

For City Heights Holdings, LLC PO Box 4279, Seattle Washington 98194

MEMORANDUM

To: City Council for the City of Cle Elum c/o Kathi Swanson (kswanson@cleelum.gov)

From: City Heights Holdings, LLC

CC: Gregg Dorhn and Alexandra Kenyon

Re: Statement of Limited Appeal of Consistency Determination and Phase 1

Preliminary Plat approval, including Minor Modifications

Date: May 27, 2021

In accordance with the provisions of the City Heights Development Agreement Appendix Q, the applicant City Heights Holdings, LLC hereby appeals limited aspects of the City's Consistency Determination and Phase 1 Preliminary Plat approval, including Minor Modifications (the "Phase 1 Decision"). City Heights Holdings supports the City's determination of approval but has concerns about how certain terms and conditions will be applied and implemented. In the event that we are able to resolve our concerns with the Phase 1 Decision through discussions with City Staff and the City Attorney, we intend to withdraw this appeal. Otherwise, we ask that the Council fix the issues presented.

- 1. The name, mailing address, and contact information of the petitioner(s) is: City Heights Holdings, LLC c/o Sean Northrop, Trailside Homes, 116 ½ South Washington Street, Seattle, WA 98104, sean@trailsidehomes.com, (206) 459-3490.
- 2. The name, mailing address, and contact information of the petitioner's attorney is: Cairncross & Hempelmann, c/o Nancy Bainbridge Rogers and Max Burke, 524 Second Avenue Suite 500, Seattle, WA 98104, nrogers@cairncross.com, (206) 254-4417, and mburke@cairncross.com, (206) 254-4497.
- 3. A separate and concise statement of each alleged error in the Phase 1 Decision is: contained in the enclosed letter dated May 21, 2021, addressed to City Attorney Alexandra Kenyon.
- 4. A statement of the facts and evidence on which each alleged error is based, is: contained in the enclosed letter dated May 21, 2021, addressed to City Attorney Alexandra Kenyon.
- 5. A statement and description of the type and extent of relief requested, is: as described in the enclosed letter, the applicant, City Heights Holdings, requests that various sections of the Phase 1 Decision be revised to ensure consistency with law, and the Development Agreement, as well as smooth processing of forthcoming construction approvals.
- 6. Payment of the land use decision appeal fee as required by the City Fee Schedule (\$550) accompanies this appeal.



Seattle, WA 98104 www.cairncross.com fax 206.587.2308

May 21, 2021

VIA EMAIL ONLY

Alexandra Kenyon Kenyon Disend Alexandra@KenyonDisend.com

> City Heights - Proposal for Agreed Revisions or Interpretation of Phase 1 Conditions Re:

Dear Ms. Kenyon:

As you know, I represent the developer of the City Heights project. As you also know, my goal is to see that the City Heights project is approved to clear the trees on Phases 1 and 2, followed by the start of site construction this summer. We were pleased to see the City's May 13 Consistency Review decision, including approval of the requested minor modifications for the relocation of Summit View and the location of the combined community center/commercial building to the west of Summit View (the "Phase 1 Decision"). We were also pleased to see the inclusion of Condition 3, confirming what you and I have always understood to be the case:

In the event any condition or requirement imposed by this decision for Phase 1 is determined to be inconsistent with the Development Agreement, the terms of the Development Agreement will control, and the Development Agreement provisions will be interpreted and applied as stated in Section 12.4.1 "Interpretation."

Unfortunately, as we read many of the conditions of the Phase 1 Decision, we see inconsistency with the Development Agreement. We also see conditions that fail to acknowledge the City's permit process and/or fail to acknowledge that reports or plans have already been submitted to the City. Each of these matters is listed below. I would like to discuss paths forward to a reasonable interpretation and understanding of these conditions. For example, one approach would be for the City to issue a written interpretation confirming the correct reading of the conditions. Another approach would be for the City to withdraw, correct and re-issue the decision. A third option is for my client to appeal to the City Council, and for the City Attorney and staff to agree to support our position in front of Council so as to revise the condition text. Dispute resolution under the Development Agreement is another option. You will likely have additional ideas on how to address these matters.

