



REGULAR MEETING OF THE NORTH BEND PLANNING COMMISSION

**Thursday, October 8, 2020, 7:00-9:00 PM
Online Meeting**

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AGENDA

- 1) **7:00 Call to order and roll call**
- 2) **7:01 Opportunity for public comment on non-agenda items (3 minutes per person)**
- 3) **7:04 Approval of Agenda (no items this meeting for Consent Agenda)**
- 4) **7:04 Approval of Minutes of September 24, 2020 Planning Commission Meeting**
- 5) **7:05 Development Agreement with Puget Western, Inc. to allow septic system for Mario Site Light Industrial Development, subject to participation in Utility Local Improvement District to provide sewer service to area and connection to sewer once available (Jesse Reynolds) **Page 5 of Packet****
 - a) **Staff introduction**
 - b) **Planning Commission deliberation and recommendation**
- 6) **7:40 Introduction – Missing Middle Housing, Medium Density Residential Zone, and Form Based Code (presentation only) **Page 56 of Packet****
- 7) **Adjournment by 9:00 unless otherwise approved by Commission**

Upcoming Agenda Items for October 22 meeting:

- Introduction – Amendments to NBMC 18.11 to establish Medium Density Residential Zone (Mike McCarty)

Agenda & Package distribution by hard copy: Planning Commission, City Hall Front Desk.

Agenda & Package distribution by e-mail: Mayor, Council, Planning Commission, Administrator, City Clerk, City Attorney, CED Director, other relevant staff.

Agenda and packet are also available to the general public from Notify Me via the City's website.



GUIDELINES FOR CITIZEN PARTICIPATION

At Planning Commission Meetings

Citizen Participation and Contribution. Citizens are welcome and encouraged to attend all Planning Commission meetings and are encouraged to participate and contribute to the deliberations of the Commission. Recognition of a speaker by the Planning Commission Chair is a prerequisite to speaking and is necessary for an orderly and effective meeting. It will be expected that all speakers will deliver their comments in a courteous and efficient manner. At anytime during the meeting anyone making out-of-order comments or acting in an unruly manner will be subject to removal from the meeting.

Right to Speak at Public Hearing. Any person has the right to speak at any Public Hearing on the item on the agenda after the staff report and any clarifying questions of the Planning Commission, but before the Planning Commission has discussed the item and action is taken. Speakers are requested to supply their contact information requested on the sign-in sheet to assist the Clerk with the Minutes.

Manner of Addressing Planning Commission. Each person desiring to address the Planning Commission shall stand, state his/her name and address for the record, and unless further time is granted by a majority of the Planning Commission, must limit his/her remarks to three (3) minutes. All remarks shall be addressed to the Chair of the Planning Commission and not to any member individually. All speakers shall be courteous and shall not engage in, discuss or comment on personalities or indulge in derogatory remarks or insinuations.

Spokesperson for Group of Persons. In order to expedite matters and to avoid repetitious presentations, delay or interruption of the orderly business of the Planning Commission, whenever any group of persons wishes to address the Planning Commission on the same subject matter, it shall be proper for the Chair of the Planning Commission to request that a spokesperson be chosen by the group to address the Planning Commission.

Items Not on the Agenda (Citizen's Comments). The Chair of the Planning Commission will provide an opportunity for Citizens to speak on any subject that is not part of the Planning Commission Agenda for that night's meeting. Each person desiring to address an item that is not on the Planning Commission Agenda shall stand, state his/her name and address for the record, state the subject he/she wishes to discuss, if he/she is representing a group or organization the name should be stated, and unless further time is granted by a majority of the Planning Commission, must limit his/her remarks to three (3) minutes. Speakers are requested to supply the contact information requested on the sign-in sheet to assist the Clerk with the Minutes.

NORTH BEND PLANNING COMMISSION
- ACTION MEETING MINUTES -
Thursday, September 24, 2020 at 7:00 PM
- Online Meeting -

Please Note: A complete audio recording of this meeting is available on the City of North Bend website, www.northbendwa.gov, under: Government - Boards & Commissions - Planning Commission - Meeting Audio

CALL TO ORDER

The meeting was called to order at 7:00 PM.

ROLL CALL

Planning Commissioners present: Judy Bilanko, James Boevers, Heather Bush, Scott Greenberg, Olivia Moe and Gary Towe (Chair). Commissioner Torguson was unable to attend and has been excused from tonight's meeting. City Staff Present: Mike McCarty, Senior Planner

AGENDA ITEM #2: Opportunity for Public Comment

Chair Towe asked if anyone in virtual attendance would like to comment on any subject. No one so spoke.

AGENDA ITEM #3: Approval of Agenda (no items this meeting for Consent Agenda)

The Agenda for tonight's meeting was Approved.

AGENDA ITEM #4: Approval September 10, 2020 Planning Commission Meeting Minutes

There was a change to the September 10, 2020 Draft Minutes. On Line 35, change the number of votes approved to 6-0, not 5-0. The Minutes for the September 10, 2020 meeting were Approved, as amended.

AGENDA ITEM #5: Wayne Seminoff Marijuana Retail Development Agreement – 43514 SE North Bend Way (Mike McCarty)

a) Staff Introduction

Mike McCarty provided an introduction to this Agenda Item.

b) Planning Commission deliberation and recommendation

There was discussion between the Planning Commissioners and Mr. McCarty regarding this development proposal.

There was a Motion by Commissioner Greenberg to delete Section 3.11 regarding Traffic Impact Fees. Commissioner Moe seconded the Motion. The Motion was Approved, 6-0.

There was a Motion by Commissioner Bush to Approve the Development Agreement as amended at tonight's meeting. Commissioner Bilanko seconded the Motion. The Motion was Approved, 4-2 (Greenberg, Towe).

AGENDA ITEM #6: Development Agreement with Puget Western, Inc. to allow septic for Mario Site Light Industrial Development, subject to participation in Utility Local Improvement District to provide sewer service to area and connection to sewer once available (Jesse Reynolds)

a) Staff Introduction

Jesse Reynolds briefed the Commissioners on the project, and introduced Mr. Joel Molander and Mr. Troy Nutter, both from Puget Sound Energy, who are attending tonight's virtual meeting. Both provided an overview of the proposed project.

b) Public Hearing

Chair Towe Opened the Public Hearing at 7:41 PM. No comments were received.

Chair Towe Closed the Public Hearing at 7:42 PM.

c) Planning Commission deliberation

City of North Bend Planning Commission Minutes – September 24, 2020

1 There was discussion, including suggestions for edits, between the Commissioners and city staff on this proposed
2 project.
3

4 **AGENDA ITEM #7: Adjournment by 9:00 PM unless otherwise approved by Commission**

5 The meeting was adjourned at 8:18 PM.
6

7 **Upcoming Agenda Items for October 8th Meeting:**

- 8 • **PC Recommendation – Puget Western Mario Site Light Industrial Development Agreement**
- 9 **allowing Septic subject to ULID participation (Jesse Reynolds)**
- 10 • **Introduction – Creation of a new Medium Density Residential Zone (Mike McCarty)**

11
12 The next Planning Commission meeting will be October 8, 2020 and will be held online.
13

14 ATTEST:
15

16 _____
17 Gary Towe, Chair

Mike McCarty, City of North Bend



DATE: September 30, 2020
 TO: Planning Commission
 FROM: Jesse Reynolds, AICP
 SUBJECT: DRAFT Planning Commission Report, Findings and Recommendations – Proposed Development Agreement to allow temporary septic on a site prior to sewer availability

Summary: Puget Western, LLC, a local land development company, has applied for a Development Agreement (DA) with the City of North Bend (City) to temporarily allow the use of septic for a proposed training facility for Puget Sound Energy (PSE). Currently sanitary sewer is not provided to this section of the City, and until a Utility Local Improvement District (ULID) or other mechanism provides sewer to this location, the corner of NW 8th Street and Alm Way (Parcel 0523089059), septic is needed for this development to occur. The need for this facility is immediate, and if this DA does not happen PSE will find a site elsewhere.

The conditions of the DA specify no protest once sewer is available, at which point the septic system will be decommissioned and abandoned. The project as proposed consists of two phases:

1. SEPA Review and King County Department of Health (DOH) Septic System Permitting, and
2. Project Design and Construction

The project is still in conceptual design phase, further designs pending this DA approval. The product will be a regional training facility for PSE, helping train employees on gas infrastructure, with likely electricity training facilities in the future. No real natural gas is used on site, only compressed and scented air, so safety is not an issue. The project is seen as a benefit to economic development, bringing jobs to this largely undeveloped western portion of the City.

A draft DA was reviewed and approved by the Council Transportation & Public Works Subcommittee on August 25th, who recommended taking it through the public process for consideration and recommendation by the Planning Commission to the City Council. Following a public hearing on September 24, 2020, the Planning Commission recommended(TBD)..... on October 8, 2020.

Comprehensive Plan Goals supporting this DA:

- CF – Goal 1: *Provide adequate capital facilities and services necessary to serve the community's existing and future development while maintaining adopted level of service standards.* This DA is seen by Staff as a steppingstone toward approving and executing the Meadowbrook ULID, which will bring sewer to this property and others in the western portion of the City, thus meeting this goal. Because the City is not currently meeting this goal by not providing sewer to this area, and is obligated by the Growth Management Act (GMA) to accommodate growth within its Urban Growth Area, this DA is a temporary stop-gap to meet GMA and Comprehensive Plan obligations pertaining to this portion of the City. As a contractual obligation to accept the Meadowbrook ULID, this DA is an instrument to support reaching this goal.

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- CF – Goal 3: *Develop capital facilities in a manner that minimizes adverse impacts, encourages public participation, and maximizes opportunities.* This DA addresses this goal by following the requirements for septic design and construction approval by King County Department of Public Health, and North Bend Municipal Code (NBMC) 13.20. This DA meets the statement of public participation by addressing the comments made by several adjacent landowners within the potential Meadowbrook ULID area in favor of such a ULID. These favorable comments and resulting sentiments are derived from a landowner petition and emails addressing a motion to authorize a contract for appraisal services for the Meadowbrook ULID during the June 2, 2020 and July 21 Council sessions (comments provided). This DA maximizes the opportunity to develop the Meadowbrook ULID by guaranteeing this landowner will participate.
- CF – Goal 4: *Finance North Bend’s needed capital facilities in the most economic, efficient, and equitable manner possible.* This DA meets this goal by guaranteeing this landowner will participate financially in the Meadowbrook ULID, while providing economic benefit in the interim by way of local employment and training. Due to the immediate need for a training facility, if this DA does not happen, PSE will find a site elsewhere.
- CF – Goal 5: *Provide a full range of cost-effective services to residents within North Bend city boundaries and the Urban Growth Area as annexed.* This DA meets this goal by guaranteeing this landowner will participate financially in the Meadowbrook ULID, while providing economic benefit in the interim by way of local employment and training. Due to the immediate need for a training facility, if this DA does not happen, PSE will find a site elsewhere.
- ED – Goal 2: *Create public and private opportunities for economic development that encourage and enable redevelopment of underperforming commercial sites.* This DA meets this goal by guaranteeing this landowner will develop their previously cleared yet vacant Employment Park-1 zoned site, located between a Tanner Electric substation and the Nintendo Distribution Center truck entrance. Due to the immediate need for a training facility, if this DA does not happen, PSE will find a site elsewhere.
- ED – Goal 4: *Encourage retention and recruitment of business and industry which provide living-wage employment.* This DA creates a regionally-needed training facility for critical utility infrastructure, helping augment an aging workforce while creating living-wage employment opportunities for young people. Due to the immediate need for a training facility, if this DA does not happen, PSE will find a site elsewhere.

Brand Goals strongly supporting this DA:

- Economic Vitality – guarantees a training facility with livable wage jobs will be created within the City that would otherwise be located elsewhere due to lack of sewer.
- Balanced Budget – increases the tax revenue generated from this property that would otherwise not exist due to the current lack of sewer.

Public Outreach and Feedback: A 10-day public comment period for this DA occurred between September 11th and September 24th. The public was notified via the Snoqualmie Valley Record, emails to interested parties, the City Website, a sign posted at the site, postings at public areas, and mailings to

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adjacent landowners. There were four comments from three parties given during this comment period and are provided in this packet.

Summary of Commissioner Comments from the September 24th Public Hearing with Responses and Actions Taken:

Commissioners made a wide range of comments during the public hearing, which can be summarized into the following themes: employment opportunities, ULID efficacy, the possibility of waiting for the ULID to develop this site, compliance with the City's Comprehensive Plan, general environmental concerns, concerns on septic abandonment/removal, and general dislike for development agreements.

Employment opportunities – Commissioners Bilanko inquired on the number of full-time employees at the facility. Currently there are 15 expected, with opportunities for expansion and partnerships with local community colleges. Currently this is a gas training program and would be expected to grow into electric. The number of employees does not reflect the number of trainees that will visit the site.

ULID efficacy and timing – Commissioner Bush inquired about what would happen if the ULID does not happen. All indications are that a ULID will happen, as is demonstrated in the provided comments. If by unlikely chance the ULID does not happen, all requirements from King County Department of Public Health and NBMC 13.20 will still apply, as is the case with all other septic systems in city limits. Commissioner Towe inquired on the number of property owners in favor of the ULID. Staff believe there are enough owners that have petitioned the formation and the appraisal is complete. This has been discussed at length with Council, emphasizing the importance of this ULID to economic development, and landowners want septic in the interim because they are tired of waiting. Commissioner Towe also asked about waiting to construct the project when the sewer is ready. The developer explained this is a temporal issue, the facility is needed now, and if it cannot be built in North Bend soon PSE will have to look elsewhere.

Comprehensive Plan compliance – Commissioner Greenberg requested Staff illustrate how this DA complies with specific goals in the City's Comprehensive Plan. Staff demonstrated this in a previous section recently added to this report.

Environmental concerns – Commissioner Moe asked if additional flora would be destroyed because the septic system is in place. The site is currently cleared from forest with mostly tall grass, shrubs and a few aging malus species on the edge of the parcel. The developer explained the area containing the current septic design would be used for additional training facilities if septic were not needed, as every square foot of this property will be used when available.

Concerns regarding septic abandonment/removal – Commissioner Towe mentioned abandoning septic could bring long-term risks. Specific risks were not specified, but staff can insure that through this DA, King County Department of Public Health regulations, and NBMC 13.20, all necessary measures to address environmental concerns will be taken. Proper abandonment upon connection to sewer is specifically required under NBMC 13.20.070, and there are penalties for failure to connect once

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required, under 13.20.110. Aside from the abovementioned regulations, the developer plans to use this portion of the site when the septic is decommissioned, which requires removal of the system and the placement of engineered fill. Additional comments were made from Commissioners Bush, Towe, Greenberg regarding concerns for abandonment of the septic, mentioning such potential elements as plans, financial guarantees, additional provisions. To address this concern a provision was added to this DA in Section 2.B which replicates what was used in the DA for the Snoqualmie Valley Athletic Center (NB Res. 1921, Sec. 1.2). Staff added provisions modeled after this DA for consistency.

