESS

October 23, 2018 REGULAR COUNCIL MEETING MINUTES
B. Capital Improvement Plan

Interim City Manager Bob Stowe explained the increased dollar amount of the Capital Improvement Plan (CIP) since last reviewed by Council. City Manager Stowe reviewed and responded to the 14 issues identified by Council during the October 9 study session and reviewed the proposed Opportunity Fund in detail.

Council engaged in discussion.

Mayor Pro Tem Holtzclaw made a motion to approve Ordinance 2018-837, AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, ADOPTING A REVISED AND UPDATED 6-YEAR CAPITAL IMPROVEMENT PLAN FOR YEARS 2019-2024 IN ACCORDANCE WITH THE CITY’S BIENNIAL BUDGET PROCESS, COMPREHENSIVE PLAN, AND GROWTH MANAGEMENT ACT. Councilmember Steckler seconded the motion. The motion passed unanimously.

NEW BUSINESS

C. Yakima County Technology Services Inter-Local Agreement

Interim City Manager Bob Stowe briefed Council on the City’s data backup system and secondary backup appliance. City Manager Stowe reviewed best practices and the need to locate the secondary backup in a geographically diverse location. IT Manager James Busch answered questions from Council.

Councilmember Cavaleri made a motion to authorize the City Manager to execute the Interlocal Agreement with Yakima County Technology Services. Councilmember Todd seconded the motion. The motion passed unanimously.

STUDY SESSION

D. Panhandling Issues

Police Chief Greg Elwin reviewed the City’s primary issues related to panhandling including homelessness in general, public sleeping, and traffic interference and the tools available to the police department that would address the concerns of the community while protecting the rights of all citizens.


E. Ordinance Updating the City of Mill Creek Traffic Mitigation Fee Program - 2018

Director of Public Works & Development Services Gina Hortillosa briefed Council on traffic mitigation fees and how they are calculated. Director Hortillosa explained that the proposed update utilizes the same methodology that was utilized previously and supplies new input values for the variables of the formula that control the amount of the fee.

Director Hortillosa introduced Perteet Engineering consultants Peter De Boldt and Mike Hendrix who walked Council through a PowerPoint presentation that explained
traffic mitigation fees in detail, eligible projects for mitigation fees, process for development of revised fee, and results of analysis and recommended fee.

CONSENT AGENDA

F. Approval of Checks #59269 through #59272 and ACH Wire Transfers in the Amount of $1,286,241.30  
   (Audit Committee: Mayor Pruitt & Mayor Pro Tem Holtzclaw)

G. Payroll and Benefit ACH Payments in the Amount of $227,213.97  
   (Audit Committee: Mayor Pruitt & Mayor Pro Tem Holtzclaw)

Mayor Pro Tem Holtzclaw made a motion to approve the consent agenda. Councilmember Cavaleri seconded the motion. The motion passed unanimously.

REPORTS

H. Mayor/Council

Mayor Pruitt reported that she met with Dr. Singh from Edmonds Community College to discuss ways for them to be more involved in the community.

Mayor Pruitt reported that she met with Everett Public Schools Superintendent Dr. Gary Cohn to discuss upcoming bond issues.

Mayor Pruitt reported that she and Councilmember Todd attended the AWC Legislative Update.

Councilmember Steckler reminded Council of the upcoming Shred-It event and encouraged them to attend.

Councilmember Mead reported that he and Councilmember Todd attended an event at Paine Field and toured the new facility.

Mayor Pro Tem Holtzclaw reported that he met with Everett Public Schools Superintendent Dr. Gary Cohn to discuss upcoming bond issues.

Mayor Pro Tem Holtzclaw reminded Council of the upcoming Trunk-or-Treat event and encouraged them to attend.

Councilmember Todd reported that he and Mayor Pruitt attended the AWC Legislative Update and encouraged Council to read the handout he provided.

Councilmember Todd encouraged Council to attend the Snohomish County Cities (SCC) legislative priorities brainstorming session on November 15 and to think about issues that would be impactful to the City and Region.

Councilmember Todd reported that the first part of ST3 light rail work is currently underway and will provide freeway ramp routes for buses.
Councilmember Todd reported on his visit to the new Paine Field facility.

I. City Manager
   - Council Planning Schedule

J. Staff
   - Pursuit Policy
   - Party in the Parks Recap
   - Q3 2018 Financial Reports

AUDIENCE COMMUNICATION

K. Public comment on items on or not on the agenda.

   Ron Christensen, a Mill Creek resident, would like panhandlers in the City be required to obtain a peddlers permit.

ADJOURNMENT

   With no objection, Mayor Pruitt adjourned the meeting at 7:43 p.m.

__________________________
Pam Pruitt, Mayor

__________________________
Gina Pfister, Acting City Clerk
Tentative Council Meeting Agendas
Subject to change without notice
Last updated: February 20, 2019

March 5, 2019
(Agenda Summary due February 25)
- Presentation: Bond Introduction
- Study Session: Community Funding Update

March 12, 2019
(Agenda Summary due March 4)
- Presentation: Waste Management
- Presentation: Northshore Senior Center
- Report: Hawk Signal Update
- Executive Session: Review of City Manager Candidate Applicants

March 22, 2019
- City Manager Finalists – Community & Staff Engagement

March 23, 2019
- City Manager Finalists – Council Interviews

March 26, 2019
(Agenda Summary due March 18)
- Park & Recreation Board Appointment
- Sports Park Concession Stand Contract
- Reading/Approval of Reimbursement Resolution
- Study Session: Compensation Strategies
**Possible Work Session Topics for Discussion**

- Business signs
- MCCA storm water discussions
- Utility Project Management
- Hotel/Motel Theater Tax
- Mill Creek Blvd Vision
- ST3 Stations
- Hawk/SR 96 – Consideration of Speed
- 5G Presentation
- Legislative Retreat
- Gold Star Memorial
- Dobson Remillard Property
- Fleet Program
- Public Works Month Proclamation
- Bike Lanes