

CITY COUNCIL AGENDA

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



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

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

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

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

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

Next Ordinance No. 2019-848

Next Resolution No. 2019-578

**March 12, 2019
City Council Meeting
6:00 PM**

EXECUTIVE SESSION - 5:00 P.M.

(Confidential session of the Council)

To Evaluate the Qualifications of an Applicant for Public Employment Pursuant to RCW 42.30.110(1)(g)

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

AUDIENCE COMMUNICATION

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

PRESENTATIONS

- B. Presentation of Ceremonial Plank from USS Ralph Johnson
(Commander Mahon, USS Ralph Johnson)

- C. Northshore Senior Center
(*Brooke Knight, Northshore Senior Center CEO*)

NEW BUSINESS

- D. Approval of Surface Water Bond Reimbursement Resolution
(*Peggy Lauerman, Director of Finance & Administration*)
- E. Exploration Park Professional Services - Addendum No. 4 to Contract 2017-1319 with MIG/SVR
(*Gina Hortillosa, Director of Public Works & Development Services*)
- F. Update the City's Policy for Scheduled use of Mill Creek Sports Park and Ordinance Amending the Mill Creek Municipal Code Related to Miscellaneous Fees
(*Joni Kirk, Director of Communications & Marketing*)

STUDY SESSION

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

CONSENT AGENDA

- H. Approval of Checks #59908 through #59974 and ACH Wire Transfers in the Amount of \$1,012,931.34
(*Audit Committee: Mayor Pro Tem Holtzclaw and Councilmember Cavaleri*)
- I. Payroll and Benefit ACH Payments in the Amount of \$204,917.11
(*Audit Committee: Mayor Pro Tem Holtzclaw and Councilmember Cavaleri*)
- J. City Council Meeting Minutes of November 27, 2018

REPORTS

- K. Mayor/Council
- L. City Manager
- Council Planning Schedule
- M. Staff
- Quarterly Financial Report
 - Neighborhood Focus Group Notes from January 10, 2019

AUDIENCE COMMUNICATION

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

ADJOURNMENT

*One
Northshore!*



Northshore Senior Center

Agency Administration
Facilities and Rentals
Finance and Accounting
Volunteer Management
Data Management
Fund Development
Outreach and Engagement

**Bothell
Senior Center**

**Social
Services**

**Kenmore
Senior Center**

**Health
and
Wellness**

**Adult
Day Health**

**Mill Creek
Senior Center**

**Transportation/
Mobility Access**

**Inclusion
(The "Wranglers")**

Northshore Senior Center
10201 E. Riverside Drive, Bothell, WA 98011
www.northshoreseniorcenter.org



Northshore
Senior Center
Mill Creek

2018 And Beyond

AGENDA ITEM #C.



Who Are We?

- One of the largest senior centers in the United States, supporting over 6,000 people each year
- Holistic services and supports for older adults, disabled adults and caregivers
- Locations in Bothell, Mill Creek and Kenmore. Additional services provided at the Peter Kirk Community Center in Kirkland.
- Nearly 500 volunteers!



Who Are We?

Mission: Northshore Senior Center promotes healthy living and well-being in our community through programs, services, resources, and civic engagement.

Vision: We envision a community where everyone leads full, healthy, and inspired lives.



Organizational Values



We are a WELCOMING community. We treat everyone with respect, dignity, kindness and compassion. We value equity, diversity and inclusion, and work to ensure our services are accessible to all who need them.

Our services are HOLISTIC. We work to meet the social, emotional, educational, recreational, health and wellness needs of older adults, adults of all ages with disabilities, and family caregivers, helping to promote overall healthy living and well-being.

We are COLLABORATIVE, both within the organization and with others in the community. We value working together as a team, and we operate our various programs and sites as “One Northshore”.

We aim to be IMPACTFUL on both an individual level and on a community level. When possible, we employ best practice or evidence-informed practice, and we use data to evaluate our success. We strive to remain innovative in our approach to the challenges facing our community.

*One
Northshore!*



Northshore Senior Center

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Mill Creek Senior Center

2018 Highlights



AGENDA ITEM #C.



Northshore
Senior Center
Mill Creek



AGENDA ITEM #C.



Program Highlights



- PEARLS Program—Evidence based program providing individualized support to seniors to help manage depression
- Caregiver Support—Group support and individual consultation
- Chair Exercise facilitated by EvergreenHealth
- Line Dancing, Tai Chi, Qi Gong
- AARP Driver Safety Program
- Money Smart for Older Adults
- “Bookie” Day Trips
- Watercolor, Music for Fun, Chess Club, and SO MUCH MORE!

2018 Highlights—Mill Creek



**885 Unique
Individuals
Served**

**9595
Unique
Services
Provided**

**60% Low
Income**
(across organization)

So What?

Social Isolation

- Nearly 28% of seniors live alone
- 1 in 4 seniors have no one to help them if they become ill
- Social isolation and loneliness is associated with an increased risk of mortality, and decreased physical and mental health
- Loneliness is associated with cognitive decline and dementia

Mill Creek Senior Center helps decrease social isolation in older adults.

Social and Recreational Programs	Meals on Wheels
Adult Day Health	Caregiver Support
	Transportation





So What?

Economic Insecurity

- 60% of people served by Northshore Senior Center in 2018 are low income or extremely low income
- As many as 46,000 Snohomish County seniors are lacking appropriate daily nutrition (United Way Snohomish County--2017)
- Nearly half of all WA retired seniors have incomes that DO NOT provide economic security (Verdant Health Commission—2015)
- 76% of all households in Mill Creek are “cost burdened”, or paying more than 30% of their income on housing. 15,000 senior households in Snohomish County are “cost burdened” (Housing Consortium Everett/Snohomish County—2018)

Mill Creek Senior Center helps support the economic stability of seniors:

- | | |
|---------------------------------------|------------------------------------|
| Supplemental Food | Financial Planning |
| Access to healthcare services | Free Transportation |
| Medical Equipment Loan Program | Employment Matching Program |
| Benefits Access Support | |

So What?



Declining Physical, Mental and Cognitive Health

- 78% of seniors have a chronic medical condition
- 38% of seniors have a disability
- 75% of seniors do not meet physical activity guidelines
- 21% of seniors have fallen in the past 3 months
- Depression symptoms increase with age, though it is not a normal part of aging
- Suicide rates amongst men over the age of 85 are more than 4 x's the general public
- 110,000 individuals with Alzheimer's in WA state. Projected 181% increase in the next 30 years.

Mill Creek Senior Center supports healthy living in seniors.

7 Evidence Based Health Programs

Health Promotion Classes

Physical Fitness Classes

Social Workers, Nurses and Mental Health Professionals

Mill Creek Senior Center



Hopes for 2019 and Beyond

- Increased Transportation Options for Seniors in Mill Creek, including regular shopper trips
- Additional clinical services connected to the Mill Creek Senior Center
- Increased programs and services to meet the needs and wants of seniors
- Expanded outreach and engagement
- Expanded community partnerships



Jim's Story





Northshore
Senior Center
Mill Creek

Brooke Knight, CEO

425-382-1023

brookek@mynorthshore.org

Terry Schuler, Mill Creek Program Manager

425-948-7170

terrys@mynorthshore.org

Thank you!



Agenda Item # D
Meeting Date: March 12, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

AGENDA ITEM: REIMBURSEMENT RESOLUTION - BOND FINANCING FOR SURFACE WATER FUND

PROPOSED MOTION:

Motion to adopt Resolution 2019-___ authorizing the City’s Director of Finance & Administration to be the City’s responsible official for purposes of designating certain expenditures for potential reimbursements from City authorized and approved bonds, pursuant to the United States Department of Treasury Regulations.

KEY FACTS AND INFORMATION SUMMARY:

A reimbursement resolution is a council action declaring an issuer’s official intent to reimburse an original expenditure with proceeds of an obligation.

Under federal tax laws, an issuer may reimburse itself with proceeds of tax-exempt bonds for expenditures made up to 60 days prior to the date of the reimbursement resolution. The project financed must consist of capital expenditures or issuance costs.

The resolution does not obligate the organization to anything or anyone. In essence, it says that if the organization completes the project and finances it with tax-exempt debt, then it is the organization’s intent to reimburse itself for appropriate expenses under IRS and Treasury rules. An organization that passes a resolution has the option, but not the obligation, to reimburse itself. An organization that does not pass a resolution forgoes, with few exceptions, the option to reimburse itself.

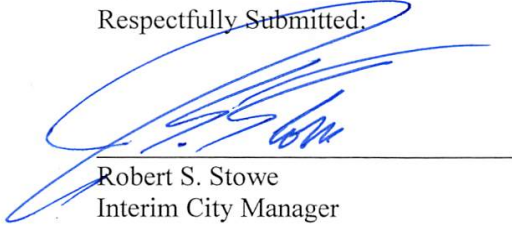
CITY MANAGER RECOMMENDATION:

Adopt Resolution 2019-___

ATTACHMENTS:

Attachment A: Proposed Resolution

Respectfully Submitted;



Robert S. Stowe
Interim City Manager

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILL CREEK, WASHINGTON, AUTHORIZING THE CITY'S DIRECTOR OF FINANCE AND ADMINISTRATION TO BE THE CITY'S RESPONSIBLE OFFICIAL FOR PURPOSES OF DESIGNATING CERTAIN EXPENDITURES FOR POTENTIAL REIMBURSEMENTS FROM CITY AUTHORIZED AND APPROVED BONDS, PURSUANT TO THE UNITED STATES DEPARTMENT OF TREASURY REGULATIONS.

WHEREAS, pursuant to the constitution and laws of the State of Washington, the City of Mill Creek, Washington ("City") issues tax-exempt and tax-advantaged obligations (including bonds, leases and lines of credit) for the purpose of financing its governmental activities; and

WHEREAS, the City desires to be able to use the proceeds of certain bonds for reimbursement of certain expenditures; and

WHEREAS, the United States Department of the Treasury has promulgated regulations ("Treasury Regulations") regarding the City's ability to use the proceeds of tax-exempt and taxable bond obligations for reimbursement of past expenditures, including requiring the appointment of an official for the purposes of identifying and qualifying capital projects for reimbursement purposes; and

WHEREAS, the City desires to appoint an official for the purpose of identifying and qualifying capital projects for reimbursement purposes pursuant to the Treasury Regulations requirements;

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

Section 1. Appointment of Director of Finance and Administration. Pursuant to U.S. Treasury Regulation Section 1.150-2(e)(1), the City Council hereby designates and appoints the City's Director of Finance and Administration ("Director") as the responsible official for the purpose

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of issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2.

Section 2. Statements of Official Intent. Upon a determination by the Director that the costs of a particular capital project may be reimbursed from the proceeds of a tax-exempt or tax-advantaged obligation(s) of the City, the Director is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit A. Each certificate so executed shall become part of the official records of the City available for public inspection and review.

No capital projects shall be undertaken unless such projects have been previously approved in the customary manner by the City Council, and the execution of any intent certificate shall not obligate the City to issue any debt all of which shall require separate and additional official approval by the City Council.

Adopted this ____ day of _____, 2019 by a vote of ____ for, ____ against, and ____ abstaining.

APPROVED:

MAYOR PAM PRUITT

ATTEST/AUTHENTICATED:

CITY CLERK GINA PFISTER

APPROVED AS TO FORM:

CITY ATTORNEY SCOTT M. MISSALL

FILED WITH THE CITY CLERK: _____

PASSED BY THE CITY COUNCIL: _____

EFFECTIVE DATE: _____

RESOLUTION NO. 2019-

{EFM1895998.DOC;1/05739.000006/ }

EXHIBIT A

FORM OF OFFICIAL INTENT CERTIFICATE

Pursuant to Resolution No. ____ of the City Council of the City of Mill Creek, Washington (the "City"), the undersigned, Director of Finance and Administration of the City hereby states as follows:

SECTION 1. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the "Reimbursement Bonds").

SECTION 2. The maximum principal amount of Reimbursement Bonds expected to be issued is \$ _____.

SECTION 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the Surface Water Fund.

Dated this ____ day of _____, 20 ____.

Director of Finance and Administration



Agenda Item # E
 Meeting Date: March 12, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

AGENDA ITEM: EXPLORATION PARK PROJECT - ADDENDUM NO. 4 TO CONTRACT 2017-1319 (CONTRACT FOR PROFESSIONAL SERVICES)

PROPOSED MOTION:

Authorize the City Manager to execute Addendum No. 4 to Contract 2017-1319 for professional services with MIG/SVR in an amount not to exceed \$26,380.

KEY FACTS AND INFORMATION SUMMARY:

The City of Mill Creek executed a contract for professional services with MIG/SVR in February 2017 for design services for the Exploration Park project. As the engineer of record for the project, MIG/SVR will need to provide design support services during the construction phase. These services are included in Addendum 4 and a summary is listed below:

- Respond to Requests for Information (RFIs) submitted by McClure and Sons, Inc.
- Review of certain submittals
- On-site meetings
- Review of as-built/record drawings

MIG/SVR’s original contract approved by the City Council plus subsequent addendums total \$107,425.50. With the proposed Addendum 4 requesting an additional \$26,380 the new contact total is \$133,805.50 as shown below in Table 1:

Table 1. MIG/SVR contract budget (with addendum 4)

Item	Amount	Purpose
Original Contract	\$60,525.50	
Addendum 1	\$4,000	Design (specifications modifications)
Addendum 2	\$22,000	Final Design
Addendum 3	\$20,900	Bid packet update for re-bid
Addendum 4 (Proposed)	\$26,380	Design Support (CN phase)
Total	\$133,805.50	

Per the adopted 2019-2020 Biennium Budget, the construction phase budget is \$1,300,000. This includes a \$100,000 contribution by Snohomish County for a new playground structure. The construction phase total cost is estimated at \$1,252,193.25 (Table 2).

Table 2. Construction Phase Total Cost Estimate

Item	Contract	Amount
1	McClure and Sons, Inc.	\$1,024,944.77
2	KPFF	\$98,374
3	MIG/SVR (this addendum)	\$26,380
4	Contingency (10%)	\$102,494.48
Total		\$1,252,193.25

The total construction contract time is 100 working days and construction is planned to begin in Spring 2019 when temperatures are more conducive for grading and excavation (Table 3).

Table 3. Construction Timeline

Timeline	Project Milestones
December 11, 2018	Council award construction project (McClure and Sons, Inc.)
April 2019	Begin construction
October /November 2019	Construction completion (open to public)

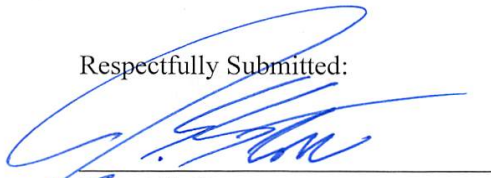
CITY MANAGER RECOMMENDATION:

Authorize the City Manager to execute Addendum 4 to Contract 2017-1319 for professional services with MIG/SVR in an amount not to exceed \$26,380.

ATTACHMENTS:

Supplemental Scope of Services and Fee (Addendum No. 4)

Respectfully Submitted:



Robert S. Stowe
Interim City Manager



SCOPE AMENDMENT REQUEST #04

Date	2/08/2019
To	Gina Hortillosa, PE – Public Works Director

PROJECT INFORMATION

Project Name: Exploration (North Pointe) Park Final Design
 MIG|SvR Project Number: 15097
 Client: City of Mill Creek
 Owner: City of Mill Creek

SCOPE OF WORK

Change in Term of Agreement:
 Per the City's request and to accommodate the 2019 construction schedule, the term of agreement as described in the original contract number 2017-1319 dated February 2, 2017 shall be extended to October 31, 2019.

Change in Scope Description:

Task 1: Project Management

No change in scope or budget for project extension beyond original schedule. Time for project management during construction phase has been incorporated into Task 6.1 below.

Amendment to Task 6: Limited Bid Support/Construction Administration

Add Subtask 6.1 – Construction Administration. Scope of subtask to include:

- Reproduction of construction documents
 - o 5 – 11"X17" plans
 - o 5 – specifications (letter size)
 - o 3 – full size set of plans
 - o 1 – electronic copy of plans and specifications in PDF format
- Review of submittals (assume 7, see below; re-submittals to constitute an additional review). City's Construction Manager to review all submittal packages for completeness before forwarding to MIG|SvR for review. Submittal reviews to specifically include:
 - o Roadside Restoration (plants and soils) (review only after initial review and response by Construction Manager / KPFF, including CM initial review of any substitution requests)
 - o Irrigation systems (complete submittal, including design-builder's plan, materials, calculations)
 - o Play Area Concrete Features (single package, complete submittal, including shop drawings, materials, reinforcing schedule and design, qualifications, etc.)

Civil Engineering
 Landscape Architecture
 Environmental
 Restoration
 Planning

615 Second Avenue
 Suite 280
 Seattle, WA 98104

Phone: 206.223.0326
 Fax: 206.223.0125
 svr@svrdesign.com

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Scope Amendment Request #04
City of Mill Creek – North Pointe Park (e.g. Exploration Park) Final Design
2/08/2019
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- o Log and Tunnel Features (complete submittal, including materials, finish options, etc.)
- o Manufactured Play Equipment (complete submittal, including equipment and materials information, signage, installation information, color choices or other options for selection, layout plan with use zones and footing locations, as specified)
- o Play Area Surfacing (only if substitution requested)
- o Footbridge (complete submittal, including installer qualifications, shop drawings, materials list and cutsheets)
- Respond to Requests for Information (RFI's) (up to 2)
- Issue Clarification Sketches (landscape and/or civil) as needed (up to 2)
- Attend construction meeting and/or requested site visit for construction review (up to 3 total) with field observation reports
- Site visits (two) to complete draft and final punch lists.
- Review of as-built/record drawings provided by Contractor, following CM firm review.

Subtask 6.1 Deliverables:

- 5 – 11"X17" plans and 8.5"x11" specifications (bound hardcopy)
- 3 – full size sets of plans (bound hardcopy)
- 1 – electronic copy of plans and specifications in PDF format
- Submittal review responses, per above. Format: PDF
- Response to RFI's. Format: Email and/or PDF.
- Clarification Sketches (landscape or civil). Format: PDF
- Field observation reports. Format: PDF
- Draft and Final Punch Lists. Format: PDF
- Written comments on Contractor prepared as-built/record drawings. Format: PDF
- E-transmit project CAD files as provided in Bid documents, for use by others in preparing Record Drawings. Format: AutoCAD Civil3D 2017.

Assumptions:

- On-site Construction Management by others. Construction Management firm will provide primary response to Submittals, RFI's, Change orders, etc. MIG|SvR to provide limited construction support as noted above. Additional support requested to be additional services, on Time & Materials basis.
- Review of Pay Requests and Change Order Proposals by others.
- Up to 16-week construction duration.

Fee Estimate:

\$26,380 (Time & materials, not to exceed) added to Task 6 for Subtask 6.1.

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In order to expedite the work itemized above, please sign and return this Amendment Request. Your signature approves our request for additional fees.

Signed:	Date:
Printed Name: Peg Staeheli, PLA	Title: Principal, MIG SvR

APPROVED:

Signed:	Date:
Printed Name:	Title:

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Agenda Item # F
Meeting Date: March 12, 2019

CITY COUNCIL AGENDA SUMMARY
City of Mill Creek, Washington

AGENDA ITEM: **UPDATING THE CITY’S POLICY FOR SCHEDULED USE OF MILL CREEK SPORTS PARK AND ORDINANCE AMENDING THE MILL CREEK MUNICIPAL CODE RELATED TO MISCELLANEOUS FEES**

PROPOSED MOTION:

Motion to update the City’s policy for scheduled use of Mill Creek Sports Park and adopt Ordinance 2019-_____ amending the Mill Creek Municipal Code (MCMC) related to miscellaneous fees.

KEY FACTS AND INFORMATION SUMMARY:

The City of Mill Creek has park fields and facilities at Mill Creek Sports Park. On December 11, 2018, the City Council approved new use fees for the Sports Park. At that time, the Council asked for a future discussion on Concession Stand fees.

At the March 5, 2019, City Council meeting, the Council discussed the Concession Stand fees. Council requested that staff update the policy to maintain the monthly user group fees for the Concession Stand at fifteen percent (15%) of gross receipts, but to put a cap of \$1,100 on the fees that a group could be charged monthly.

Based on these two changes, the policy for scheduled use of Mill Creek Sports Park needed to be updated. As part of the policy review, staff determined that it made sense to move the fee schedule out of the policy and into the section of Mill Creek Municipal Code that governs miscellaneous fees, including those for recreation. This will limit policy revisions.

Therefore, the CM200-10, the updated policy for scheduled use of Mill Creek Sports Park, includes the following changes:

- Removal of the fee schedule and reference MCMC 3.42.230.A where the fee schedule will now reside;
- Update to the concession stand fees to reflect a monthly maximum of \$1,100; and
- Updates to administrative procedures, such as: noting payment is required for individual use reservations; identifying the location for special event permit application; and prohibiting marijuana.

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.

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Since staff proposes moving the scheduled use fees under Mill Creek Municipal Code Section 3.42.230, the code must be amended to reflect these additions.

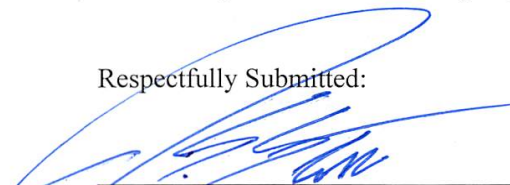
CITY MANAGER RECOMMENDATION:

Approve policy updates for scheduled use of Mill Creek Sports Park and adopt the attached ordinance amending the MCMC related to miscellaneous fees.

ATTACHMENTS:

- CCP 13-003 Policy for Scheduled Use of Mill Creek Sports Park
- CM200-10 Scheduled Use of Mill Creek Sports Park Policy (clean copy)
- CM200-10 Scheduled Use of Mill Creek Sports Park Policy (redlined copy)
- Proposed Ordinance Adopting Amendment to the MCMC

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

**CITY OF MILL CREEK POLICY
FOR
SCHEDULED USE OF MILL CREEK SPORTS PARK**

City Policy No.: CCP 13-003
Effective: March 1, 2013
Amended: January 8, 2013

PURPOSE

1. Establish scheduling priorities.
2. Outline facility-scheduling policies.
3. Establish fees for use of the fields
4. Establish rules and regulations regarding use.
5. Assure equitable distribution and maximum use of the facilities by the public.
6. Manage the limited number of City sports fields.

The City of Mill Creek has park fields that are available for reservation to a wide range of users. In order to be consistent in granting use of these park fields, identifying priority user groups, specifying deposit and fee schedules, and establishing administrative rules, the following policy applies.

1. PRIORITY USERS:

First Priority Group:

City of Mill Creek sponsored programs and events.

Second Priority Group:

Use will be granted to leagues, organizations, clubs and groups based in Mill Creek or with 51% or more of the participants residing within the city limits of Mill Creek. Priority will be given to groups in the following order:

A. Youth

- Recreation Teams
- Select Teams

B. Adult

- Recreation Teams
- Select Teams

- * Everett School District will be given priority after second priority user groups have been scheduled.

Third Priority Group:

Use will be granted to leagues, organizations, clubs and groups with participants being composed of less than 51% City of Mill Creek residents. Priority will be given to youth groups, then to adult groups.

1.1 For this policy a league, organization, or club is defined as having 8 or more teams playing in a round-robin or competitive format.

2. FIELDS AVAILABLE FOR SCHEDULING:

Freedom Field - Little League/Softball
Freedom Field - Modified Soccer

3. SCHEDULING POLICIES:

The City of Mill Creek will have preferential use of all parks and recreation fields and facilities for camps, classes, and other special events.

Facilities are scheduled for three periods each year:

Spring & Summer:	March, April, May, June, and July
Fall:	August, September, October, and November
Winter:	December, January, and February

Field Reservations will be accepted in person at Mill Creek City Hall or via email for established User Groups.

Block Time Users: Leagues, organizations or clubs may apply for blocks of time for ongoing league sanctioned events (practices and games) and/or tournaments lasting more than one day.

- Spring/Summer Applications: (For use March 1 through July 31)
League application forms must be filed at City Hall between January 1 - 30)
To be considered for Block Time User application.
- Fall Application: (For use August 1 through November 30)
League application forms must be filed at City Hall between June 1 - 30)
To be considered for Block Time User application.
- Winter Applications: (For use December 1 through February 28/29)
League application forms must be filed at City Hall between October 1 – 31
To be considered for Block Time User application.

3.1 Regular league applications (practices & games) for Block Time Users must be submitted to the City within the above listed dates.

3.2 Block time users may not book time in increments smaller than three hours per day. If less time is desired, that can be booked as an Individual User after the Block Time is allocated.

3.3 Tournament applications for Block Time Users must be submitted separately and 30 days prior to the start of play. A tournament bracket must be submitted to the City within 10 days prior to the event.

3.4 Individual teams may reserve field space according to priority categories and will be considered on a first come, first served basis after Block Time is allocated. Applications must be submitted three days prior to scheduled field use.

3.4 City staff shall have discretion to resolve scheduling conflicts based upon historical use, community interest, or other factors. Priority will be given to Mill Creek user groups. However, the City reserves the right to make the facilities open to a wide range of users and shall make final decisions in regard to scheduling.

3.5 User groups requesting the residency scheduling priority or resident fees may be required to submit a roster showing residency at the time of a field request.

3.6 Field customer is responsible for assuring all litter related to their use is picked up and the site is left in the condition it was found. Site includes: Field, Dugouts, Bleachers, Parking Lot, Concession Stand Area, and Bathrooms.

3.7 Block Time Users will provide the City, prior to start date, a list of league representatives, and or directors that are responsible for field use. List to include phone numbers and email addresses if available. Block Time Users verify that their coaches, athletes and parent/guardian have complied with mandated policies for the management of concussions and head injuries as prescribed by HB 1824 (Zachary Lystedt Law).

4. FEES:

4.1 Payment must be made in advance for approved field use for Individual Teams/Users. Fees are to be paid to the City of Mill Creek.

- **Block Time Users:** Payment for approved field time will be invoiced monthly and is payable upon receipt of invoice. Lights will be billed monthly according to use.
- **Individual Teams/Users:** All fees are due three days prior to scheduled field use and at time of application.

4.2 A \$20.00 administrative fee will be applied to approved Block Time User applications for any extensive block time application revision requests. Extensive revisions are those that take more than 15 minutes to adjust.

4.3 If it is necessary for the City to repair damages or clean the premises (i.e. field, dugouts, bleachers, or concessions stand during the users rental, the customer will incur the maintenance/repair costs at \$45.00 an hour with a one-hour minimum.

4.4 For large events/tournaments the City may be able to provide staffing and/or equipment. Any additional equipment, materials or staffing requested by applicant, and provided by the City, shall be at the expense of the applicant. Users must submit sixty days prior a Special Events Permit for each Tournament.

FEE SCHEDULE:

Second Priority:

* Everett School District - In conjunction with the interlocal agreement between Everett School District and City of Mill Creek, there will be no charge for Everett School District use.

<i>Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth</i>	<i>Tournaments/Camps with Participation Fee</i>
Baseball/Softball Field	\$44	\$22	Youth - \$29
Modified Soccer Field			Adult - \$51
Field Lights	\$15	\$15	\$15

Third Priority:

<i>Non-Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth</i>	<i>Tournaments/Camps with Participation Fee</i>
Baseball/Softball Field	\$65	\$44	Youth - \$51
Modified Soccer Field			Adult - \$72
Field Lights	\$15	\$15	\$15

5. CANCELLATIONS/REFUNDS:

5.1 An adjustment to Block Time User applications must be submitted to the City in writing and be received at least two weeks prior to the date to be adjusted in order to receive full credit for unneeded time.

5.2 Field reservations for individual groups are non-refundable except as stated in item 5.4.

5.3 The City reserves the right to limit the amount of play permitted on the fields and cancel permits in the event of adverse weather conditions or field maintenance. If the City closes a field, every attempt will be made to reschedule subject to an agreement with the user.

5.4 The City will track all City field closures. At the end of the total field use time, a refund, if applicable, will be issued to the permit holder for City mandated field closures.

6. INSURANCE:

6.1 Field users shall provide a Certificate of Insurance to the City prior to use except as provided in paragraph 6.4. This requirement is satisfied by providing the City with a copy of the customer's Certificate of Insurance naming the City of Mill Creek as an additional insured and a copy of the endorsement to this insurance policy, meeting the requirements in paragraph 6.2.

6.2 Liability Insurance Requirements:

The user shall provide evidence of commercial general liability insurance of two million dollars (\$2,000,000.00) combined, single limit per occurrence. Such insurance shall be primary over any coverage held by the City and shall name the City as an additional insured. Prior to usage of the facility, the user shall submit a copy of the insurance policy declaration page to the City as evidence of acceptable insurance coverage.