I. SEPA Conditions Potentially Inconsistent with Development Agreement, City's Permit Process and Previously Filed Reports

{04205553.DOCX;2}

SEPA Condition 1 provides:

- 1. Following preliminary plat approval, the Project Sponsor shall prepare and submit for City review and approval engineered plans for the relocation and construction of Summit View Road, consistent with the standards contained in the City Heights Development Agreement. Additional plans and submittals necessary to address identified impacts and required plat approvals shall include the following:
 - a. An application for a City Clearing and Grading Permit.
 - b. A Critical Areas Report and Mitigation Plan(s) prepared in accordance with the provisions of CEMC Chapter 18.01 in effect in November 2011, including Department of Ecology guidelines incorporated therein. This Plan shall include such measures as may be necessary to avoid, minimize, and mitigate potential adverse impacts to wetlands and streams and associated buffers, and shall be subject to City approval.
 - c. Documentation of compliance with applicable state or federal regulations or project-specific mitigation requirements, including but not limited to, required review, and permitting of any proposed crossing, construction activities or buffer intrusion of on-site streams by the Washington Department of Fish and Wildlife.

Here, this condition language is acceptable, so long as the City agrees that:

- (1) per Gregg Dorhn's instructions all site construction plans were filed under a Clearing and Grading Permit submittal, such that this condition does not trigger a new permit submittal over and above the materials already on file with the City, submitted in March 2021, and linked here: http://cityofcleelum.com/city-services/planning/city-heights/city-heights-phase-1-application-materials/.
- (2) in addition to the general explanation of process above in (1), that the "engineered plans" for Summit View Road are, in fact, already included in the Clearing and Grading submittal made on March 15 2021.
- (3) the Critical Areas Report and Mitigation Plan referenced in subsection (b) is the report already prepared by Sewall Wetland Consulting Inc., dated July 28, 2020, filed with the Phase 1 application, and linked here http://cityofcleelum.com/wp-content/uploads/2020/09/City-Heights-Phase-1-Application-Critical-Areas-Report-07-28-20.pdf together with the update report, dated March 11, 2021 and linked here: http://cityofcleelum.com/wp-content/uploads/2021/04/City-Heights-Phase-1-Revised-Critical-Areas-Report-03-11-21.pdf.

SEPA Condition 3 contains language almost identical to Plat Condition 17, and is addressed under that item, below.

SEPA Condition 4 contains language nearly identical to Plat Condition 21, and is addressed under that item, below.

II. <u>Lack of Clarity regarding Process for Applicant Elections, and Inconsistency with Development</u>
Agreement

In February 2021, my client provided the City with two categories of Applicant Elections triggered by the Phase 1 application: first, the relocation of a commercial use of approximately 3,500 square feet from Development Area B to Development Area C, within Tract K of the Preliminary Plat, and, second, a number of alternative road standards as depicted in the Phase 1 Preliminary Plat plan set at Sheet RD-01, and the option to use private access tracts ("PAT"), that will be privately maintained to provide access to some lots. Under the DA, Appendix R, Section 1.2, "The City Planning Director shall verify the applicant's elections or modifications under Paragraph 1.1 and to verify no other City regulated feature has been significantly affected by the modification. The City Planning Director shall not have discretion to deny an Authorized Election."

The Phase 1 Decision states that: "The City has accepted the Project Sponsors proposal to modify the access requirements including the inclusion of alleys and the orientation of residential lots to front on open space tracts as Applicant Elections." However, the Phase 1 Decision also states: "The City will continue to review and document Applicant Elections as the Phase 1 plat application continues through the review and final approval process." Does that mean the City has already verified and approved as Applicant Elections all of the proposed alternative road standards as depicted in the Phase 1 Preliminary Plat plan set at Sheet RD-01, and the option to use private access tracts ("PAT"), that will be privately maintained to provide access to some lots? If so, then we have no further issue. If it means something different, then we need to understand the City's position and may need to appeal it.

Similarly, what is the status of the Applicant Election request to relocate a commercial use of approximately 3,500 square feet from Development Area B to Development Area C, within Tract K of the Preliminary Plat? The Phase 1 Decision is simply silent on that point, unless we are to assume that the shifting of a commercial use from Area B to Area C was approved as part of the Minor Modification.