General distain for development agreements –Commissioner Towe distinguished between his general support for the project and what is felt as a generally dubious process of executing DAs, and will continue to question the nature of DAs as they continue to be presented to the Planning Commission. It was felt DAs should not be a replacement for code updates. Staff appreciates this concern and agrees that some of our municipal code needs updating. Staff also feels no matter how up-to-date a set of municipal codes may be, unique situations will always present themselves, where DAs are a perfect tool to commence an agreement that is beneficial to the City by creating leverage and concessions for projects that are unique to what our code covers.

Summary of Commissioner Comments from October 8th Meeting and Actions Taken:

TBD

Planning Commission Recommendation:

TBD

Staff Recommendation:

Based on the findings above, Staff recommends approval of this development agreement. We see this as a temporary bridge to guarantee the creation of a regionally needed training facility which will directly benefit the City economically and help provide living-wage jobs locally.

 Jesse Reynolds, AICP, Economic Development & Spatial Manager X TBD X
Date

Planning Commission Recommendation:

Following consideration of the staff report and meeting discussion and Public Hearing on September 24, 2020 and continued discussion on the October 8, 2020 Planning Commission meeting, the Planning Commission recommends to **XXXX (by way of X-X vote)** this Development Agreement to allow temporary septic on Parcel 0523089059 prior to sewer availability.

 Gary Towe, Planning Commission Chair

 Date

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DRAFT

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**DRAFT
DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF NORTH BEND
AND PUGET WESTERN, INC.
FOR THE
MARIO COMMERCIAL/LIGHT INDUSTRIAL COMPLEX**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this [REDACTED] day of [REDACTED], 2020, by and between the City of North Bend, a municipal corporation of the State of Washington (“the City”) and Puget Western, Inc., a Washington corporation (“the Developer”), or Developer’s assignee.

WHEREAS, Developer has proposed to construct a light industrial office/commercial complex in the Employment Park 1 zoning district in the City of North Bend (the “Project”); and

WHEREAS, the proposed development is consistent with North Bend’s Comprehensive Plan goals and policies for this area; and

WHEREAS, the City has agreed to allow the Project to be developed in two phases as set forth below; and

WHEREAS, the Developer has agreed to and shall participate in the formation of a Utility Local Improvement District (the “ULID”) if and when approved by the City Council for the purpose of funding and constructing City sewer infrastructure to the Project and other properties participating in the ULID; and

WHEREAS, the City has agreed to allow the Project to be served by an onsite septic system (“Project Septic System”) until such time as City sewer infrastructure and services (“City Sewer System”) are available to the Project via ULID or otherwise; and

WHEREAS, the Developer has agreed to decommission and abandon the Project Septic System and connect to the City Sewer System when such City Sewer System is complete and available; and

WHEREAS, the Developer shall submit a SEPA Checklist under the State Environmental Policy Act (“SEPA”) and in conformance with the City’s Comprehensive Plan and Development Regulations as part of its proposed Phase One development; and

WHEREAS, the Developer and City have agreed to update and amend this Agreement to reflect the final proposed Project as defined during the SEPA process, including any required mitigating measures; and

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to, govern, and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must be consistent with the applicable development regulations adopted by local government planning under the Growth Management Act (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must be approved by ordinance or resolution after a public hearing (RCW 36.70B.200); and

WHEREAS, on September 24, 2020, a public hearing on the subject Agreement was held during a regular meeting of the North Bend Planning Commission; and

WHEREAS, on [REDACTED], 2020 the City Council passed Resolution No. [REDACTED], approving and authorizing the Mayor to enter into this Agreement on behalf of the City;

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

1. The Project Site. The “Project Site” is approximately 9 acres of entirely vacant land located generally at the intersection of NW 8th Street and Alm Way and comprised of King County Tax Parcel No. 052308-9059. The Project Site is more particularly described in the attached **Exhibit A.**

2. The Project. The Project is the development and use of the Project Site as a commercial/light industrial complex consisting of one or two buildings totaling approximately 112,000 square feet and all appurtenances. The Project will be completed in two (2) phases, as follows:

A. Phase 1: SEPA Review and King County DOH Septic System Permitting.

1. Complete the requisite analyses and studies to be submitted with its SEPA application for the Project, including supporting rationale for building size(s) and configuration alternatives in conformance with the Comprehensive Plan and City code (including critical area and floodplain development regulations), and other applicable state, county, or local regulations;
2. Analyses and studies may be performed by Developer or its assignee and on a schedule aligned with Developer’s or its assignee’s development schedule based on market conditions.
3. City and Developer or its assignee(s) will negotiate to amend this Agreement pursuant to Sections 14 and 27 to incorporate the final Project specifications and site plan upon issuance of and consistent with the City’s threshold decision under SEPA (“Amended Agreement”).

B. **Phase 2: Project Design and Construction.** Upon approval and mutual execution of the Amended Agreement, Developer shall:

1. Design and construct the City-approved Project as set forth in the Amended Agreement and otherwise consistent with applicable City code.
2. If developed prior to the availability of connection to the City Sewer System, the design and construction of the Project shall include the Project Septic System which shall be subject to approval by the King County Department of Health. The Project Septic System shall in all cases include “septic-to-sewer” cutover infrastructure and connection capability subject to the City’s reasonable approval which shall permit later connection to the City Sewer System. Developer shall keep and maintain the Project Septic System in good and safe working order and the City shall not be responsible for disposal of waste from the Project Septic System. Additionally, the Project design shall include the decommissioning and abandonment plan for the Project Septic System when the City Sewer System is available for connection.
3. Developer shall execute and record on title an LID or ULID No Protest Agreement pursuant to NBMC 13.20.060. Developer shall not directly, indirectly, or through third parties oppose the formation of any such LID or ULID.
4. Upon completion of a City Sewer System serving the property, Developer shall immediately decommission and abandon the Project Septic System subject to City and King County Health requirements, and connect to the City Sewer System. Nothing in this agreement shall excuse Developer from paying any applicable ULID assessments, general facilities charges, or any other rates, assessments, charges, and the like associated with the availability of sewer, connection to the City Sewer System, or attributable for the provision of sewer service thereto.

3. **Exhibits.** The following exhibits, attached hereto, are incorporated herein and made part of this Agreement by this reference:

- A. Exhibit A: Project Site – Boundary and Topographic Survey;
- B. Exhibit B: Conceptual Site Plan
- C. Exhibit C: Studies performed to date, including source and publication date.

4. **Effective Date and Duration.** This Agreement shall commence upon the effective date of the City Council resolution approving this Agreement (the “Effective Date”), and shall continue in force for a period of ten (10) years (the “Initial Term”) unless extended or terminated as provided herein. Following the expiration of the Initial Term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer.

5. Project is a Private Undertaking. It is agreed among the parties that the Project is a private development and that the City has no interest therein except as authorized in the exercise of its governmental functions.

6. Agreement Binding on Future Landowners. From time to time, as provided in this Agreement, Developer may sell, assign, convey, or otherwise lawfully transfer a portion or all of the Project Site to a person or entity (“Landowner”) who, unless otherwise released by the City, shall be subject to the provisions of this Agreement applicable to such portion or all of the Project Site acquired by such Landowner. Pursuant to RCW 36.70B.190, “A development agreement shall be recorded with the real property records of the county in which the property is located. During the term of the development agreement, the agreement is binding on the parties and their successors.” Notwithstanding the foregoing, but only after first obtaining the City’s written consent which shall not be unreasonably withheld, Developer shall be released from any and all further obligations under this Agreement as such obligations apply to the sold, assigned, conveyed, or transferred portion or all of the Project Site, provided that the subsequent Landowner expressly assumes the obligations under this Agreement as provided herein.

7. Planning and Development.

A. Development Standards. Except as otherwise specifically provided in this Agreement, the Project shall be completed in accordance with all development and design standards of the North Bend Municipal Code (“City Code”), and all applicable environmental, building, and construction codes and regulations contained therein in effect at the time of permit submittal.

B. Public Works. Developer shall design and install right-of-way improvements that meet all City standards and shall be installed before issuance of a certificate of occupancy for the Building. Upon completion, said right-of-way improvements shall be dedicated to the City.

8. Vested Rights.

A. During the term of this Agreement, Developer, its assigns, and any successor Landowner/s (collectively, “Developer Parties”) are assured, and the City agrees, that the development rights, obligations, terms and conditions specified in this Agreement, are fully vested in Developer Parties and may not be changed or modified by the City, except as may be expressly permitted by, and in accordance with, the terms and conditions of this Agreement, including the exhibits hereto, or as expressly consented to by Developer or Developer Party which consent may be withheld by Developer or Developer Party in their sole discretion.

B. This Development Agreement only addresses the specific “development standards” as provided for herein. The term “development standards” shall have the meaning ascribed to it under RCW 36.70B.170(3). The City’s development regulations as set forth in the City Code, including building, fire, public works, land use, and signage regulations shall govern development of the Project unless specifically addressed otherwise in this Agreement. No vesting is created by this Agreement for any other development standard or City Code development regulation that is

not included in this Agreement. Notwithstanding the foregoing, Developer or Developer Party will have the full benefit of the vested rights doctrine in Washington State..

9. Permits Required. Developer shall obtain all permits required under the City Code for this Project.

10. Minor Modifications. Minor modifications from the approved permits or the exhibits attached hereto may be approved in accordance with the City Code, and shall not require an amendment to this Agreement.

11. Further Discretionary Actions. Developer acknowledges that the City's land use regulations contemplate the exercise of further discretionary powers by the City. These powers include, but are not limited to, review of additional permit applications under SEPA. Nothing in this Agreement shall be construed to limit the authority or the obligation of the City to hold legally required public hearings, or to limit the discretion of the City and any of its officers or officials in complying with or applying ordinances that govern the permitted uses of land, the density and intensity of use, and—except for the City Code development regulations and development standards expressly provided for herein--the design, improvement, construction standards and specifications applicable to the development of the Project Site.

12. Existing Land Use Fees and Impact Fees.

A. Developer acknowledges and agrees that land use, building, fire, public works and sign fees adopted by the City as of the Effective Date of this Agreement may be increased by the City from time to time, and are applicable to permits and approvals for the Project Site, as long as such fees apply to similar applications and projects in the City. Developer shall pay all City fees and charges in effect at the time of application submittal.

B. All impact fees shall be paid as set forth in the approved permit or approval, in accordance with Title 17 of the City Code, and City will exercise reasonable efforts to explore mitigation of such fees, consistent with other applications and Projects in the City.

13. Notice of Default/Opportunity to Cure/Dispute Resolution.

A. In the event a party, acting in good faith, believes the other party has violated the terms of this Agreement, the aggrieved party shall give the alleged offending party written notice of the alleged violation by sending a detailed written statement of the alleged breach. Upon notice of an alleged breach, the parties agree to meet to negotiate in good faith a resolution to the dispute or agree upon a process for attempting to resolve any dispute arising out of this Agreement. In the event the parties agree to a resolution, the alleged offending party shall have thirty (30) days from the date of the agreed to resolution in which to cure the alleged default. If the default cannot reasonably be cured within a thirty (30) day period, the alleged offending party will not be in default if such party commences to cure the failure within the thirty (30) day period, and thereafter diligently pursues all reasonable efforts to complete the cure.

B. After proper notice and expiration of either (1) an unsuccessful good faith negotiation to resolve the dispute or (2) the 30-day cure period (as may be extended as set forth under subsection A above), if the alleged default has not been cured, the aggrieved party may, at its option, initiate a lawsuit in King County Superior Court. Additionally, the City may enforce City Code through its code enforcement processes or otherwise pursuant to law.

14. Amendment; Effect of Agreement on Future Actions. This Agreement may be amended by mutual consent of the parties as provided in Section 27 herein, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (*see* RCW 36.70B.200). However, nothing in this Agreement shall prevent the City Council from making any amendment to its Comprehensive Plan, Zoning Code, Official Zoning Map or development regulations affecting the Project or the Project Site as the City Council may deem necessary to the extent required by a serious threat to public health and safety.

15. Termination.

A. This Agreement shall expire and be of no further force and effect if:

1. The Project and associated permits and/or approvals issued by the City are not substantially underway prior to expiration of such permits and/or approvals. Nothing in this Agreement shall extend the expiration date of any permit or approval issued by the City; or
2. Developer does not construct the Project as contemplated by the permits and approvals obtained in connection with the Project and this Agreement, or submits applications for development of the Project Site that are inconsistent with this Agreement.

B. This Agreement shall terminate either (1) upon the expiration of the Initial Term identified in Section 4 above, or (2) when the Project Site has been fully developed *and* all of Developer's obligations in connection therewith are satisfied as determined by the City, whichever first occurs. Upon termination of this Agreement under this Subsection 15(B), the City shall record a notice of such termination in a form satisfactory to the City Attorney.

C. This Agreement shall terminate upon Developer's abandonment of the Project. Developer shall be deemed to have abandoned the Project if a building permit for construction of the Building approved in this Agreement is not submitted to the City within 10 years of the Effective Date noted above.

16. Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect any of Developer's obligations to comply with (a) the City Comprehensive Plan or any applicable zoning code(s), subdivision maps or other land use entitlements approved with respect to the Project Site; (b) any conditions or restrictions specified in this Agreement to continue after the termination of this Agreement; or (c) obligations to pay assessments, liens, fees or taxes, unless the termination or abandonment of the Project nullifies such obligations.

17. Effect of Termination on City. Upon termination of this Agreement, the entitlements, conditions of development, limitations on fees and any other terms and conditions vested pursuant to Section 8 herein shall no longer be vested hereby with respect to the Project and Project Site (provided that vesting of such entitlements, conditions or fees may be established for the Project Site pursuant to then-existing planning and zoning laws).

18. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land, and the benefits and burdens shall bind and inure to the benefit of the parties. Developer and every Landowner, purchaser, assignee or transferee of an interest in the Project Site, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, unless the Landowner or subsequent Landowner purchaser, assignee or transferee has abandoned the Project and no party has started construction of the Project, and shall be the beneficiary thereof and a party thereto, but only with respect to the Project Site, or such portion thereof, sold, assigned, conveyed, or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Project Site sold, assigned, conveyed, or transferred to it. A copy of the fully executed Agreement shall be recorded in accordance with Section 29 herein.

19. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Agreement by any party in default hereof subject to Section 13 above.

20. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City and Developer shall cooperate reasonably in defense of the Agreement against the challenge, but shall each bear their own attorney fees and costs regarding the same unless a separate arrangement is otherwise agreed to in writing regarding such defense.