The following must be on the Certificate of Insurance:

- Location of activities must show on certificate (For example: City of Mill Creek)
- Type of activities must show on certificate (For example: Softball, Baseball, and Soccer)
- Separate Endorsement Sheet
- Dates of coverage
- Insurance carrier may FAX to the City of Mill Creek at (425) 745-9650.

6.3 Failure to provide acceptable insurance coverage prior to the first day of field use will result in loss of permission to use the fields.

6.4 The City Manager may, at his/her discretion, waive the insurance requirements for individuals or groups who use the field on a limited, short-term basis (e.g., family picnics, or non-league youth teams). If the insurance requirement is waived, a Hold Harmless agreement will be required.

7. CONCESSION STAND:

7.1 Groups or individuals may rent the concession stand on a monthly basis subject to availability. A Use Agreement form must be completed and submitted to the City at least two weeks prior to the date of use. A complete list of rules and regulations for use of the concession stand are available at City Hall.

7.2 To compensate for use of the concession stand for one month or longer, the user group will pay a minimum of fifteen percent (15%) of gross receipts to the City of Mill Creek each

calendar month. Payment may be negotiated by the City Manager to be received as a flat rate during the term of the agreement and may be adjusted to a percentage of the gross at the end of the concession rental. Payment shall be received by the City for each month the Concessionaire operates the Concession Stand and within fifteen days of the Concessionaire receiving an invoice. A late charge of 10 percent of the sum due and owing each month shall be assessed by the City and shall be immediately due and payable by the Concessionaire if the fees are not received in full and when due.

The term "gross receipts" means the value accruing from the sale of goods without any deduction for costs of products sold, material used, labor, or other expenses. It excludes monies collected as Washington State Sales Taxes. All payments shall be made to the following:

Attn: Finance Department
City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

7.3 A monthly utility fee of \$50.00 will be charged to the user.

7.4 A written statement of daily gross receipts on forms provided by the City shall accompany each payment. The user group shall submit any other information requested by the City for evaluation and monitoring purposes; and shall, at all times, keep records available for audit by an authorized representative of the City of Mill Creek.

7.5 No user will subcontract outside vendors to allow sales of merchandise without prior approval from the City.

7.6 No user shall make modifications to the Concession Stand without prior approval from the City.

8. RULES AND REGULATIONS:

Failure to comply with rules and regulations may result in cancellation of use, forfeiture of fees, and/or suspension of team/league from using the park.

8.1 Alcoholic beverages are prohibited.

8.2 Beverages, food of any kind (including seeds and gum) are prohibited on the artificial turf field and dugouts. Plain water is permitted.

8.3 Pets are prohibited on the artificial turf field and the dugouts.

8.4 Smoking and Tobacco use are prohibited.

- 8.5 Metal cleats or spikes are prohibited.
- 8.6 League Teams may not use ball fields unless pre-scheduled.
- 8.7 No subleasing the field.
- 8.8 Games and or practices shall not start before 8:00 a.m. and all activity shall conclude by 10:00 p.m. NO EXCEPTIONS. No teams will be allowed in the park prior to 8:00 a.m.
- 8.9 Permittee must designate a Responsible Party for all field rentals. This person is 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.
- 8.10 Use of peripheral items or equipment such as scoreboard controls or P.A. systems must be requested in advance and authorized individuals identified in the request. Permission to use or operate these items must be pre-approved and authorized by City staff.
- 8.11 The City of Mill Creek reserves the right to cancel any event or to close the park. Closure of the park may be the result of an emergency, severe weather, vandalism, maintenance, adverse playing conditions or damage that could cause safety concerns.
- 8.12 Baseball/Softball Users are responsible for ensuring that individual teams clean up their respective dugouts after each practice/game and rake or sweep the dirt from the artificial turf back on to the mound after each game. The mound must be covered after the last scheduled practice/game of each day.
Soccer Users are responsible for ensuring that individual teams clean up the field after each practice/game.
- 8.13 Litter Control – User groups will be held responsible for litter left after practices, games and tournaments. Maintenance staff will monitor and report abuses of this policy to the Recreation Supervisor. Serious or repeated offenses by facility users may result in loss of field privileges. Maintenance or cleaning fees will be assessed to the facility user at \$45.00 per hour if deemed necessary by the City.
- 8.14 Field Lights will be turned off at 10:00 p.m. (unless an earlier time has been agreed upon by City and user) All activities, including cleanup, must be completed by this time. Please schedule games and practices accordingly.
- 8.15 The City of Mill Creek is not responsible for any personal property loss, damage to vehicles, etc.
- 8.16 Users who ignore the field closure signs will be in violation of MCMC 12.12.150 Ordinance 2003-569 and subject to penalties.

8.17 These rules and regulations are in compliance with Ordinance No. 2003-569 as passed by the Mill Creek City Council on May 13, 2003.

Adopted this _____ day of _____ 2013 by a vote of ____ for, ____ against, and ____ abstaining.

APPROVED:

MAYOR MIKE TODD

ATTEST/AUTHENTICATED:

CITY CLERK KELLY M. CHELIN

APPROVED AS TO FORM:

CITY ATTORNEY SHANE MOLONEY

GAEXECUTIVEWPPOLICY\2012 Scheduled Use of Mill Creek Sports Park Policy.doc



Subject Mill Creek Sports Park Use and Fees	Index: Communications and Marketing Number: 200-10
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Effective Date: March 19, 2019	Supersedes: CCP 13-003 March 1, 2013	Staff Contact: Joni Kirk	Clerk ID Number:	Approved By and Date:
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1.0 PURPOSE:

The City of Mill Creek has park fields and facilities that are available for reservation to a wide range of users. This policy establishes consistent procedures for granting use of the fields and facilities, prioritizing user groups, ensuring equitable distribution and maximum use of the facilities by the public, and establishing administrative rules. It also identifies fee schedules utilized for Mill Creek Sports Park.

2.0 ORGANIZATIONS AFFECTED:

All departments/divisions.

External entities desiring to use Mill Creek Sports Park.

3.0 REFERENCE:

- [MCMC Chapter 3, Section 42.230](#) Miscellaneous Fees
- [MCMC Chapter 12, Section 12:](#) Park Regulations
- [Ordinance 2003-569:](#) Uses, Regulations, Offenses and Penalties Applicable to the Use of City Parks
- [RCW 28A.600.190:](#) Youth Sports, Concussion and Head Injury Guidelines

4. POLICY

- 4.1 The following procedures will be used by all City staff when scheduling, approving and facilitating use Mill Creek Sports Park field and facility use requests and in applying fees for said use, and by user groups when requesting and using the fields.
- 4.2 Permission to use Mill Creek Sports Park fields or facilities does not constitute an endorsement of a group's philosophies, policies or beliefs.

5.0 DEFINITIONS:

- 5.1 **Block Time Users:** User groups needing blocks of field use time over an extended period.
- 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 **Gross Receipts.** The value accruing from the sale of goods without any deduction for costs of products sold, material used, labor, or other expenses. It excludes monies collected as Washington State Sales Taxes.
- 5.6 **League, Organization, or Club:** A group having eight or more teams playing in a round-robin competitive format.
- 5.7 **Priority Ranking:** The order by which users are granted room access, as identified in section 6.1.
- 5.8 **Recreation Office:** The City office that is responsible for receiving, approving and facilitating indoor facility use requests.
- 5.9 **Resident:** A person whose primary residence is within the City of Mill Creek boundaries.
- 5.10 **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.
- 5.11 **User:** The individual or organization that uses the Mill Creek Sports Park.

6.0 PROCEDURES:

6.1 Priority Users

- 6.1.1 First Priority Group: City of Mill Creek sponsored programs and events.
- 6.1.2 Second Priority Group: Use will be granted to leagues, organizations, clubs and groups based in Mill Creek or with 51% or more of the participants residing within the city limits of Mill Creek. Priority will be given to groups in the following order:

- A. Youth
 - Recreation Teams
 - Select Teams
- B. Adult
 - Recreation Teams
 - Select Teams

6.1.3 Everett School District will be given priority after second priority user groups have been scheduled.

6.1.4 Third Priority Group: Use will be granted to leagues, organizations, clubs and groups with participants being composed of less than 51% City of Mill Creek residents. Priority will be given to youth groups, then to adult groups.

6.2 Fields Available for Scheduling. The City's fields available for scheduling include:

- Freedom Field - Little League/Softball
- Freedom Field - Modified Soccer

6.3 Scheduling

6.3.1 The City of Mill Creek will have preferential use of all parks and recreation fields and facilities for camps, classes, and other special events.

6.3.2 Facilities are scheduled for three periods each year:

- Spring and Summer: March, April, May, June and July
- Fall: August, September, October and November
- Winter: December, January and February

6.3.3 Field Reservations will be accepted in person at Mill Creek City Hall or via email at recreation@cityofmillcreek.com for established user groups.

6.3.4 Block Time Users: Leagues, organizations or clubs may apply for blocks of time for ongoing league sanctioned events (practices and games) and/or tournaments lasting more than one day.

6.3.4.a Spring/Summer Applications: (For use March 1 through July 31): League application forms must be filed at City Hall between January 1-31 to be considered for Block Time User application.

6.3.4.b Fall Applications: (For use August 1 through November 30): League application forms must be filed at City Hall between June 1-30 to be considered for Block Time User application.

6.3.4.c Winter Applications: (For use December 1 through February 28/29): League application forms must be filed at City Hall between October 1-31 to be considered for Block Time User application.

- 6.3.5 Regular league applications (practices and games) for Block Time Users must be submitted to the City within the above listed dates.
- 6.3.6 Block time users may not book time in increments smaller than three hours per day. If less time is desired, that can be booked as an individual user after the Block Time is allocated.
- 6.3.7 Tournament applications for Block Time Users must be submitted separately and 30 days prior to the start of play. A tournament bracket must be submitted to the City within 10 days prior to the event.
- 6.3.8 Individual teams may reserve field space according to priority categories and will be considered on a first come, first served basis after Block Time is allocated. Applications must be submitted three days prior to scheduled field use.
- 6.3.9 City staff shall have discretion to resolve scheduling conflicts based upon historical use, community interest, or other factors. Priority will be given to Mill Creek user groups. However, the City reserves the right to make the facilities open to a wide range of users and shall make final decisions in regard to scheduling.
- 6.3.10 User groups requesting the residency scheduling priority or resident fees may be required to submit a roster showing residency at the time of a field request.
- 6.3.11 Field customer is responsible for assuring all litter related to their use is picked up and the site is left in the condition it was found. This includes liter removal from field, dugouts, bleachers, parking lot, concession stand area, and bathrooms.
- 6.3.12 Block Time Users will provide the City, prior to start date, and a list of league representatives and/or directors that are responsible for field use. The list will include phone numbers and email addresses if available. Block Time Users shall verify that their coaches, athletes and parent/guardian have complied with mandated policies for the management of concussions and head injuries as prescribed by RCW 28A.600.190 (Youth Sports, Concussion and Head Injury Guidelines).

6.4 Fees

- 6.4.1 Fee Schedule: Fees are prescribed in accordance with MCMC 3.42.230.A.

6.4.2 Payment must be made in advance for approved field use for Individual Teams/Users. Fees are to be paid to the City of Mill Creek.

6.4.2.a Block Time Users: Payment for approved field time will be invoiced monthly and is payable upon receipt of invoice. Lights will be billed monthly according to use.

6.4.2.b Individual Teams/Users: All fees are due three days at time of application. Until payment is received, the field/facility is not reserved.

6.4.3 A \$20 administrative fee will be applied to approved Block Time User applications for any extensive block time application revision requests. Extensive revisions are those that take more than 15 minutes to adjust.

6.4.4 If it is necessary for the City to repair damages or clean the premises (e.g., field, dugouts, bleachers, or concessions stand) during or following the users rental, the customer will incur the maintenance/repair costs at \$45 an hour with a one-hour minimum.

6.4.5 For large events/tournaments, the City may be able to provide staffing and/or equipment. Any additional equipment, materials or staffing requested by applicant, and provided by the City, shall be at the expense of the applicant. Users shall submit a Special Events Permit for each tournament sixty (60) days in advance. Permit applications are available at www.cityofmillcreek.com/eventpermit.

6.5 Cancellations and Refunds

6.5.1 An adjustment to Block Time User applications shall be submitted to the City in writing and shall be received at least two weeks prior to the date to be adjusted in order to receive full credit for unneeded time.

6.5.2 Field reservations for individual groups are non-refundable except as stated in item 6.5.4.

6.5.3 The City reserves the right to limit the amount of play permitted on the fields and cancel reservations/permits in the event of adverse weather conditions, damage or field maintenance. If the City closes a field, every attempt will be made to reschedule subject to an agreement with the user.

6.5.4 The City will track all City field closures. At the end of the total field use time, a refund, if applicable, will be issued to the permit holder for City mandated field closures.

6.6 Insurance

- 6.6.1 Field users shall provide a Certificate of Insurance to the City prior to use except as provided in paragraph 6.6.5. This requirement is satisfied by providing the City with a copy of the customer's Certificate of Insurance naming the City of Mill Creek as an additional insured and a copy of the endorsement to this insurance policy, meeting the requirements in paragraph 6.6.2.
- 6.6.2 The user shall provide evidence of commercial general liability insurance of two million dollars (\$2,000,000.00) combined, single limit per occurrence. Such insurance shall be primary over any coverage held by the City and shall name the City as an additional insured. Prior to usage of the facility, the user shall submit a copy of the insurance policy declaration page to the City as evidence of acceptable insurance coverage. The following shall be on the Certificate of Insurance:
- Location of activities (e.g., City of Mill Creek)
 - Type of activities (e.g., softball, baseball, or soccer)
 - Separate Endorsement Sheet
 - Dates of coverage
- 6.6.3 Insurance carrier may FAX to the City of Mill Creek at (425) 745-9650 or email to recreation@cityofmillcreek.com.
- 6.6.4 Failure to provide acceptable insurance coverage prior to the first day of field use will result in loss of permission to use the fields.
- 6.6.5 The City Manager may, at his/her discretion, waive the insurance requirements for individuals or groups who use the field on a limited, short-term basis (e.g., family picnics, or non-league youth teams). If the insurance requirement is waived, a Hold Harmless agreement will be required.

6.7 Concession Stand

- 6.7.1 Groups or individuals may rent the concession stand on a monthly basis subject to availability. A Use Agreement form must be completed and submitted to the City at least two weeks prior to the date of use. The Use Agreement form and a complete list of rules and regulations for use of the concession stand are available at in the Recreation office at City Hall North or by email at recreation@cityofmillcreek.com.
- 6.7.2 To compensate for use of the concession stand for one month or longer, the user group will pay fifteen percent (15%) of gross receipts to the City of Mill Creek each calendar month, with a maximum of \$1,100 monthly fee. Payment may be negotiated by the City Manager to be received as

a flat rate during the term of the agreement and may be adjusted to a percentage of the gross at the end of the concession rental. Payment shall be received by the City for each month the Concessionaire operates the Concession Stand and within fifteen days of the Concessionaire receiving an invoice. A late charge of 10 percent of the sum due and owing each month shall be assessed by the City and shall be immediately due and payable by the Concessionaire if the fees are not received in full and when due. All payments shall be made to the following:

Attn: Finance Department
City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

- 6.7.3 A monthly utility fee of \$50.00 will be charged to the user.
- 6.7.4 A written statement of daily gross receipts on forms provided by the City shall accompany each payment. The user group shall submit any other information requested by the City for evaluation and monitoring purposes; and shall, at all times, keep records available for audit by an authorized representative of the City of Mill Creek.
- 6.7.5 No user will subcontract outside vendors to allow sales of merchandise without prior approval from the City.
- 6.7.6 No user shall make modifications to the Concession Stand without prior approval from the City.

6.8 Rules and Regulations

- 6.8.1 Failure to comply with rules and regulations may result in cancellation of use, forfeiture of fees, and/or suspension of team/league from using the park.
- 6.8.2 Alcoholic beverages are prohibited.
- 6.8.3 Beverages (including sports drinks) and food of any kind (including seeds and gum) are prohibited on the artificial turf field and dugouts. Plain water is permitted.
- 6.8.4 Pets are prohibited on the artificial turf field and the dugouts.
- 6.8.5 Smoking, marijuana and tobacco use are prohibited at Mill Creek Sports Park.
- 6.8.6 Metal cleats or spikes are prohibited.

- 6.8.7 League teams may not use ball fields unless pre-scheduled.
- 6.8.8 Users shall not sublease the field.
- 6.8.9 Games and or practices shall not start before 8:00 a.m. and all activity shall conclude by 10:00 p.m. **NO EXCEPTIONS.** No teams will be allowed in the park prior to 8:00 a.m.
- 6.8.10 Permittee must designate a Responsible Party for all field rentals.
- 6.8.11 Use of peripheral items or equipment such as scoreboard controls or P.A. systems must be requested in advance and authorized individuals identified in the request. Permission to use or operate these items must be pre-approved and authorized by City staff.
- 6.8.12 User responsibilities:
 - 6.8.12.a Baseball/softball users are responsible for ensuring that individual teams clean up their respective dugouts after each practice/game and rake or sweep the dirt from the artificial turf back on to the mound after each game. The mound must be covered after the last scheduled practice/game of each day.
 - 6.8.12.b Soccer users are responsible for ensuring that individual teams clean up the field after each practice/game. Soccer users also must refrain from kicking balls into the fence, which damages the fence.
- 6.8.13 User groups will be held responsible for litter left after practices, games and tournaments. Maintenance staff will monitor and report abuses of this policy to the Recreation Office. Serious or repeated offenses by users may result in loss of field privileges. Maintenance or cleaning fees will be assessed to the facility user at \$45 per hour if deemed necessary by the City
- 6.8.14 Field Lights will be turned off at 10 p.m. unless an earlier time has been agreed upon by City and user. All activities, including cleanup, must be completed by this time. Games and practices shall be scheduled accordingly.
- 6.8.15 The City of Mill Creek is not responsible for any personal property loss, damage to vehicles, etc.
- 6.8.16 Users who ignore the field closure signs will be in violation of MCMC 12.12.150 and Ordinance 2003-569, and subject to penalties.



SCHEDULED USE OF MILL CREEK SPORTS PARK POLICY

Subject Mill Creek Sports Park Use and Fees	Index: Communications and Marketing Number: 200-10
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Effective Date: March 19, 2019	Supersedes: CCP 13-003 March 1, 2013	Staff Contact: Joni Kirk	Clerk ID Number:	Approved By and Date:
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1.0 PURPOSE:

The City of Mill Creek has park fields and facilities that are available for reservation to a wide range of users. This policy establishes consistent procedures for granting use of the fields and facilities, prioritizing user groups, ensuring equitable distribution and maximum use of the facilities by the public, and establishing administrative rules. It also identifies fee schedules utilized for Mill Creek Sports Park.

2.0 ORGANIZATIONS AFFECTED:

All departments/divisions.

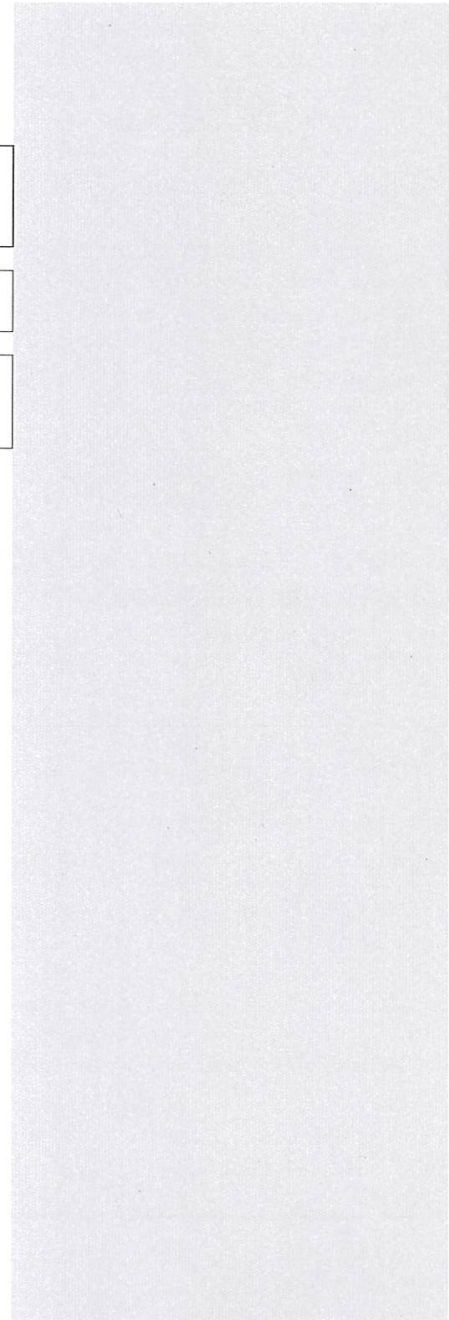
External entities desiring to use Mill Creek Sports Park.

3.0 REFERENCE:

- [MCMC Chapter 3, Section 42.230](#) Miscellaneous Fees
- [MCMC Chapter 12, Section 12](#): Park Regulations
- [Ordinance 2003-569](#): Uses, Regulations, Offenses and Penalties Applicable to the Use of City Parks
- [RCW 28A.600.190](#): Youth Sports, Concussion and Head Injury Guidelines

4. POLICY

- 4.1 The following procedures will be used by all City staff when scheduling, approving and facilitating use Mill Creek Sports Park field and facility use requests and in applying fees for said use, and by user groups when requesting and using the fields.
- 4.2 Permission to use Mill Creek Sports Park fields or facilities does not constitute an endorsement of a group's philosophies, policies or beliefs.



5.0 DEFINITIONS:

- 5.1 **Block Time Users:** User groups needing blocks of field use time over an extended period.
- 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 **Gross Receipts.** The value accruing from the sale of goods without any deduction for costs of products sold, material used, labor, or other expenses. It excludes monies collected as Washington State Sales Taxes.
- 5.6 **League, Organization, or Club:** A group having eight or more teams playing in a round-robin competitive format.
- 5.7 **Priority Ranking:** The order by which users are granted room access, as identified in section 6.1.
- 5.8 **Recreation Office:** The City office that is responsible for receiving, approving and facilitating indoor facility use requests.
- 5.9 **Resident:** A person whose primary residence is within the City of Mill Creek boundaries.
- 5.10 **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.
- 5.11 **User:** The individual or organization that uses the Mill Creek Sports Park.

6.0 PROCEDURES:

6.1 Priority Users

- 6.1.1 First Priority Group: City of Mill Creek sponsored programs and events.
- 6.1.2 Second Priority Group: Use will be granted to leagues, organizations, clubs and groups based in Mill Creek or with 51% or more of the participants residing within the city limits of Mill Creek. Priority will be given to groups in the following order:

- A. Youth
 - Recreation Teams
 - Select Teams
- B. Adult
 - Recreation Teams
 - Select Teams

6.1.3 Everett School District will be given priority after second priority user groups have been scheduled.

6.1.4 Third Priority Group: Use will be granted to leagues, organizations, clubs and groups with participants being composed of less than 51% City of Mill Creek residents. Priority will be given to youth groups, then to adult groups.

6.2 Fields Available for Scheduling. The City's fields available for scheduling include:

- Freedom Field - Little League/Softball
- Freedom Field - Modified Soccer

6.3 Scheduling

6.3.1 The City of Mill Creek will have preferential use of all parks and recreation fields and facilities for camps, classes, and other special events.

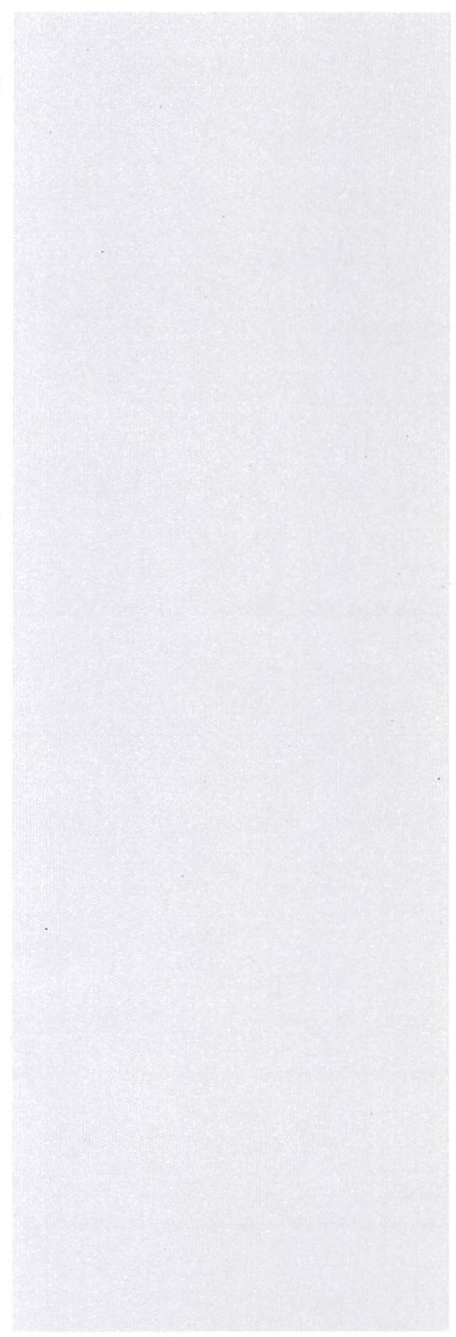
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- Spring and Summer: March, April, May, June and July
- Fall: August, September, October and November
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6.3.3 Field Reservations will be accepted in person at Mill Creek City Hall or via email at recreation@cityofmillcreek.com for established user groups.

6.3.4 Block Time Users: Leagues, organizations or clubs may apply for blocks of time for ongoing league sanctioned events (practices and games) and/or tournaments lasting more than one day.

6.3.4.a Spring/Summer Applications: (For use March 1 through July 31): League application forms must be filed at City Hall between January 1-31 to be considered for Block Time User application.



- 6.3.4.b Fall Applications: (For use August 1 through November 30): League application forms must be filed at City Hall between June 1-30 to be considered for Block Time User application.
- 6.3.4.c Winter Applications: (For use December 1 through February 28/29): League application forms must be filed at City Hall between October 1-31 to be considered for Block Time User application.
- 6.3.5 Regular league applications (practices and games) for Block Time Users must be submitted to the City within the above listed dates.
- 6.3.6 Block time users may not book time in increments smaller than three hours per day. If less time is desired, that can be booked as an individual user after the Block Time is allocated.
- 6.3.7 Tournament applications for Block Time Users must be submitted separately and 30 days prior to the start of play. A tournament bracket must be submitted to the City within 10 days prior to the event.
- 6.3.8 Individual teams may reserve field space according to priority categories and will be considered on a first come, first served basis after Block Time is allocated. Applications must be submitted three days prior to scheduled field use.
- 6.3.9 City staff shall have discretion to resolve scheduling conflicts based upon historical use, community interest, or other factors. Priority will be given to Mill Creek user groups. However, the City reserves the right to make the facilities open to a wide range of users and shall make final decisions in regard to scheduling.
- 6.3.10 User groups requesting the residency scheduling priority or resident fees may be required to submit a roster showing residency at the time of a field request.
- 6.3.11 Field customer is responsible for assuring all litter related to their use is picked up and the site is left in the condition it was found. This includes litter removal from field, dugouts, bleachers, parking lot, concession stand area, and bathrooms.
- 6.3.12 Block Time Users will provide the City, prior to start date, and a list of league representatives and/or directors that are responsible for field use. The list will include phone numbers and email addresses if available. Block Time Users shall verify that their coaches, athletes and parent/guardian have complied with mandated policies for the

management of concussions and head injuries as prescribed by RCW 28A.600.190 (Youth Sports, Concussion and Head Injury Guidelines).

6.4 Fees

6.4.1 Fee Schedule: Fees are prescribed in accordance with MCMC 3.42.230.A

Commented [JK1]: To not need to update the use policy each time fees rise in accordance with inflation (per Council on 12/11/18), we propose amending MCMC 3.42.230.A to add this as a section on miscellaneous fees.

6.4.2 Payment must be made in advance for approved field use for Individual Teams/Users. Fees are to be paid to the City of Mill Creek.

6.4.2.a Block Time Users: Payment for approved field time will be invoiced monthly and is payable upon receipt of invoice. Lights will be billed monthly according to use.

6.4.2.b Individual Teams/Users: All fees are due three days prior to ~~scheduled field use and~~ at time of application. Until payment is received, the field/facility is not reserved.