III. <u>Minor Modification Conditions Potentially Inconsistent with Development Agreement, City's Permit Process, and Previously Filed Reports</u>

Summit View Minor Modification Condition 3 provides:

3. Prior to initiating any forestry activities that may be authorized by the Washington State Department of Natural Resources (DNR), the Project Sponsor shall submit an application and receive a Clearing and Grading Permit from the City, provided that:

- a. No clearing or grading activities shall occur in critical areas or their buffers, or adversely affect these areas, without written authorization pursuant to a critical area permit issued by the City, and/or prior to any required permitting by federal or state agencies.
- b. No trees shall be removed prior to satisfying all applicable provisions of City Heights Development Agreement, as determined by the City. This shall include, but is not limited to:
 - (1) Trees with a diameter in excess of thirty (30) inches, measured four feet above grade, in any open space or planned public area, shall not be removed prior to creation of a vegetation management and revegetation and planting plan completed by a certified arborist (Appendix B).
 - (2) Landscaping for City Heights shall be consistent with the standards set forth in CEMC 17.64, with the following modifications and clarifications:
 - 9.1 The definition of 'significant trees" set forth in CEMC 17.64.040 pertains only to trees within wetlands, fish and wildlife conservation areas, frequently flooded areas, and geologically hazards areas. Such trees may be removed from these areas where such removal is mitigated through relocation or revegetation pursuant to a critical area mitigation plan consistent with applicable law (Appendix B).
 - (3) No development, earthmoving activity, or deposit of spoils or drainage shall occur on the Red Rock Park delineated on the Master Site Plan, except as specifically authorized by the City for purposes of improving slope stability or enhancing the recreational aspects of the Red Rock Park (Appendix G).
 - (2) No vegetation shall be removed from slopes with a grade in excess of thirty five percent (35%) unless, upon recommendation of the Ridge Entities licensed geotech engineer, the City Engineer determines vegetation removal is necessary to complete road, trail or utility corridors and appropriate measures are undertaken to ensure slope stability (Appendix G).

The requirement to submit and receive approval for a Clearing and Grading permit prior to initiating separately State DNR approved logging activity is plainly inconsistent with the State law, and the DA. Specifically, RCW 76.09.240(6) confirms that where, like here, DNR maintains regulatory authority over forest practices, the City may **not** adopt or enforce any law, ordinance, or regulation pertaining to forest practices, except in the limited circumstances that do not apply here, and even then, any local regulations "shall not unreasonably prevent timber harvesting." Perhaps the City is parsing this language

to assert that imposing a condition on a project permit is entirely separate from adopting a regulation. While that distinction matters in some circumstances, it is a meaningless distinction here. The State DNR regulates and permits forest practices. The City does not.

Next, Section 12.4.1 of the DA states:

The parties intend this Agreement to be interpreted to the full extent authorized by law as an exercise of the City's authority to enter into such agreements, and this Agreement shall be construed in furtherance of effectuating the Flexibility Objectives and the purposes and principles set forth in Section 3.2. In the event of a conflict between provisions relevant to the Project, the terms of the Appendices shall prevail, then the provisions of this Agreement, then the provisions of applicable laws and regulations.

The DA defines Flexibility Objectives to mean: "the purposes of modifying various Project elements in order to incorporate new information, respond to changing needs, encourage reasonably priced housing, and encourage modifications which provide comparable benefit or functional equivalence with no significant reduction of public benefits or increased cost of development." Section 3.2 of the DA states the purpose of the DA to be to encourage development and expressly limits allowed mitigation, stating, in part: "(a) the Ridge Entities shall be responsible for mitigating only the impacts caused or necessitated by the Project as demonstrated by the EIS and otherwise identified in this Agreement, and (b) the extent of such mitigation shall be roughly proportional to the impact caused by the Project." These DA provisions further support that the City has no right to interfere and delay forest harvesting – permitted by the State DNR – because that mitigation is not part of the DA, the EIS, nor is it tied to the impacts of the project itself.

The City is well-aware that the Clearing and Grading permit has been submitted for Phase 1, and that an application for a Forest Practices Approval ("FPA") has been filed with DNR covering lands within both Phase 1 and Phase 2 of the City Heights property. Given that the Clearing and Grading permit was submitted on March 15, 2021, and is subject to the expedited DA Appendix Q process, a decision should have been issued on May 14, 2021; we assume the City will be issuing its decision on the Clearing and Grading permit shortly, meaning that this condition will be met for the Phase 1 lands.

However, as to the Phase 2 lands, or in the event of a delay in approval of the Clearing and Grading Permit for Phase 1, we ask that Minor Modification Condition 3 be revised and clarified to confirm that the City cannot and will not prevent my client from exercising an approved FPA.