21. No Presumption Against Drafter. Developer represents that it has been advised to seek legal advice and counsel from its attorney concerning the legal consequences of this Agreement, that it has carefully read the foregoing Agreement, and knows the contents thereof, and signs the same as its own free act, and that it fully understands and voluntarily accepts the terms and conditions of this Agreement. Both parties have had the opportunity to have this Agreement reviewed and revised by legal counsel, and the parties agree that no presumption or rule that ambiguity shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

22. Notices. Notices, demands, or correspondence to the City and Developer shall be sufficiently given if dispatched by prepaid first-class mail to the following addresses:

TO CITY: City Administrator
 City of North Bend
 P.O. Box 896
 North Bend, WA 98045

TO DEVELOPER: Joel Molander
President
Puget Western, Inc.
P.O. Box 1529
Bothell, WA 98041
Email: joel.molander@pugetwestern.com

Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. Notice shall be deemed received three (3) business days after the post date of such notice. The parties agree that notices may be given by email with read receipt requested which shall be deemed received on the day such email notice is delivered (unless the email notice is sent on a weekend or holiday in which case it shall be deemed received on the next business day). The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

23. Assignment. This Agreement shall be binding and inure to the benefit of the parties. Developer shall not assign its rights under this Agreement without the written consent of the City, which consent shall not unreasonably be withheld.

24. Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. Venue for any action shall lie in King County Superior Court.

25. No Attorneys' Fees. In the event of any litigation or dispute resolution process between the parties regarding an alleged breach of this Agreement, neither Party shall be entitled to any award of costs or attorneys' fees or expert witness fees.

26. Severability. The provisions of this Agreement are separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this Agreement, or the validity of its application to other persons or circumstances.

27. Entire Agreement. This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Changes made in accordance with Section 14 herein shall be incorporated by written amendments or addenda signed by both parties and made.

29. Recording. Developer shall record an executed copy of this Agreement with the King County Auditor, pursuant to RCW 36.70B.190, no later than fourteen (14) days after the Effective Date and shall provide the City with a conformed copy of the recorded document within thirty (30) days of the Effective Date.

By their signatures below, the persons executing this Agreement each represent and warrant that they have full power and authority to bind their respective organizations, and that such organizations have full power and actual authority to enter into this Agreement and to carry out all actions required of them by this Agreement.

CITY OF NORTH BEND

PUGET WESTERN, INC.

By: _____
Rob McFarland, Mayor

By: _____

Printed Name: _____

Title: _____

Attest/Authenticated:

Susie Oppedal, City Clerk

Approved As To Form:

Michael R. Kenyon, City Attorney

**** remainder of page intentionally left blank ****

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2020, did personally appear before me, the undersigned Notary Public in and for the State of Washington, _____, who is known to me or produced satisfactory evidence that s/he is the person that executed the foregoing Development Agreement, and acknowledged that s/he signed the Agreement as his or her free and voluntary act for the uses and purposes mentioned therein.

GIVEN under my hand and official seal this ____ day of _____, 2020.

Print name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
Commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this ____ day of _____, 2020, did personally appear before me, the undersigned Notary Public in and for the State of Washington, _____, who is known to me or produced satisfactory evidence that s/he is the person that executed the foregoing Development Agreement, and acknowledged that s/he signed the Agreement as his or her free and voluntary act for the uses and purposes mentioned therein.

GIVEN under my hand and official seal this ____ day of _____, 2020.

Print name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
Commission expires: _____

EXHIBIT A:

PROJECT SITE – BOUNDARY AND TOPOGRAPHIC SURVEY

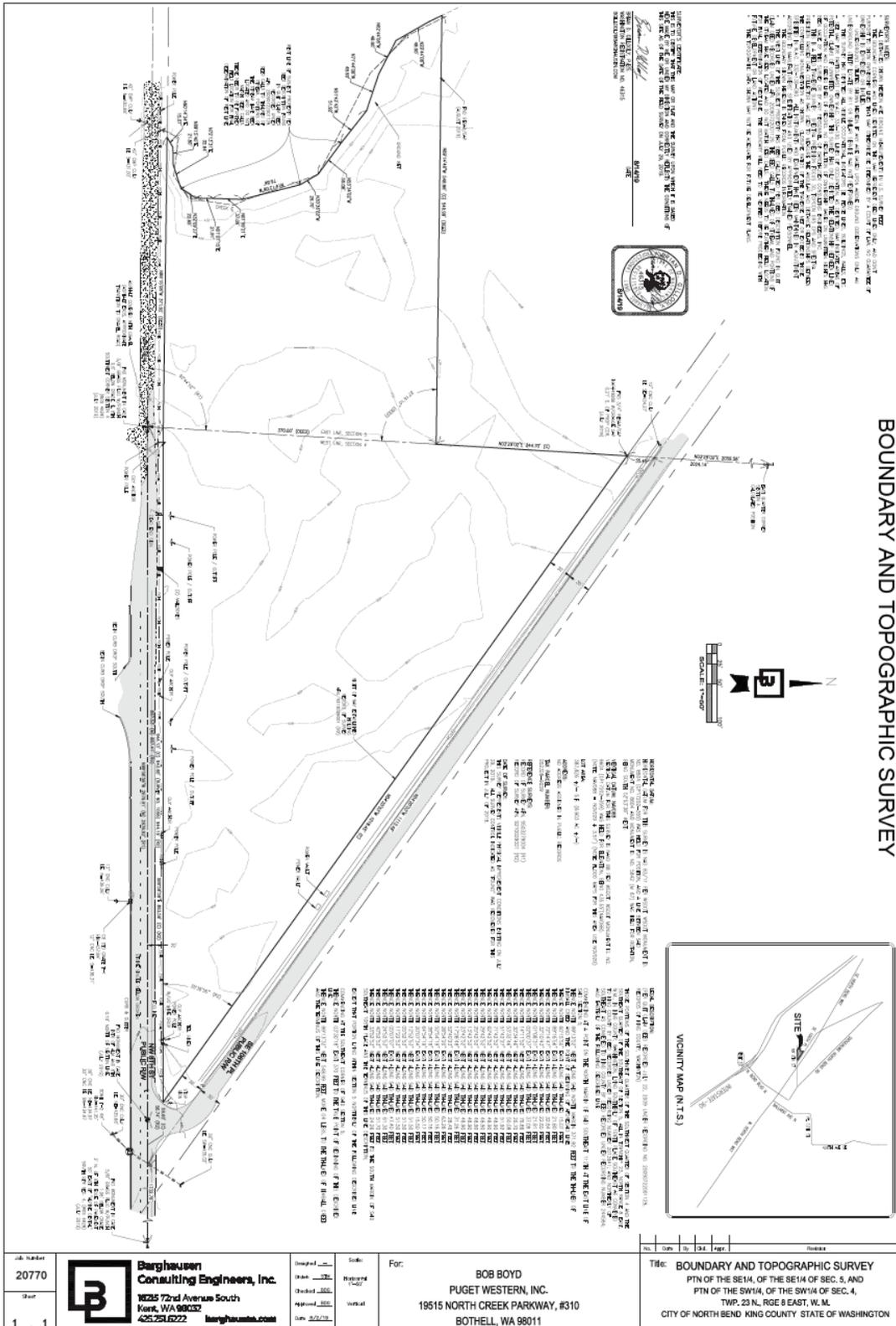
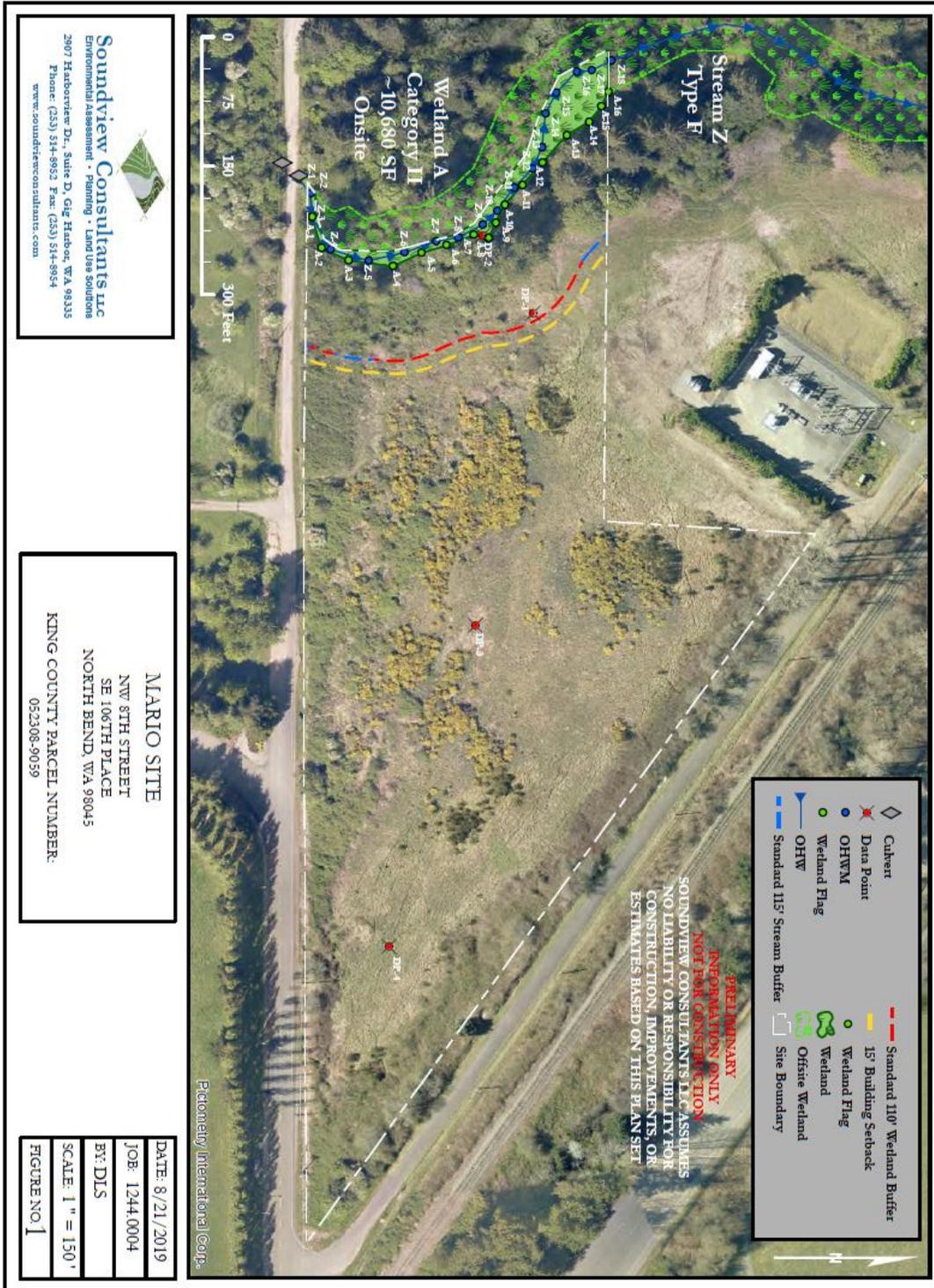


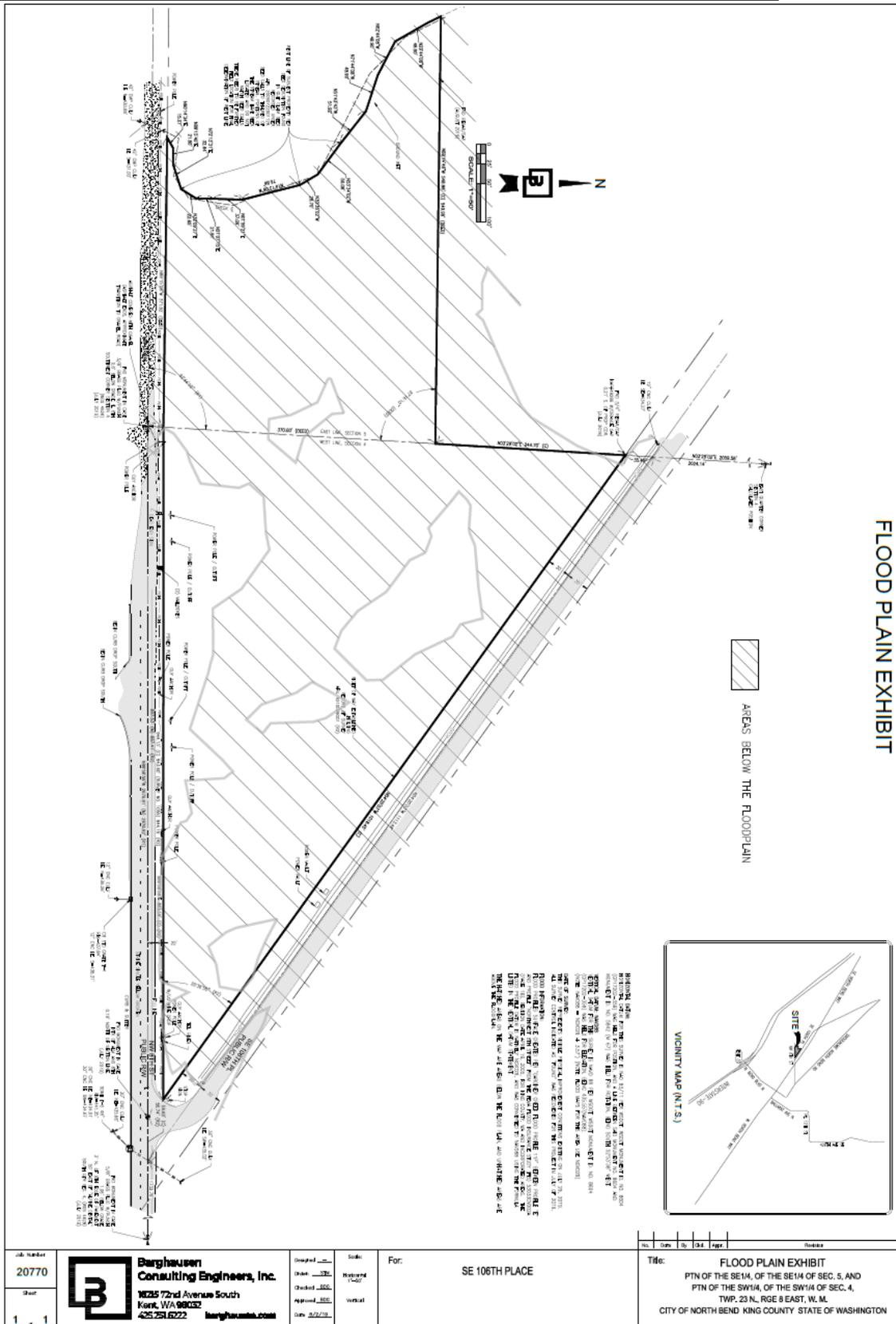
EXHIBIT C

STUDIES PERFORMED TO DATE, INCLUDING SOURCE AND PUBLICATION DATE

Wetland Delineation, Soundview Consultants, LLC, August 21, 2019

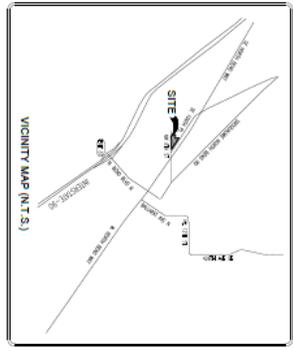


Flood Plain Exhibit, Barghausen Consulting Engineers, Inc., August 2, 2019



FLOOD PLAIN EXHIBIT

AREAS BELOW THE FLOODPLAIN



NOT TO SCALE
 THIS FLOOD PLAIN EXHIBIT IS A PRELIMINARY DESIGN AND IS NOT TO BE USED FOR CONSTRUCTION OR AS A BASIS FOR ANY OTHER DESIGN OR ANALYSIS. THE ENGINEER HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO OBVIOUS OBSTACLES TO THE PROPOSED WORK. THE ENGINEER HAS ASSUMED THAT THE EXISTING CONDITIONS AT THE SITE ARE AS SHOWN ON THE PLANS AND HAS NOT CONDUCTED ANY FIELD SURVEYING OR TESTING. THE ENGINEER HAS ASSUMED THAT THE PROPOSED WORK WILL BE CONSTRUCTED IN ACCORDANCE WITH THE CITY OF NORTH BEND STANDARDS AND SPECIFICATIONS. THE ENGINEER HAS ASSUMED THAT THE PROPOSED WORK WILL BE CONSTRUCTED IN ACCORDANCE WITH THE CITY OF NORTH BEND STANDARDS AND SPECIFICATIONS. THE ENGINEER HAS ASSUMED THAT THE PROPOSED WORK WILL BE CONSTRUCTED IN ACCORDANCE WITH THE CITY OF NORTH BEND STANDARDS AND SPECIFICATIONS.