6.4.3 A \$20 administrative fee will be applied to approved Block Time User applications for any extensive block time application revision requests. Extensive revisions are those that take more than 15 minutes to adjust.

6.4.4 If it is necessary for the City to repair damages or clean the premises (e.g., field, dugouts, bleachers, or concessions stand) during or following the users rental, the customer will incur the maintenance/repair costs at \$45 an hour with a one-hour minimum.

6.4.5 For large events/tournaments, the City may be able to provide staffing and/or equipment. Any additional equipment, materials or staffing requested by applicant, and provided by the City, shall be at the expense of the applicant. Users shall submit a Special Events Permit for each tournament sixty (60) days in advance. Permit applications are available at www.cityofmillcreek.com/eventpermit.

Second Priority:

~~*Everett School District – In conjunction with the interlocal agreement between Everett School District and City of Mill Creek, there will be no charge for Everett School District use.~~

<i>Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth</i>	<i>Tournaments/ Camps with Participation Fee</i>
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Baseball/Softball Field	\$50	\$28	Youth—\$35
Modified Soccer Field			Adult—\$57
Field Lights	\$20	\$20	\$20

Third Priority:

<i>Non-Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth</i>	<i>Tournaments/ Camps with Participation Fee</i>
Baseball/Softball Field	\$65	\$50	Youth—\$54
Modified Soccer Field			Adult—\$72
Field Lights	\$20	\$20	\$20

6.5 Cancellations and Refunds

- 6.5.1 An adjustment to Block Time User applications shall be submitted to the City in writing and shall be received at least two weeks prior to the date to be adjusted in order to receive full credit for unneeded time.
- 6.5.2 Field reservations for individual groups are non-refundable except as stated in item 6.5.4.
- 6.5.3 The City reserves the right to limit the amount of play permitted on the fields and cancel reservations/permits in the event of adverse weather conditions, damage or field maintenance. If the City closes a field, every attempt will be made to reschedule subject to an agreement with the user.
- 6.5.4 The City will track all City field closures. At the end of the total field use time, a refund, if applicable, will be issued to the permit holder for City mandated field closures.

6.6 Insurance

- 6.6.1 Field users shall provide a Certificate of Insurance to the City prior to use except as provided in paragraph 6.6.5. This requirement is satisfied by providing the City with a copy of the customer's Certificate of Insurance naming the City of Mill Creek as an additional insured and a copy of the endorsement to this insurance policy, meeting the requirements in paragraph 6.6.2.

6.6.2 The user shall provide evidence of commercial general liability insurance of two million dollars (\$2,000,000.00) combined, single limit per occurrence. Such insurance shall be primary over any coverage held by the City and shall name the City as an additional insured. Prior to usage of the facility, the user shall submit a copy of the insurance policy declaration page to the City as evidence of acceptable insurance coverage. The following shall be on the Certificate of Insurance:

- Location of activities (e.g., City of Mill Creek)
- Type of activities (e.g., softball, baseball, or soccer)
- Separate Endorsement Sheet
- Dates of coverage

6.6.3 Insurance carrier may FAX to the City of Mill Creek at (425) 745-9650 or email to recreation@cityofmillcreek.com.

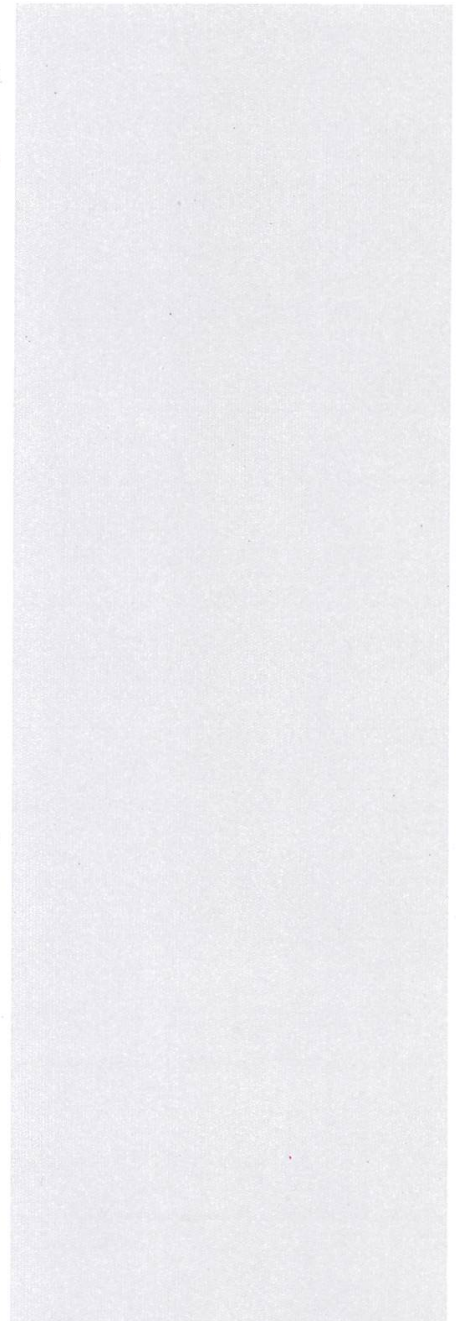
6.6.4 Failure to provide acceptable insurance coverage prior to the first day of field use will result in loss of permission to use the fields.

6.6.5 The City Manager may, at his/her discretion, waive the insurance requirements for individuals or groups who use the field on a limited, short-term basis (e.g., family picnics, or non-league youth teams). If the insurance requirement is waived, a Hold Harmless agreement will be required.

6.7 Concession Stand

6.7.1 Groups or individuals may rent the concession stand on a monthly basis subject to availability. A Use Agreement form must be completed and submitted to the City at least two weeks prior to the date of use. The Use Agreement form and a complete list of rules and regulations for use of the concession stand are available at in the Recreation office at City Hall North or by email at recreation@cityofmillcreek.com.

6.7.2 To compensate for use of the concession stand for one month or longer, the user group will pay a ~~minimum of~~ fifteen percent (15%) of gross receipts to the City of Mill Creek each calendar month, with a maximum of \$1,100 monthly fee. Payment may be negotiated by the City Manager to be received as a flat rate during the term of the agreement and may be adjusted to a percentage of the gross at the end of the concession rental. Payment shall be received by the City for each month the Concessionaire operates the Concession Stand and within fifteen days of the Concessionaire receiving an invoice. A late charge of 10 percent of the sum due and owing each month shall be assessed by the City and shall be immediately due and payable by the Concessionaire if the fees



are not received in full and when due. All payments shall be made to the following:

Attn: Finance Department
City of Mill Creek
15728 Main Street
Mill Creek, Washington 98012

- 6.7.3 A monthly utility fee of \$50.00 will be charged to the user.
- 6.7.4 A written statement of daily gross receipts on forms provided by the City shall accompany each payment. The user group shall submit any other information requested by the City for evaluation and monitoring purposes; and shall, at all times, keep records available for audit by an authorized representative of the City of Mill Creek.
- 6.7.5 No user will subcontract outside vendors to allow sales of merchandise without prior approval from the City.
- 6.7.6 No user shall make modifications to the Concession Stand without prior approval from the City.

6.8 Rules and Regulations

- 6.8.1 Failure to comply with rules and regulations may result in cancellation of use, forfeiture of fees, and/or suspension of team/league from using the park.
- 6.8.2 Alcoholic beverages are prohibited.
- 6.8.3 Beverages (including sports drinks) and food of any kind (including seeds and gum) are prohibited on the artificial turf field and dugouts. Plain water is permitted.
- 6.8.4 Pets are prohibited on the artificial turf field and the dugouts.
- 6.8.5 Smoking, marijuana and tobacco use are prohibited at Mill Creek Sports Park.
- 6.8.6 Metal cleats or spikes are prohibited.
- 6.8.7 League teams may not use ball fields unless pre-scheduled.
- 6.8.8 Users shall not sublease the field.

- 6.8.9 Games and or practices shall not start before 8:00 a.m. and all activity shall conclude by 10:00 p.m. NO EXCEPTIONS. No teams will be allowed in the park prior to 8:00 a.m.
- 6.8.10 Permittee must designate a Responsible Party for all field rentals.
- 6.8.11 Use of peripheral items or equipment such as scoreboard controls or P.A. systems must be requested in advance and authorized individuals identified in the request. Permission to use or operate these items must be pre-approved and authorized by City staff.
- ~~8.8.12 The City reserves the right to cancel any event or to close the park. Closure of the park may be the result of an emergency, severe weather, vandalism, maintenance, adverse playing conditions or damage that could cause safety concerns.~~
- 6.8.12 User responsibilities:
 - 6.8.12.a Baseball/softball users are responsible for ensuring that individual teams clean up their respective dugouts after each practice/game and rake or sweep the dirt from the artificial turf back on to the mound after each game. The mound must be covered after the last scheduled practice/game of each day.
 - 6.8.12.b Soccer users are responsible for ensuring that individual teams clean up the field after each practice/game. Soccer users also must refrain from kicking balls into the fence, which damages the fence.
- 6.8.13 User groups will be held responsible for litter left after practices, games and tournaments. Maintenance staff will monitor and report abuses of this policy to the Recreation Office. Serious or repeated offenses by users may result in loss of field privileges. Maintenance or cleaning fees will be assessed to the facility user at \$45 per hour if deemed necessary by the City
- 6.8.14 Field Lights will be turned off at 10 p.m. unless an earlier time has been agreed upon by City and user. All activities, including cleanup, must be completed by this time. Games and practices shall be scheduled accordingly.
- 6.8.15 The City of Mill Creek is not responsible for any personal property loss, damage to vehicles, etc.
- 6.8.16 Users who ignore the field closure signs will be in violation of MCMC 12.12.150 and Ordinance 2003-569, and subject to penalties.

Commented [JK2]: Redundant with 6.5.3

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 recreation; and

WHEREAS, the City desires to maintain one section of the Mill Creek Municipal Code for City fees and assessments;

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

A. Modify MCMC Section 3.42.230.A to add a new section, 3.42.230.A.5 to include the Mill Creek Sports Park fee schedules as approved by the City Council on December 11, 2018:

5. Mill Creek Sports Park use charges:

i. Second Priority:

* Everett School District: In conjunction with the interlocal agreement between Everett School District and City of Mill Creek, there will be no charge for Everett School District use.

<i>Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth Recreation Teams</i>	<i>Youth Select Teams</i>	<i>Tournaments/ Camps with Participation Fee</i>
Baseball / Softball Field, Modified Soccer Field	\$50	\$22	\$28	Youth \$35 Adult \$57
Field Lights	\$20	\$15	\$20	\$20

ii. Third Priority:

<i>Resident Outdoor Athletic Facility (hourly rates)</i>	<i>Adult</i>	<i>Youth</i>	<i>Tournaments/ Camps with Participation Fee</i>
Baseball / Softball Field, Modified Soccer Field	\$65	\$50	Youth \$51 Adult \$72
Field Lights	\$20	\$20	\$20

iii. The field and light use fees will be raised in accordance with the annual inflation rate.

B. 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.: _____



Agenda Item # G
Meeting Date: March 12, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

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

PROPOSED MOTION:

No motion as no action is scheduled.

NEW INFORMATION SUMMARY:

At the February 26, 2019 Study Session, both the City Council and the public asked City staff and the developer questions regarding the proposed Development Agreement (to be considered by the City Council) and binding site plan development application (to be considered by the Hearing Examiner. During the meeting, the City Council directed staff to make several changes and/or grammatical corrections to the Development Agreement. In response to those questions and direction, the following information has been prepared to address the City Council's and the public's comments. Staff will be presenting this information at the meeting and responding to questions in preparation for City Council Public Hearing on the Development Agreement scheduled for March 26, 2019.

- Revised Development Agreement – Attachment 1
 - Section 5.1- commercial square footage increased to 100,000 square feet to account for the work space in the live/work units.
 - Section 9.2 –second sentence, revised to read “Sale and/or lease” of commercial buildings and commercial spaces.
 - Clerical corrections as noted.
- Memorandum from City Attorney Regarding Development Agreement Procedures and Consideration of Housing Issues Related to The Farm – Attachment 3
- Updated Fiscal Impact Analysis by Integra Realty Resources – Attachment 5
Note: This analysis indicates that the proposed development would generate over \$499,000 in annual ongoing tax revenues (property tax and sales taxes) and over \$980,000 of one-time construction-related taxes (sales taxes).
- Updated Frequently Asked Questions – Attachment 6
 - Clarifying information about the developer's workforce housing income and rent thresholds.
 - Updates to the binding site plan application.
 - Impacts on City services and departments, including cost of services analysis

City Council Agenda Summary
Page 2

- Crime statistics and service call details for other multi-family developments in the City.
- Improvements for public transit and impacted intersections.
- Spine Road Phase I and II Estimated Construction Costs – Attachments 8 and 9


CITY MANAGER RECOMMENDATION:

Discuss the proposed Development Agreement in preparation for the March 26, 2019 public hearing.

ATTACHMENTS:

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

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

ATTACHMENT 1
v3 on 2.26.19 edits

After recording return to:

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

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

ATTACHMENT 1
v3 on 2.26.19 edits

**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

PL2018-0004 Development Agreement -- Page 2 of 26

ATTACHMENT 1
v3 on 2.26.19 edits

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 ~~20.5~~^{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

ATTACHMENT 1
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comprising the Off-Site Mitigation Site bear the Snohomish County tax parcel numbers 28053300206800; 28053300206900; and 28053300300200. A tax parcel map generally depicting the Off-Site Mitigation Site is attached as **Exhibit B**.

5.0 Project Description

5.1 Project Description. Developer has submitted a Binding Site Plan (“BSP”) application to develop the Property bearing file number PL2018-0004. The Project generally consists of subdividing the two parcels described in Section 4.1 for the purposes of developing nine (9) buildings. Buildings A1 through F will have commercial uses (approximately ~~85,000~~ 100,000 square feet) and include a parking structure, below ground parking, and parking on the ground floor. Buildings A1, A2, A3, A4, B and C will be 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 area average median income (AMI) for Snohomish County. 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, the Agreement shall be recorded in accordance with Section 15.3. Developer shall promptly record the Agreement with the Snohomish County Auditor’s Office at Developer’s expense and provide a conformed and recorded copy to City. In the event that the Agreement is recorded and the Project does not receive further approvals or Developer does not proceed with the Project, Developer and City will timely execute and record any necessary termination document, and Developer will pay the costs of recording such document and providing a conformed copy to City.

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

ATTACHMENT 1
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7.3 Project Review. Subsequent applications, approvals, and development actions for the Project, including the BSP and consistency review required for the Project under MCMC 17.19.030, environmental decisions, and all subsequent permits implementing the Project, shall be reviewed pursuant to the applicable development and MCMC regulations existing on the effective date of the Agreement. No development approval shall be granted unless it is consistent with the MCMC, this Agreement and the EGUV Regulations. This Agreement, any future approved BSP for the Project, and any future approved consistency review for the Project shall collectively comprise the master development plan ("MDP") for the Project described in MCMC 17.19.020 and .030.

8.0 Project Review and Evaluation; Vested Rights

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

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

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

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

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

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

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

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.

ATTACHMENT 1
v3 on 2.26.19 edits

approval have been met to City's satisfaction. Sale and/or lease of commercial buildings or commercial spaces (e.g. stand-alone pads) will be allowed provided that not less than 75% of the overall commercial square footage has first received certificates of occupancy. Certificates of occupancy for commercial spaces will be issuable upon completion of the building shell.

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

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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.

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

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

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

11.2.3 Transfer of Title to City. At any time during development approval for the Project and up to 5 years following issuance of all Project Approvals, the City may elect to take fee simple ownership of the Off-Site Mitigation Site by giving written notice (“Notice”) to Developer. In that event and until completion of title transfer to City, Developer shall continue to maintain and monitor and shall promptly complete all remaining maintenance on the Off-Site Mitigation Site, and shall repair or replace all amenities on the Off-Site Mitigation Site, all to City’s satisfaction and per the approved final wetland mitigation plan. 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.

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

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

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

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

12.0 Parking Requirements

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

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

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

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

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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:

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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 ~~required~~requested by City in the Snohomish County Recorder's Office and provide conformed copies to Developer. The City shall invoice the direct recording costs to the Developer as part of the BSP application.

16.0 Enforcement Authority; Police Power; Penalties

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

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

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

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

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

16.3.3 Withhold certificates of occupancy pursuant to Section 9.

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

16.3.5 Fines and penalties authorized under the MCMC.

17.0 Conflicts; Dispute Resolution

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

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

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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 [REDACTED], 2019 ("Effective Date").

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

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

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

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

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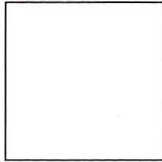
City Attorney	Attorney for Eastgate by Vintage LP
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STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss:

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

DATED: _____, 2019.



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

My Appointment Expires: _____

ATTACHMENT 1
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EXHIBIT A

Legal Description of Property A

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

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

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

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

Parcel A Identification Number: 28053300200200

Legal Description of Property B

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

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

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

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

Parcel B Identification Number : 28053300200300

Legal Description of Property C

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

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

Legal Description of Property D

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

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

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

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

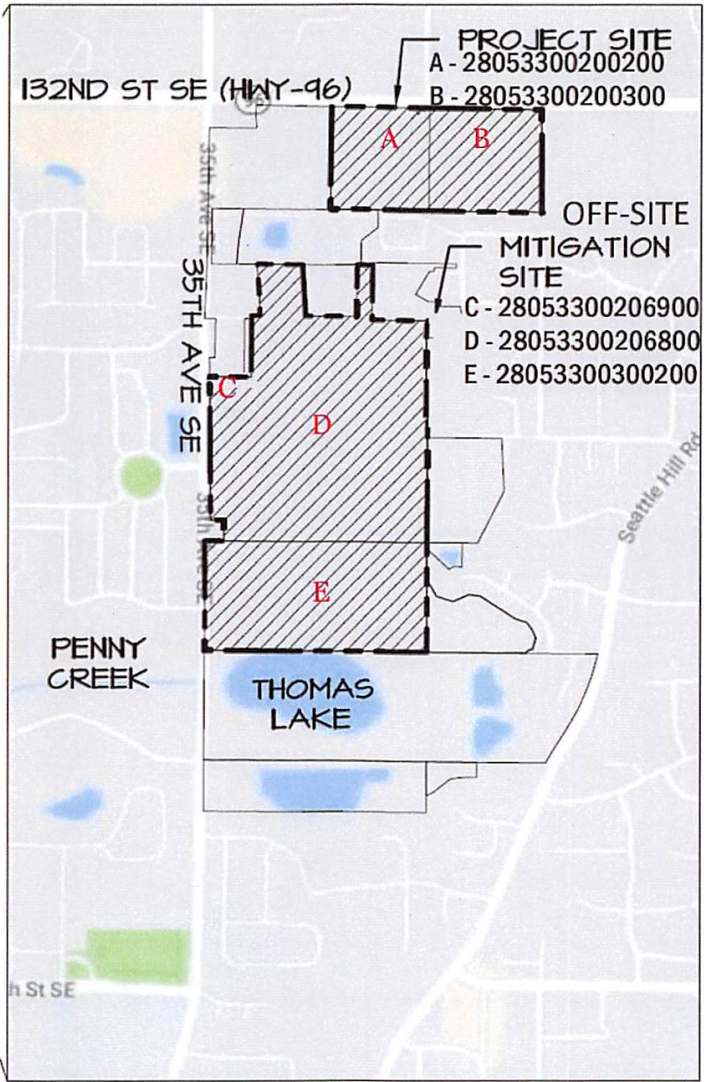
Legal Description of Property E

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

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

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EXHIBIT B



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EXHIBIT D

EGUV Engineering Study

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

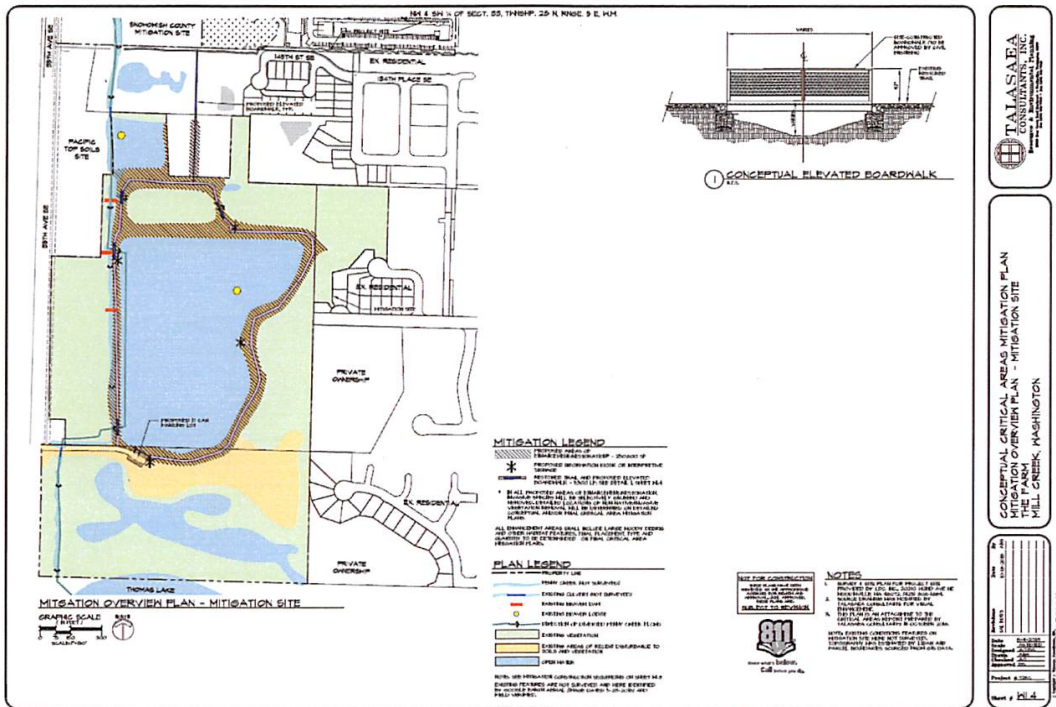
<http://cityofmillcreek.com/DocumentCenter/View/77>

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

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EXHIBIT E

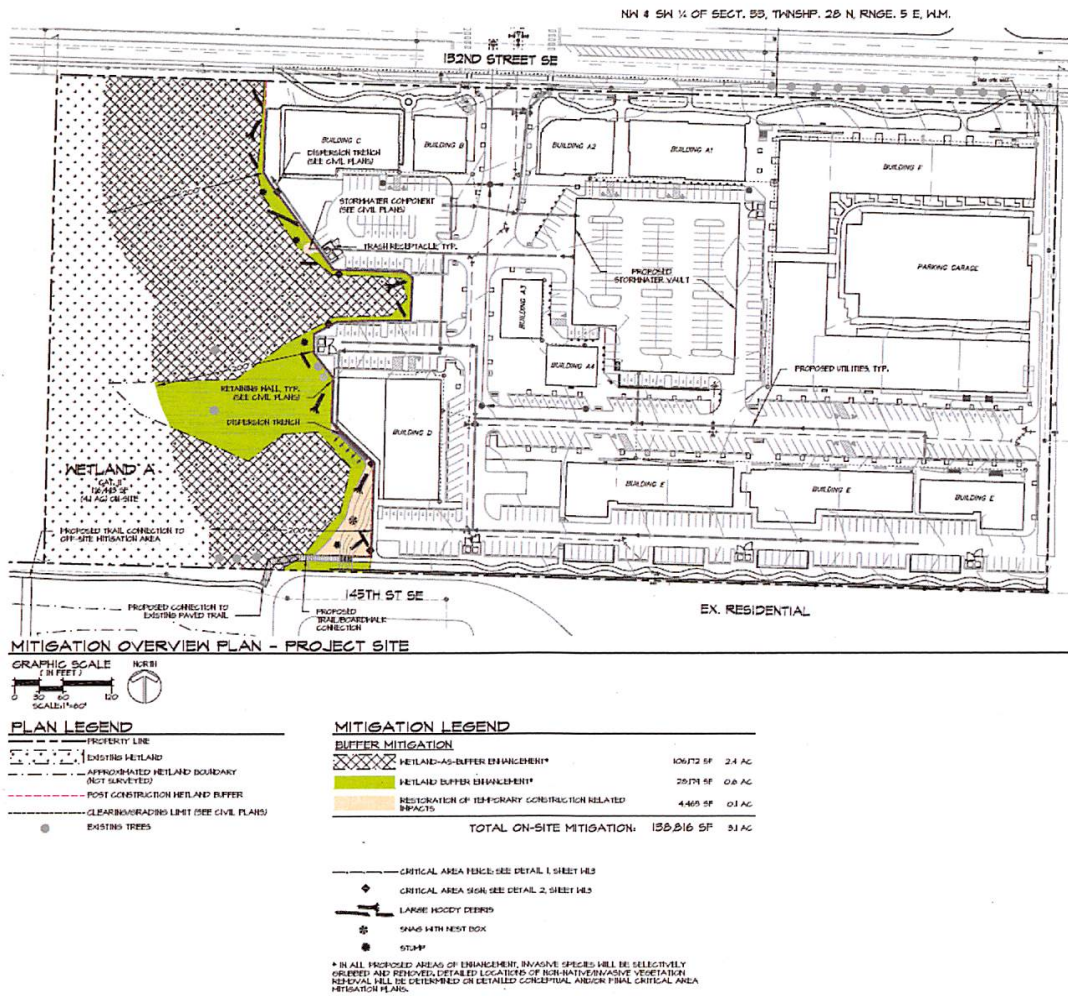
A map depicting the Off-Site Mitigation Site



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EXHIBIT F

A map depicting the On-Site Mitigation Site



ATTACHMENT 2



RETAIL - ONE LEVEL

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

GROUND LEVEL MIXED-USE RETAIL AREAS

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

4 STORY RESIDENTIAL

354 RESIDENTIAL APARTMENT UNITS

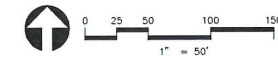
BUILDING HEIGHTS

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

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

LEGEND

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



#	DESCRIPTION	DATE

the LAB
architecture collective
spokane, wa

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

THE FARM at MILL CREEK

SITE PLAN
DR002

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

Attachment 3



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

T 206.447.7000
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M E M O R A N D U M

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

I. Introduction

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

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

II. Summary of Analysis

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

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

² MCMC 17.19.010.

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

A. EGUV Development Documents

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

B. EGUV Development Process

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

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

³ MCMC 17.19.020 and .030.

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

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

⁶ MCMC 17.19.020 and .030.

⁷ MCMC 17.19.020 and .030.

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

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

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

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

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

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

A. Compliance with RCW 36.70B.170 is Required

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

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

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

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

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

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

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B. Compliance with GMA is Required

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E. Other Pertinent State Laws

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

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

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

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

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

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

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

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

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

V. Conclusion

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

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

Attachment 4

CITY COUNCIL AGENDA

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



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

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

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

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

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

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

AUDIENCE COMMUNICATION

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

PRESENTATIONS

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

- 2018 Employee of the Year

OLD BUSINESS

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

NEW BUSINESS

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

STUDY SESSION

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

CONSENT AGENDA

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

REPORTS

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

AUDIENCE COMMUNICATION

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

RECESS TO EXECUTIVE SESSION

(*Confidential Session of the Council*)

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

Action may or may not be taken by the Council.

ADJOURNMENT



Agenda Item # E

Meeting Date: February 26, 2019

CITY COUNCIL AGENDA SUMMARY

City of Mill Creek, Washington

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

PROPOSED MOTION:

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

KEY FACTS AND INFORMATION SUMMARY:

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

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

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

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

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Development Agreement Highlights:

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

AGENDA ITEM #E.

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

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

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

Revenues and Expenses - City Operations:

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

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

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

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

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

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

Previous Study Session Questions:

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

CITY MANAGER RECOMMENDATION:

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

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ATTACHMENTS:

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

Respectfully Submitted:



Robert S. Stowe
Interim City Manager

AGENDA ITEM #E.