Summit View Minor Modification Condition Nos. 4 and 5 provide:

4. Property within the boundaries of the Phase 1 preliminary plat to be included in the required Red Rock Open Space (Park #3) shall be placed in a privately owned Open Space Tract for future dedication to the City or other public agency, provided that:

- a. Critical areas and their buffers and other areas not suitable for recreational uses are identified and protected through signage and through such measures as fencing or placement in separate tracts subject to conservations easements.
- b. The property owner shall not encourage or permit recreational uses to occur within critical areas or their buffers.
- c. The dedication of the Red Rock Open Space (Park #3) to the City or other public agency shall occur only upon the completion of the following:
 - (1) The Project Sponsor has submitted plans, subject to review and at the City's sole discretion approval, of additional land to be left in a natural state sufficient to compensate for the reduction of the size of Red Rock Open Space due to the construction of Summit View Drive.
 - (2) All the property for inclusion in Park #3, as depicted on Exhibits 3 and 7 to the Development Agreement or as otherwise approved by the City, have been placed in open space tracts suitable for dedication to the City.
 - (3) A Master Plan for Park #3 in its entirety has been prepared and approved by the Project Sponsor and the City.
 - (4) All required improvements to Park #3 in its entirety have been constructed by the Project Sponsor and accepted by the City
 - (5) All plats necessary for build-out of Development Areas A, B, C, and D have received final approval from the City.
- 5. Property within the boundaries of the Phase 1 preliminary plat to be developed as trails and dedicated to the City shall be placed in a privately owned Open Space Tract for future dedication to the City or other public agency, provided that:
 - a. Critical areas and their buffers and other areas not suitable for recreational uses are identified and protected through signage and through such measures as fencing.
 - b. The property owner shall not encourage or permit recreational uses to occur within critical areas or their buffers.
 - c. The dedication of trails to the City or other public agency may occur only upon the completion of the following tasks:

- (1) All the property intended for the development of public trails in Pods A, B, C and D, as depicted on the Master Site Plan or as otherwise approved by the City, have been placed in open space tracts suitable for dedication.
- (2) A Master Plan for these trails has been prepared and approved by the Project Sponsor and the City.
- (3) All required improvements have been constructed by the Project Sponsor and accepted by the City.
- d. All plats necessary for build-out of Development Areas A, B, C, and D have received final approval from the City.

These conditions should be removed from the Phase 1 Decision, and negotiated in the separate MOU we have been discussing. To the extent this type of language remains in the Phase 1 Decision, it is an impermissible unilateral amendment of the DA and is, therefore, unenforceable.

The DA, Appendix N, plainly states that there is "no time limit[] on completion" of Park #3, and that "[u]pon completion" of the park, the park "shall" be dedicated to the City in fee, and shall then be maintained by the City, with no allowance for further conditions. Likewise, the DA, Appendix N calls for dedication of trails to the City upon completion. These provisions of DA Appendix N prevail, and Minor Modification Condition Nos. 4 and 5 cannot be enforced as written.

Next, to the extent any of these terms are included in an ultimate MOU, we note that the DA authorizes recreational trails in buffers, and that fencing of full boundaries of tracts is impractical, expensive, blocks wildlife, and is unattractive. The best approach to defining boundaries of sensitive areas within parks is to use signage, and limited fencing in the immediate areas near trail crossings.

Tract K Recreation Amenity Minor Modification Condition 2 provides:

2. The Project Sponsor shall submit plans, subject to review and at the City's sole discretion approval, of plans that documents that there shall be no net reduction in the area of Park #3, as depicted on Exhibits 3 and 7 to the Development Agreement. This shall include proposed additions to offset any reductions of the size of this natural open space area due to the construction of the realigned Summit View Drive, the design and construction of the privately owned amenity, and any other proposed reconfigurations of the Park #3 boundaries.

Tract K Minor Modification Condition 2 demonstrates the City's misunderstanding of the plans for Park #3. As has been explained to the City, Exhibits 3 and 7 to the Development Agreement are conceptual

plans, not surveyed maps. The general location of Park #3 totaled approximately 12 acres. With the relocation of Summit View Drive, approximately 1 acre of those lands is no longer part of the park. There are sufficient lands adjoining the conceptual location of the park to make up that difference. We propose that Condition 2 be re-worded to simply state that "The Project Sponsor shall ensure that at the time of dedication, Park #3 contains a total of at least 12 acres of land."