Job Number 20770	 Barghausen Consulting Engineers, Inc. 1025 72nd Avenue South Kirk, WA 98033 425.231.6222 barghausen.com	Designed <u> </u>	Scale Horizontal <u>1"=100'</u>	For: SE 106TH PLACE	Title: FLOOD PLAIN EXHIBIT PTN OF THE SE1/4, OF THE SE1/4 OF SEC. 5, AND PTN OF THE SW1/4, OF THE SW1/4 OF SEC. 4, TWP. 23 N., RGE 8 EAST, W. M. CITY OF NORTH BEND KING COUNTY STATE OF WASHINGTON
Sheet 1		Checked <u> </u>	Vertical <u> </u>		
Approved <u> </u>		Date <u>2/2/19</u>			

Public Comments regarding the DA, submitted during the public comment period – September 11 to September 24, 2020

Public Comment #1

Jesse Reynolds

From: mthomas@bangstick.net
Sent: Monday, September 21, 2020 10:38 AM
To: Jesse Reynolds
Cc: Susie Oppedal
Subject: Mario Site/City of North Bend/Water

Mr. Reynolds:

I am opposed to the development at the Mario site on grounds of water to serve the development and/or negative impacts related to water when combined with the use of OSS.

City clerk: Please enter these comments into the public record on this development.

It is not clear there is sufficient water to serve the development given the need for mitigation water. The city has already stated in its 2020 WSP draft dated 8-12-2020 it may be unable to meet mitigation demand per page E2 of the WSP. The effectiveness of the city's DSL reduction program and/or WLCP are not known. There is no contract with Sallal for the exchange of mitigation water, the feasibility of such remain unknown for the exchange of sufficient quantity and rate of mitigation water, and proposed concepts to add or improve mitigation supply are not realized.

Furthermore due to the use of septic the project has an outsized impact to mitigation water given no sewer and return of water to the Snoqualmie River as embodied in the protested ROE for the Centennial Well G1-26617(A) further exacerbating mitigation demand. Other city water ratepayers would bear the costs of the additional mitigation water to serve water to this site while septic are used. Higher mitigation water demands would be placed on any supplier/supply of mitigation water due to this development while septic are used. Considering a contract is still contemplated with Sallal and as such costs could be passed to me as one who receives water from Sallal to address the development's mitigation demand. The city's WCO and associated WLCP further require curtailment of water use based on availability of mitigation water and given both questions of the availability of mitigation water and its outsized impact given no sewer return may affect my property as I use water.

An item to be verified in the mitigation algorithms which address overall water availability whether there is an assumption that all new development was to be sewer. This project is advertised as supporting 150 people; without sewer return its mitigation demand would be far higher. The mitigation algorithm and assumptions are already questioned by others (example: Snoqualmie Tribe's letter on the city's WSP).

The DA lacks a timeframe requiring conversion to sewer when it is available. A suggestion is to require conversion to commence within one year and complete in no less than two after availability. The DA needs to address the cost and/or higher need for mitigation water to serve the development due to lack of sewer return to avoid others subsidizing the developments higher mitigation demand while OSS are used.

Regards

Michael Thomas
1231 LaForest Drive SE
North Bend WA

a severely limited withdrawal capacity from Mount Si Springs. As a result, the City must depend on the Centennial Well for the majority of its water production. This often coincides with low instream flows in the Snoqualmie River which leads to increased mitigation requirements.

Under present peak summer demand, if a drier summer were to occur, the flows at Hobo Springs would be at or just below those required to properly mitigate water demand. The City must therefore increase its mitigation capacity by implementing two measures.

1. Enact water conservation policies that curb peak season water use, allowing the City to manage demands during dry years and dry seasons. The ability to reduce peak uses would allow for a reduction in water production and the corresponding mitigation demands and would allow the City to keep peak water production within the available mitigation flow.
2. Obtain additional sources for mitigation water in order to provide redundancy and increase overall mitigation capacity. A second or third source of mitigation water would ensure that the City can mitigate Centennial Well use even during periods of low flow in Hobo Springs. This plan is predicated on the City reaching an agreement with Sallal Water Association to obtain additional mitigation water within the next 2 years.

The City is acutely aware of the need to increase the supply and curb the demand of mitigation water and must do so soon. The City plans take action through the following four measures:

1. Continue to improve system efficiency;
2. Control and lower Distribution System Leakage (DSL);
3. Use the recently enacted Water Shortage Plan to decrease the magnitude of maximum day water demand during periods of low mitigation; and
4. Increase and diversity mitigation sources and capacity.

As of 2019, the City's Distribution System Leakage (DSL) was 25.9 percent with a 3-year rolling average of 22.4 percent, triggering the need for a Water Loss Control Action Plan. This plan is detailed in Chapter 5 along with consumption and production reduction goals which could save the City an estimated 332 million gallons of water between 2021 and 2030.



3.2 Return Flow to Snoqualmie River

The mitigation volume (on days when the minimum instream flows are not met) is equal to the maximum aggregated stream depletion minus the Wastewater Treatment Plant (WWTP) return flows associated with the water pumped from the Centennial Well (Ecology 2007).

NET STREAM DEPLETION = Maximum Aggregated Stream Depletion – WWTP Return Flow.

The net stream depletion is calculated on a daily basis. For mitigation volumes to reflect the net stream depletion on the day of interest, the WWTP return flows for the new water right are be estimated using the following equation:

$$V_{\text{wwtp}} = V_{\text{NRA}} * f_{\text{wwtp}}, \text{ where}$$

V_{wwtp} = volume of water returned from wastewater treatment plant

V_{NRA} = annual volume of water from new water right

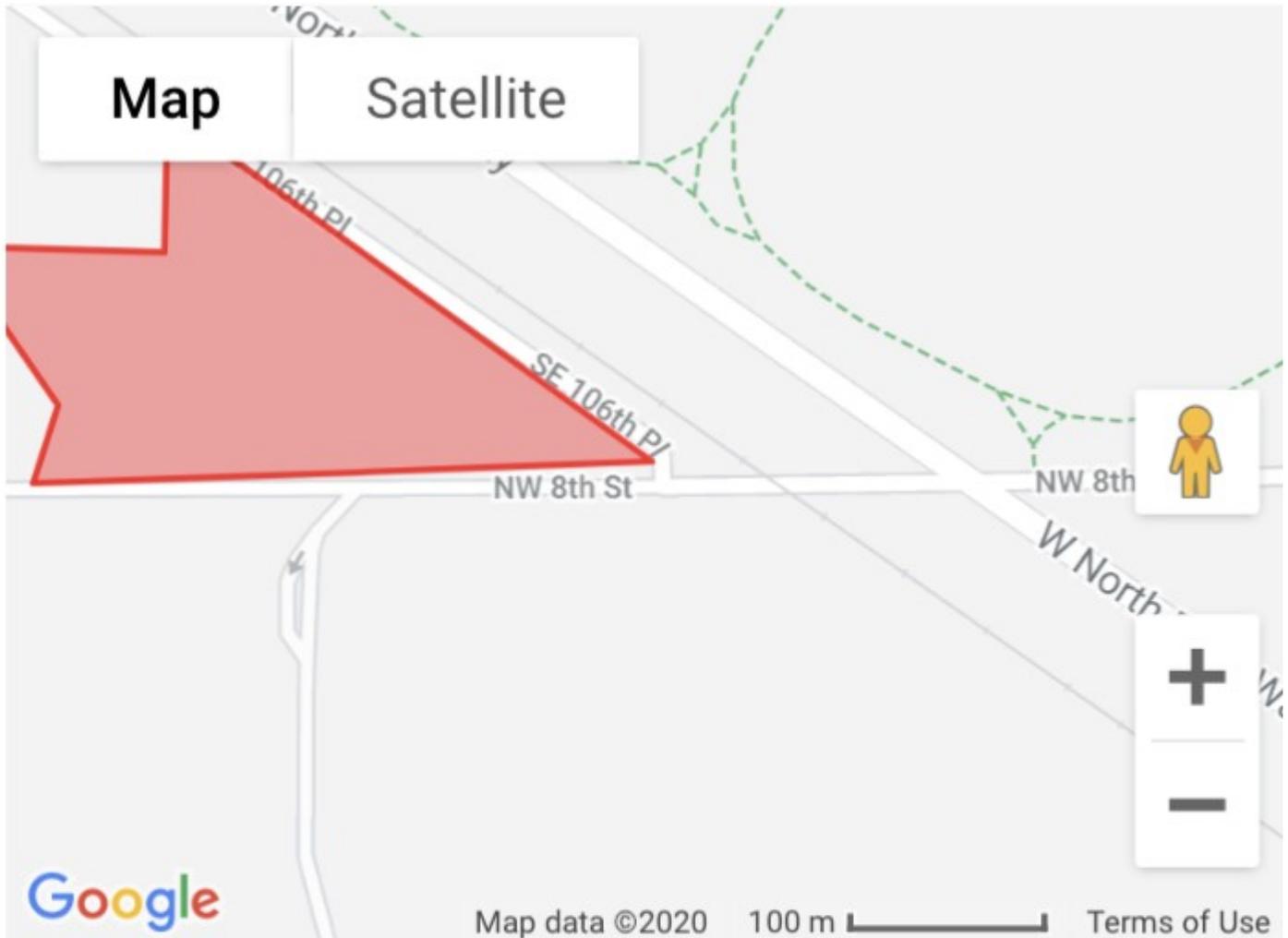
f_{wwtp} = percentage of annual produced volume from new water right that is returned to the river as WWTP flows divided by days in the year.

The f_{wwtp} factor is based on the fraction of total water production that is returned to the river. f_{wwtp} is equal to 0.60 based on the Golder (2004) analysis of four years of summer return flows (2000–2003).;

It appears that the credit given for wastewater treatment plant return flow using this method could underestimate net stream depletion during the summer when outdoor water use is much larger than indoor water use. Why isn't the mitigation requirement calculated from seasonally varying factors which account for the varying ratios of indoor and outdoor water consumption?

The method of quantifying WWTP return flows leads to some odd results. For example, the 2019 Mitigation Report summarizes quarterly Centennial well production, WWTP return flows, Stream Depletion, and Mitigation Required from Hobo Springs.

As shown in the summary portion of Table 1 (see below) of the 2019 Mitigation Report reproduced below, estimated WWTP return flows associated with the Centennial well exceed production from the well in Quarter 1 - a seemingly impossible result. During the remaining 3 quarters, the WWTP flows seem more reasonable, but given Quarter 1 results, it is difficult to have confidence in the method employed.



- Site Size: ±8.91 acres
- Parcel #0523089059
- Zoning: Employment Park 1 (EP – 1)
- Municipality: City of North Bend
- Utilities: Electrical – Tanner Mutual
Water – City of North Bend
Gas – Puget Sound Energy

Public Comment #2

Planning Commission
City of North Bend, WA

Concerning the Public Hearing on the Puget Western Mario Site Developer Agreement scheduled for September 24

Puget Western has proposed a septic system to be used until a sewer line is available. This is a satisfactory temporary solution to getting employment opportunities in the City of North Bend. However it is only a temporary solution. The City (Planning Commission, Economic Development Department and the CITY COUNCIL) needs to commit to building the sewer line to west end of North Bend to allow this project and several others to occur. The zoning assigned to the west end of North Bend was done over 20 years ago with significant input from city residents and political leaders. It is time that that vision of North Bend to take place. North Bend needs these projects to generate jobs for local families.

Ward and Victoria Bettes
225 Sydney Ave South
North Bend, WA 98045

Public Comment #3

Jesse Reynolds

From: Ann Harrie <ann.harrie@snoqualmietribe.us>
Sent: Wednesday, September 23, 2020 10:07 AM
To: Jesse Reynolds
Cc: Matthew Baerwalde
Subject: Puget Western Mario Site Development Proposal

Hi Jesse,

We have some questions about the proposed Puget Western Mario Site Development.

1. How much will the sewer extension cost, and what is the anticipated time of construction?
2. How long will it take to raise the funding for the ULID?
3. What time limitations will the City of North Bend put in place to make sure that the sewer extension commences?
4. Will the formation of the ULID result in additional septic discharges while the ULID accrues funds to finance the sewer extension?
5. What will happen to the temporary septic system once the sewer system is extended? Will it be decommissioned?
6. Have there been any discussions about Puget Western and PSE funding the cost for the sewer now? They will benefit from the construction and certainly have the financial means to fund that project.
7. Will water consumption and use be discussed in the developer agreement and/or the public hearing tomorrow?

Can you please send me the link for the public hearing tomorrow?

Thanks,
Ann

Ann C. Harrie
Staff Attorney
Snoqualmie Indian Tribe
9571 Ethan Wade Way SE
P.O. Box 969
Snoqualmie, WA 98065
ann.harrie@snoqualmietribe.us
Main: 425-888-6551 x1005
Cell: 425-365-3574

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Public Comment #3 with City response

Jesse Reynolds

From: Jesse Reynolds
Sent: Wednesday, September 23, 2020 2:16 PM
To: Ann Harrie
Cc: Matthew Baerwalde
Subject: RE: Puget Western Mario Site Development Proposal

Ann,

City answers to your questions are below in red. Please let me know if you have any further questions at this point.