After recording return to:

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

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

PL2018-0004 Development Agreement -- Page 1 of 25

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

1.0 Parties

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

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

2.0 Purpose

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

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

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

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

3.0 Definitions

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

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

4.0 Property and Parcel Descriptions

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

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

5.0 Project Description

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

6.0 Authority

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

7.0 Development Review Procedures for Project

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

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

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

8.0 Project Review and Evaluation; Vested Rights

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

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

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

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

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

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

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

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

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

9.0 Occupancy of Buildings; Sale of Lots; Uses

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

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

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

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

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

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

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

10.0 Transportation and Traffic Requirements

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

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

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

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

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

11.0 Critical Areas Mitigation Plan

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

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

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

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

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

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

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

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

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

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

12.0 Parking Requirements

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

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

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

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

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

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

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

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

14.0 Maintenance Responsibilities

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

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

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

15.0 Transfer of Property; Notice

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

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

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

16.0 Enforcement Authority; Police Power; Penalties

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

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

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

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

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

16.3.3 Withhold certificates of occupancy pursuant to Section 9.

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

16.3.5 Fines and penalties authorized under the MCMC.

17.0 Conflicts; Dispute Resolution

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

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

18.0 Modification; Termination

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

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

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

19.0 Authority to Approve Agreement

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

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

20.0 General Terms

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

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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)

AGENDA ITEM #E.

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

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

[signatures next page]

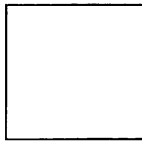
City of Mill Creek: By: _____ Robert S. Stowe, Date Interim City Manager	Eastgate by Vintage LP: By: _____ Ryan Patterson, Date Owner
ATTEST: By: _____ Gina Pfister, Date Acting City Clerk	
APPROVED AS TO FORM: By: _____ Scott M. Missall, Date City Attorney	APPROVED AS TO FORM: By: _____ Date Attorney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

AGENDA ITEM #E.

STATE OF WASHINGTON)
)
COUNTY OF SNOHOMISH) ss:

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

DATED: _____, 2019.



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

My Appointment Expires: _____

AGENDA ITEM #E.

EXHIBIT A

Legal Description of Property A

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

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

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

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

Parcel A Identification Number: 28053300200200

Legal Description of Property B

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

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

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

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

Parcel B Identification Number : 28053300200300

Legal Description of Property C

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

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

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AGENDA ITEM #E.

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

Legal Description of Property D

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

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

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

Legal Description of Property E

PL2018-0004 Development Agreement -- Page 19 of 25

AGENDA ITEM #E.

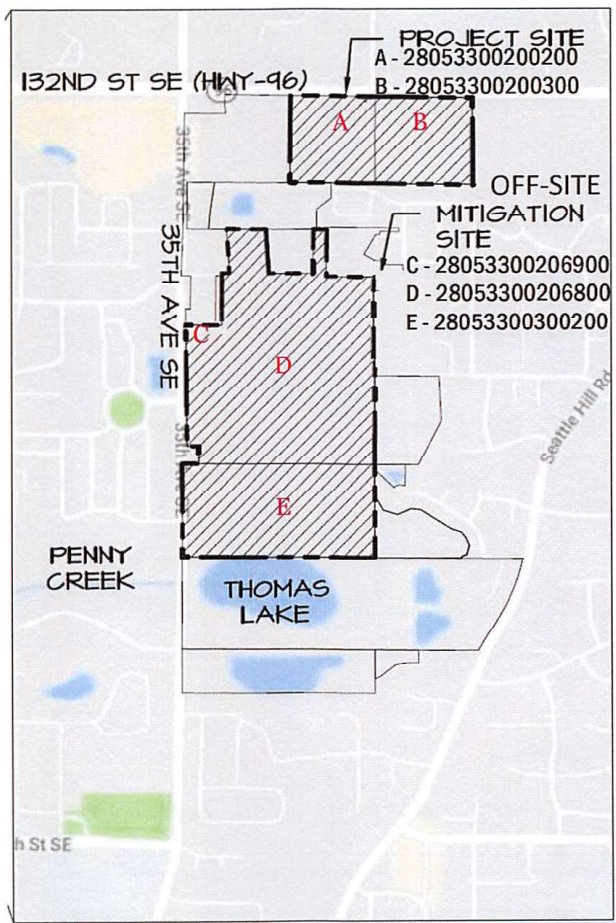
SEC 33 TWP 28 RGE 05. N1/2 NW1/4 SW1/4

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

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AGENDA ITEM #E.

EXHIBIT B



PL2018-0004 Development Agreement -- Page 21 of 25

AGENDA ITEM #E.

EXHIBIT C

A map generally depicting the proposed Project

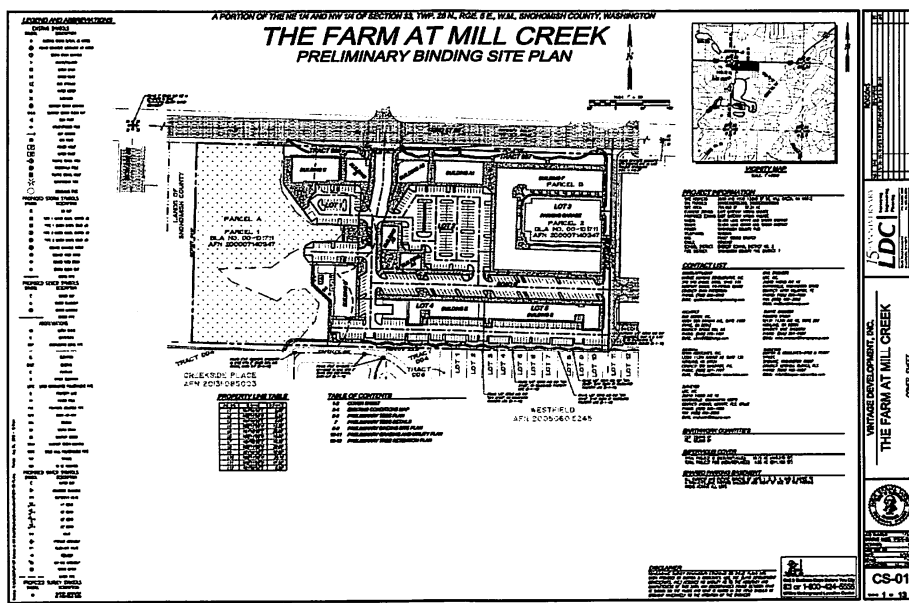


EXHIBIT D

EGUV Engineering Study

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

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

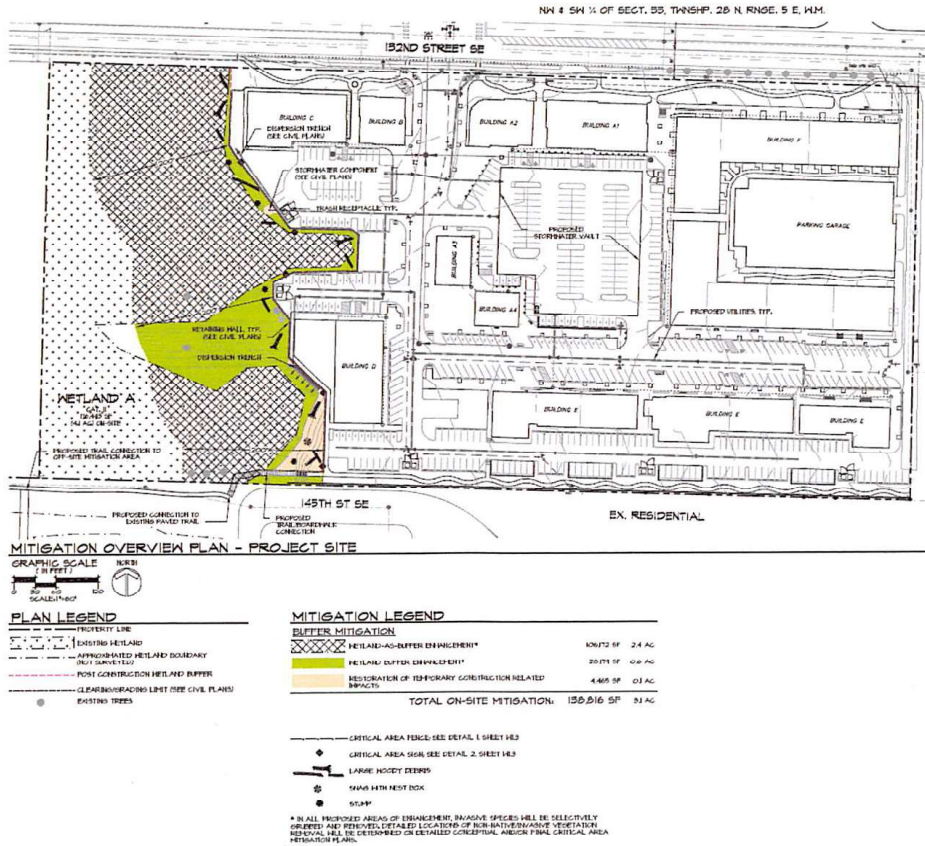
If you need a hard copy, please contact the City Clerk.

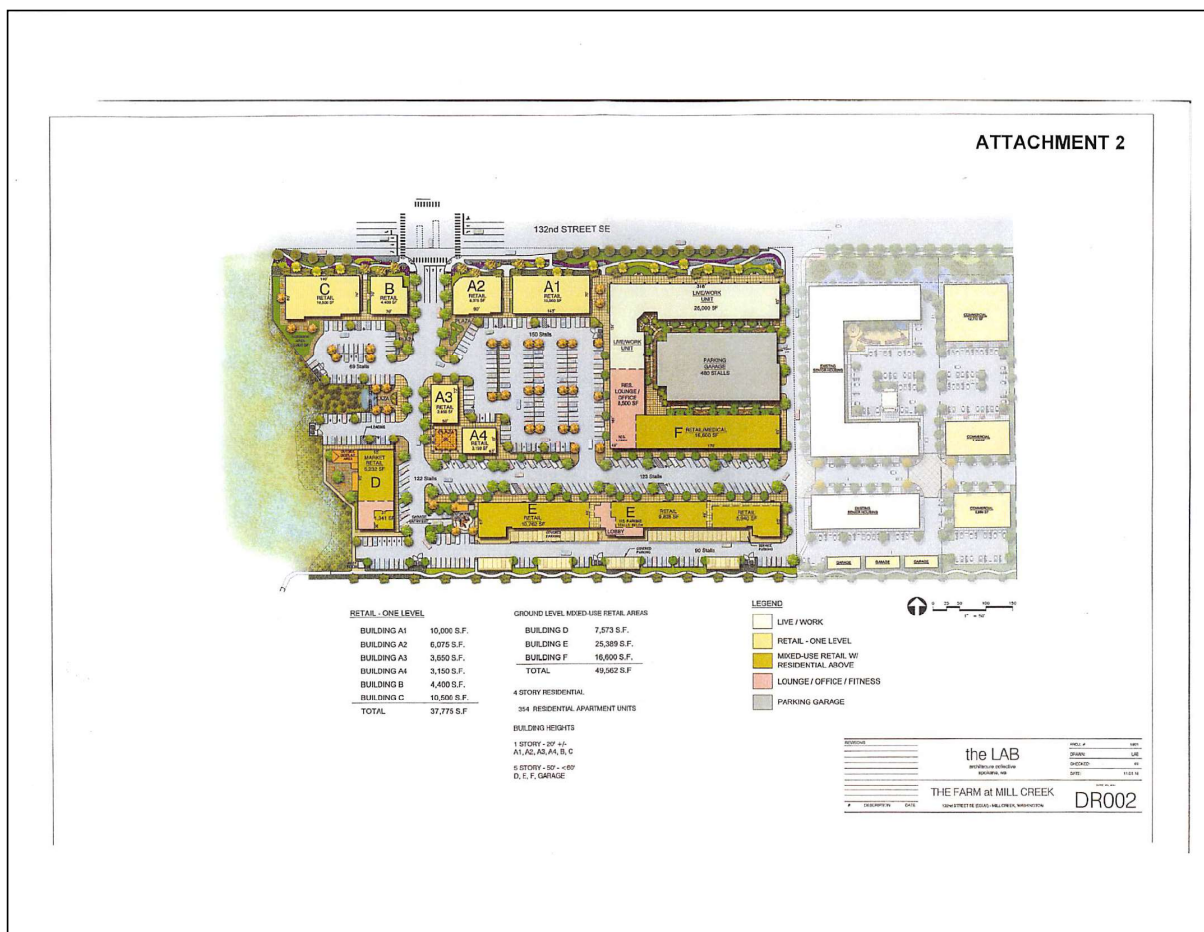
PL2018-0004 Development Agreement -- Page 23 of 25

AGENDA ITEM #E.

EXHIBIT F

A map depicting the On-Site Mitigation Site





Attachment 3

Integra Realty Resources
Seattle

Fiscal Impact Analysis

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

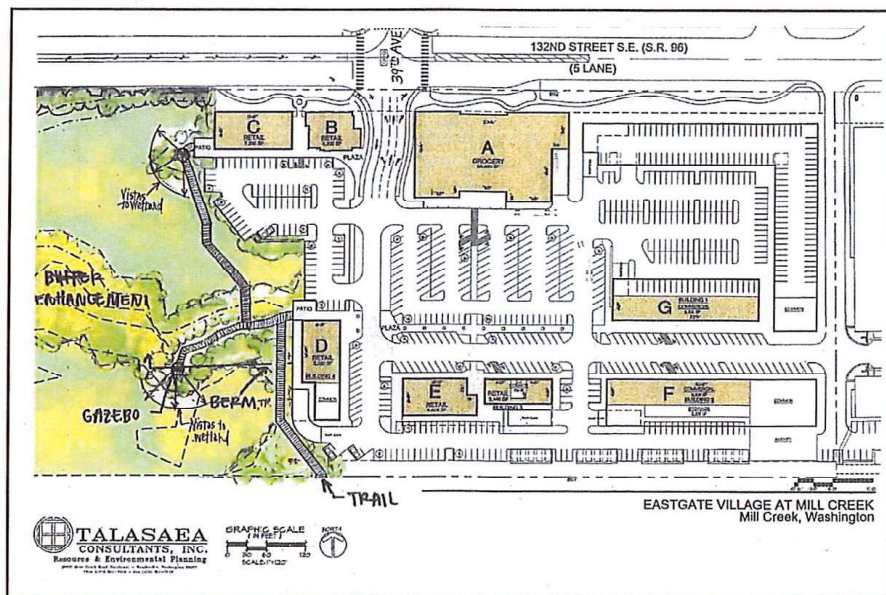
Prepared For:
Vintage Housing Development LLC

Effective Date of the Analysis:
December 3, 2016

IRR - Seattle
File Number: 154-2016-0482



AGENDA ITEM #E.



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

AGENDA ITEM #E.

Integra Realty Resources
Seattle

600 University Street
Suite 310
Seattle, WA 98101

T 206.903.6700
F 206.623.5731
www.irr.com



December 22, 2016

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

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

Dear Mr. Patterson:

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

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

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

This fiscal impact analysis presents the following:

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

AGENDA ITEM #E.

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

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

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

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

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

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

Respectfully submitted,

Integra Realty Resources - Seattle



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



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



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Eastgate Village at Mill Creek



Assignment Information

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Assignment Information

Effective Date

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

Client, Intended Use and User

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

Applicable Requirements

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

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

Prior Services

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

Scope of Work

This analysis does the following:

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

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

Methodology

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Assignment Information

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

Inspection

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

Eastgate Village at Mill Creek



Property Information

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Property Information

Identification of Subject

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

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

Property Identification

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

Land Area

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

Land Area Summary

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

Source: Snohomish County Assessor

Ownership and Sale History

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Property Information

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Aerial Photo

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



Eastgate Village at Mill Creek

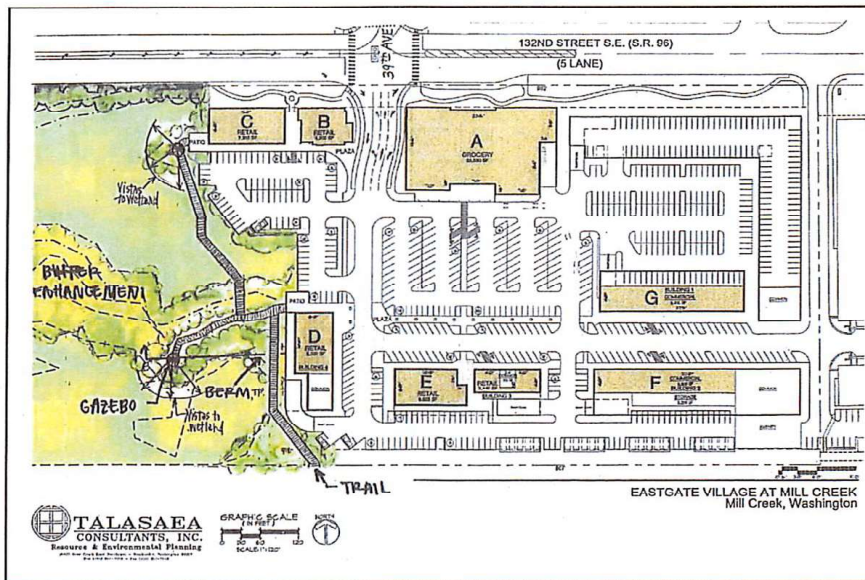


AGENDA ITEM #E.

Property Information

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Site Plan



Eastgate Village at Mill Creek



AGENDA ITEM #E.

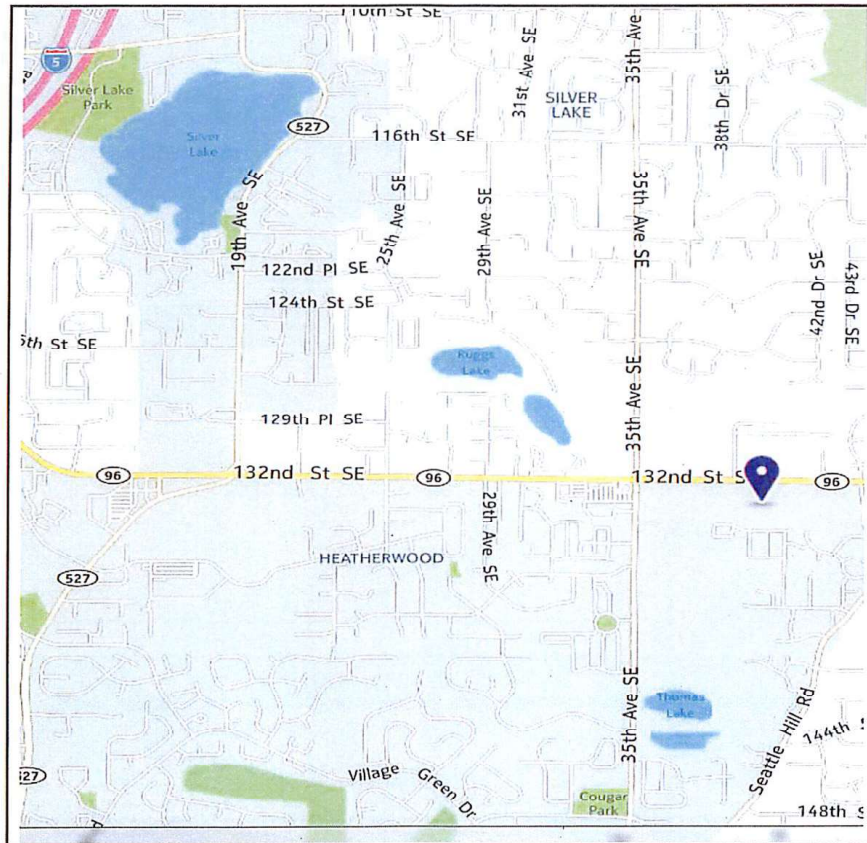
Property Information

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Shape, Dimensions and Current Use

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

Area Map



Eastgate Village at Mill Creek



AGENDA ITEM #E.

Property Information

8

Access and Visibility

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

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

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

Zoning

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

Zoning Summary

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

Source: Mill Creek Municipal Code

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Real Estate Taxes

9

Real Estate Taxes

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

Taxes and Assessments - 2016

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Planned Improvements 10

Planned Improvements

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

Improvements Description

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

Apartments

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

Apartment Unit Mix

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Planned Improvements

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Retail

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

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Projected City Revenues from Development

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Projected City Revenues from Development

Retail Sales Tax Estimate

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

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

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

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.

Multifamily Assessed Value Comparables & Projection

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

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

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

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

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

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Projected City Revenues from Development

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Commercial Assessed Value Comparables & Projection

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

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

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

The Mill Creek property tax increase estimate is as follows:

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

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

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

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

Eastgate Village at Mill Creek



Projected City Revenues from Development

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One-Time Sales Tax on Construction Costs

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

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

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

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Summary of Economic Benefits

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Summary of Economic Benefits

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

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

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

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

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

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

Eastgate Village at Mill Creek



Certification

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

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

Eastgate Village at Mill Creek



AGENDA ITEM #E.

Certification

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



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



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

Eastgate Village at Mill Creek



Assumptions and Limiting Conditions

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

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

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

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

Eastgate Village at Mill Creek



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

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

Eastgate Village at Mill Creek



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

Eastgate Village at Mill Creek



Addenda

Addendum A
Appraiser Qualifications

Eastgate Village at Mill Creek



Allen Safer, MAI, MRICS

Experience

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

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

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

Professional Activities & Affiliations

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

Licenses

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

Education

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

Qualified Before Courts & Administrative Bodies

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

Miscellaneous

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

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AGENDA ITEM #E.

Gregory H. Bucklin, MAI

Experience

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

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

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

Licenses

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

Education

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

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Integra Realty Resources, Inc. Corporate Profile

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

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

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





ATTACHMENT 4 – DEPARTMENT EXPENSE ANALYSIS

THE FARM AT MILL CREEK DEVELOPMENT

Police Department

Overview

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

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

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

Residential impact

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

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

AGENDA ITEM #E.

Hawthorne Apartments

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

Meadows Apartments

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

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

Commercial Impact

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

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

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

Gateway Plaza

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

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		Total	12 x 4 = 48
--	--	-------	-------------

Citywide CFS information

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

The raw data is included in the chart below.

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

Summary

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

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

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

Public Works and Development Services Department

Overview

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

A) Operational Expenditures related to the following activities:

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

B) Capital Expenditures

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

Summary:

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

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Attachment 5 - The Farm at Mill Creek Response to Questions

DEVELOPMENT PLAN

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

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

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

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

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

How many parking spaces are planned for the development?

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

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

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

SCHOOLS

Does the developer have to pay for impacts to schools?

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

How will school student assignments be effected by the development?

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

TRAFFIC

How will this development impact traffic?

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

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

What is the anticipated wait time at intersections?

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

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

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

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

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

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

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

Seattle Hill Road/132nd Street SE Intersection:

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

Table 1. Future PM Peak Hour Intersection LOS Summary

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

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

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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

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

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

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

How will this impact the adjacent wetlands?

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

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

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

GENERAL

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

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

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

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

Can we change the development name?

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

AGENDA ITEM #E.

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

Attachment 5

Integra Realty Resources
Seattle

Fiscal Impact Analysis

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

Prepared For:
Vintage Housing Development Inc.

Effective Date of the Analysis:
March 3, 2019

IRR - Seattle
File Number: 154-2019-0135





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

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March 7, 2019

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

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

Dear Mr. Patterson:

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

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

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

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

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

This fiscal impact analysis presents the following:

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

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

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

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

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

Respectfully submitted,

Integra Realty Resources - Seattle



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Assignment Information

Effective Date

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

Client, Intended Use and User

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

Applicable Requirements

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

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

Prior Services

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

Scope of Work

This analysis does the following:

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

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

Methodology

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



Assignment Information

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

Inspection

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

The Farm at Mill Creek



Property Information

Identification of Subject

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

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

Property Identification

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

Land Area

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

Land Area Summary

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

Source: Snohomish County Assessor

Shape, Dimensions and Current Use

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

The Farm at Mill Creek



Property Information

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Ownership and Sale History

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

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

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

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

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



Aerial Photo

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



The Farm at Mill Creek



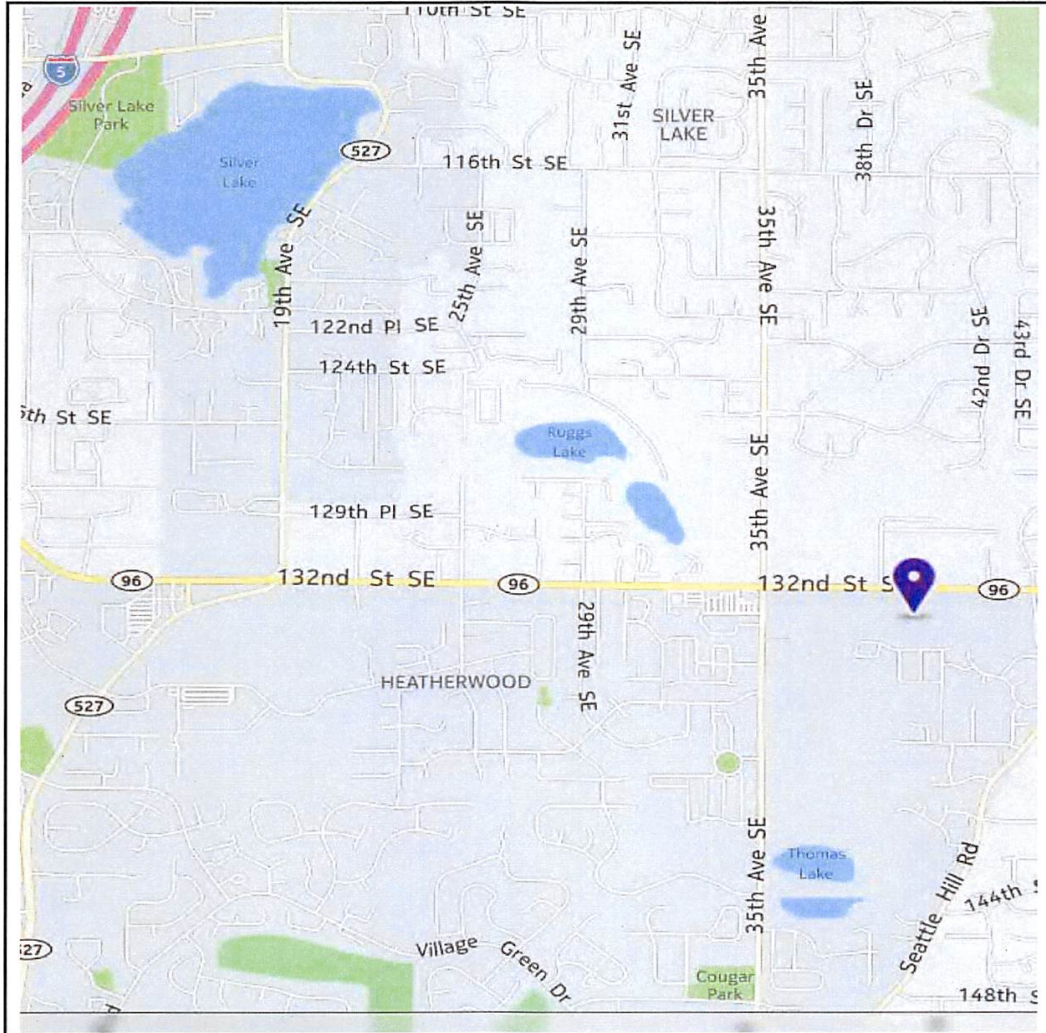
Site Plan



The Farm at Mill Creek



Area Map



The Farm at Mill Creek



Access and Visibility

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

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

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

Zoning

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

Zoning Summary

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

Source: Mill Creek Municipal Code



Current Real Estate Taxes

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

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

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

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



Planned Improvements

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

Improvements Description

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

Apartments

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

Apartment Unit Mix

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

1. Includes employee & model units, if any.

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



Commercial

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

Commercial Space Summary

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



Projected City Revenues from Development

Retail Sales Tax Estimate

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

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

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

Subject Tenant Taxable Retail Sales

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

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



Property Tax Increase Estimate

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

Multifamily Assessed Value Comparables & Projection

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

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

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

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

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

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

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

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



Commercial Assessed Value Comparables & Projection

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

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

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

2019 Property Tax Increase Estimate

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

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



One-Time Sales Tax on Construction Costs

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

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

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



Summary of Economic Benefits

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

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



Certification

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

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



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



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



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



Assumptions and Limiting Conditions

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

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

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

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



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

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



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



Addenda

Addendum A
Appraiser Qualifications

The Farm at Mill Creek



Allen Safer, MAI, MRICS

Experience

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

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

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

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

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

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

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

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

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

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

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

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

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

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

Member: Government Relations Committee, January 2002 December 2004

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

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

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

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

Licenses

Alaska, Appraiser, APRG412, Expires June 2019

Washington, Appraiser, 1100662, Expires September 2019

Washington, Designated Broker, 3341, Expires December 2017

Education

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

Qualified Before Courts & Administrative Bodies

United States Bankruptcy Court, Seattle Washington

King County Superior Court, Washington

King County Board of Equalization

Pierce County District Court

Washington State Board of Tax Appeals

Various Arbitration & Land Use Hearings

Miscellaneous

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

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

IRR Certified Reviewer

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Integra Realty Resources Seattle

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Gregory H. Bucklin, MAI

Experience

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

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

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)

Licenses

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

Education

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

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Addenda

About IRR

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

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

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

Local Expertise...Nationally!

irr.com

The Farm at Mill Creek





The Farm at Mill Creek

Frequently Asked Questions
Updated March 7, 2019

DEVELOPMENT PLAN

How many apartments are included in the development?