Tract K Recreation Amenity Minor Modification Condition 3 provides:

- 3. The Project Sponsor shall, in consultation with local interest groups and neighboring property owners, submit plans to design and construct a memorial park that includes, or is in the immediate vicinity of, the opening to Mine #7 and the remaining foundations of associated mining buildings, as partial mitigation for the intrusion into and the reduction in size of Park #3.
 - a. Upon approval of these plans by the City, the area of this memorial park shall be accepted by the City as contributing to the determination that there is no net reduction in the area of Park #3.

This condition is factually incorrect, and contrary to the DA and PAO, including the EIS analysis. It is also not clear whether in referencing the "remaining foundations" and "opening to Mine #7," the City is referring to features within the planned Park #3, or to features elsewhere on the site. If the City is referring to creating a memorial park in the location of the old partial building foundation where new building lots are currently shown on the Phase 1 preliminary plat map, then this condition is plainly contrary to the DA and cannot stand as written.

The condition also is factually incorrect, because as noted above, there is no net reduction in size of Park #3. Instead, the boundaries of Park #3 are shifting as was always anticipated and specifically anticipated in the DA's Flexibility Objectives, and in sections such as Appendix R, Section 2.2.1 of the DA.

Next, per the EIS, only Mine Hazard Area 1 (which is not within the Phase 1 project) requires mitigation, and no other mitigation for mine hazards, let alone potential mine features is required. Indeed, the DA is clear at Section 11, that the mitigation provided in the DA and under the PAO is complete and final, and "adequately and effectively mitigate[s] the adverse impacts of the development of the Project." Thus, the City simply does not possess the authority to unilaterally amend the DA to impose additional mitigation.

That said, my client is absolutely already planning a feature inside Park #3 to memorialize Mine #7. For these reasons, the current Condition must be deleted. We ask that this Condition be reworded to simply say "Prior to dedication, Park #3 shall include a memorial to Mine #7."

IV. <u>Preliminary Plat¹ Conditions Potentially Inconsistent with Development Agreement, City's</u> Permit Process, and Previously Filed Reports

Preliminary Plat Condition 1 provides:

1. No construction activities of any kind shall be initiated until the Project Sponsor has submitted and the City has approved a preliminary plat map for Phase 1.

This condition is, frankly, mystifying. The whole point of the Phase 1 Decision is to approve the Phase 1 preliminary plat, including the map that has already been submitted and reviewed by the City. This plat map linked on the City's own website, here, should be approved: http://cityofcleelum.com/wp-content/uploads/2021/05/City-Heights-Phase-1-Preliminary-Plat-Map-05-11-21.pdf

If by Condition 1 the City is demanding some additional or different map or plan set, then you need to tell us what on earth you want to see and why the current plat map is insufficient. Otherwise, we seek confirmation that the linked plat map has, in fact, been approved.

Preliminary Plat Condition 4 provides:

- 4. No construction activities of any kind shall be initiated within the boundaries of the Phase 1 preliminary plat map (Exhibit AA) without expressed written authorization to proceed from the City. This shall include, but is not limited to:
 - a. Clearing, grading, fill, and excavation.
 - b. Site preparation.
 - c. Construction or relocation of streets and alleys, including paving and repaving.
 - d. Construction of water, sewer, or stormwater facilities.
 - e. Construction or relocation of trails.
 - f. Construction in or near critical areas and their buffers.
 - g. Construction or placement of buildings, structures, or temporary shelters
 - h. Other construction activities as determined by the City.

Generally speaking, this condition is expected and logical. However, given some of the other terms of the Phase 1 Decision (e.g., Condition 1 regarding a plat map that already exists), we want to be sure that the City agrees that the current Clearing and Grading submittal for Phase 1 includes all of the necessary applications, such that upon approval, all of Condition 4 (other than authorization for future buildings) will be met. If the City believes the current Clearing and Grading submittal for Phase 1 is lacking some of this information, then we need to discuss the City's permitting procedures as soon as possible.

¹ For ease of reference, we call these Preliminary Plat Conditions. However, as noted in the preamble language at pp. 22-23 of the Phase 1 Decision, the conditions listed beginning on p. 23 apply to the "City Heights Phase 1 Preliminary Plat Application, including the two Minor Modifications."

Preliminary Plat Condition 6.a. provides:

- 6. The City may include with permits and written authorizations, such measures as may be necessary to protect the public health and safety, enforce compliance with local, state and federal laws, confirm compliance with the City Heights Development Agreement, and to ensure compliance with the terms and conditions of the Phase 1 preliminary plat approval. This may include, but is not limited to:
 - a. Documentation of compliance with the standards of the Washington Model Toxics Control Act.