1. How much will the sewer extension cost, and what is the anticipated time of construction? **\$7-\$9 million. ULID formation 2021, construction 2022-2023 is hopeful, but 2023-2024 is more realistic. The ULID likely wouldn't start construction until WWTP Phase 2 is nearly completed.**
2. How long will it take to raise the funding for the ULID? **Approximately a year to 1.5 years as engineering and appraisal work required by the ULID will take 12-18 months prior to a bond sale.**
3. What time limitations will the City of North Bend put in place to make sure that the sewer extension commences? **ULID's are dependent upon land owners within the ULID area signing a petition so that 60% of the landowners agree to the ULID. We have that petition but it will need to be kept current each 6 months. If the proceedings fail to muster the 60% majority throughout the process it could be abandoned by the participants. There is no legal guarantee of performance other than the stated intent by land owners. The City Council must vote to approve of the ULID (and assessments at a later date) and staff cannot bind the Council to that commitment.**
4. Will the formation of the ULID result in additional septic discharges while the ULID accrues funds to finance the sewer extension? **There will be septic discharges until the sewer line is extended to the subject site. If the ULID fails the septic system will remain in place. The King County Health Department must approve the septic system and if it does the system meets all health requirements and should be allowed to continue in use. That being said, the Development Agreement for the Puget Western site, which allows the septic system, requires that the system be abandoned once the sewer line is in place and the property must hook up to the sewer once it is available.**
5. What will happen to the temporary septic system once the sewer system is extended? Will it be decommissioned? **Yes, per conditions set forth in the developer agreement.**
6. Have there been any discussions about Puget Western and PSE funding the cost for the sewer now? **Yes, they would have to build the entire collection system from the site to the Wastewater Treatment Plant. That would cost them \$4million and is entirely financially infeasible. They will benefit from the construction and certainly have the financial means to fund that project. Puget Western has stated that they would not make a \$4million commitment on a project of this size and this is reasonable.**
7. Will water consumption and use be discussed in the developer agreement and/or the public hearing tomorrow? **No, the developer is bound by our Water Conservation Ordinance.**

Thank you,
Jesse

Jesse Reynolds, AICP
City of North Bend

From: Ann Harrie <ann.harrie@snoqualmietribe.us>
Sent: Wednesday, September 23, 2020 10:49 AM
To: Jesse Reynolds <JReynolds@northbendwa.gov>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Great. Thanks!

Ann C. Harrie
Staff Attorney
Snoqualmie Indian Tribe
9571 Ethan Wade Way SE
P.O. Box 969
Snoqualmie, WA 98065
ann.harrie@snoqualmietribe.us
Main: 425-888-6551 x1005
Cell: 425-365-3574

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From: Jesse Reynolds [<mailto:JReynolds@northbendwa.gov>]
Sent: Wednesday, September 23, 2020 10:48 AM
To: Ann Harrie <ann.harrie@snoqualmietribe.us>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Ann,

Will do. I should have answers to your questions later today.

Thank you,
Jesse

Jesse Reynolds, AICP
City of North Bend

From: Ann Harrie <ann.harrie@snoqualmietribe.us>
Sent: Wednesday, September 23, 2020 10:46 AM
To: Jesse Reynolds <JReynolds@northbendwa.gov>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Hi Jesse,

Thanks for getting that information for us. And yes, these questions can be a part of the record for the comments.

Thanks,
Ann

Ann C. Harrie
Staff Attorney
Snoqualmie Indian Tribe
9571 Ethan Wade Way SE
P.O. Box 969
Snoqualmie, WA 98065
ann.harrie@snoqualmietribe.us
Main: 425-888-6551 x1005
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From: Jesse Reynolds [<mailto:JReynolds@northbendwa.gov>]
Sent: Wednesday, September 23, 2020 10:20 AM
To: Ann Harrie <ann.harrie@snoqualmietribe.us>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Ann,

Thank you for the questions. Please allow me some time to work with our Public Works Dept. to get you thorough answers.

One question I have for you currently – Would you like the content of your email to be a part of the record as a comment for the public hearing? We are still in the comment period.

Thanks again,
Jesse

Jesse Reynolds, AICP
City of North Bend

From: Ann Harrie <ann.harrie@snoqualmietribe.us>
Sent: Wednesday, September 23, 2020 10:07 AM
To: Jesse Reynolds <JReynolds@northbendwa.gov>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: Puget Western Mario Site Development Proposal

Hi Jesse,

We have some questions about the proposed Puget Western Mario Site Development.

1. How much will the sewer extension cost, and what is the anticipated time of construction?
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Can you please send me the link for the public hearing tomorrow?

Thanks,
Ann

Ann C. Harrie
Staff Attorney
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9571 Ethan Wade Way SE
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Public Comment #4

Jesse Reynolds

From: Ann Harrie <ann.harrie@snoqualmtribe.us>
Sent: Thursday, September 24, 2020 2:17 PM
To: Jesse Reynolds
Cc: Matthew Baerwalde
Subject: RE: Puget Western Mario Site Development Proposal

Hi Jesse,

We will not be able to attend the meeting tonight, but I wanted to expand on a few of the concerns and comments I raised yesterday.

The concern remains that the ULID will not be formed until 2021, and that the construction will not commence until somewhere between 2023-2024. This means that in the meantime, a large septic system will be in place to serve a commercial/industrial development. From my understanding, it is still unclear whether there will be the required consensus among the landowners at the time of the proposed connection. Right now they are in agreement, but 3 years down the road could be a different picture. There is a tremendous amount of uncertainty now with this area as a whole, and the pandemic is sure to expand on this timeframe. There is a real possibility that the landowners who would be signing the petition today will no longer be in the area when it is time to be constructed, resulting in the continued use of a septic system. Septic systems should really only be used in extenuating circumstances for small discharges, such as a single-family dwelling. A septic system is not appropriate for a commercial/industrial development. This is especially true because the extent of the development and the number of occupants remains unclear. Will the septic system just keep expanding to accommodate the development growth? This seems contrary to the GMA and comprehensive planning. The mindset should be “if we build it, they will come,” and not the other way around. Of course, if developers and companies such as PSE want to fund these structures, that is a different story. The City should be working with developers for sustainable growth, and that is feasible with the right planning.

Is there a reason why the developers are not waiting until all of the appropriate infrastructure (water, sewer, etc.) is in place to begin this development? If the City of North Bend will approve this development, regardless of whether the development is on septic or sewer, this does not encourage future developers to bother connecting to a public sewer system. The City should not be relying on septic systems for wastewater treatment, and developers who want to build within the City of North Bend limits should be prepared to cover the cost of expenditures, rather than rely on a septic system as a potential backup until things are done for them.

If the City were to map out the Critical Aquifer Recharge Areas (CARA), this area would most likely be mapped as a Category 1 or 2 CARA. This indicates that septic discharges will migrate into the groundwater quickly, creating a risk to public health, environmental health, and the diminishing water supply. Because this is a septic system for an industrial development, there is a greater risk of polluting groundwater.

Further, it is known through other proposed development in adjoining parcels that this area is used heavily by elk, bobcat, deer, coyote, bear, eagle, hawk, sandhill crane, etc. This is something that needs to be taken into consideration.

Thank you for the opportunity to comment.

Ann

Ann C. Harrie
Staff Attorney
Snoqualmie Indian Tribe
9571 Ethan Wade Way SE
P.O. Box 969
Snoqualmie, WA 98065
ann.harrie@snoqualmietribe.us
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From: Jesse Reynolds [mailto:JReynolds@northbendwa.gov]
Sent: Wednesday, September 23, 2020 2:16 PM
To: Ann Harrie <ann.harrie@snoqualmietribe.us>
Cc: Matthew Baerwalde <Mattb@snoqualmietribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Ann,

City answers to your questions are below in red. Please let me know if you have any further questions at this point.

1. How much will the sewer extension cost, and what is the anticipated time of construction? **\$7-\$9 million. ULID formation 2021, construction 2022-2023 is hopeful, but 2023-2024 is more realistic. The ULID likely wouldn't start construction until WWTP Phase 2 is nearly completed.**
2. How long will it take to raise the funding for the ULID? **Approximately a year to 1.5 years as engineering and appraisal work required by the ULID will take 12-18 months prior to a bond sale.**
3. What time limitations will the City of North Bend put in place to make sure that the sewer extension commences? **ULID's are dependent upon land owners within the ULID area signing a petition so that 60% of the landowners agree to the ULID. We have that petition but it will need to be kept current each 6 months. If the proceedings fail to muster the 60% majority throughout the process it could be abandoned by the participants. There is no legal guarantee of performance other than the stated intent by land owners. The City Council must vote to approve of the ULID (and assessments at a later date) and staff cannot bind the Council to that commitment.**
4. Will the formation of the ULID result in additional septic discharges while the ULID accrues funds to finance the sewer extension? **There will be septic discharges until the sewer line is extended to the subject site. If the ULID fails the septic system will remain in place. The King County Health Department must approve the septic system and if it does the system meets all health requirements and should be allowed to continue in use. That being said, the Development Agreement for the Puget Western site, which allows the septic system, requires that the system be abandoned once the sewer line is in place and the property must hook up to the sewer once it is available.**
5. What will happen to the temporary septic system once the sewer system is extended? Will it be decommissioned? **Yes, per conditions set forth in the developer agreement.**
6. Have there been any discussions about Puget Western and PSE funding the cost for the sewer now? **Yes, they would have to build the entire collection system from the site to the Wastewater**

Treatment Plant. That would cost them \$4million and is entirely financially infeasible. They will benefit from the construction and certainly have the financial means to fund that project. Puget Western has stated that they would not make a \$4million commitment on a project of this size and this is reasonable.

7. Will water consumption and use be discussed in the developer agreement and/or the public hearing tomorrow? **No, the developer is bound by our Water Conservation Ordinance.**

Thank you,

Jesse

Jesse Reynolds, AICP
City of North Bend

From: Ann Harrie <ann.harrie@snoqualmientribe.us>
Sent: Wednesday, September 23, 2020 10:49 AM
To: Jesse Reynolds <JReynolds@northbendwa.gov>
Cc: Matthew Baerwalde <Mattb@snoqualmientribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Great. Thanks!

Ann C. Harrie
Staff Attorney
Snoqualmie Indian Tribe
9571 Ethan Wade Way SE
P.O. Box 969
Snoqualmie, WA 98065
ann.harrie@snoqualmientribe.us
Main: 425-888-6551 x1005
Cell: 425-365-3574

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From: Jesse Reynolds [<mailto:JReynolds@northbendwa.gov>]
Sent: Wednesday, September 23, 2020 10:48 AM
To: Ann Harrie <ann.harrie@snoqualmientribe.us>
Cc: Matthew Baerwalde <Mattb@snoqualmientribe.us>
Subject: RE: Puget Western Mario Site Development Proposal

Ann,

Will do. I should have answers to your questions later today.

Thank you,
Jesse

Public Comments addressing a motion to authorize the a contract for appraisal services for the Meadowbrook ULID during the June 2, 2020 and July 21 Council sessions

Susie Oppedal

From: Beth Burrows <BKBurrows@msn.com>
Sent: Tuesday, June 2, 2020 12:52 PM
To: Susie Oppedal
Subject: Meadowbrook Sewer ULID

I would like to state that I am in favor of forming a ULID in order to extend sewer services to this area. Being able to access sewer services will increase the potential uses for each property and thus increase their property values.

Thank you,

Beth Burrows

1308 Boalch Avenue

Sent from [Mail](#) for Windows 10

Susie Oppedal

From: Bill Kramer - Welding Shop <thenorthbendweldingshop@gmail.com>
Sent: Tuesday, June 2, 2020 1:37 PM
To: Susie Oppedal
Subject: ULID Support

Hello,

I'm not going to be able to join the meeting tonight but I would like to voice my support of the ULID right here via email.

--

Thank You,
The Welding Shop
(425) 888-0911

Susie Oppedal

From: Mike Nichols <mikeni01@noa.nintendo.com>
Sent: Tuesday, June 2, 2020 4:58 PM
To: Susie Oppedal
Subject: North Bend 6-2-20 City Council Meeting Public Comment

My name is Mike Nichols and I represent Nintendo of America Inc., located at 401 S. Fork Avenue, North Bend.

I am commenting on Agenda Item AB20-080 – Motion Authorizing Contract with Sova RE Meadowbrook ULID.

I would like to reiterate my comments from the 6-4-19 North Bend City Council meeting regarding the Meadowbrook ULID.

Nintendo has been a part of the North Bend community for 29 years employing approximately 130 people at that location.

We own four parcels in the proposed ULID study area. Our distribution facility and trailer lot occupy two of those parcels and the others are undeveloped. The undeveloped parcels appear to be included in the proposed Special Benefit Area.

Our distribution facility is currently served by an existing sewer connection and we have no need or desire to change the current connection.

Nintendo has no plans or intent to ever develop the undeveloped parcels as much of the area they comprise is located in an area of Special Flood Hazard. Including them in the ULID would provide no benefit to Nintendo.

We don't believe that Nintendo should be included within this ULID grouping. If we are in the study area, we ask that Sova meet with Nintendo to discuss the existing connections and the conditions of the property.

Because Nintendo's distribution facility is already developed and fully served by sewer, with constraints on developing the majority of its undeveloped area, we believe Nintendo's site is distinguishable from some of the areas of potential growth in the vicinity.

In sum, we ask the City to exclude Nintendo from any ULID. Nintendo objects to being assessed for a ULID that it does not need and would not benefit from.

Susie Oppedal

From: Clayton Ritter <Clayri02@noa.nintendo.com>
Sent: Tuesday, June 2, 2020 3:05 PM
To: Council
Subject: FW: Meadowbrook ULID Assessment

Greetings North Bend City Councilmembers,

I wanted to forward an email to you that was recently submitted to Mr. Miller, Mr. Rigos, and Mr. Mohr regarding the Meadowbrook ULID Assessment that we commented on last October. Also, it is a bit discouraging that we were contacted today and that a vote may occur this evening. Unfortunately, I have prior commitment that does not allow me to participate in the zoom meeting tonight.

Best regards,

Clayton Ritter
Sr. Director, Supply Chain
Nintendo of America Inc.
1229 NW 8th Street
North Bend, WA 98045
(425) 861-2411 office



From: Mike Nichols <mikeni01@noa.nintendo.com>
Sent: Tuesday, June 2, 2020 2:15 PM
To: David Miller <DMiller@northbendwa.gov>; Mark Rigos <MRIGOS@NORTHBENDWA.GOV>; Tom Mohr <TMOHR@NORTHBENDWA.GOV>
Cc: Kristine Wilson (KRWilson@perkinscoie.com) <KRWilson@perkinscoie.com>; Thomas, Ryan (Perkins Coie) <RThomas@perkinscoie.com>; Clayton Ritter <Clayri02@noa.nintendo.com>; Jill Whitney <jillwh01@noa.nintendo.com>
Subject: RE: Meadowbrook ULID Assessment

Mark,

I'm following up on our call this afternoon to resend this email from last October.

Nintendo has relied on the information from City of North Bend below recommending that Nintendo be left out of the ULID. In our call today, I was surprised to hear you say that North Bend now intends to include us.