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

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

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

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

Is this a low-income housing development?

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

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



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

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

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

What is Workforce housing?

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

How many parking spaces are planned for the development?

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

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

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

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

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

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

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

FINANCIAL IMPACT TO THE CITY FOR SERVICES

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

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

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

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

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

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

Table #1

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

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

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

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

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

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

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

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

Table #2

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

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

Table #3

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

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

Table #4

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

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

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

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

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

Table #5

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

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

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

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

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

SCHOOLS

Does the developer have to pay for impacts to schools?

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

How will school student assignments be effected by the development?

City staff has requested this data from Everett School District.

TRAFFIC

How will this impact traffic?

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

What is the anticipated wait time at intersections?

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

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

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

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

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

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

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

Will there be a spine road?

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



Will there be access to mass transit?

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

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

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

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

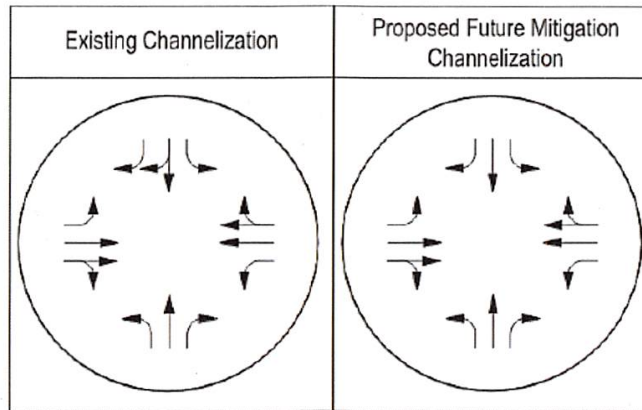


Relocate and improve existing east bound bus stop (ID #3129) at 132nd St SE and 39th Ave SE to the right turn pocket being developed with the new traffic signal, east of 39th Ave SE. Improvements include Type 4 bus pad and shelter.

What is the developer doing to mitigate traffic?

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

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



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

Table #6

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

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

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

What can the City do to mitigate transportation issues?

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

Table 2. TIP Transportation Projects.

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



ENVIRONMENTAL

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

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

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

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

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

How will this impact the adjacent wetlands?

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

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

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

GENERAL

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

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

Will the developer be claiming tax exempt status?

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

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


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

Can we change the development name?

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

3/5/2019

Attachment 7




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

February 26, 2019

Development Agreement Process

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



Development Agreement – The Farm 2

3/5/2019

City Council Packet Attachments

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



Development Agreement – The Farm

3

Purpose of Study Session

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



Development Agreement – The Farm

4

2

3/5/2019

Purpose of Study Session

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



Development Agreement – The Farm

5

Development Agreement Purpose

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



Development Agreement – The Farm

6

3

3/5/2019

Development Agreement Highlights

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



Development Agreement Highlights

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

3/5/2019

Development Agreement Highlights

13 (entire section)

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



Development Agreement – The Farm

9

The Farm at Mill Creek



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

RETAIL - ONE LEVEL		SPREAD LEVEL WOOD-DECK RETAIL AREAS		LOUNGE	
BUILDING A1	10,000 S.F.	BUILDING D	7,275 S.F.	LOUNGE	1000 S.F.
BUILDING A2	8,000 S.F.	BUILDING E	25,000 S.F.	LOUNGE	1000 S.F.
BUILDING A3	3,000 S.F.	TOTAL	45,800 S.F.	LOUNGE / OFFICE / FITNESS	1000 S.F.
BUILDING A4	3,100 S.F.			PARKING GARAGE	1000 S.F.
BUILDING B	4,400 S.F.				
BUILDING C	10,000 S.F.				
TOTAL	37,500 S.F.				

4,000 sq. ft. of
one residential apartment unit

the LAB
THE FARM AT MILL CREEK
DR002

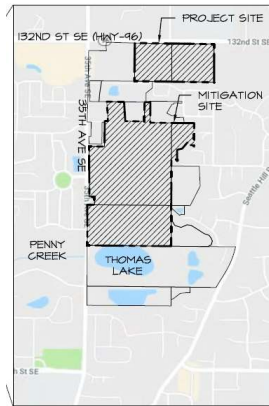


EGUV & The Farm

10

3/5/2019

Provides Environmental Protection and Public Access



TOTALS:

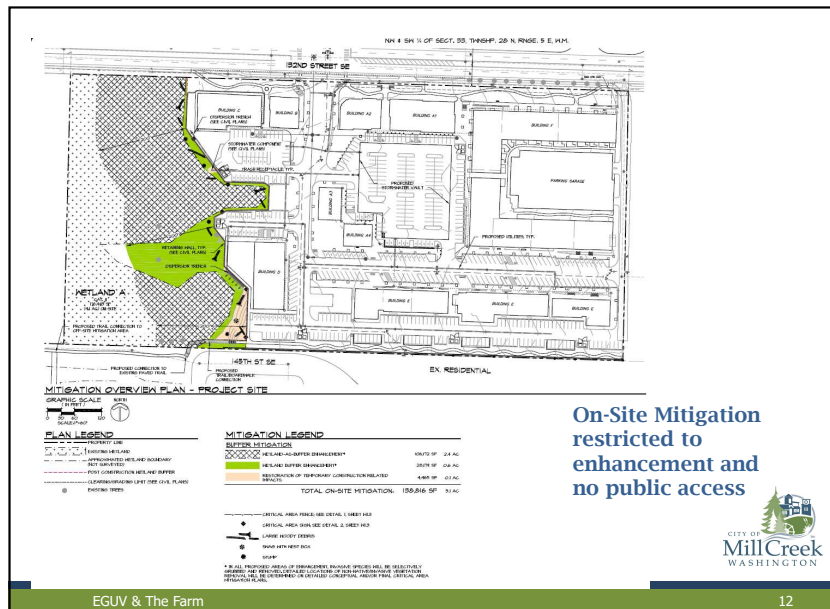
Preservation	2,657,160 sf (61 acres)
Trails System	over 5,500 lf
Project Site -- Habitat & Vegetative Enhancement	138,816 sf (3.1 ac)
Mitigation Site -- Habitat & Vegetative Enhancement	250,600 sf (5.8 ac)

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



EGUV & The Farm

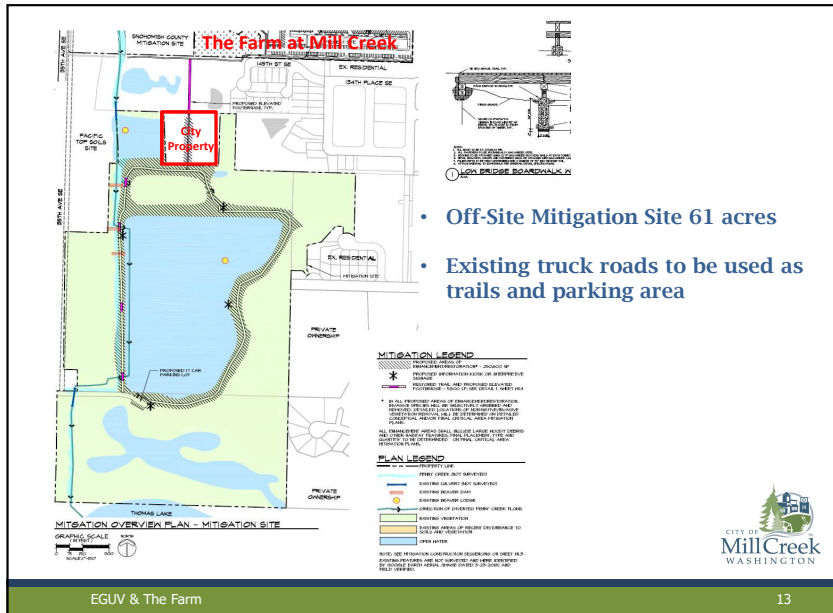
11



EGUV & The Farm

12

3/5/2019



3/5/2019

Revenues and Expenses - City

(1st Year Built-out)

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

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



Revenues and Expenses - City

- Public Works and Police will have increased service demands
- City departments have not identified a need for additional funds to support City services for proposed development



3/5/2019

City Council Discussion



Development Agreement – The Farm

17

Development Agreement Process

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



Development Agreement – The Farm

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9

3/5/2019

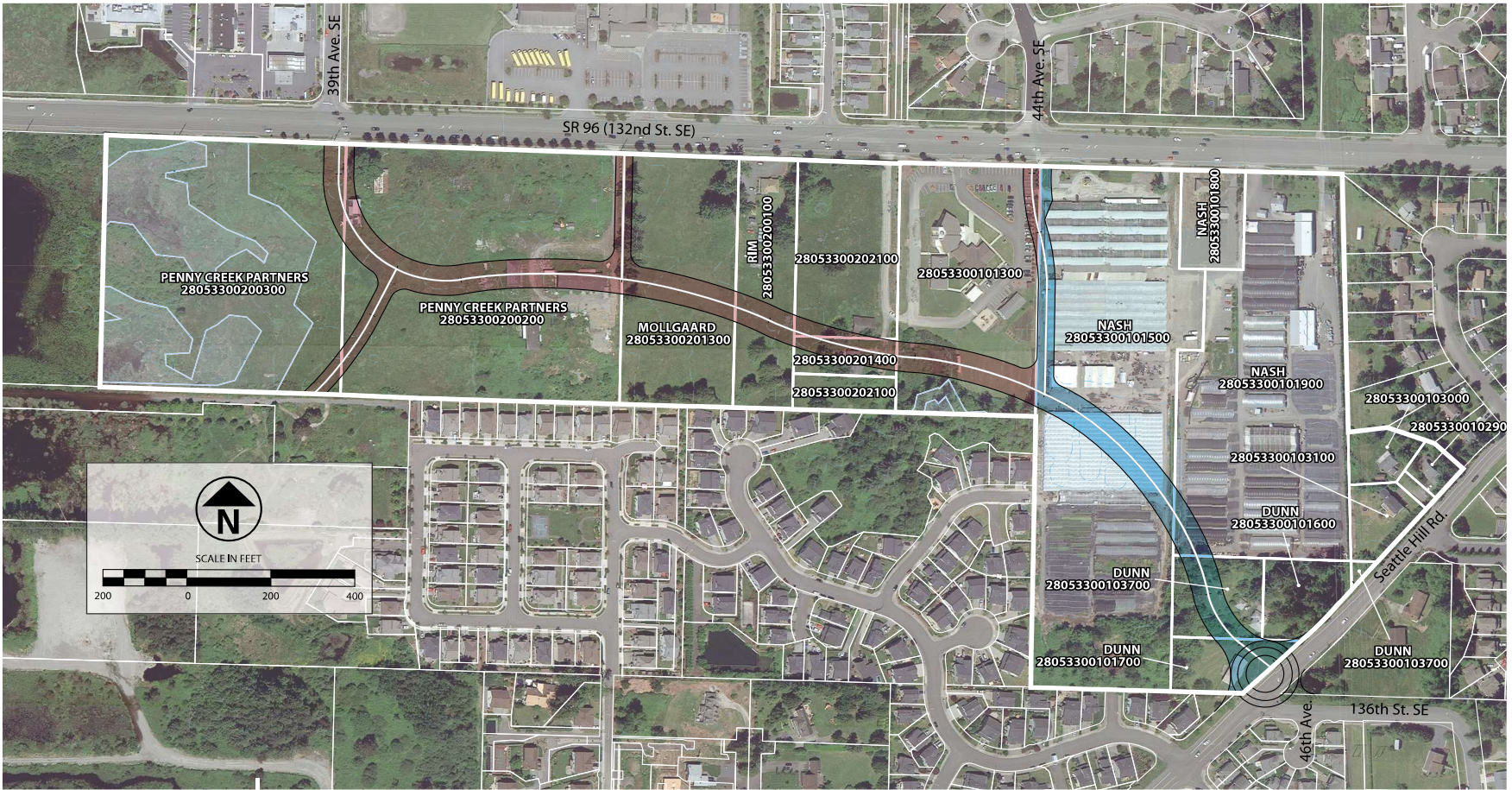
End of Presentation



Phase I - Shown in brown
Phase II - Shown in blue

Attachment 8
Spine Road Phases

FIGURE 2



ReidMiddleton

EAST GATEWAY
URBAN VILLAGE
MASTER PLAN
City of Mill Creek



MILL CREEK EAST GATEWAY
Property Owners



Date: March 12, 2019

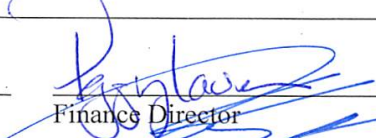
A/P Check Batches		
Dated	Check Numbers	Amount
02/20/2019	ACH-Union 76 Fleet-Jan	\$4,601.87
02/25/2019	ACH Debit-Dept of Rev-Sales Tax	\$2,161.66
02/28/2019	59908-59971	\$993,783.50
03/05/2019	59972-59974	\$12,384.31
Total		\$1,012,931.34


Voided Checks	
Numbers	Explanation

CLAIMS APPROVAL

We, the undersigned Finance/Audit Committee of the City of Mill Creek, recommend approval of check numbers 59908 through 59974, and ACH in the amount of \$1,012,931.34.

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

Councilmember 
Finance Director

Councilmember 
Interim City Manager

F:\DATA\EXECUTIVE\WP\FORMS\FIN\Voucher Approval1.doc

ACH Cash Pro Online
City of Mill Creek

Report Date: 02/19/2019
Report Time: 09:54:06 AM

Batch Summary Report by ID Number

Company Name: City of Mill 01 Effective Date: 02/20/2019
ACH ID: 2911225895 Batch Sequence: 1
Application Name: CCD Payments and Collections Database Name: 76
Batch Status: Entered Created By: SANKOTTKE
Released By:

Name	ID	Amount	D/C	Bank ID	Account #	Acct Type	Trace #
76 FLEET WEX BANK	0201-00-1059153	\$4,601.87	C	071000288	4539508	C	

	Total Amount in Batch	Total Count in Batch
Debits	\$0.00	0
Credits	\$4,601.87	1
Prenotes	\$0.00	0

	Grand Total Amount	Grand Total Count
Debits	\$0.00	0
Credits	\$4,601.87	1
Prenotes	\$0.00	0

Business Licensing and Taxes

<< My DOR Services

Return Payment

Welcome, Sandra Kottke Settings Help Log Out

MILL CREEK ... Messages Local sales tax rate changes beginning April 01, 2019 Excise Tax Jan-31-2019 Return Payment

Return Payment

Applies To

History

CITY OF MILL CREEK
600-598-011
Excise Tax
600-598-011
Jan-31-2019
\$2,161.66

Jan-31-2019

2,161.66

Source : ACH Debit
Posted : Feb-25-2019
Received : Feb-25-2019

Contact us

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Working together to fund Washington's future

Accounts Payable

Checks by Date - Detail by Check Date

User: jodieg
 Printed: 3/7/2019 9:36 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59908	SEADAIJ 3344687	Daily Journal of Commerce BC: Street Marking Program 01/28, 02/04, 02/11	02/28/2019		535.50
Total for Check Number 59908:				0.00	535.50
59909	911SUPPL 70656 70756 70759	911 Supply Inc 1-Shot Training Kit, 24-40MM Exact Impact Spr 50-Citizen Patrol Shoulder Patches 4 Single Point Sling-Magpul	02/28/2019		1,819.39 328.44 242.84
Total for Check Number 59909:				0.00	2,390.67
59910	ABSOLGRP 219154	Absolute Graphix Inc 2 -Navy Port Mill Creek Hoodie-Basketball Staf	02/28/2019		59.57
Total for Check Number 59910:				0.00	59.57
59911	ADPLLC 530340371	ADP, LLC ADP Payroll Services 01/31 & Workforce Now I	02/28/2019		953.27
Total for Check Number 59911:				0.00	953.27
59912	ALDWTR 00320003-01 01100176-01 01300169-01 01550006-01 02170002-01 02460002-01 02470001-01 03050003-01 03095000-01 03805002-01 03865000-01 04900159-01 05400166-01 05590004-02 05600177-03 05700181-01 05702001-01 05705005-01 06900173-02 07850004-01 07855001-01 07895001-01 07900155-01 08000152-01 08300050-01 08800024-01 08900020-01	Alderwood Water District SEATTLE HILL RD I/R 11/29/18 - 1/24/19 Median 4 & 5 I/R 11/29/18 - 1/22/19 1901 Mill Fern Dr SE I/R Median 11/29/18 - 1/2 16011 28th Dr SE I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19 155 VILLAGE GRN DR I/R 11/29/18 - 1/24/19 155 VLG GRN DR/HERON PK 11/29/18 - 1/24 15933 29TH DR SE I/R 11/29/18 - 1/24/19 16220 27TH DR SE I/R 11/29/18 - 1/24/19 16217 27TH DR SE I/R 11/29/18 - 1/24/19 16205 25TH DR SE I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19 MEDIAN NUMBER 6 I/R 11/29/18 - 1/22/19 15720 MILL CREEK BLVD D/C 11/30/18 - 1/2 15720 MAIN STREET 11/30/18 - 1/22/19 15728 MAIN ST I/R 11/30/18 - 1/22/19 15728 MAIN ST D/C 11/30/18 - 1/22/19 15728 MAIN STREET 11/30/18 - 1/22/19 1300 156TH PL SE - IR 11/30 - 1/22 16101 HIGHLAND BLVD/RESTR 11/29/18 - 1 16101 28TH DR SE I/R 11/29/18 - 1/24/19 16021 28 DR SE I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19 3310 15TH PL SE I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19 SEATTLE HILL RD I/R 11/29/18 - 1/24/19	02/28/2019		70.49 70.49 213.87 70.49 70.49 135.66 188.31 70.49 70.49 70.49 31.38 70.49 135.66 14.75 542.13 135.71 14.75 358.48 31.39 188.31 135.66 70.49 70.49 70.49 70.49 70.49

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	09000017-01	SEATTLE HILL RD I/R 11/29/18 - 1/22/19			70.49
	09080000-01	14600 MILL CREEK BLVD I/R 11/29/18 - 1/24			31.38
	09100016-01	SEATTLE HILL RD I/R 11/29/18 - 1/22/19			70.49
	13233000-01	15200 MILL CREEK BLVD I/R 11/29/18 - 1/24			31.38
	25703000-01	14725 32ND DR SE I/R 11/29/18 - 1/24/19			70.49
	26070000-01	15803 32ND AVE SE 11/29/18 - 1/24/19			188.31
	26467000-01	1900 164TH ST SE 11/29/18 - 1/23/19			70.49
	26468000-01	1900 164TH ST SE I/R 11/29 - 1/23			70.49
	33254000-01	14725 32ND DR SE 11/29/18 - 1/24/19			188.31
	34493000-01	15720 MAIN ST I/R 11/29/18 - 1/22/19			31.38
			Total for Check Number 59912:	0.00	3,936.13
59913	AMAZON IKGG-YLFT-P4FD	Amazon Capital Services OTTERBOX CELL PHONE CASE FOR MOTC	02/28/2019		24.51
			Total for Check Number 59913:	0.00	24.51
59914	AWC 03/2019	AWC Employee Benefit Trust R Polizzotto COBRA-March Payment	02/28/2019		1,282.96
			Total for Check Number 59914:	0.00	1,282.96
59915	BANKCR16 1 2 3 4 5	Bank of America WABO Winter Committee Mtg 01/31-T Justice Mill Creek Rotary Mtg 01/23-T Rogers 2019 WABO Annual Education Institute-03/25-0 Mill Creek Rotary Mtg 01/30-T Rogers Parking 02/05-Assoc Planner Interviews Sno Co	02/28/2019		20.00 17.00 500.00 17.00 6.00
			Total for Check Number 59915:	0.00	560.00
59916	BENEAD R1901514 R1901514a	Benefit Administration Co, LLC 2019 Plan Renewal Fee Section 125 Flexible Benefits Plan	02/28/2019		250.00 155.00
			Total for Check Number 59916:	0.00	405.00
59917	BUILDEX 1061324	Builders Exchange of Washington Inc PUBLISH PROJ ONLINE - 2019 STREET PAV	02/28/2019		45.00
			Total for Check Number 59917:	0.00	45.00
59918	BANKCR20 1 10 11 12 13 14 15 2 3 4 5 6 7 8 9	Business Card LOWE'S - CHANNELLOCK 4 PC TOOL SET, TAGINATOR GRAFFITI REMOVER (SPRAY, DIESEL FUEL & SVC CHGS. - 1998 BUCKET HOME DEPOT - WET DRY VAC/HARDWARE 3 CLOROX WIPES, 3M CHEMICAL SPLASH, 1 1/4 IN CONDUIT PW/CD TRUCKS - SAND FOR WEIGHT AIR/WATER HOSE, BALL VALVE, 3/8 REGU LOCK & BITS HERON PARK OUTLET COVER HERON PARK LOCKS HERON PARK VET MONUMENT GFI OUTLETS ADA PUSH BUTTON LIBRARY LIBRARY FIRE CABLE FOAM TARP & BUNGEE FOR SANDER - CITY HAL	02/28/2019		29.39 424.54 174.83 128.18 39.34 57.43 29.81 108.75 29.75 14.33 13.23 48.51 38.89 4.69 57.43
			Total for Check Number 59918:	0.00	1,199.10

AGENDA ITEM #H.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59919	BANKCR25	Business Card	02/28/2019		
	1	CONSTANT CONTACT TOOLKIT - EMAIL			104.89
	10	BIG 5 - 4 BASKETBALLS			148.86
	11	TITH ALLIANCE/FARM GUIDE PRINT & WI			175.00
	12	SPOTTED COW COFFEE J. KIRK MTG. W/JC			12.50
	13	1 YR. SUBSCRIPTION - 2019 MARKETWUR			450.62
	14	3 DISPOSABLE ICE PACKS			61.23
	15	PRESCHOOL PALS SUPPLIES			69.57
	15A	PRESCHOOL PALS SUPPLIES			120.04
	15B	PRESCHOOL PALS SUPPLIES			16.98
	16	CONSTANT CONTACT TOOLKIT - MONTHL			104.89
	17	MONTHLY PREPAY MEETING MEALS FOR			90.00
	18	CLASSROOM ART SUPPLIES, 3 PK CRAYOI			35.30
	19	3CMA MEMBERSHIP ANNUAL CONF.			400.00
	2	ANNUAL MEMBERSHIP DUES - MILL CREI			187.50
	20	3CMA MEMBERSHIP ANNUAL CONF. HOTI			605.00
	21	INTNL. TRANS FEE - 1 YR. SUBSCRIPTION			13.52
	3	MILL CREEK CHAMBER OF COMMERCE B			12.35
	4	FILE SHARING SERVICES FOR MARKETIN			109.30
	5	LEADERSHIP/MGMT/SUPERVISE/STAFF TC			297.00
	6	SNO. COUNTY TOURISM ALLIANCE KICK-			15.00
	7	HOTEL/AIR B&B FOR GORDON BRINK/FEM			118.73
	8	UNIVERSAL PICTURE HANGER, 3 HANGEI			24.26
	9	J KIRK MTG. W/SARAH JENSEN RE:2019 FA			5.65
			Total for Check Number 59919:	0.00	3,178.19
59920	CANNONR 6954	Rosario Cannon CIRCLE TIME WITH FRIENDS 1/7/19 - 2/11/1	02/28/2019		420.00
			Total for Check Number 59920:	0.00	420.00
59921	CARLSONJ 6965	Jessica Carlson ADVENTURES IN ART - WINTER 1 01/11/19	02/28/2019		319.20
			Total for Check Number 59921:	0.00	319.20
59922	CDW RCM9963	CDW Government Sonicwall Advanced Gateway Subscription-2Yr	02/28/2019		3,378.88
			Total for Check Number 59922:	0.00	3,378.88
59923	CBALDDES GRAPHIC DESIGN	Christopher Baldwin Design SPRING/SUMMER REC GUIDE LAYOUT	02/28/2019		1,200.00
			Total for Check Number 59923:	0.00	1,200.00
59924	CINTAS 4016744046 4016744046a	Cintas Corporation Loc. #460 Floor Mat Service 02/15 Floor Mat Service 02/15	02/28/2019		96.19 56.03
			Total for Check Number 59924:	0.00	152.22
59925	CITYBELL 34436	City of Bellevue MBP Surcharge-Qtr 1, 2019	02/28/2019		2,139.00
			Total for Check Number 59925:	0.00	2,139.00
59926	CODPUBCO 62634	Code Publishing Company Municipal Code-Web Update 02/01, Ordinance:	02/28/2019		189.85

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 59926:	0.00	189.85
59927	COHENLAW 415-002M-2	Cohen Law Group Contract No. 2017-1326 Prof Service-Cable Fra	02/28/2019		2,670.00
			Total for Check Number 59927:	0.00	2,670.00
59928	COMCAST 0724345 849831021045701	Comcast Internet for ITS 02/14-03/13 High Speed Internet Fee 02/18-03/17	02/28/2019		116.40 191.40
			Total for Check Number 59928:	0.00	307.80
59929	COPIETC AR38969	Copiers Etcetera, Inc. Repairs & Maint-Copy Machines	02/28/2019		1,153.68
			Total for Check Number 59929:	0.00	1,153.68
59930	EPICFORD 142917	Epic Ford DIAGNOSIS - EXHAUST CAR SMELL #40	02/28/2019		182.00
			Total for Check Number 59930:	0.00	182.00
59931	ADLFSASC 143293	ESA Prof Serv Cube Self Storage System 01/01-01/31	02/28/2019		500.00
			Total for Check Number 59931:	0.00	500.00
59932	FBILEEDA 200026856 200026857	FBI-LEEDA SLI-Marysville, WA 6/2019-Ian Durkee CLI-Marysville, WA 9/2019-Ian Durkee	02/28/2019		695.00 695.00
			Total for Check Number 59932:	0.00	1,390.00
59933	FOUTCHB Reimb Exp	Bart Foutch Reimb Exp-Plastic Mold & Gelatin for Balistic C	02/28/2019		85.67
			Total for Check Number 59933:	0.00	85.67
59934	GTENORTH 425-316-0326 425-745-6974	Frontier Alarm System Line Chgs-Cook House CC Line, Fax 01/19-02/18	02/28/2019		53.83 161.45
			Total for Check Number 59934:	0.00	215.28
59935	HARBORPC No. 8	Harbor Pacific Contractors, Inc 35th Ave Reconstruction 12/23-02/02	02/28/2019		725,504.98
			Total for Check Number 59935:	0.00	725,504.98
59936	KLB 214049-01 214049-01A 214049-01B	KLB Construction Inc SNOW PLOWING & HAULING CITY HALL 1 SNOW PLOWING & HAULING CITY HALL 1 SNOW PLOWING & HAULING SR527, 132NI	02/28/2019		1,324.80 1,457.28 15,404.61
			Total for Check Number 59936:	0.00	18,186.69
59937	LESSCHW 39500432148	Les Schwab 1 225/70R-19.5/14 TRACTION PINNED BW, E	02/28/2019		562.83
			Total for Check Number 59937:	0.00	562.83