MTCA compliance was discussed in the EIS, and only a portion of Development Area A requires any sort of review under MTCA. Thus, we seek the City's confirmation that Condition 6.a. does not apply to the Phase 1 Decision, and deletion or a statement of inapplicability of this condition.

Preliminary Plat Condition 9.a. provides:

- 9. No platted lot may be leased or sold, or building constructed, prior to final plat approval, provided that:
 - a. One temporary sales or marketing building may be placed within Phase 1, subject to the issuance of a Temporary Use authorization by the City.

This condition is inconsistent with the Development Agreement. Specifically, Model Homes are also allowed to be constructed prior to final plat approval, under the DA, App. B, Sewer, subsection 3. We seek the City's confirmation that this condition was not intended and will not be used to preclude construction of model homes. It would also be a good idea if the condition was re-drafted to simply cross reference the allowance for model homes.

Preliminary Plat Condition 10 provides:

- 10. No construction activity of any kind may be initiated within City Heights outside of the approved Phase 1 Plat prior to the approval of subsequent plat applications, provided that:
 - a. Preliminary or final approval of subsequent plats may be contingent upon final approval of the Phase 1 Plat and/or the posting of financial guarantees sufficient to ensure completion and/or restoration of the site.

Generally speaking, this condition is expected and logical. However, given some of our past discussions, we seek to clarify that: (a) the City agrees that forest practices are not construction, and (b) that infrastructure construction may be required outside the boundaries of the Phase 1 Plat, e.g., to connect a utility line, or to connect a roadway. Because we expect this Phase 1 Decision to also serve as a template for future phases, and we are confident that some future phases will require connection of roads and utilities and other infrastructure, we do wish to see that flexibility built into this condition.

Preliminary Plat Condition 14 provides:

- 14. The permitted uses and all terms and conditions applicable to public and private tracts shall be identified on the face of the final plat, provided that:
 - a. The Project Sponsor shall submit a draft copy of all documents that create or assign responsibilities to a homeowner's association to the City Attorney for review prior to final plat approval.
 - b. The City may require measures to ensure that the homeowner association(s) perform their obligations in perpetuity.
 - c. The Project Sponsor shall be responsible for maintaining all tracts that may be dedicated to the City or another public agency until such time that the dedication occurs, and that no unauthorized uses occur, nor any use that may cause degradation of these areas.

Again, the general concepts in this condition are typical. However, there is nothing in the DA that requires City review of documents that create or assign responsibilities to a homeowner association, nor measures to ensure the homeowner associations perform their obligations in perpetuity. Similarly, mandating that the "Project Sponsor" rather than an HOA or other entity be responsible for maintaining tracts until they are dedicated is outside the DA. Because the DA plainly provided that the DA and EIS mitigation was complete and adequate, the City lacks the legal authority to impose this new mitigation.

Preliminary Plat Condition 16 (similar to SEPA Condition 1) provides:

16. No development, construction, clearing, grading, fill, excavation, of disturbances of any kind shall occur in streams, wetlands, steep slopes, or any other critical area or their buffers without a critical area permit(s) from the City of Cle Elum, any associated permits and approvals from the City such as a clearing and grading permit or road construction authorization, and any permits or approvals that may be required from state or federal agencies with jurisdiction, including the Washington State Department of Fish and Wildlife.

- a. The required steps in review of City permits and approvals shall include, but is not limited to:
 - (1) The submission of a detailed Critical Areas Report and Mitigation Plan(s) with the design plans for the proposed improvement, such as the relocation of Summit View Drive. This plan shall be prepared in accordance with the provisions of CEMC Chapter 18.01 in effect in November 2011, including the referenced Department of Ecology guidelines, and shall include such measures as may be necessary to avoid, minimize, and mitigate potential adverse impacts to wetlands, streams, and associated buffers.
 - (2) City staff review and City Council approval of the Critical Areas Mitigation Plan.
 - (3) Documentation of compliance with applicable state or federal regulations or project-specific mitigation requirements, including but not limited to, required review and permitting of any proposed crossing, construction activities or buffer intrusion of on-site streams by the Washington Department of Fisheries and Wildlife.
 - (4) Participation in an onsite pre-construction conference conducted by the City that includes the Project Sponsor/Applicant, contractors, and representatives of natural resource agencies with jurisdiction to review conditions of project approval.
 - (5) Written authorization from the City to proceed with construction activities.
- b. If the Project Sponsor is unable to obtain the required permits and approvals for proposed improvements, such as the relocation of Summit View Drive, the preliminary plat map will need to be revised to comply with the provisions of the Development Agreement and Planned Action Ordinance.
- c. Wetland buffer averaging may be approved by the City provided that designated open spaces shall not be proposed to offset reductions of the required buffers.
- d. Compensatory mitigation shall be required to ensure that there is no net loss of wetland or habitat function and value.
- e. The Project Sponsor shall provide documentation that all required City, state, and federal permits and approvals have been obtained.
- f. Additional environmental review may be required for any construction activities determined by the City to be outside of the scope or inconsistent with the City Heights