Nintendo made it clear in our City Council testimony last year that we have no desire to participate.

Our understanding is that the information below is still accurate and we expect that the City of North Bend will exclude Nintendo from the Meadowbrook ULID.

Best regards,

Mike Nichols
VP, Real Estate and Facilities
Nintendo of America Inc.
(425) 861-2308

From: David Miller [<mailto:DMiller@northbendwa.gov>]
Sent: Friday, October 11, 2019 10:40 AM
To: Mike Nichols <mikeni01@noa.nintendo.com>; Mark Rigos <MRIGOS@NORTHBENDWA.GOV>
Cc: Mark Rigos <MRIGOS@NORTHBENDWA.GOV>; Tom Mohr <TMOHR@NORTHBENDWA.GOV>
Subject: RE: Meadowbrook ULID Assessment

Mike:

The report is done and it does support the value needed to fund the sewer collection system. Our conclusion about Nintendo is that you can serve your undeveloped portion of you site by connecting to the existing collection system, albeit with some cost, but you have no need to hook up to the planned Meadowbrook sewer collection system so we are recommending that Nintendo be left out of the ULID. You may want to have a discussion with our engineering staff to completely understand your options prior to making this decision final. Our objective is to open up properties for development to remove impediments to folks being able to use their property for the intended use.

David E. Miller, AICP
Community Development Director
City of North Bend, WA 98045
425.888.7640

Please note effective July 29, 2019 City Hall will be moving to 920 SE Cedar Falls Way. Our mailing address will remain as PO Box 896, North Bend, WA 98045 and my phone number will remain unchanged.

From: Mike Nichols <mikeni01@noa.nintendo.com>
Sent: Friday, October 11, 2019 8:59 AM
To: Mark Rigos <MRIGOS@NORTHBENDWA.GOV>
Cc: David Miller <DMiller@northbendwa.gov>
Subject: RE: Meadowbrook ULID Assessment

Any updates on this?

From: Mark Rigos [<mailto:MRIGOS@NORTHBENDWA.GOV>]
Sent: Thursday, September 19, 2019 11:22 AM
To: Mike Nichols <mikeni01@noa.nintendo.com>
Cc: David Miller <DMiller@northbendwa.gov>
Subject: RE: Meadowbrook ULID Assessment

Hello Mike,
They should be nearing completion within the next few weeks. I can provide you with a copy when it's completed. I'm cc'ing Dave Miller who is the project manager.

Sincerely,
Mark Rigos, P.E.

Interim City Administrator / Public Works Director
City of North Bend
920 SE Cedar Falls Way
North Bend, WA 98045
PO Box 896
mrigos@northbendwa.gov
(425) 888-7650

From: Mike Nichols <mikeni01@noa.nintendo.com>
Sent: Thursday, September 19, 2019 11:13 AM
To: Mark Rigos <MRIGOS@NORTHBENDWA.GOV>
Subject: Meadowbrook ULID Assessment

How is the assessment process going for the proposed ULID?

Any updates?

Thanks,

Mike

Susie Oppedal

From: Carol Tennant <tennantca@gmail.com>
Sent: Tuesday, June 2, 2020 5:41 PM
To: Susie Oppedal
Subject: I show my support for the ULID

Tonight, on the City Council Agenda, is a vote to hire the appraiser to begin the appraisals of our properties to push forward with the sewer ULID. All of the petitions you provided to us are being validated (part of the process) and once that is done, we believe the next Council Meeting, later in June or perhaps first one in July, the ULID will be voted on to be formed. I am writing this so that you will send in a note TODAY or attend the Zoom Council meeting tonight to show your support for the ULID. If you want to send in your comments, you must do so before 5:00 to soppedal@northbendwa.gov.

I show my support for the ULID

Please add my name:

Carol Tennant

Trustee of the John R. Tennant Trust

King County, Washington Property
John R. Tennant Trust,
Owner of 1/3 share of:
Described as APNs 082308-9001, 082308-9004 And 092308-9027

Thank you and best regards,
Carol Tennant
Trustee
tennantca@gmail.com

310-849-8478

332 Sunset Court
Oak View, CA 930322

The Tennant Family
225 Sydney Ave S
North Bend, WA 98045

6/2/2020

To: The Mayor of the City of North Bend
North Bend City Council
North Bend City Administrator

The Tennant Family is an active participant in the request for a ULID for both Sewer and Water to serve the area to the West of downtown North Bend. The Tennant Family property has been owned by a family member since 1883. The property is located south and west of Nintendo and is currently raw land.

As long-term residents of North Bend, the family was involved with the decision to allow Nintendo to utilize their current sewer access. At that time Nintendo did not want to stand the expense of running a sewer line similar to the one proposed by the current ULID proposal. Prior to the City of North Bend permitting Nintendo to use the existing sewer, the company signed a document that specified that the company would not interfere with and would actively participate in the expense of running a sewer line that would serve their property when that line was to be built. Now they want out of that commitment.

Do NOT allow this to occur.

Please ensure that Nintendo will comply with their original commitment and participate in the ULID.

Sincerely,
Victoria Tennant Bettes

Susie Oppedal

From: Jeffrey Yee <jeffrelyyee@gmail.com>
Sent: Tuesday, June 2, 2020 4:23 PM
To: Susie Oppedal
Subject: Re: Meadowbrook ULID

Correction below in red. Sorry.

Jeffrey Yee
Yee Capital Partners LLC
(925) 330-6360 mobile
jeffrelyyee@gmail.com email

On Tue, Jun 2, 2020 at 4:19 PM Jeffrey Yee <jeffrelyyee@gmail.com> wrote:

Hi Susie,

Please present or forward my message to the North Bend City Council for tonight's meeting.

I wish to convey my support for the proposed Meadowbrook ULID. I am an owner of property located within the proposed Meadowbrook ULID area. Aside from having a vested interest to see the ULID move forward, it seems reasonable to me that if the City and it's residents desire more tax revenues (or to make up for lost revenues by businesses forced to close) so as to maintain or accommodate the growth in public services respectively, then the choices are either: (1) raising taxes on the existing tax base or; (2) making the tax base larger. If the decision is the latter, then making land that was previously not developable (aside from physical location, geotechnical or market condition constraints) is a way to fairly spread out and balance tax revenue growth.

To me, balance also means a fair and equitable sharing of economic benefit, that is the City ought to provide a level playing field for all it's property owners, given things being equal, with obvious consideration to the cost/benefit viability as related to each particular property. Nintendo has raised their objections to the proposed ULID, using the argument that they don't [ever] plan to develop their vacant parcels. I would counter argue that Nintendo has received economic benefit, since commencing business operations, by connecting to existing sewer at the back of their property, which allowed development. That option is simply not available to their neighboring property owners "as is".

By opposing the proposed ULID, it seems to me that Nintendo wants to maintain that one sided economic benefit. Strictly from a development standpoint, Nintendo owns what are probably the two most attractive vacant parcels for development on the west side of the City. Instead of opposing the proposed ULID, Nintendo ought to sell those parcels to gain [their own] additional financial benefit instead of restraining their neighbors from wanting to realize some of the economic benefits that Nintendo has long enjoyed. I'll use an old adage here: "everyone that we want on board is on board so pull up the ladders".

It's not a stretch of the imagination to believe that the City's tax base would substantially increase if those parcels were sold and developed as a commercial or mixed-use project. Development of those parcels would certainly drive further development to the west side of town and serve to reduce future additional traffic congestion on the east side of town. If Nintendo **doesn't** want to sell, that's their right. However, imposing their rights on their neighbors who want what Nintendo has enjoyed seems more than unreasonable. My point here is that if Nintendo truly wants to be a good property owner and corporate citizen, then why are they standing in the way of what's economically beneficial to their neighbors as well as the City overall?

Respectfully submitted.

Jeffrey Yee
Yee Capital Partners LLC
(925) 330-6360 mobile
jeffreyyee@gmail.com email

Susie Oppedal

From: Jeffrey Yee <jeffreylyee@gmail.com>
Sent: Tuesday, July 21, 2020 2:32 PM
To: Susie Oppedal
Subject: Re: City Council Meeting - Sova Contract Approval, Meadowbrook ULID Appraisal Report

Oops, see below some typos or additions that I just caught in red. I wish I had more time to proofread before I sent it to you earlier today. Sorry.

Jeffrey Yee
Yee Capital Partners LLC
(925) 330-6360 mobile
jeffreylyee@gmail.com email

On Tue, Jul 21, 2020 at 10:39 AM Jeffrey Yee <jeffreylyee@gmail.com> wrote:

Hi Susie,

Please present or forward my message to the North Bend City Council for tonight's meeting.

I wish to convey my support for the proposed Meadowbrook ULID and **for the City Council** to approve the contract to engage Sova for the Meadowbrook ULID appraisal report. I am an owner of property located within the proposed Meadowbrook ULID area. Aside from having a vested interest to see the ULID move forward, it seems reasonable to me that if the City and its residents desire more tax revenues (or to make up for lost revenues by businesses forced to close) so as to maintain or accommodate the growth in public services respectively, then the choices are either: (1) raising taxes on the existing tax base or; (2) making the tax base larger. If the decision is the latter, then making land that was previously not developable (aside from physical location, geotechnical or market condition constraints) is a way to fairly spread out and balance tax revenue growth. In a time when most, if not all, municipalities are facing a severe shortfall in tax revenues with the financial **impact** potentially lasting years, the question is how are those city governments going to bridge that financial gap in a reasonable and doable manner?

To me, balance also means a fair and equitable sharing of economic benefit, that is the City ought to provide a level playing field for all its property owners, given things being equal, with obvious consideration to the cost/benefit viability as related to each particular property. Nintendo for one, has raised their objections to the proposed ULID, using the argument that they don't [ever] plan to develop their vacant parcels. I would counter argue that Nintendo has received economic benefit, since commencing business operations, by connecting to existing sewer at the back of their property, which allowed development. That option is simply not available to their neighboring property owners "as is". The same could generally be said for the City's recently approved [and **privately** owned] development projects, the majority of which seem to be concentrated on the east side of North Bend. Why has development (of developable properties) been encouraged on one side of town but seemingly suppressed on the other side of town? Aside from geographical or topographical land barriers (**or perhaps because of existing infrastructure which could also be addressed by the proposed Meadowbrook ULID**), I don't see that happening in other cities where I am involved as an investor. I am just asking for the City to be reasonable and fair so as to create a win-win situation which creates a mutual benefit. Your thoughtful and fair consideration of this matter is much appreciated.

Respectfully submitted,

Jeffrey Yee
Yee Capital Partners LLC
(925) 330-6360 mobile
jeffreyljee@gmail.com email

Susie Oppedal

From: Jeffrey Yee <jeffreyyee@gmail.com>
Sent: Tuesday, July 21, 2020 10:39 AM
To: Susie Oppedal
Subject: City Council Meeting - Sova Contract Approval, Meadowbrook ULID Appraisal Report

Hi Susie,

Please present or forward my message to the North Bend City Council for tonight's meeting.

I wish to convey my support for the proposed Meadowbrook ULID and to approve the contract to engage Sova for the Meadowbrook ULID appraisal report. I am an owner of property located within the proposed Meadowbrook ULID area. Aside from having a vested interest to see the ULID move forward, it seems reasonable to me that if the City and it's residents desire more tax revenues (or to make up for lost revenues by businesses forced to close) so as to maintain or accommodate the growth in public services respectively, then the choices are either: (1) raising taxes on the existing tax base or; (2) making the tax base larger. If the decision is the latter, then making land that was previously not developable (aside from physical location, geotechnical or market condition constraints) is a way to fairly spread out and balance tax revenue growth. In a time when most, if not all, municipalities are facing a severe shortfall in tax revenues with the financial impacting potentially lasting years, the question is how are those city governments going to bridge that financial gap in a reasonable and doable manner?

To me, balance also means a fair and equitable sharing of economic benefit, that is the City ought to provide a level playing field for all it's property owners, given things being equal, with obvious consideration to the cost/benefit viability as related to each particular property. Nintendo for one, has raised their objections to the proposed ULID, using the argument that they don't [ever] plan to develop their vacant parcels. I would counter argue that Nintendo has received economic benefit, since commencing business operations, by connecting to existing sewer at the back of their property, which allowed development. That option is simply not available to their neighboring property owners "as is". The same could generally be said for the City's recently approved [and private owned] development projects, the majority of which seem to be concentrated on the east side of North Bend. Why has development (of developable properties) been encouraged on one side of town but seemingly suppressed on the other side of town? Aside from geographical or topographical land barriers, I don't see that happening in other cities where I am involved as an investor. I am just asking for the City to be reasonable and fair so as to create a win-win situation which creates a mutual benefit. Your thoughtful and fair consideration of this matter is much appreciated.

Respectfully submitted,

Jeffrey Yee
Yee Capital Partners LLC
(925) 330-6360 mobile
jeffreyyee@gmail.com email



DATE: September 30, 2020
TO: Planning Commission
FROM: North Bend Planners
SUBJECT: Medium Density Residential and Form-Based Code

Planning Commission,

Attached you will find a memo that was prepared to the City Council for the recent Council Workstudy meeting held on September 22 introducing the concepts of establishing a new Medium Density Residential (MDR) Zone for accommodating what is known as the “Missing Middle Housing,” as well as developing a Form-Based Code for the downtown area.

At your October 8 meeting, we will be introducing these topics to you as well, in preparation for upcoming code amendments under a grant that the City received from the Department of Commerce for this purpose, and will discuss the anticipated work-plan ahead for Planning Commission deliberation.

In addition to introducing these topics, we will provide you with a summary of the City Council’s initial discussion on the Missing Middle housing and Medium Density Residential Zone at that workstudy, but wish to note that the Council will be continuing discussion on this topic and on the Form Based Code at a work session during their upcoming October 6 Council Meeting, for providing additional direction to staff and the Planning Commission in developing such regulations.

We look forward to introducing these topics and your initial discussion.

Community and Economic Development Department
920 SE Cedar Falls Way, North Bend, WA 98045
Tel: 425.888.5633 / Fax: 425.888.5636



DATE: September 15, 2020
 TO: City Council
 FROM: North Bend Planners
 SUBJECT: Medium Density Residential and Form-Based Code Guidance for Commerce Grant HB1923

The purpose of this workstudy is for dialog with Council so that staff can receive further guidance on adopting a Medium Density Residential (MDR) and Form-Base Code (FBC) in our Downtown. Below is information on the grant, how staff proposes to integrate Cottage Residential (CR) and some small areas of Low Density Residential (LDR) areas into MDR (pg. 1-8), how staff proposes to create a form based code, with results from a community survey (pg. 9-16).

Staff has not started developing a FBC for our Downtown yet. The information gleaned from you in this workstudy session will used to help guide our designs and draft codes.