AGENDA ITEM #H.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59938	LynnMoto 318201	Lynnwood Motoplex LOF/GASKET RINGS 2017 BMW MOTORCY	02/28/2019		425.30
Total for Check Number 59938:				0.00	425.30
59939	MAYBERM 7044 7048 7052	Mitch Mayberry TINY TIGER MARTIAL ARTS 1/4/19 - 2/22/19 TIGER MARTIAL ARTS BEGINNER 1/4/19 - ; TIGER MARTIAL ARTS COLORED 1/4/19 - 2.	02/28/2019		537.60 268.80 268.80
Total for Check Number 59939:				0.00	1,075.20
59940	MCMAG 4477	Mill Creek Living Magazine Spring Rec Guide Inserted-2019 Issue MC Livin	02/28/2019		7,425.00
Total for Check Number 59940:				0.00	7,425.00
59941	MISTERTS 115155	Mister T's Trophies Laser Logo & Engraving-Employee of the Year /	02/28/2019		49.45
Total for Check Number 59941:				0.00	49.45
59942	NELSONM 6947 6948	Melissa Nelson MUSIC FOR PRESCHOOL - JAN 1/11/19 - 2/8 MUSIC FOR PRESCHOOL - JAN 1/11/19 - 2/8.	02/28/2019		682.50 689.50
Total for Check Number 59942:				0.00	1,372.00
59943	OMWATT 820741 820742	Ogden Murphy Wallace Attorneys Prof Legal Services-CED-Dec Prof Legal Services-Engr (Exploration Pk)-Dec	02/28/2019		3,492.50 673.00
Total for Check Number 59943:				0.00	4,165.50
59944	PACTOP 1-T1078141 1-T1078154 1-T1078167 1-T1078171 1-T1078209 1-T1078210 1-T1078214 1-T1078228 1-T1078248 1-T1078252 1-T1078338 1-T1078683 1-T1078689 1-T1078708 1-T1078716 1-T1078744 1-T1078747 1-T1078755 1-T1078768	Pacific Topsoils, Inc. MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH MCSP BED MULCH DUMAS ROW BRUSH STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS STORM BRUSH REMOVAL STREETS	02/28/2019		110.40 110.40 110.40 110.40 110.40 331.20 110.40 44.16 44.16 110.40 21.00 42.00 36.75 42.00 42.00 15.00 31.50 63.00 26.25
Total for Check Number 59944:				0.00	1,511.82
59945	PAKOR 8034033	Pakor Inc 3 Cases-Passport Film	02/28/2019		750.47
Total for Check Number 59945:				0.00	750.47

AGENDA ITEM #H.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59946	PAWS January 2019	PAWS Animals Brought To Shelter-Jan	02/28/2019		561.00
				Total for Check Number 59946:	0.00 561.00
59947	ELLITIRE 064462005702 064462005800 064462005831 064462005962 064462006005 064462006037 064462006038	PepBoys-Remittance Dept Vehicle Blows Black Smoke-Car # Wiper Blades, LOF, Tire Repair/Balance-Car #4. LOF, FRONT/REAR BRAKES, FRONT STRU Replace Filter Neck-Car #41 Service Check-Transmission-Car #41 Catalytic Converter, Pipe & Tube Assembly-Car CONVERTER ASSEMBLY, EXHAUST GASK	02/28/2019		132.30 124.05 1,386.67 256.09 132.30 1,574.39 965.96
				Total for Check Number 59947:	0.00 4,571.76
59948	PERTEET 20180189.000-3	Perteet Inc Prof Serv Surface Water Aging Infrastructure-Gr	02/28/2019		16,981.60
				Total for Check Number 59948:	0.00 16,981.60
59949	PHILPUB 29849 29849a	Philips Publishing Mill Creek City Connection-Spring 2019 Ad Revenue Mill Creek City Connection-Spring	02/28/2019		15,433.24 -7,024.00
				Total for Check Number 59949:	0.00 8,409.24
59950	SNOCOPLD 1000493609	Snohomish County Planning and Developpr 2019 SCT Dues	02/28/2019		3,785.00
				Total for Check Number 59950:	0.00 3,785.00
59951	SNOCPUD 200101434 200154458 201353968 201367745 201752961 201948601 202212361 202230108 202461042 202529210 202667499 202693008 202852059 202959052 203028121 203164694 203211552 203348081 203388152 204717524 204717532 204717540 220317390 220612410 220763510 221293111	PUD No. 1 of Snohomish County 2725 SEATTLE HILL RD 1/1/19 - 2/8/19 2720 SEATTLE HILL RD 1/9/19 - 2/8/19 15728 MAIN STREET 1/5/19 - 2/6/19 902 164TH ST SE 1/9/19 - 2/4/19 15429 1/2 BOTHELL EVERETT HWY 1/11/19 13903 N CREEK DR 1/16/19 - 2/15/19 928 DUMAS RD 1/16/19 - 2/15/19 1900 164TH ST SE 1/9/19 - 2/8/19 15803 32ND AVE SE 1/10/19 - 2/8/19 STREET LIGHTS - 386 LIGHTS 100W 1/1/19 - 2024 SEATTLE HILL RD 1/9/19 - 2/8/19 15720 MAIN ST 1/16/19 - 2/13/19 15720 MAIN ST UNIT B 1/16/19 - 2/3/19 4842 SAC 1/11/19 - 2/5/19 4560 SAC 1/10/19 - 2/1/19 13510 N CREEK DR 01/16 - 02/15 13628 N CREEK DR 12/20 - 02/20 14810 35TH AVE SE 1/9/19 - 2/8/19 15429 BOTHELL EVERETT HWY 1/11/19 - 2/ STREET LIGHTS - 8 LIGHTS 200W 1/1/19 - 1. STREET LIGHTS - 38 LIGHTS 250W 1/1/19 - STREET LIGHTS - 39 LIGHTS 400W 1/1/19 - STREET LIGHTS - 1 LIGHT 240W 1/1/19 - 1/3 15601 22ND CT SE 1/1/19 - 1/29/19 13332 44TH AVE SE 1/09/19 - 2/1/19 STREET LIGHT - 1 LIGHT 160W 1/1/19 - 1/31	02/28/2019		16.74 16.74 1,722.58 30.78 15.30 253.74 134.05 22.77 102.31 1,389.60 36.33 1,811.50 328.94 68.38 48.38 51.07 180.36 72.49 25.98 47.68 285.38 441.48 7.94 22.30 65.11 5.18

AGENDA ITEM #H.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 59951:	0.00	7,203.11
59952	PUGETSO 200004765331 200004765463	Puget Sound Energy 15720 Main St 01/16-02/15 15728 MAIN STREET 1/16	02/28/2019		453.48 756.16
			Total for Check Number 59952:	0.00	1,209.64
59953	RDAYARTS 6960	Rainy Day Art Studio LLC EXPLORE ART! 02/06 - 02/27 #6960	02/28/2019		231.00
			Total for Check Number 59953:	0.00	231.00
59954	SANDACLN JANUARY 2019 JANUARY 2019A	Sanda Cleaners UNIFORM DRYCLEANING 1/03 - 01/31 ELW UNIFORM DRYCLEANING 1/03 - 01/29 CON	02/28/2019		197.72 175.79
			Total for Check Number 59954:	0.00	373.51
59955	SHREDIT 8126626588	Shred-It USA Inc Shredding Service Fee	02/28/2019		73.39
			Total for Check Number 59955:	0.00	73.39
59956	SILVERL 17684-27596 32140-27632 32141-27633 35998-27914 35999-27914 36000-27914 36016-27914 36025-27914 36026-27914 36365-27593 37034-30017	Silverlake Water District 15429 BOTHELL WAY - IRRIG 1/1/19 - 1/31/19 13903 N CREEK DR - IRRIG 01/01 - 01/31 13903 N CREEK DR 01/01 - 01/31 1600 SR 527 - IRRIG 01/01 - 01/31 15200 SR 527 - IRRIG 1/01 - 1/31 15100 N SR 527 - IRRIG 01/01 - 01/31 SR 527 & TRILLIUM BLVD - IRRIG 01/01 - 01/31 14600 SR 527 - IRRIG 01/01 - 01/31 SR 527 & DUMAS RD - IRRIG 01/01 - 01/31 DUMAS RD - IRRIG 01/01 - 01/31 14721 12TH AVE SE - IRRIG 01/01 - 01/31	02/28/2019		7.60 7.60 66.05 7.60 7.60 7.60 7.60 7.60 7.60 7.60 22.30 53.60
			Total for Check Number 59956:	0.00	202.75
59957	SKAGGRDN 52258281 52258281	Skagit Gardens Inc ANNUAL CITY PLANTINGS/FLOWERS ANNUAL CITY PLANTINGS/FLOWERS	02/28/2019		497.80 239.94
			Total for Check Number 59957:	0.00	737.74
59958	SCSPCA SCSPCA Dues	Sno Co Sheriff and Police Chief's Assoc SCSPCA Annual Dues - 01/01/19-12/31/19	02/28/2019		75.00
			Total for Check Number 59958:	0.00	75.00
59959	SNOCOPW 1000493861 1000494082	Snohomish County Public Works RR7571-Mill Crk Rd & SEA Hill-Signal Maint-1 ILA Seattle Hill Rd Improvement RC1635	02/28/2019		35.78 100,000.00
			Total for Check Number 59959:	0.00	100,035.78
59960	SNDPUBIN EDH843139 EDH843757	Sound Publishing Inc BC: 2019 Street Pavment Marking Program BC: MC Blvd Corridor RFP Prof Svcs 02/04	02/28/2019		147.92 73.96
			Total for Check Number 59960:	0.00	221.88

AGENDA ITEM #H.

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59961	SDISTCRT 1000494882 1000494882a	South District Court Filing Fees SD Court-Jan Interpreter Costs-Jan	02/28/2019		5,051.10 145.13
				Total for Check Number 59961:	0.00 5,196.23
59962	STOWE MI 008	Stowe Development & Strategies, LLC Interim City Manager Services 01/01-01/31	02/28/2019		27,500.00
				Total for Check Number 59962:	0.00 27,500.00
59963	SUMLAW 101109	Summit Law Group Prof Serv-General Labor-Guild Through 01/31	02/28/2019		770.00
				Total for Check Number 59963:	0.00 770.00
59964	TACSCREW 18230653	Tacoma Screw Products Inc PLOW REPAIR, SNOW & ICE SUPPLIES	02/28/2019		254.57
				Total for Check Number 59964:	0.00 254.57
59965	TERMINIX 383334905	Terminix Processing Center Pest Control-WO#16004501599 MC Library	02/28/2019		83.90
				Total for Check Number 59965:	0.00 83.90
59966	TRANSUN 01909443	Trans Union LLC Basic Service Monthly Fee-Credit Checks 12/26	02/28/2019		55.20
				Total for Check Number 59966:	0.00 55.20
59967	ULINE 105381472	Uline Eye Wash Station, Cart & Nesting Bins, Storage	02/28/2019		1,796.29
				Total for Check Number 59967:	0.00 1,796.29
59968	USIC 316132 316132A	USIC Locating Services, LLC 138 NC LOCATES/129 TICKET LOCATES, 1A 138 NC LOCATES/129 TICKET LOCATES, 1A	02/28/2019		1,583.91 1,583.92
				Total for Check Number 59968:	0.00 3,167.83
59969	VANHOLLT 6980	Tenille Van Hollebeke CUPCAKE CLASS - VALENTINE'S DAY 2/16	02/28/2019		192.50
				Total for Check Number 59969:	0.00 192.50
59970	WESTFALM 6983	Mindy Westfall ESSENTIAL OILS & AROMATHERAPY 101	02/28/2019		70.00
				Total for Check Number 59970:	0.00 70.00
59971	ZAC&THOM 19-MCR0001 19-MCR0001a 19-MCR0001b	Zachor & Thomas, Inc., P.S. Monthly Prosecution Legal Retainer- Dec Monthly Prosecution Legal Retainer- Jan Prosecution Services/2018 Forfeiture	02/28/2019		9,053.47 9,500.00 1,568.39
				Total for Check Number 59971:	0.00 20,121.86
				Total for 2/28/2019:	0.00 993,783.50

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
59972	BANKCARI	Bank of America	03/05/2019		
	1	Small Birdhouse - Double Geocache			17.10
	10	Farmers Market domain renewal			22.27
	11	CD/DVD sleeves/CD-R 700mb			30.87
	12	2 Tripp-Life power strips, 1 rack console w/cage			1,786.77
	13	Batteries - Passport Camcra			18.21
	14	CLI - Marysville - S. Conner 9/2019			695.00
	15	5 Football field cellop. bags, foam fingers, blue/t			86.50
	16	20 Performance Power Magazines			1,435.20
	17	1 case film - Passports			251.61
	18	Steelman yellow tire marking crayons			18.85
	19	Airfare C. Eikenberry, NPELRA Conf. AZ. 4/7-4			441.60
	2	Supplies for PIO Go Kits			7.08
	20	1099 Misc. forms			35.32
	21	ACCIS Membership 2019 - James Busch			75.00
	22	VUE 5x5 Portable Shelter			276.00
	23	Taser CEW Instructor Cert. - Brett Thompson			495.00
	24	My Building Permit Permit.com monthly fee			59.95
	3	Supplies for PIO Go Kits			38.62
	4	2 TruePower electric shoe shine polisher w/lamb			167.73
	5	Red/White/Blue key tags & key rings - Patrol			48.55
	6	3 days conf. fees, CLRP Exam, labor rel. train C.			914.00
	7	Supplies for PIO go kits			64.41
	7A	Supplies for PIO go kits			37.46
	7B	Supplies for PIO go kits			199.10
	7C	Supplies for PIO go kits			324.74
	8	Toll Charges--Car #43			11.25
	9	AAA batteries - Central Supplies			7.72
Total for Check Number 59972:				0.00	7,565.91
59973	PITNEYW 800090000046343	Purchase Power Postage-Refill Postage Meter	03/05/2019		2,500.00
Total for Check Number 59973:				0.00	2,500.00
59974	WESTENTR 4295a	Western Entrance Technology Replace Ck#59619-Install Record 8100 Motor-A	03/05/2019		2,318.40
Total for Check Number 59974:				0.00	2,318.40
Total for 3/5/2019:				0.00	12,384.31
Report Total (67 checks):				0.00	1,006,167.81



Date: March 12, 2019

Payroll Check Batches		
Dated	Check Numbers	Amount
2/25/2019	ACH Automatic Deposit Checks	\$146,128.04
1/25/2019	ACH Wire- FWT & Medicare Taxes	\$25,462.48
1/25/2019	ACH Wire MEBT- Wilmington Trust	\$27,087.44
1/25/2019	ACH Wire- ICMA RC- Def. Comp	\$1,762.87
1/25/2019	ACH Wire- BAC- Flex Spending Acct	\$745.02
1/25/2019	ACH Wire – BAC – Flex Savings Acct	\$708.00
Total		\$201,893.85

Voided Checks	
Numbers	Explanation

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 \$204,917.11.

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

Councilmember

Councilmember

Finance Director

City Manager

G:\FINANCE\Restricted (old I drive)\Payroll\Voucher Coversheets\2019\Payroll Voucher Approval 02122019.docx
3/7/2019

Statistical Summary

Statistical Summary

Company:A0W - City Of Mill Creek Service Center:0076 Pacific North West Status:Cycle Complete
 Week#:8 Pay Date:02/25/2019 P/E Date:02/15/2019
 Qtr/Year:1/2019 Run Time/Date:21:14:31 PM EST 02/21/2019

Taxes Debited	Federal Income Tax	18,936.55	
	Earned Income Credit Advances	0.00	
	Social Security - EE	0.00	
	Social Security - ER	0.00	
	Social Security Adj - EE	0.00	
	Medicare - EE	2,998.82	
	Medicare - ER	2,998.90	
	Medicare Adj - EE	0.00	
	Medicare Surtax - EE	0.00	
	Medicare Surtax Adj - EE	0.00	
	COBRA Premium Assistance Payments	0.00	
	Federal Unemployment Tax	0.00	
	State Income Tax	0.00	
	Non Resident State Income Tax	0.00	
	State Unemployment Insurance - EE	0.00	
	State Unemployment Insurance Adj - EE	0.00	
	State Disability Insurance - EE	0.00	
	State Disability Insurance Adj - EE	0.00	
	State Unemployment/Disability Ins - ER	0.00	
	State Family Leave Insurance - EE	176.03	
	State Family Leave Insurance - ER	0.00	
	State Medical Leave Insurance - EE	158.41	
	State Medical Leave Insurance - ER	193.77	
	Transit Tax - EE	0.00	
	Workers' Benefit Fund Assessment - EE	0.00	
	Workers' Benefit Fund Assessment - ER	0.00	
	Local Income Tax	0.00	
School District Tax	0.00		
Total Taxes Debited	25,462.48		
Other Transfers	Full Service Direct Deposit Acct. (No. 0000601047001ran/ABA125000024)	146,128.04	Total Liability
	Total Amount Debited From Your Account		171,590.52
Bank Debits & Other Liability	Checks	0.00	171,590.52
	Adjustments/Prepay/Voids	0.00	171,590.52
Taxes- Your Responsibility	None this payroll		171,590.52

Payment Confirmation

Company: City of Mill Creek
Requester: Kottke, Sandy
Run Date: 02/25/2019 4:10:42 PM CST



Domestic High Value (Wire)

Payment Category: Urgent/Wire

Status: Pending Approval
Transaction Number: 192PH10041392852

Template Name: MATRIX/MEBT
Template Code: WILTRUST

Debit Account Information

Debit Bank: 125000024
Debit Account: 000060104700
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: [REDACTED]
Beneficiary Bank ID: [REDACTED]
JPMORGAN CHASE BANK, NA
1111 POLARIS PKWY
COLUMBUS
US - United States of America

Beneficiary Email:
Beneficiary Mobile Number:

Payment Details

Credit Currency: USD
Credit Amount: 27,087.44

Value Date: 02/25/2019

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: 02/25/2019 4:10:10 PM CST

Payment Confirmation



Company: City of Mill Creek
Requester: Kottke, Sandy
Run Date: 02/22/2019 5:08:47 PM CST

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

Status: Pending Approval
Transaction Number: 192MI083025B1717

Template Name: ICMA 457 Plan
Template Code: ICMA

Debit Account Information

Debit Bank: 125000024
Debit Account: 000060104700
Debit Account Name: Treas Checking
Debit Currency: USD

Beneficiary Details

Beneficiary Name: ICMA RC
Beneficiary Address: P.O. Box 64553
Beneficiary City: Baltimore
Beneficiary Postal Code: 21264-4553
Beneficiary Country: US - United States of America

Beneficiary Account: ██████████
Beneficiary Bank ID: ██████████
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: 02/25/2019

Optional Information

Sender's Reference Number: 302029

Beneficiary Information: City of Mill Creek 302029

Additional Routing

Intermediary Bank ID:

Receiver Information:

Control Information

Input: sankottke

Input Time: 02/22/2019 5:08:36 PM CST

RptBatchSumViewForm

Page 1 of 1

ACH Cash Pro Online
City of Mill Creek

Report Date: 02/22/2019
Report Time: 05:11:58 PM

Batch Summary Report by ID Number

Company Name: City of Mill 01 Effective Date: 02/25/2019
 ACH ID: ██████████ Batch Sequence: 1
 Application Name: CCD Payments and Collections Database Name: BAC
 Batch Status: Entered Created By: SANKOTTKE
 Released By:

<u>Name</u>	<u>ID</u>	<u>Amount</u>	<u>D/C</u>	<u>Bank ID</u>	<u>Account #</u>	<u>Acct Type</u>	<u>Trace #</u>
BAC	BENEFIT ADMIN C	\$745.02	C	██████████	██████████	C	

Total Amount in Batch

Total Count in Batch

Debits	\$0.00	0
Credits	\$745.02	1
Prenotes	\$0.00	0

Grand Total Amount

Grand Total Count

Debits	\$0.00	0
Credits	\$745.02	1
Prenotes	\$0.00	0

RptBatchSumViewForm

Page 1 of 1

ACH Cash Pro Online
City of Mill Creek

Report Date: 02/22/2019
Report Time: 05:15:30 PM

Batch Summary Report by ID Number

Company Name: City of Mill 01 Effective Date: 02/25/2019
 ACH ID: ██████████ Batch Sequence: 2
 Application Name: CCD Payments and Collections Database Name: BAC
 Batch Status: Released Created By: SANKOTTKE
 Released By: SANKOTTKE

<u>Name</u>	<u>ID</u>	<u>Amount</u>	<u>D/C</u>	<u>Bank ID</u>	<u>Account #</u>	<u>Acct Type</u>	<u>Trace #</u>
BAC	BENEFIT ADMIN C	\$708.00	C	██████████	██████████	C	

Total Amount in Batch

Total Count in Batch

Debits	\$0.00	0
Credits	\$708.00	1
Prenotes	\$0.00	0

Grand Total Amount

Grand Total Count

Debits	\$0.00	0
Credits	\$708.00	1
Prenotes	\$0.00	0



MINUTES

City Council Regular Meeting

6:00 PM - Tuesday, November 27, 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:

Councilmember Todd attended the meeting via telephone.

Councilmember Steckler made a motion to allow Councilmember Todd participate and vote via phone. Mayor Pro Tem Holtzclaw seconded the motion. The motion passed unanimously.

AUDIENCE COMMUNICATION

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

Rick DeWitt, a Mill Creek resident, asked Council to consider an additional traffic signal be posted at the NE corner of 132nd and Bothell Everett HWY to compensate for the alignment of the stop line and view of signal for traffic turning East on 132nd St SE from Bothell Everett HWY.

Mary Kay Voss, a Mill Creek resident, asked Council to reinstate the Personnel Committee and left her [proposal](#) with the Acting City Clerk to be entered into the record.

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

Brooke Knight, Northshore Senior Center CEO, thanked Council for their support over the years and gave a brief update on current and future programming. Ms. Knight asked Council to consider the seniors in the budget process and encouraged Council to visit the new Senior Center at Vintage.

Jon Ramer, a Mill Creek resident and City Parade Coordinator, asked Council to consider Mill Creek to be the home of the only Gold Star Family Memorial Monument in Washington.

Ron Iverson, a Mill Creek resident, expressed concern over the surface water infrastructure issues and encouraged Council to consider working with Douglas Fir resident, George, who is an underground water repair subject matter expert. Director of Public Works & Development Services Gina Hortillosa advised Council that consultants from Perteeet will be attending George's upcoming workshop in Blaine.

PUBLIC HEARING

B. Preliminary and Proposed 2019-2020 Biennial Budget and Property Tax Levies

Mayor Pruitt opened the Public Hearing at 6:19 p.m.

Interim City Manager Bob Stowe explained how staff worked hard producing a document that reflects the City's guiding principles and desired budget outcomes. City Manager Stowe presented a slideshow reviewing the budget discussion schedule, public hearing schedule, revenue summary, and general fund expense summary. City Manager Stowe addressed questions raised during the previous meeting and provided a ten year history of property tax and EMS levies. City Manager Stowe reviewed financial forecasts using several property tax scenarios.

Mayor Pruitt opened the public comment portion of the public hearing. There were no comments from the audience.

Council engaged in discussion. Director of Finance & Administration Peggy Lauerman answered questions regarding property taxes.

Mayor Pruitt closed the Public Hearing at 6:50 p.m.

C. Surface Water Utility Rate

Mayor Pruitt opened the Public Hearing at 6:51 p.m.

Director of Public Works & Development Services Gina Hortillosa briefed Council on the surface water utility fee study and reviewed the level of service alternatives matrix developed after FCS Group's technical analysis. Director Hortillosa reviewed the preferred service package and corresponding recommended rate increase, additional service packages, debt service, and total capital cost comparison based on funding strategy. Director Hortillosa provided Council with a [spreadsheet](#) identifying operating targets from each scenario.

Mayor Pruitt opened the public comment portion of the Public Hearing. There were no

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

comments from the audience.

Council engaged in discussion. FCS Group consultant John Ghilarducci answered questions from Council.

Mayor Pruitt closed the Public Hearing at 7:28 p.m.

OLD BUSINESS

D. Mill Creek Sports Park Improvements - Construction Contract Award

Director of Public Works & Development Services Gina Hortillosa reviewed elements of the base bid and additives for the sports park improvement project. Director Hortillosa explained project funding sources, the total construction phase cost estimate; and reviewed the construction schedule.

Mayor Pro Tem Holtzclaw made a motion to authorize the City Manager to execute a contract with FieldTurf USA, Inc. for the construction of the Sports Park Improvements Project in an amount not to exceed \$907,762.90. Councilmember Cavaleri seconded the motion. The motion passed unanimously.

E. Executive Search Firm Selection for City Manager Recruitment

Interim City Manager Bob Stowe gave an overview of the Request for Proposal (RFP) process and the firms that responded. City Manager Stowe explained that the Council committee reviewed and evaluated the RFP responses and completed reference checks.

Council engaged in discussion.

Councilmember Cavaleri made a motion to authorize the Interim City Manager to enter into a professional services agreement with Peckham & McKenney to perform the City Manager search. Councilmember Mead seconded the motion. The motion passed unanimously.

NEW BUSINESS

F. Adoption of Emergency Medical Services Tax Levy

Interim City Manager Bob Stowe and the City Council discussed agenda item F, agenda item G, and agenda item H as a whole. Items were voted on as set forth in the minutes.

Councilmember Bond made a motion to approve a 1% EMS tax increase, approving Ordinance 2018-839, AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, LEVYING EMERGENCY MEDICAL SERVICES PROPERTY TAXES UPON ALL PROPERTY; REAL, PERSONAL AND UTILITY SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF MILL CREEK, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2019. Councilmember Steckler seconded the motion. The motion passed unanimously.

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

G. Adoption of Surface Water Utility Rate

Interim City Manager reviewed the two surface water rate options prepared by staff. Council engaged in discussion with a majority selecting Alternative 2C. Alternative 2C increases the annual surface water utility fee from \$78 to \$150 beginning in 2019 and to \$175 in 2020 and \$200 in 2021. Starting in 2022, the fee will increase by 3% through 2026 to reflect the City's inflation assumptions. This fee option includes debt service totaling \$2,800,000. City Manager Stowe described how the blank fields of the resolution will be completed based on the selection of Alternative 2C.

Councilmember Bond made a motion to approve Resolution 2018-576. Councilmember Todd seconded the motion. The motion passed 5-2-0 with Mayor Pruitt and Councilmember Steckler opposed.

H. Adoption of Regular Tax Levy

Interim City Manager Bob Stowe explained that while the budget presented did not include a property tax increase, it is not without cost; explaining how service levels and staffing levels would be affected, as well as long-term financial solvency. City Manager Stowe reviewed the Emergency Medical Services (EMS) levy options.

Council engaged in discussion.

Councilmember Bond made a motion to approve a 0% property tax increase, adopting Ordinance 2018-840, AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, LEVYING REGULAR PROPERTY TAXES UPON ALL PROPERTY; REAL, PERSONAL AND UTILITY SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF MILL CREEK, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2019. Councilmember Cavaleri seconded the motion. The motion passed 4-3-0 with Mayor Pro Tem Holtzclaw, Councilmember Steckler and Councilmember Todd opposed.

At 8:22 p.m. Mayor Pro Tem Holtzclaw made a motion to extend the meeting to 9:00 p.m. Councilmember Steckler seconded the motion. The motion passed unanimously.

RECESS TO BREAK

- I. At 8:23 p.m. Council recessed for a five minute break.

RECONVENE TO REGULAR SESSION

- J. At 8:28 p.m. the meeting reconvened to regular session.

STUDY SESSION

- K. Preliminary and Proposed 2019-2020 Biennial Budget**

Interim City Manager Bob Stowe facilitated a study session focused on elements of the budget. Chief of Police Greg Elwin reviewed his department's budget, Director of Communications & Marketing Joni Kirk reviewed her department's budget, and Director of Finance & Administration Peggy Lauerman reviewed her department's

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

budget and the non-department budget.

Council engaged in discussion. Councilmember Bond asked for consideration and discussion at the next meeting regarding a potential increase in funding for the Senior Center. Based on Council discussion and direction, City Manager Stowe will have an Ordinance prepared for adoption at the next Council meeting.

At 8:58 p.m. Councilmember Cavaleri made a motion to extend the meeting to 9:30 p.m. Councilmember Mead seconded the motion. The motion passed unanimously.

CONSENT AGENDA

- L. Approval of Checks #59409 through #59480 and ACH Wire Transfers in the Amount of \$271,260.60
(Audit Committee: Mayor Pruitt and Councilmember Mead)
- M. Payroll and Benefit ACH Payments in the Amount of \$200,919.14
(Audit Committee: Mayor Pruitt and Councilmember Mead)
- N. City Council Meeting Minutes of September 4, 2018

Councilmember Steckler made a motion to approve the consent agenda. Councilmember Mead seconded the motion. The motion passed unanimously.

REPORTS

- O. Mayor/Council

Councilmember Bond commented on Mary Kay Voss' comments during tonight's audience communication.

Councilmember Cavaleri thanked Council and staff for good discussion regarding the budget.

- P. City Manager
 - Council Planning Schedule
- Q. Staff
 - Design Review Board Meeting Minutes of October 18, 2018
 - Planning Commission Meeting Minutes of October 18, 2018

AUDIENCE COMMUNICATION

- R. There were no comments from the audience.

RECESS TO EXECUTIVE SESSION

- S. At 9:17 p.m. the meeting recessed to executive session for up to 10 minutes to discuss potential litigation pursuant to RCW 42.30.110(1)(i). City Attorney Scott Missall was present during the executive session.

The executive session ended at 9:23 p.m. No action was taken.