Introduction and Context

Funded through a Dept. of Commerce grant to increase affordable housing, per Mayor McFarland's request, the City is pursuing this grant to increase available affordable housing through increasing density. The grant is for \$50,000 and geared toward increasing affordability. Efforts are primarily in-house, with design support from local architecture firm Gant Nychay. The grant will only be paid out when acceptable deliverables are provided.

Comprehensive Plan Goals supporting this Grant Effort:

- H – Goal 1: *Encourage a variety of housing types and densities compatibly located to meet the demands of a diverse population.* Meets Policies: H-1.2, H-1.3, H-1.5, H-1.10.
- H – Goal 4: *The City of North Bend should provide adequate land capacity for forecasted population and residential growth within its city limits and Urban Growth Area in order to promote stable housing prices, foster affordability and broaden housing choices.* Meets Policies: H – 4.1, H – 4.2, H – 4.3, H – 4.4.
- H – Goal 6: *Support and provide for the ability to age in place safely, independently and comfortably, regardless of age, income or ability level.* Meets Policies: H – 6.4, H – 6.5.

Brand Goals strongly supporting this Grant Effort:

- Affordability
- Sustainably Managed Growth
- Design Standards

Community and Economic Development Department
 920 SE Cedar Falls Way, North Bend, WA 98045
 Tel: 425.888.5633 / Fax: 425.888.5636



Medium Density Residential Zone Discussion

The idea of the Medium Density Residential Zone is to bridge what is conventionally developed in single-family zoning and what is developed in multi-family zoning. It is characterized principally by smaller building sizes that are compatible with the overall form and character typical to a single-family neighborhood, and a broader variety of building forms and typologies to provide interest and diversity.

Single-family neighborhoods within North Bend’s Low Density Residential zone are built at around 3.5- 4 units per acre (gross density), and typically result in large homes (2,500 – 3,500 square feet) in the range of \$750,000 to \$1,000,000 on the market. At the other end of the spectrum, the City’s High Density Residential enables multifamily development, usually creating rental inventory or condominiums for purchase in larger buildings of up to 10-units each and in the range of about 15 to 21 units per acre (gross). According to Zillow Inc’s website on September 16, 2020, such HDR units with two bedrooms rent between \$900 to \$1,800 per month. The only apartment shown for sale within the City on Zillow at the time of inquiry was a 2-unit for \$300,000.

As there is a large difference between these two types of zones and their respective conventional housing typologies, and as not much gets built on the market between these two distinct bookends, this is often referred to as the “Missing Middle.”

The Architecture and Urban Design Firm Opticos has created an excellent webpage that describes this Missing Middle Housing, illustrates its differing typologies, and describes some best practices to get it built. The lower-density forms of the typologies they show on their website would be suitable for North Bend’s context and a new Medium Density Residential Zone. Please take a look at this website: <http://missingmiddlehousing.com/>

Creating a new MDR Zone is also consistent with direction from the January 2018 City Council Retreat, at which Council requested that staff develop such a zone in areas surrounding the downtown, to enable additional housing options in the marketplace that expand choice and can provide more affordable housing options. That effort was put on hold at the time due to the need to focus staff efforts on other Council priorities, but is now coming back for development of the zone with funding assistance from the grant.

Staff will be preparing formal amendments to the zoning code for public notification and the Planning Commission’s review in October through January, but we are requesting initial direction and feedback to consider where the zone might occur, densities, and types of housing to allow within this zone.

The key questions we would like you to provide direction on at your meeting are:

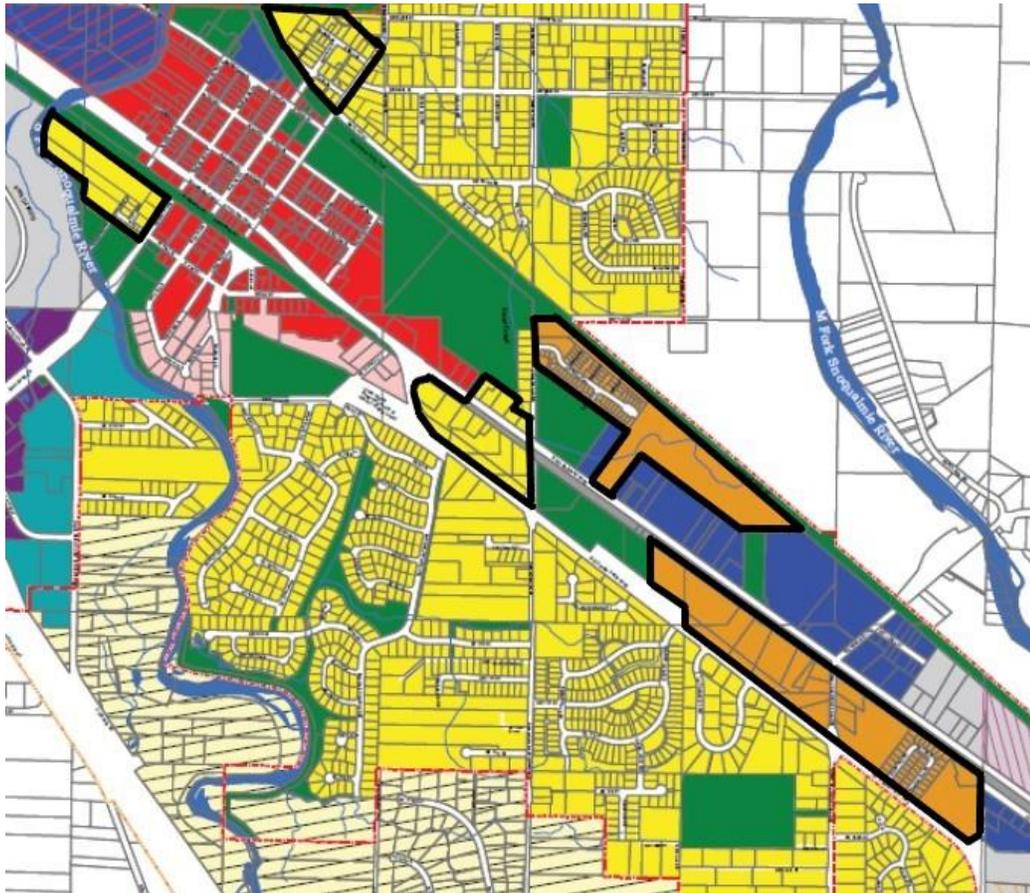
1. **Merging Cottage Zone and new Medium Density Residential Zone.** Staff recommend converting the existing Cottage Residential Zone into the new Medium Density Residential Zone. The zone would still allow cottages but would add additional compatible medium-density “missing middle” housing typologies to provide additional options and provide greater diversity within the area of the existing Cottage Zone. We would like your discussion and direction on this. Allowing duplexes, triplexes, and

Community and Economic Development Department
920 SE Cedar Falls Way, North Bend, WA 98045
Tel: 425.888.5633 / Fax: 425.888.5636



courtyard apartments within the CR zone code, essentially making it MDR, is a requirement to receive grant funds from Commerce. Of course, developers would still have the ability construct cottage developments in this zone, just the options of housing typologies would be greater.

2. **Additional Areas for the new Medium Density Residential Zone.** Following your discussion and initial direction, staff will contact these property owners to notify them of consideration of the rezone by the Planning Commission. In addition to the CR Zone, we are seeking direction on existing areas of LDR zone in proximity to the downtown that may make sense to consider for MDR, as circled on the zoning map:



Community and Economic Development Department
 920 SE Cedar Falls Way, North Bend, WA 98045
 Tel: 425.888.5633 / Fax: 425.888.5636



Specific areas are further described below:

- a. LDR zone properties fronting to E. North Bend Way between the entrance to Torguson Park and Thrasher Ave. NE, and between E. North Bend Way, Maloney Grove Ave. SE, and SE Cedar Falls Way (see image below). Also, it is important to note that the property owners in this area also asked for mixed-use developments to be a possibility.



- b. The LDR Zone just north of downtown, bounded by the Snoqualmie Valley Trail to the south and west, Ballarat Ave. N. to the east, and City property known as the "Tollgate Forest" to the north (see image below).



Community and Economic Development Department
 920 SE Cedar Falls Way, North Bend, WA 98045
 Tel: 425.888.5633 / Fax: 425.888.5636



- c. The LDR zone immediately west of the downtown, across Bendigo Boulevard from Bartells (see image below, noting the lands immediately adjacent to the river are considered critical areas, hence undevelopable).



- d. Other areas the Council would like to explore including?

3. **Types of Housing.** There are several typologies that fit well within the context of single-family homes, in terms of bulk and dimensional parameters, which we would propose to use within the Medium Density Residential Zone. Again, many of these are illustrated on the Missing Middle Website (<http://missingmiddlehousing.com/>). We also have a number of these typologies within our older neighborhoods in North Bend. The key factors are small overall building size, and variety. These include:

- a. Duplex (either stacked, side-by-side, or back-to-back).



(Example on Ballarat Ave.)

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b. Triplex



(Sightline Institute - Creative Commons)

c. Size-limited 4-plex apartment building (may appear like single-family home)



(example on Sydney Avenue)

d. Small townhomes/row houses (up to 4 per building)



(Lennar Homes)

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e. Bungalow Court Apartments



(Sightline Institute – Creative Commons)

f. Live-work units (up to 4 units/building)



(Essex Property Trust)

g. Cottages



(2nd Street Cottages downtown)

h. Small-lot small single-family homes

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(E. 5th Street north of downtown)

4. **Density:** Should we apply a density range for the MDR zone or just apply form-based standards?
 - a. Consider form-based standards rather than density.
 - i. The missing middle website recommends using form-based regulations (governing bulk, building form and typology) rather than specific density ranges, as many of the missing middle typologies can be at the same density as more conventional multifamily, but in smaller-scale buildings which better blend to single family neighborhoods.
 - ii. Form-based standards would require quite a bit of thought but may be a good approach for this zone. See the Missing Middle website for more information on this.
 - b. If we go with a density limit rather than form-based standards, staff suggest a density range generally between the Cottage Residential Zone and the High Density Residential (HDR) zone, at approximately 8-15 units per acre gross density. For comparison:
 - i. CR zone allows up to 10 units per acre.
 - ii. HDR zone allows up to 21 units per acre (based on lot area per dwelling)
 - iii. The following website provides a good way to visualize different residential densities and illustrates the importance of design in perceived density (often higher density developments with good design can actually appear less dense than lower density developments with poor design): <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/April-2017/Visualizing-Compatible-Density.aspx>

5. **Continued Single-Family One-Offs?** Do you wish to allow one-off new single-family homes constructed on existing lots in the MDR zone? Many of these areas are currently characterized by predominantly single family homes. Transition is desired, but consider whether you wish to continue to allow new one-offs on existing lots within the new zone.

Following your initial direction at this meeting, staff will begin preparing draft amendments to the zoning code and zoning map for notification to the public (including all properties that could be rezoned plus those within 300') and consideration by the Planning Commission.

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Downtown Form-Based Code Discussion

Problem Statement

The City’s downtown has always been the cultural heart of the City, and the location of much of the City’s existing affordable housing supply. Over time, however, existing older homes will eventually be redeveloped for more intense land uses as market factors increase the value of land, which could result in new development that is out of scale and character with what has made downtown North Bend unique. A guidance tool is needed, for both our downtown urban form, and for tasteful density that allows affordability.

Current Timeline

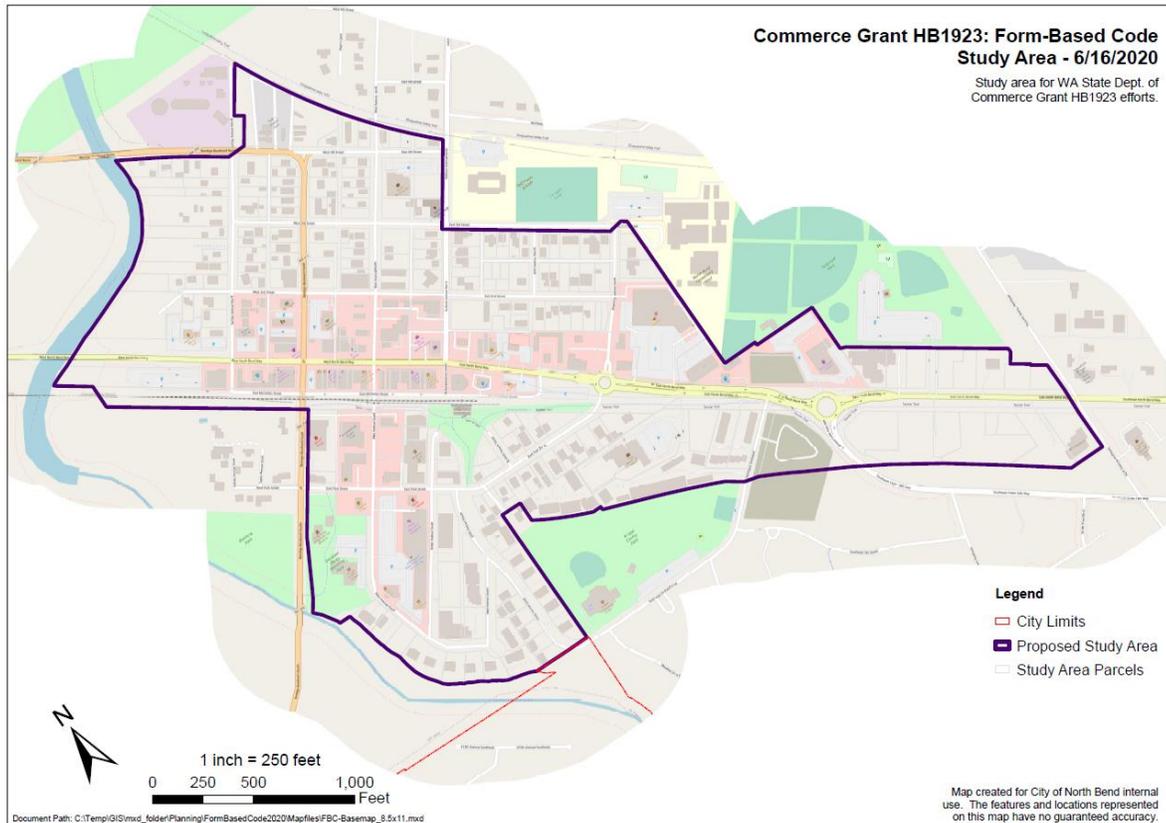
Description	May 1-15	May 15-31	Jun 1-15	Jun 16-30	Jul 1-15	Jul 15-31	Aug 1-15	Aug 16-31	Sep 1-15	Sep 16-30	Oct 1-15	Oct 16-31	Nov 1-15	Nov 16-30	Dec 1-15	Dec 16-31	Jan 1-15	Jan 15-31	Feb 1-15	Feb 15-28	Mar 1-15	Mar 16-31	
Research and Visioning	Blue	Orange	Blue	Orange																			
Data Collection/Community Outreach			Blue	Blue	Blue	Blue	Orange	Blue															
Analysis and Preliminary Designs							Orange	Blue	Orange	Blue													
Presentation to Officials & Feedback										9/15 Wkstudy													
Develop Recommendations									Orange	Blue													
Draft Form-Based Code and Staff Report											Yellow												
Public Process/Planning Commission												Blue	Blue	Light Blue									
Finalize Codes and transects														Orange	Light Blue		Orange						
Approval																		Blue	Blue	Blue			
Adopted Form-Based Code																						Yellow	

How Form-Based Codes will solve our Downtown Problems

A form-based code is a land development regulation that fosters predictable built results and a high-quality public realm by using physical form, rather than separation of uses, as the organizing principle for the code. The form-based approach will allow the public to see and adjust the actual components that are contributing to what they like in development and address what they don’t like.

Current FBC Focus Area Below (larger map version provided in 9/22 Council Workstudy Packet)

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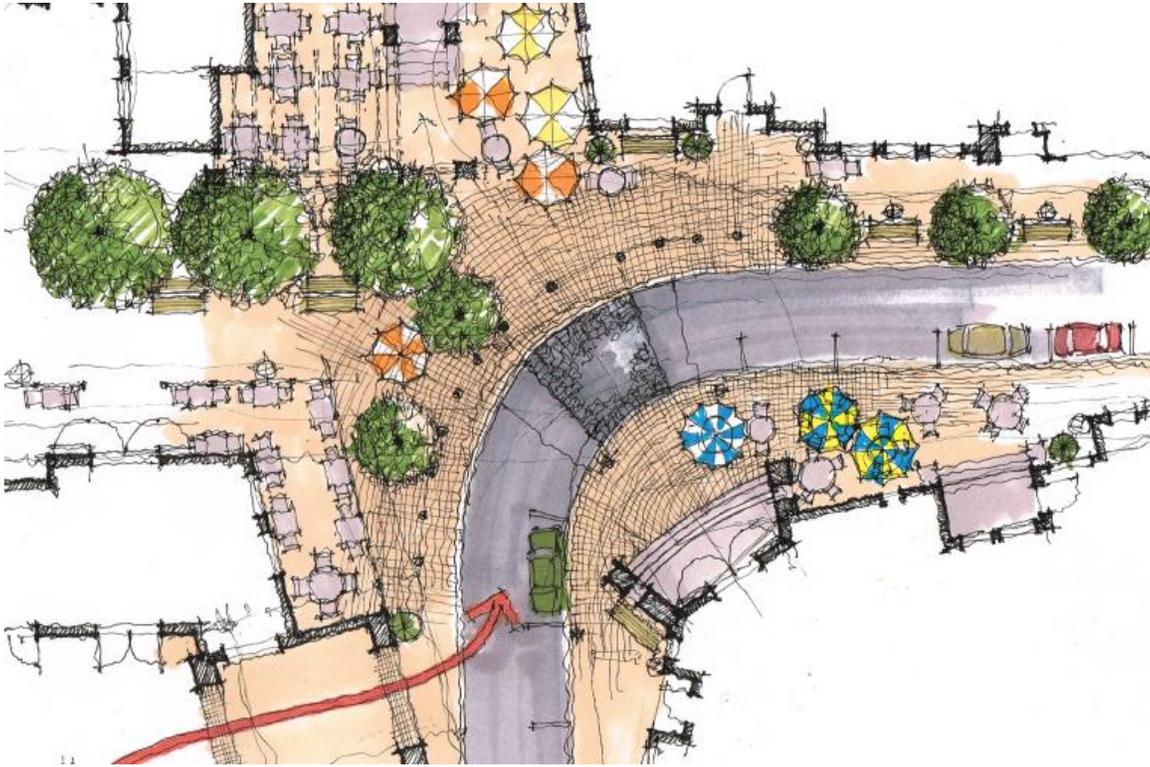
To further enliven the downtown and secure its future as a social, cultural and entertainment destination, while increasing the overall supply of more affordable housing options, the City wishes to provide a new form-based code. This form-based code will ensure that new development fits with the scale and character of the historic commercial uses, enlivens the public realm with a good relationship between street, sidewalk, and building. This will be accomplished while enabling additional housing, providing more affordable choices to meet a significant local need and help bring additional residents to support a walkable, vibrant downtown community.

The regulations and standards in form-based codes are presented in both words and clearly drawn diagrams and other visuals to help property owners and the public. They are keyed to a regulating plan that designates the appropriate form, scale and character of development, rather than only distinctions in land-use types. They will help implement a community plan for North Bend and will help enliven the downtown area with buildings and a built form that relates well to existing uses, facilitates a lively pedestrian environment, and secures the downtown as the cultural and economic heart of the City.

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Example Plaza Schematic, North Bend/Mestia Project (Laroy Gant)



Other complexities form-based code could alleviate include floodplain development, underutilized spaces, parking, walkability, lack of transit, viewsheds, density concerns, noise, compatibility of developments.

In sum, FBCs help:

1. Enhance the public realm
2. Better integrates new buildings into existing settings,
3. Uses a suite of architectural

A key component to the success of FBCs is to have the regulations set so that private development pays for the improvements to the public realm, through codes that guide developers in how to create the spaces and relationships. One stellar local example of this, at a slightly larger scale is Bothell's Downtown Plan, which has created a common theme of character for multiple subareas in and near their core downtown.

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Example schematic of town center – Bothell Downtown Subarea Plan



FIGURE 1.28 EYE-LEVEL VIEW - DOWNTOWN NEIGHBORHOOD AREA WEST OF SR 527 LOOKING NORTHWEST TOWARD POP KEENEY STADIUM

Progress to date

The project team has met virtually several times to culminate research and define recommended methodologies. Staff has also been in conversation with Commerce regarding shifting expectations due to the pandemic and progress within other jurisdictions.

Our Architectural Consultants are currently working on a picture catalog of our downtown, cataloging certain assets downtown, as well as areas with improvement potential. Most recently a virtual public outreach survey was completed to help to form-based code development process.

Architectural Cataloging

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The goal of this exercise is to convey three things:

1. Themes of building typologies for specific areas we are suggesting preserve/retain/encouraging, like our historic downtown, and clusters of newer buildings whose typologies are well received
2. Areas of opportunities, such as underutilized and vacant parcels, to convey development will likely occur regardless in the next 20yrs. Opportunities for future public space would be powerful.
3. Areas where mountain views highlight the downtown experience

Survey Results Summary

We created and distributed a Google Survey to gage public sentiment regarding the current status of our downtown, what is valued aesthetically, public safety, and barriers to development. The survey window was August 12th to 24th, 2020 and 351 surveys were completed. This initial section gives a very brief summary of the of findings.

When asked what people like most about our downtown almost two thirds of the responses were mountain views. The second most popular answer was walkability, followed by access to services. Other answers included people's enjoyment of the small town feel, the lack of chain stores, and safety.

What do you like most about Downtown North Bend right now?

339 responses



When asked about the specific services our downtown is lacking, restaurants and small shops were mentioned the most, as well as utilizing roof space for seating. Other services were requested. Some also made comments that our downtown needs increased services for what is already present, such as handicap parking. Some also felt there were too many bars but limited basic shopping options. Some felt more amenities for outdoor recreation visitors such as a hotel, while others felt there should be no more growth.

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The Growth Management Act of Washington State requires cities like North Bend to accommodate regional growth through land use zon...in our Downtown or other areas within our City?

322 responses



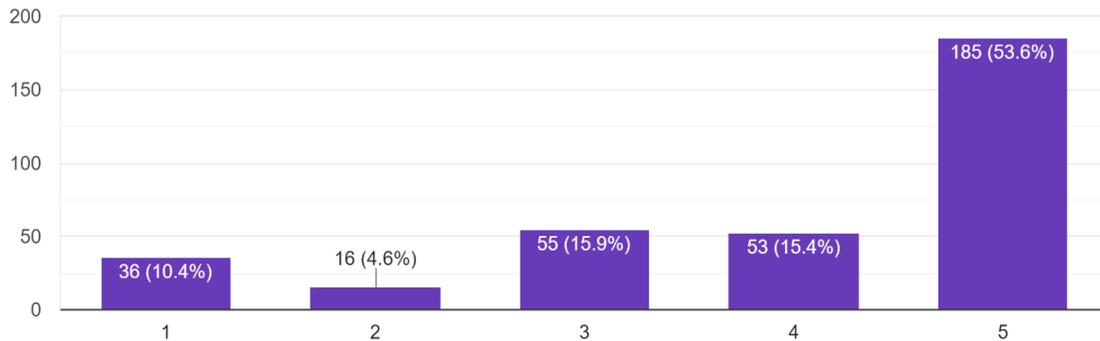
Those who chose areas outside of our downtown to focus future development elaborated on a few areas. Most answers relevant to the question centered around Exit 31 (Safeway, Outlet Mall, etc) and Exit 34 (Trucktown), with some generally suggesting East North Bend Way between downtown and trucktown. Specifically, 30 answers mentioned Trucktown, 24 answers mentioned Exit 31, and 14 answers mentioned North Bend Way east of downtown.

Another realization the survey indicates is increased non-motorized transportation infrastructure is greatly desired. On a scale of 1 to 5, 5 being most important, the average score was a shade under 4. Also, in Question 11 three quarters of respondents were in favor of a riverfront park along the banks of the South Fork of the Snoqualmie. Opposition to this park was a minority, and negative comments were mostly associated with private property rights.



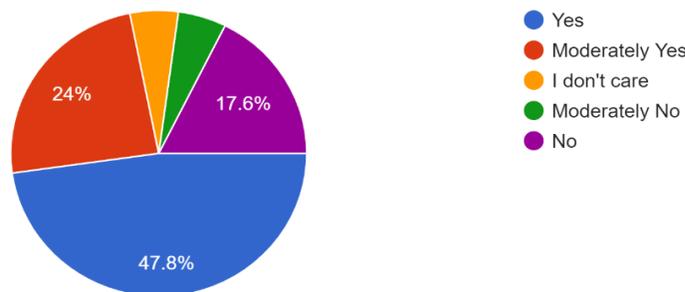
How important is it to connect our downtown parks with safe, vehicle-free paths for pedestrians and bicycles?

345 responses



Would you be supportive of improvements designed to create safe, people-oriented space along the South Fork of the Snoqualmie Riverfront Trail?

341 responses



Overall Staff feels the survey results indicate a few things. Firstly, we are in a changing community, hence the diverse array of answers on people’s preferences. Aside from the desire for mountain views and more non-motorized transportation options, no major themes are emerging. One other realization from this exercise is the public is open to growth outside of our downtown, the developed lands around Exit 31. This was not a consideration of Staff when outlining these grant efforts.

Due to the lack of clear messaging from the public received from this survey, Staff will rely on the outcome of this workstudy to help inform future designs.

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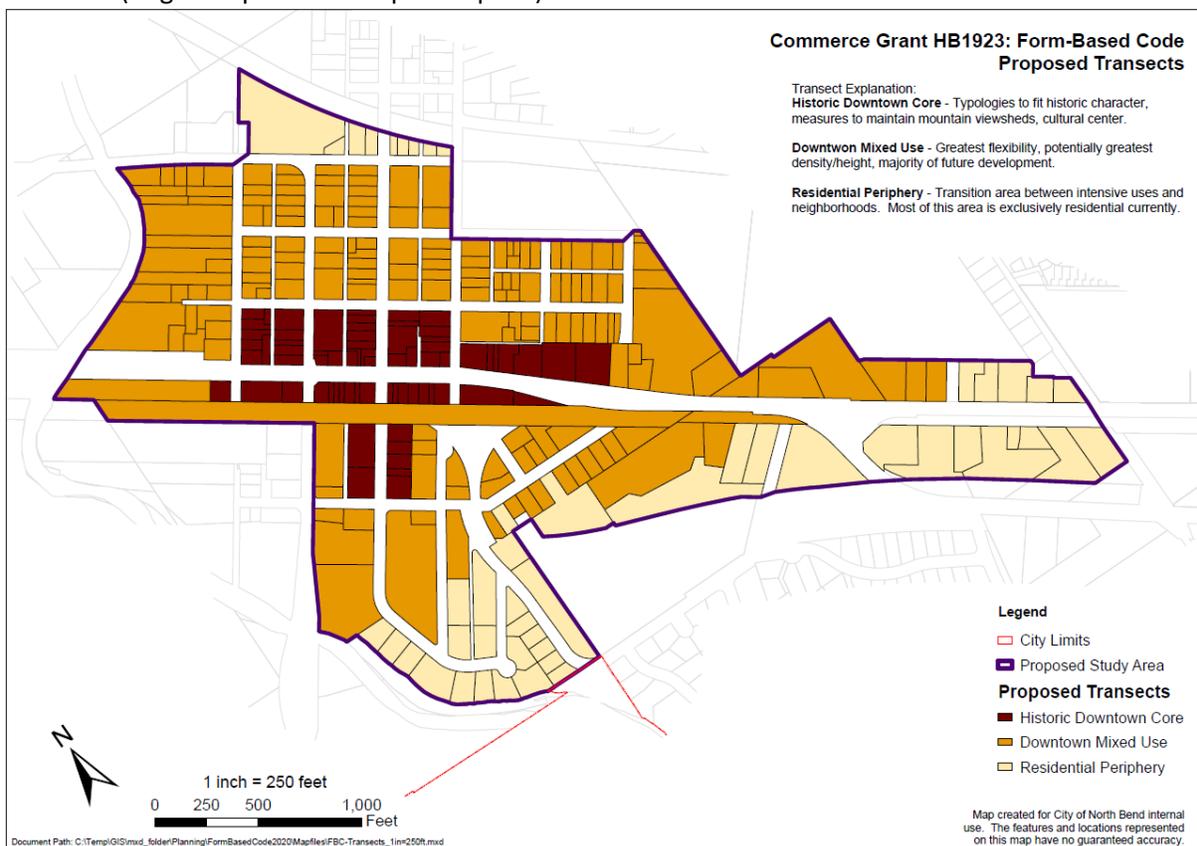


Questions we are hoping to answer for this FBC effort

Growth will happen in our downtown regardless of zoning changes. It is ultimately up to you to help shape how this growth will occur, whether it will have architectural guidance, and how public spaces are created. Below are a few questions to help gear your mind toward a productive Council Workstudy on September 22nd.

- How should we increase density (not just height) in our downtown to allow for more affordable housing? Some suggestions include no minimum size for units, no setbacks, elimination or reduction of open space requirements.
- How much density would be acceptable if design standards through form-based code are met? Our DC zone currently allows up to 43 units per acre as of right, i.e. only looking at the code and not considering other factors. How about 50-55 units per acre?
- Where outside of downtown would you be willing to see increased density for affordable housing? The lands adjacent to Exit 31 and to a lesser degree Exit 34 were mentioned multiple times in the public survey.
- Would the CED Subcommittee like to liaise this project? Would any Councilmember want to be a liaison to the rest of this process?

One concept proposed by staff is concentrating growth in a ring outside of the core historic area but still within our downtown (larger map available upon request):



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