RECONVENE TO REGULAR SESSION

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

T. At 9:24 p.m. the meeting reconvened to regular session.

ADJOURNMENT

With no objection, Mayor Pruitt adjourned the meeting at 9:24

Pam Pruitt, Mayor

Gina Pfister, Acting City Clerk

November 27, 2018 REGULAR COUNCIL MEETING MINUTES

MARCH						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5 Council	6	7	8	9
10	11	12 Council	13	14	15	16
17	18	19	20	21	22	23
24	25 ³¹	26 Council	27	28	29	30

APRIL						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 Council	3	4	5	6
7	8	9 Council	10	11	12	13
14	15	16	17	18	19	20
21	22	23 Council	24	25	26	27
28	29	30				

MAY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 Council	8	9	10	11
12	13	14 Council	15	16	17	18
19	20	21	22	23	24	25
26	27	28 Council	29	30	31	

Tentative Council Meeting Agendas
Subject to change without notice

Last updated: March 7, 2019

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)

- Presentation: Community Transit
- Public Hearing: The Farm
- Park & Recreation Board Appointment
- Disposal of Surplus Property (Police Motorcycle)
- Purchase of PW Bucket Truck
- Report: Grand Reopening Plan for Mill Creek Sports Park

April 2, 2019

(Agenda Summary due March 25)

- Study Session: Compensation Strategies
- Study Session: Dobson/Remillard Property
- Contract for Services – DV Services
- Report: Winter Storm Update

April 9, 2019

(Agenda Summary due April 1)

- Contract for Services – Mill Creek Blvd Corridor Study

April 23, 2019

(Agenda Summary due April 10)

- Report: Memorial Day Plans

May 7, 2019

(Agenda Summary due April 29)

Proclamation: Public Works Month

May 14, 2019

(Agenda Summary due May 6)

- Check Presentation to City’s AWC Scholarship Nominee
- Surface Water F Failures – Construction Contract Award

JUNE						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4 Council	5	6	7	8
9	10	11 Council	12	13	14	15
16	17	18	19	20	21	22
23	24 ³⁰	25 Council	26	27	28	29

JULY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 Council	3	4	5	6
7	8	9 Council	10	11	12	13
14	15	16	17	18	19	20
21	22	23 Council	24	25	26	27
28	29	30	31			

AUGUST						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

May 28, 2019

(Agenda Summary due May 20)

- Hawk/SR 96 - Consideration of Speed

June 4, 2019

(Agenda Summary due May 27)

- Presentation: Youth Advisory Board Year-End Recognition
- Presentation: Waste Management

Possible Work Session Topics for Discussion

- Business signs
- MCCA storm water discussions
- Utility Project Management
- Hotel/Motel Theater Tax
- Mill Creek Blvd Vision
- ST3 Stations
- 5G Presentation
- Legislative Retreat
- Gold Star Memorial
- Dobson Remillard Property
- Fleet Program
- Bike Lanes
- Community Funding Criteria and Source of Funds



15728 Main Street, Mill Creek, WA 98012
Administration 425-745-1891
Police 425-745-6175
All Other Departments 425-551-7254

DATE: March 6, 2019
TO: Mayor and Council
THROUGH: Bob Stowe, Interim City Manager
FROM: Peggy Lauerman, Director of Finance and Administration
SUBJECT: Financial Reports for the period ending December 31, 2018

Attached for your review is the City's budget status report as of December 31, 2018.

I am pleased to report that the results of Citywide Funds show a surplus of \$1,755,490 through the 8th quarter of the 2017-2018 biennium. This surplus has been added to the City's 2019-2020 reserve.

In December 2018, the Council adopted the following budget amendments related to the General Fund:

Revenue:

- An increase in revenue of \$1,900,000 related to sales tax, charges for services & interest.

Expenditure Increases:

- Interfund transfer of \$1,045,000 to the Capital Improvement Fund in accordance with the adoption of the 2019-2024 Capital Improvement Plan, Ordinance 2018-837.
- Interfund loan of \$500,000 to the Surface Water Fund as approved by Ordinance 2018-836.
- Increased expenditures of \$450,000 related to legal, professional, and employment costs.
- Funding of the Equipment Replacement Fund as prescribed by the State Auditor's Office in compliance with RCW 35.21.088. Expenditures for depreciation and capital outlay of \$450,000 excluded from general fund expenditures in the 2017-2018 budget as adopted on December 2, 2016, Ordinance 2016-810.

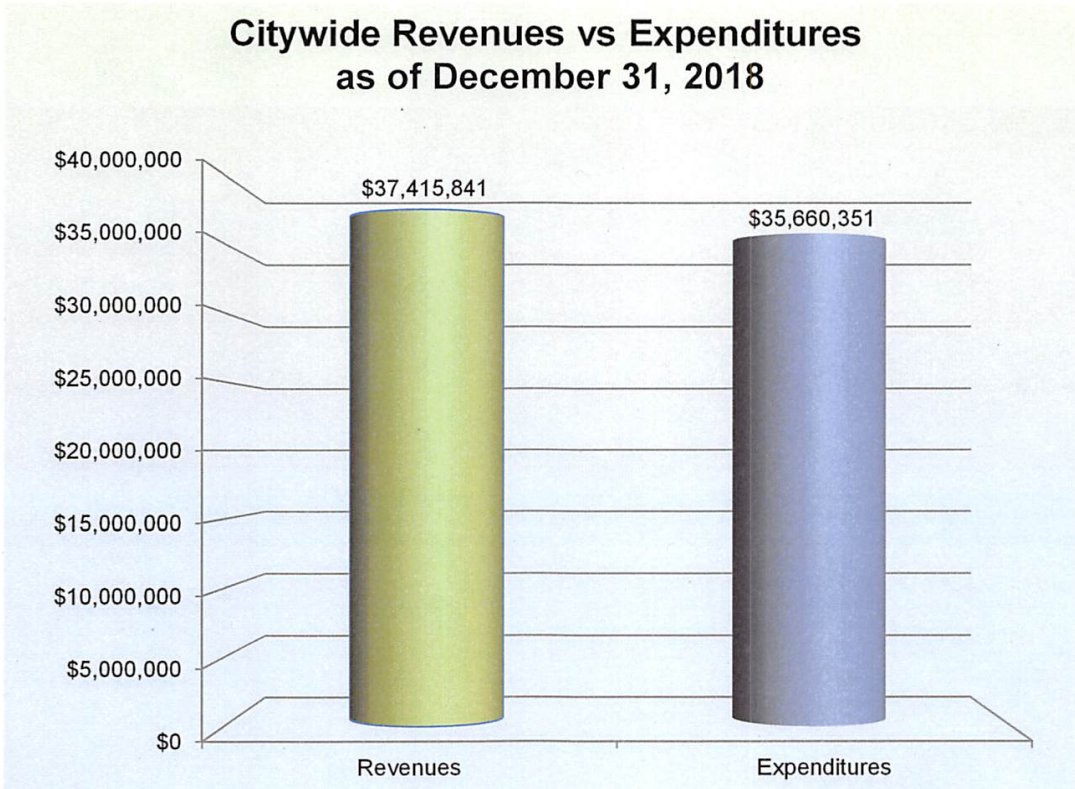
The General Fund reports a surplus for the biennium of \$1,596,201.

Please contact Interim City Manager Stowe or me if you have any questions concerning the attached financial data.

**City of Mill Creek
2017-2018 Budget Status Report
For the Quarter Ending, December 31, 2018
Executive Summary**



On December 31, 2018, the City concluded the eighth and final quarter of the 2017-2018 biennium. The budget period described in this report is 100% complete.



Notable Highlights

Property and EMS tax for the biennium have increased substantially over the previous biennium due to increased levy amounts for 2015, 2016 and 2017. The table below shows the levy percentages since 2015. As a result, the current biennium has had a substantial increase in revenue of approximately \$1,371,000 over the same period in the previous biennium.

	2015	2016	2017	2018
Regular Property Tax Levy	2.00%	3.00%	0.95% *	1.00%
EMS Tax Levy	12.29%	1.00%	31.00%	1.00%

*Limited by Implicit Price Deflator

Other impacts to 2018 revenues vs 2017:

General Fund

- Sales tax increase \$ 177,977
- Passports \$ 356,955
- Fines & Penalties \$ 107,029
- Interest \$ 131,183
- Development Services \$ (89,645)

City Wide Funds

City wide 2018 surplus/deficit

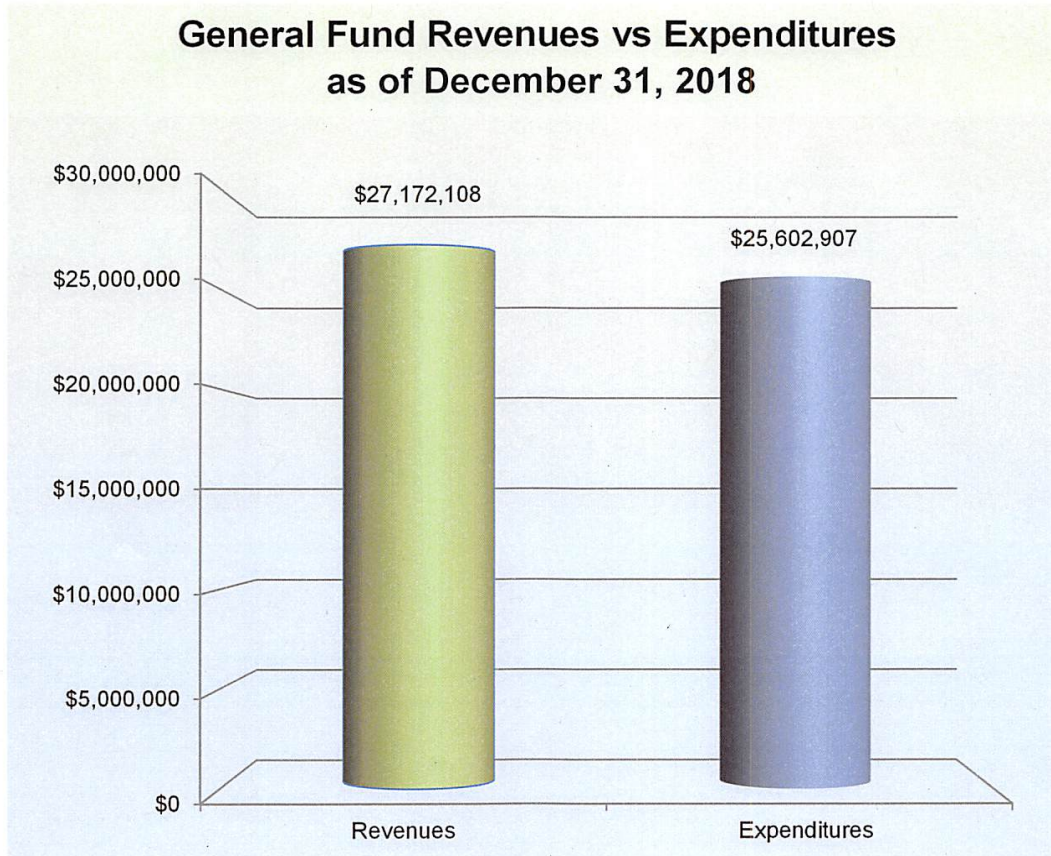
- General Fund \$ 1,596,201
- Street Fund \$ (61,072)*
- Capital Improvement Funds \$ 663,942
- Surface Water \$ (455,625)**
- Other Funds(net) \$ 12,044

Budget vs Actual Figures		Inflow/Outflow	2017-18 Amended Budget	% of Budget
City Wide Total	Inflow	\$ 37,415,841	\$ 37,548,051	99.6%
	Outflow	\$ 35,660,351	\$ 37,536,371	95.0%
General Fund	Inflow	\$ 27,172,108	\$ 26,957,730	100.8%
	Outflow	\$ 25,602,907	\$ 25,609,465	100.0%
Street Fund	Inflow	\$ 1,046,923	\$ 1,016,446	103.0%
	Outflow	\$ 1,107,995	\$ 1,116,000	99.3%
Capital Improvement Funds	Inflow	\$ 5,869,351	\$ 6,332,372	92.7%
	Outflow	\$ 5,205,409	\$ 6,460,000	80.6%
Surface Water	Inflow	\$ 1,583,382	\$ 1,426,000	111.0%
	Outflow	\$ 2,039,007	\$ 2,248,735	90.7%

Note: Amounts exclude interfund transfers/loans

* Expenditures outpaced revenues as a result of increased costs related to repairs and maintenance for street lighting and equipment, landscape services and funding associated with equipment replacement.

** Expenditures incurred for the Sweetwater Ranch Storm Project totaled \$841,000 which caused the deficit for the biennium.



I. ECONOMIC INFORMATION

The State Economic and Revenue Forecast Council's [November 2018 Economic and Revenue Forecast](#) suggests that the Washington economy is expanding at a rapid pace. Washington's unemployment rate reached a new all-time low in October. Seattle home prices and Washington housing construction have weakened. Washington manufacturing activity and export growth remain positive. Seattle area consumer price inflation is well above the national average due to higher shelter cost inflation.

The Washington forecast is very similar to the September forecast. We expect 2.7% Washington employment growth this year compared to 2.9% in the September forecast. We expect employment growth to average 1.3% per year in 2019 through 2023, which is slightly higher than the 1.2% average growth in the September forecast. Our forecast for nominal personal income growth this year is 6.9%, up from 6.6% in the September forecast. Our new forecast for nominal personal income growth in 2019 through 2023 averages 4.8% per year compared to 4.9% per year in the September forecast. We expect

43,700 housing units authorized by building permits this year compared to 43,800 in the September forecast. We expect permits to average 42,300 in 2019 through 2023, down from 42,800 in the September forecast. As in September, we expect the all-items Seattle CPI to rise 3.0% this year. We expect Seattle area inflation will average 2.1% per year in 2019 through 2023, down slightly from 2.2% in the September forecast.

II. GENERAL FUND - REVENUES

In December, a budget amendment was adopted increasing budgeted revenues by \$1,900,000 due to an increase related to sales tax, charges for services & interest.

	Actuals Through 12/31/2018	% of Budget	2017-2018 Amended Budget
Revenues			
Property Tax-Regular/EMS	15,653,810	100.1%	15,634,356
Sales Tax	6,887,112	101.5%	6,783,550
Licenses & Permits	1,388,833	100.0%	1,388,250
Grants/Intergovernmental	784,843	101.0%	777,054
Charges for Services	1,683,519	102.1%	1,649,120
Fines	392,911	101.0%	389,000
Miscellaneous	381,081	113.3%	336,400
Total Resources	27,172,108	100.8%	26,957,730

The City has received \$5,787,446 in sales tax revenue exclusive of public safety and criminal justice sales tax for the first eight quarters of the biennium. Of this amount, tax related to retail trade has outpaced any of the other categories of sales tax with a total of \$2,324,762. Construction sales tax of \$1,140,028 follows retail trade sales tax.

Investment interest has outperformed expectations as a result of steadily climbing interest rates in the Local Government Pool. The City's net interest earning rate was 2.3718% compared to .5057% in December, 2016.

The general fund balance was \$6,088,372 on December 31, 2018.

III. GENERAL FUND - EXPENDITURES

General Fund outflows were \$27,446,083 or 100% of the amended biennium budget.

	Actuals Through 12/31/2018	% of Budget	2017-2018 Amended Budget
Expenditures			
Legislative	427,041	99.8%	427,897
City Manager	1,591,770	99.9%	1,592,915
Finance & Administration	1,364,168	99.6%	1,369,405
Information Technology	799,113	99.3%	804,375
Police	10,032,866	100.0%	10,033,092
Fire Services	7,584,236	100.0%	7,584,300
Non-Department	2,516,827	99.6%	2,526,049
Community Development	1,371,070	99.9%	1,372,014
Public Works	1,758,992	99.8%	1,762,418
Total Expenditures	27,446,083	99.9%	27,472,465
Less Transfers Out/Interfund Loans	(1,843,177)		(1,863,000)
Total Expenditures Less Transfers out	25,602,907	100.0%	25,609,465

IV. OTHER MAJOR FUNDS

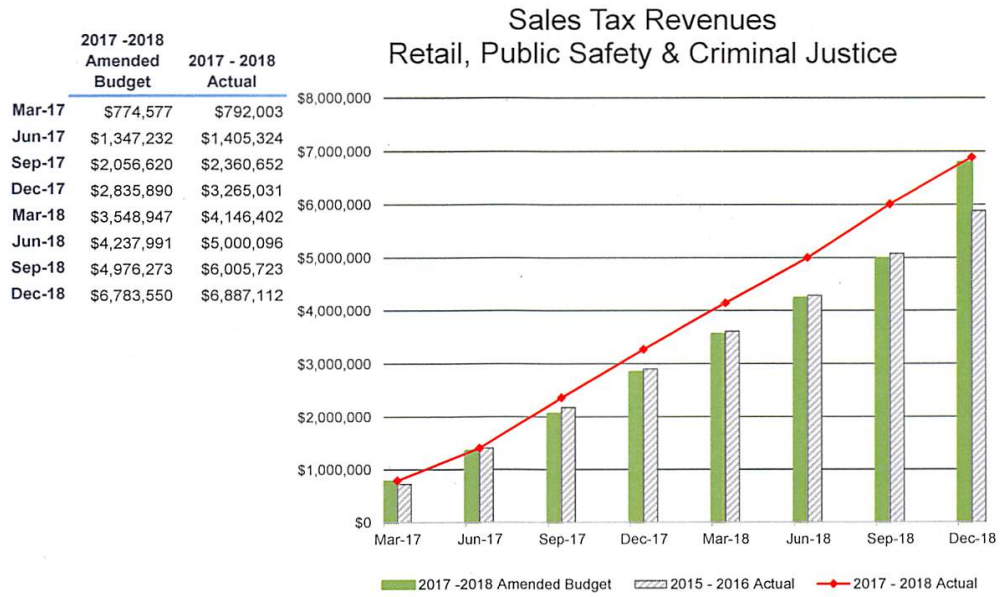
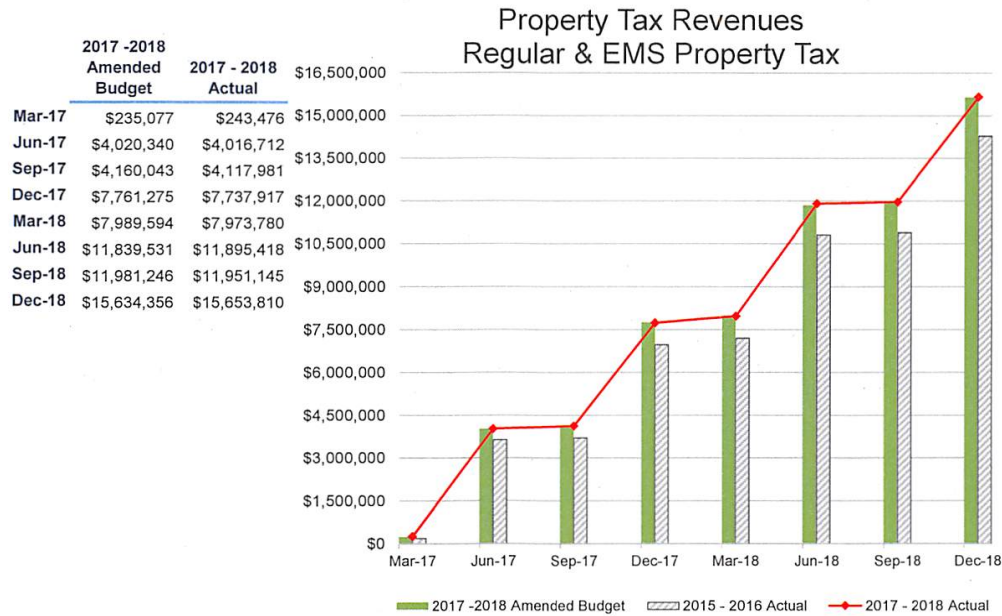
SURFACE WATER FUND

The Surface Water Fund is an enterprise fund that provides services to the public for a fee that makes the entity self-supporting.

Expenditures incurred for the Sweetwater Ranch Storm Project totaled \$841,000 and depleted the reserves for this fund. As a result, a loan of \$500,000 was executed on October 1st which will facilitate cash flow needs of routine operations along with increased expenditures for a rate analysis and design package in connection with future surface water infrastructure repairs. Quarterly payments for principal and interest are scheduled to be \$43,033.

An additional appropriation of \$1,000,000 for the Surface Water Fund was required as a result of the Sweetwater Ranch Storm water infrastructure failure (sinkhole).

General Fund Revenues

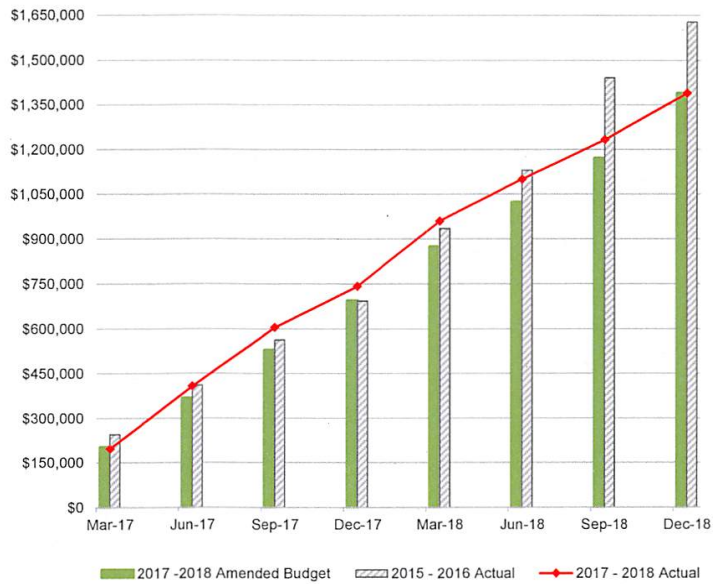


Sales tax excludes \$185,000 of construction sales tax which was allocated directly to the capital improvement fund.

General Fund Revenues

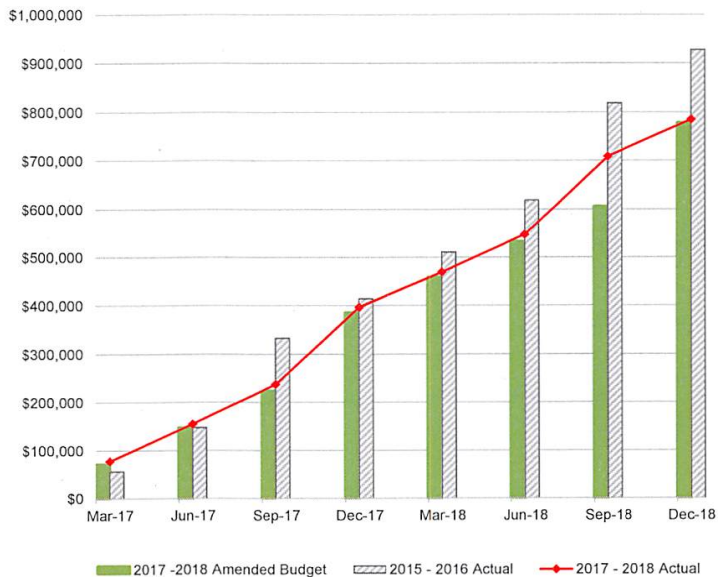
	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$202,129	\$196,786
Jun-17	\$367,247	\$407,438
Sep-17	\$528,381	\$604,368
Dec-17	\$693,514	\$741,192
Mar-18	\$873,948	\$959,757
Jun-18	\$1,022,295	\$1,099,425
Sep-18	\$1,170,272	\$1,232,611
Dec-18	\$1,388,250	\$1,388,833

License & Permit Revenues



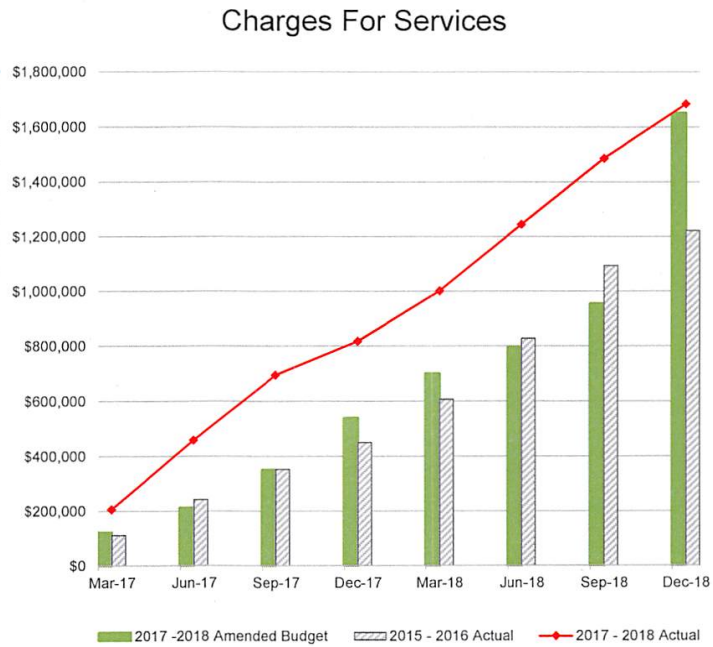
	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$71,806	\$78,061
Jun-17	\$147,678	\$154,939
Sep-17	\$223,550	\$237,583
Dec-17	\$384,917	\$396,415
Mar-18	\$458,659	\$469,461
Jun-18	\$532,401	\$547,371
Sep-18	\$606,142	\$708,432
Dec-18	\$777,054	\$784,843

Intergovernmental & Grant Revenues

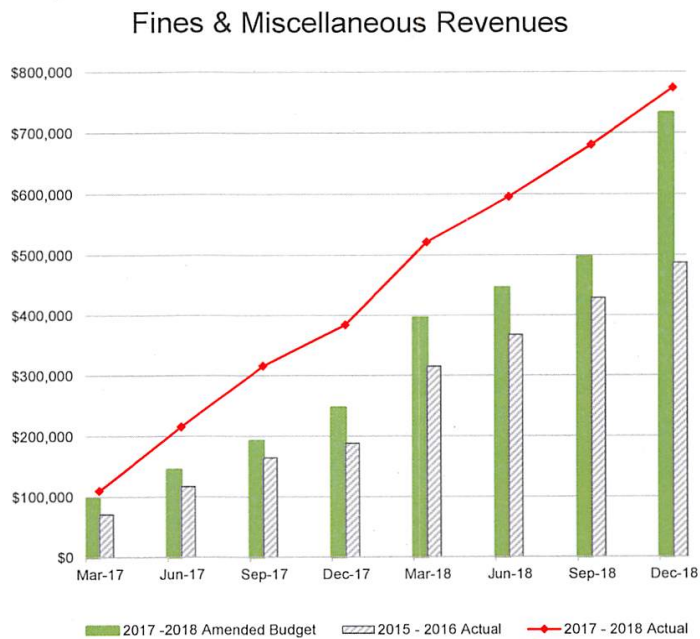


General Fund Revenues

	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$121,726	\$206,206
Jun-17	\$211,653	\$459,369
Sep-17	\$349,279	\$694,756
Dec-17	\$539,205	\$817,627
Mar-18	\$699,884	\$1,000,931
Jun-18	\$795,363	\$1,245,000
Sep-18	\$953,641	\$1,486,084
Dec-18	\$1,649,120	\$1,683,519

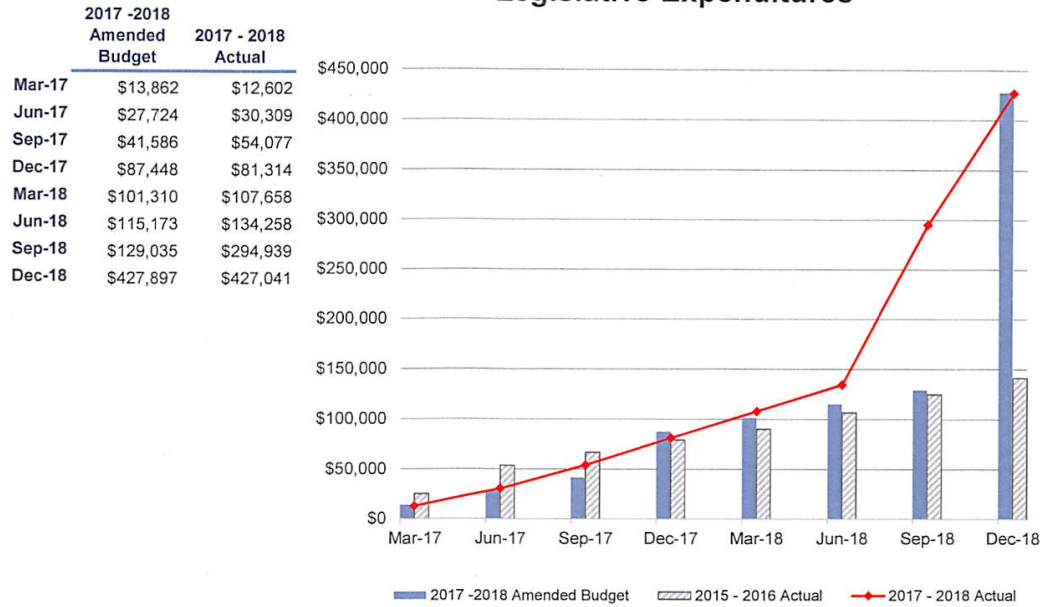


	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$97,124	\$110,213
Jun-17	\$144,583	\$215,289
Sep-17	\$192,041	\$315,831
Dec-17	\$246,770	\$384,369
Mar-18	\$395,395	\$521,746
Jun-18	\$446,020	\$596,419
Sep-18	\$496,645	\$680,383
Dec-18	\$732,670	\$773,991

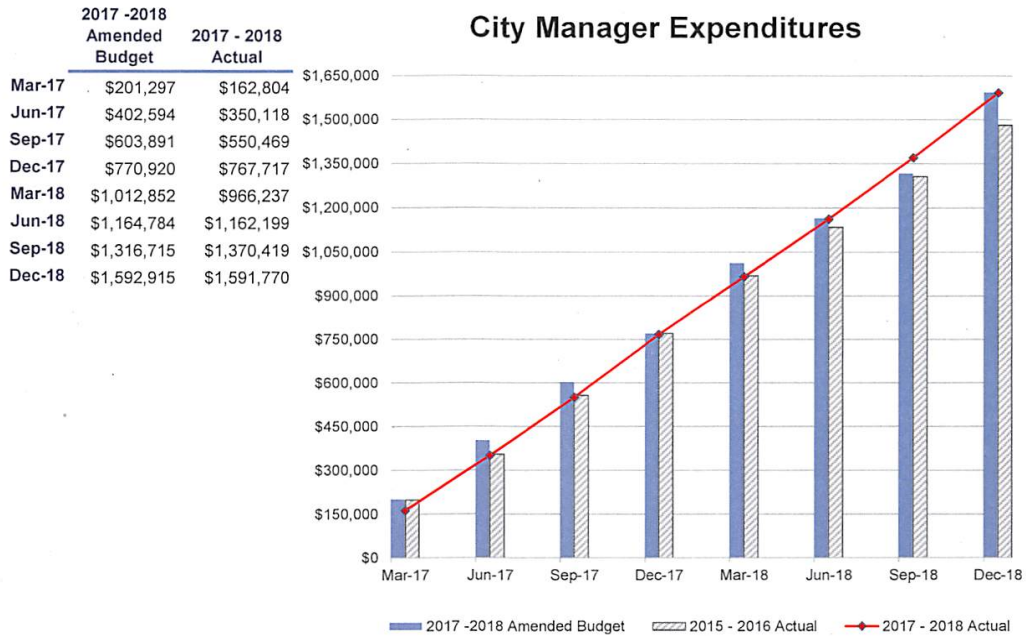


General Fund Expenditures

Legislative Expenditures



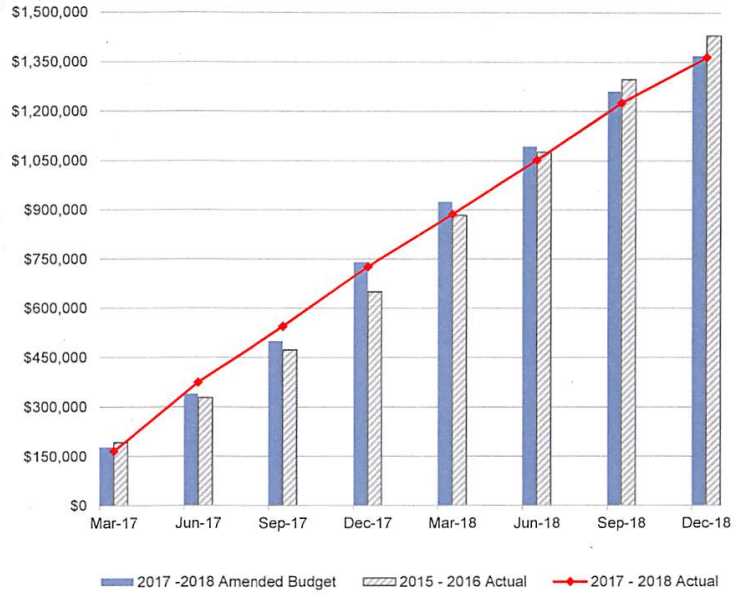
City Manager Expenditures



General Fund Expenditures

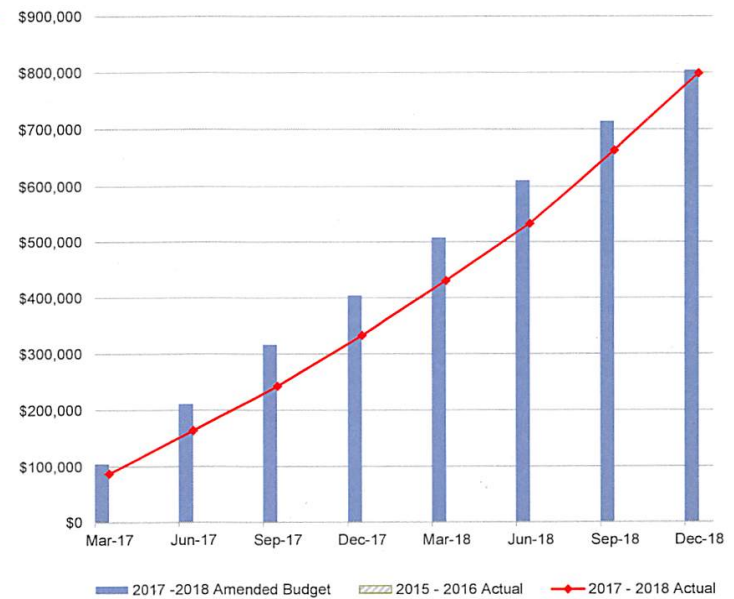
	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$178,100	\$166,209
Jun-17	\$339,200	\$374,408
Sep-17	\$500,299	\$544,802
Dec-17	\$740,667	\$726,796
Mar-18	\$925,419	\$886,557
Jun-18	\$1,093,170	\$1,052,605
Sep-18	\$1,260,922	\$1,225,738
Dec-18	\$1,369,405	\$1,364,168

Finance Expenditures



	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$105,433	\$87,802
Jun-17	\$210,866	\$164,145
Sep-17	\$316,299	\$242,684
Dec-17	\$404,732	\$332,943
Mar-18	\$507,893	\$431,230
Jun-18	\$611,054	\$532,683
Sep-18	\$714,214	\$663,321
Dec-18	\$804,375	\$799,113

Information Technology Expenditures

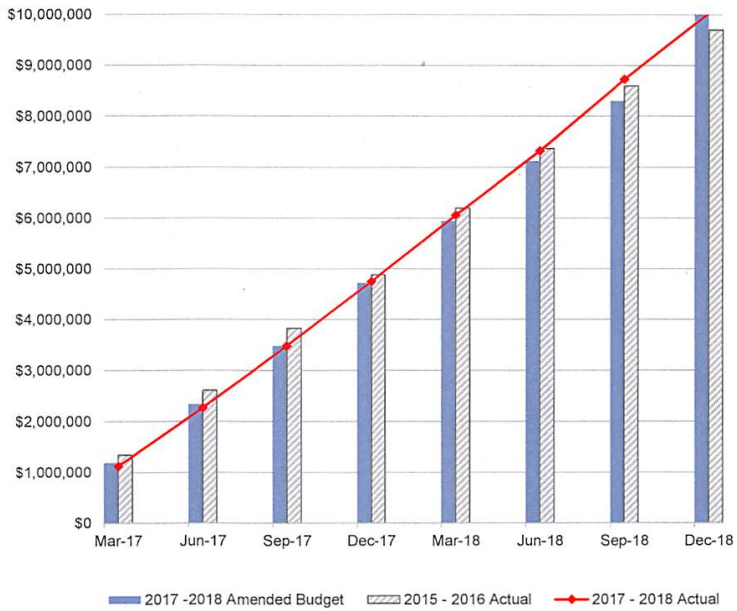


IT was not a separate department in the 2015-2016 biennium and costs are reflected in multiple departments.

General Fund Expenditures

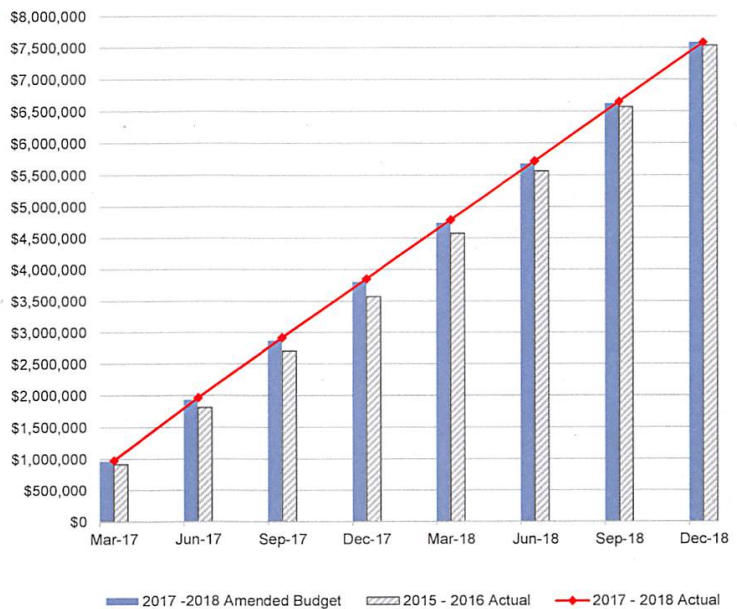
	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$1,192,446	\$1,128,602
Jun-17	\$2,335,892	\$2,265,074
Sep-17	\$3,479,337	\$3,482,937
Dec-17	\$4,723,083	\$4,754,032
Mar-18	\$5,947,944	\$6,061,381
Jun-18	\$7,123,805	\$7,321,442
Sep-18	\$8,299,665	\$8,727,408
Dec-18	\$10,033,092	\$10,032,866

Police Expenditures



	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$966,188	\$982,977
Jun-17	\$1,932,375	\$1,968,687
Sep-17	\$2,870,063	\$2,920,507
Dec-17	\$3,807,450	\$3,855,972
Mar-18	\$4,745,138	\$4,792,949
Jun-18	\$5,682,825	\$5,723,424
Sep-18	\$6,620,513	\$6,653,651
Dec-18	\$7,584,300	\$7,584,236

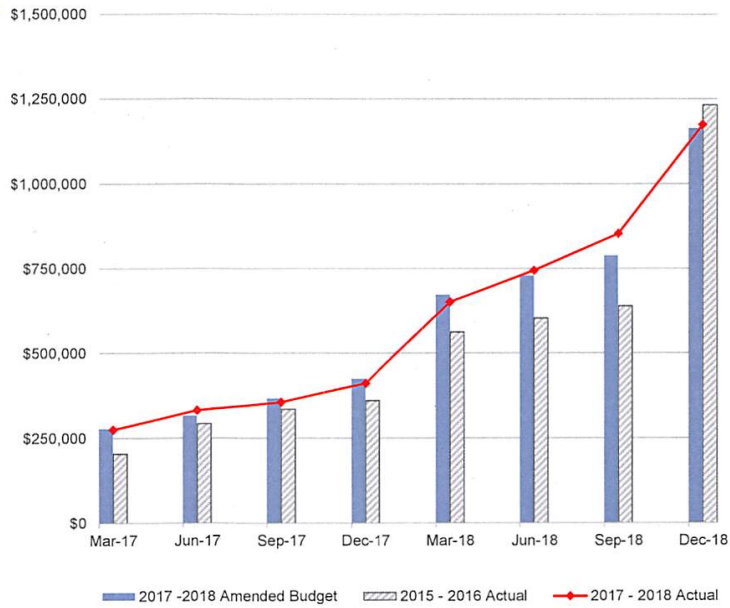
Fire Expenditures



General Fund Expenditures

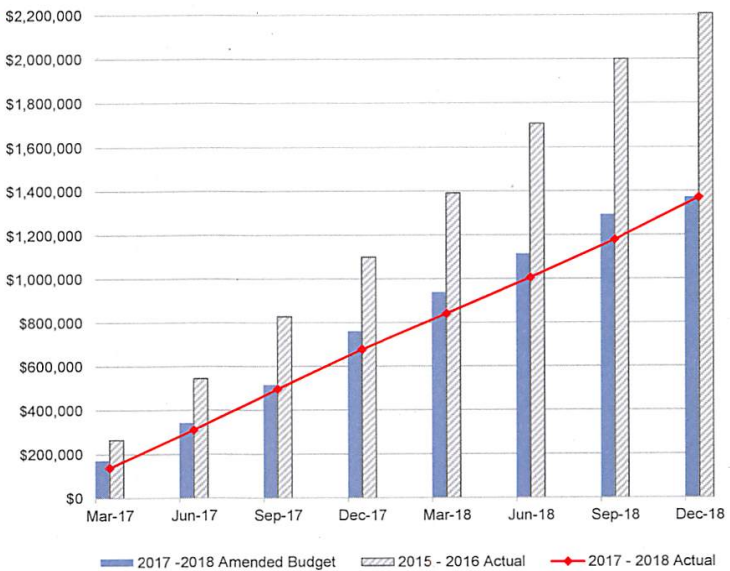
	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$278,542	\$275,364
Jun-17	\$316,836	\$332,539
Sep-17	\$367,238	\$356,772
Dec-17	\$424,910	\$411,806
Mar-18	\$672,970	\$652,013
Jun-18	\$729,230	\$745,037
Sep-18	\$789,290	\$854,606
Dec-18	\$1,163,049	\$1,173,651

Non-Department Expenditures

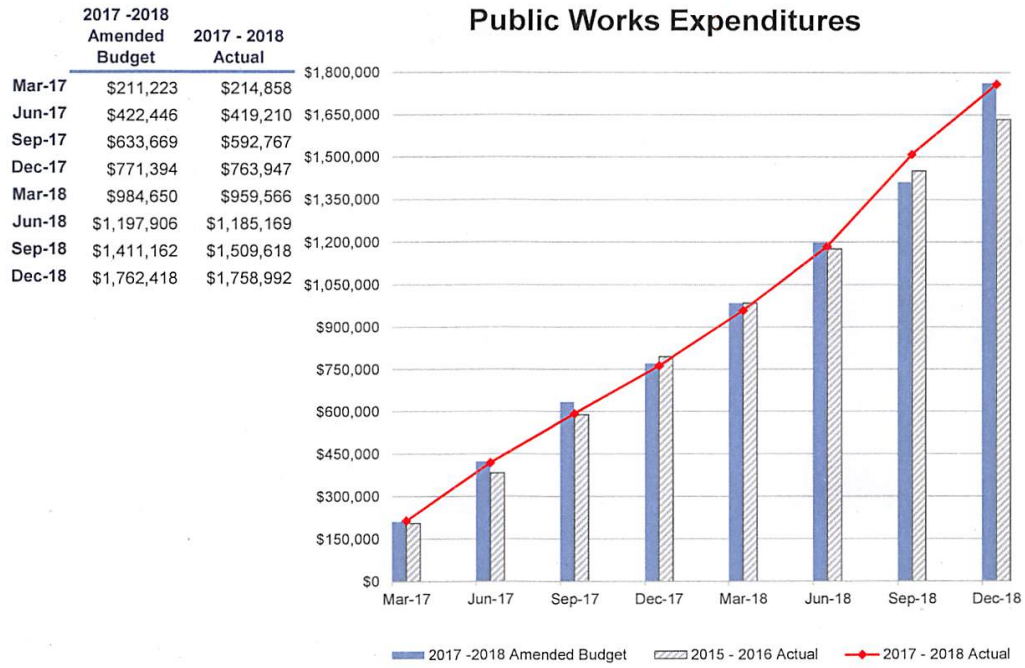


Community Development Expenditures

	2017 -2018 Amended Budget	2017 - 2018 Actual
Mar-17	\$171,888	\$140,363
Jun-17	\$343,776	\$310,793
Sep-17	\$515,663	\$497,012
Dec-17	\$761,049	\$679,115
Mar-18	\$938,790	\$841,621
Jun-18	\$1,116,532	\$1,005,783
Sep-18	\$1,294,273	\$1,180,744
Dec-18	\$1,372,014	\$1,371,070

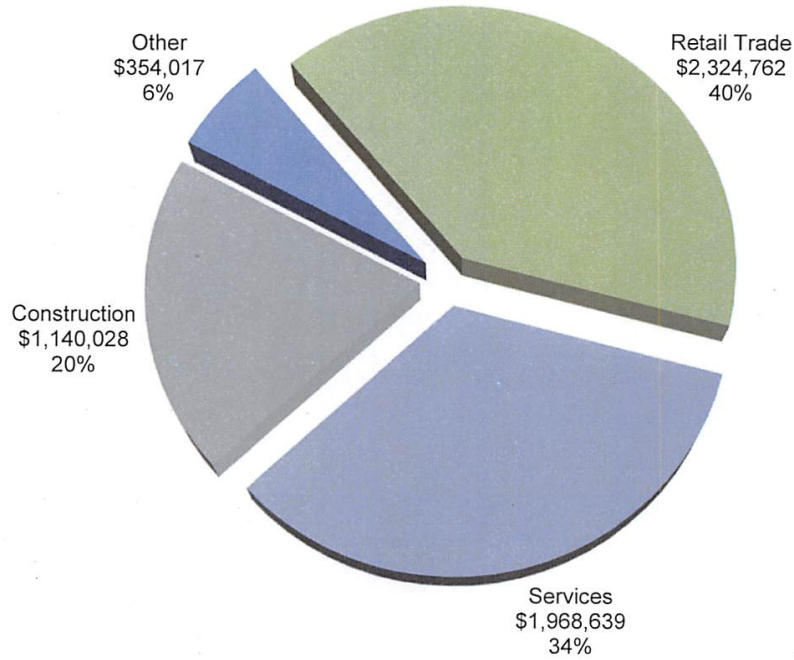


General Fund Expenditures



General Fund Revenues

Retail Sales Tax Revenues



	Retail Trade	Services	Construction	Other	Total
Mar-17	\$271,886	\$218,538	\$109,115	\$43,271	\$642,810
Jun-17	\$251,036	\$217,031	\$149,206	\$37,538	\$654,811
Sep-17	\$298,160	\$233,574	\$208,318	\$48,613	\$788,666
Dec-17	\$270,156	\$231,258	\$196,674	\$43,540	\$741,628
Mar-18	\$302,921	\$240,261	\$131,433	\$43,610	\$718,225
Jun-18	\$278,048	\$256,009	\$122,033	\$41,228	\$697,318
Sep-18	\$341,502	\$293,549	\$137,622	\$55,861	\$828,533
Dec-18	\$311,052	\$278,420	\$85,627	\$40,356	\$715,456
Total	\$2,324,762	\$1,968,639	* \$1,140,028	\$354,017	\$5,787,446

*185,000 was posted directly to CIP Fund

Cash and Investments Balances

	12/31/2018	12/31/2017
Cash Bank Accounts ⁽¹⁾	\$ 108,583	\$ 546,168
State Local Government Investment Pool (LGIP)	\$14,377,057	\$ 12,296,489
US Government Agency Securities ⁽²⁾	\$ 4,751,731	\$ 7,229,784
Total Cash and Investment Holdings	\$19,237,370	\$ 20,072,441

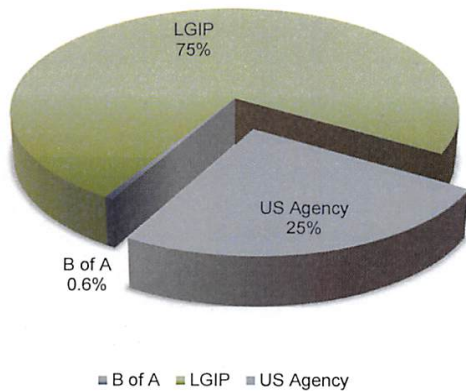
(1) Reflects General Ledger balances, not actual bank cash balances.
 (2) Investments are reported at original cost

Cash and Investments By Fund

	General	REET	CIP	Parks	Roads	Surface Water	Equipment Replacement	Other	Totals
Securities	3,751,758	499,973	-	500,000	-	-	-	-	4,751,731
LGIP	2,332,038	2,922,863	1,415,735	2,342,315	2,208,318	648,816	1,659,879	847,093	14,377,057
Cash	4,577	3,036	821	1,501	2,167	868	745	94,867	108,583
Totals	6,088,372	3,425,872	1,416,557	2,843,816	2,210,485	649,684	1,660,624	941,960	19,237,370

Investment Summary

Cash and Investments by Category



Security Type	
US Agency - Original Cost	\$ 4,751,731
Local Government Investment Pool (LGIP)	\$ 14,377,057
Bank of America Checking	\$ 108,583
Total Investment Portfolio	\$ 19,237,370



15728 Main Street, Mill Creek, WA 98012
Administration 425-745-1891
Police 425-745-6175
All Other Departments 425-551-7254

Neighborhood Focus Group Notes Jan. 10, 2019

*Quarterly meeting of the Mill Creek Neighborhood Focus Group. Meeting Started at 7:00 p.m.
Facilitated by Joni Kirk, City of Mill Creek Communications and Marketing Director*

I. Welcome and Reminder of Meeting Purpose

II. Introductions of Members

- Mark Beales, Amberleigh
- Steve and Carie Lindle, Bluegrass Meadows
- Jerry Popovice, Apple Tree at Thomas Lake
- Sid Siegel, Belvedere Place
- Paul Hairopoulos, Copper Tree
- Lynn Weber, Emerald Heights
- Jamie Teschlog, Fairway
- Jim and Sharonne Ault, Fairway Village II
- Deborah Mauldin, Highlands
- Ed and Kim McNichol, Highland Trails
- Barbara Hubbard, Lakewood Condos
- Hilary Bublitz, MCCA
- Ken McClaring, North Pointe
- Dave Adams, St. Moritz
- Beth Taylor, St. Moritz
- Jan Ott, The Lakes
- Nik Hallady, The Masters
- Robert Fletcher, The Parks
- Rich Dockendorf, The Springs

III. City Projects or Programs

- **City Manager Recruitment:** Director Kirk explained the agency chosen for the selection and the timeline. Attendees were informed about a community social as part of the recruitment process.
- **City Council Vacancy:** Director Kirk explained the timeline and process for applying for the position.
- **Exploration Park Construction:** Director Kirk informed the group about the approved contract and features for the new park.

cityofmillcreek.com

Facebook: [Facebook.com/MillCreekWA](https://www.facebook.com/MillCreekWA)

Twitter: [@MillCreekWA](https://twitter.com/MillCreekWA)

Instagram: [@CityofMillCreek](https://www.instagram.com/CityofMillCreek)

- Mill Creek Sports Park Turf and Light Replacement: Director Kirk explained what features are being replaced, upgraded and modified for the Sports Park.

- How much land does the City own by the Sports Park?

City Response:

The City owns 10 acres, called the Dobson-Remillard property. She also noted that the land adjacent to the City's property is for sale.

- Is there any undevelopable land owned by the City?

City Response:

The City owns the Cook property, across North Creek Drive from the Dobson-Remillard property. It is a five-acre parcel, but its proximity to wetlands means that only a little over an acre is developable.

- Financially is the Sports Park self-sustaining?

City Response:

There are user group fees for rentals and recreational programming that bring in some funding. Users are also charged light usage. These funds help off-set the cost of the overall park, but the Mill Creek Sports Park is not a self-sustaining park.

- 35th Avenue SE Reconstruction Status: Director Kirk shared that the timeline for the project, which is slated to have the roadway open in March. She detailed some of the challenges that have required the project to run to the full eight months, even though there were earlier hopes that the roadway could be opened in December. Someone asked the size of the culverts that were removed, and Director Kirk noted they are 54-inch culverts. Residents shared continued frustration with local access only areas being used by people not residing in those areas. Director Kirk encouraged attendees to remind their neighborhoods to utilize the detour route.

- Historical Preservation Project: Director Kirk provided an update on the project that was created through the Art and Beautification Board. She noted that the goal is to obtain feedback on the panel concepts this spring and hopefully – with grant funding – move to production of the panels to be installed later this year. She asked for feedback from the focus group.

- An attendee asked if it is possible to add other panels in the future?

City Response

There is space available to expand the project to create additional panels for additional history moving forward.

- Memorial Day Update: Director Kirk explained the proposed changes to the parade. Plan would be to leave the Commemorative Ceremony in place for Memorial Day to continue to honor and respect those who made the ultimate sacrifice while serving in the U.S. Armed Forces. She noted that the plan is to no longer have a Memorial Day parade,

which is highly redundant with the parade for Veterans Day. The City would still hold two parades each year; the new parade would be part of a proposed "Mill Creek Days," which would be a week-long event in May. The parade would fall on Armed Forces Day, but also would provide opportunity for other community groups to be part of the parade.

IV. City Responses to Issues Previously Raised

- Is there an opportunity to put reverse 911 onto the Resident Resources area on the website?

City Response

Yes! This has been added. It is the Snohomish County Alerts, to which people must opt-in to receive the notifications of events, such as need for immediate evacuation, crime/imminent danger, and local area emergencies.

V. Current Issues / Topics from Focus Group Members and Their Residents

Feedback from attendees was as follows:

- The City did a great job in cleaning up after the recent wind storms.
- Emerald Heights is concerned about the speed going up the hill on Seattle Hill Road. How can we get a temporary speed sign for the traffic coming up the hill?

City Response:

The speed signs currently are in use for the 35th Avenue SE reconstruction project. However, the City will explore moving them to this area following that project. Chief Elwin noted that he will ask patrol to be aware of this issue.

- Pertaining to Community Transit, when will the new bus stops be open for the new Swift Green Line? Also, can the panels that are at the end of the structures at each bus stop be used for advertising?

City Response:

Community Transit is set to do their grand opening in March 24 at McCollum Park from 11 a.m. to 2 p.m., and service is expected to commence that day. The panels on the bus stop structures will be used to display bus information.

- Due to the roadwork on SR 527, there is no temporary striping at 164, by Fire Station. This is dangerous.

City Response:

The Swift Green Line construction is wrapping up. The road remediation work will occur as part of the final phase of the project.

- Cars heading south on Bothell-Everett Hwy do a U-turn right before 164th Street SE because of the apartments. Is this illegal and what can we do about it?

City Response:

Southbound cars sometimes make a U-turn after exiting the Albertson's/ Rite Aid area, as there is no left turn available to them. This is not prohibited.

- Can we get a flashing pedestrian sign for the crosswalk across SR 527 at 164th Street SE? Eastbound traffic does not stop when turning right onto SR 527.

City Response:

The City will collaborate with WSDOT on possible options to enhance pedestrian visibility at this location.

- When do we take down holiday lights?

Hilary Bublitz, the representative from MCCA weighed in and noted that is really is up to each HOA. However, the general consensus seems to be that the lights should be removed by Super Bowl Sunday, which is Feb. 3, 2019.

- What is the update on the East Gateway Urban Village project, The Farm? Is low-income housing a significant portion of it?

City Response:

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

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

Learn more about this project at www.cityofmillcreek.com/thefarm.

- Is there a spine road for this new development in East Gateway Urban Village?

City Response:

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.

- Is there any movement on changing the name from the Farm to something more appealing?

City Response:

No. 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.

- Is there any place to safely park a locked U-Haul?

City Response:

It is not an issue in terms of safety to park a locked U-Haul anywhere within the City. Mill Creek is a safe City.

- An attendee noted that the drainage at The Parks is a concern from the County's construction along 35th Avenue south of Mill Creek. The county seemed to cut corners and drainage is going into the waste water pond owned by The Parks. They have also caused the planter strips to become mud strips. Can the City reach out to the County about taking responsibility to properly restore these items to their original condition?

City Response:

The City encourages people to reach out to the appropriate person at the County, who is:

Janice Fahning
Director of Engineering Services
425-754-6618

Janice.Fahning@snoco.org

VI. Closing Thoughts

- The next meeting will take place on Thursday, April 18, at 7 p.m. in Mill Creek City Hall North, 15720 Main St., Room 201.
- Meeting adjourned at 8:00 p.m.