EIS.

- g. No development activity that disturbs a wetland or wetland buffer may be initiated without City Council approval, unless otherwise agreed to in writing by the City and the Project Sponsor.
- h. The City may require the Project Sponsor to install and maintain measures to protect critical areas within the boundaries of the City Heights Master Site Plan from direct and indirect adverse impacts during Phase 1 construction activities.
- i. The City may require as a condition of final Phase 1 plat approval, that the Project Sponsor take additional measures to protect critical areas within the boundaries of the City Heights Master Site Plan from direct and indirect adverse impacts that may be attributable project phasing, or the use of City Heights facilities such as trails. This may include installation of split rail fences, gates, and/or signage.
- j. All critical areas and required buffers shall be placed in Open Space Tracts on the final plat. No critical areas or buffers shall be included within the boundaries of residential lots.

As described under SEPA Condition 1, my client long ago submitted to the City a Critical Areas Report and Mitigation Plan. If the City Staff intends to force City Council approval of that plan, then, the issue becomes one of timing. The Appendix Q process timeline ran long ago on the Phase 1 preliminary plat, and ran last week on the construction permits filed under the Clearing and Grading permit. Why is City Council approval required, and if required, when will it occur? We also seek confirmation from the City that the language of Condition 16.g authorizing an agreement in writing between the City and the Project Sponsor in lieu of City Council review prevails over the initial statement that the City Council needs to review and approve the Critical Areas Report and Mitigation Plan.

Next, we are concerned about implementation of Condition 16.c. Wetland buffer averaging should be allowed to include new buffer addition areas in open spaces, such as parks. This is typical, and it is not precluded by the DA. Because the DA confirmed that the existing mitigation was full and complete, we do not see any authority for this provision of the condition.

Finally, the last sentence of Condition 16.j does not work and if applied would effect a significant reduction in the approved development areas of the site, contrary to the DA. Critical areas and buffers are allowed to be included in the boundaries of residential lots, subject to protection via recorded easements, signage or other features such as split rail fences. Especially on a sloped site like City Heights, the ability to locate critical areas and buffers in residential yards is vital to assuring the full project vision can be realized.

Plat Condition 17 (similar to SEPA Condition 3) provides:

- 17. Prior to any clearing of vegetation, the Project Sponsor shall prepare and submit for City review and approval a Landscaping Plan prepared in accordance with the provisions of the vested standards set forth in CEMC 17.64 as modified by the City Heights Development Agreement, including but not limited to Appendix B, and this document, provided that:
 - a. This plan shall include a vegetation management and revegetation and planting plan completed by a certified arborist (Development Agreement Appendix B).
 - b. This plan shall include documentation of the visual analysis conducted by the Project Sponsor to identify the appropriate buffer width, between 20 feet and 80 feet, identified in the Phase 1 preliminary plat along the project's southern boundary and to achieve mitigation for visual impacts consistent with the measures assumed in the City Heights EIS.

As drafted, this condition and similar SEPA Condition 3 violate the DA and cannot be enforced.

The landscaping plan called for in CEMC 17.64.030 is intended to show planned new landscaping, if any is required, and to show "Natural features or vegetation left in a natural state." This landscaping plan, showing the retained natural buffer areas, as well as new planned plantings has already been submitted to the City, and is part of the plan set linked here: http://cityofcleelum.com/wp-content/uploads/2021/05/Phase-1-Revised-Civil-Drawings-01-05-21.pdf Therefore, first, we want the City to confirm that no additional landscaping plan is required to be submitted by Plat Condition 17 and SEPA Condition 3. Second, given that the City is already a week past the Appendix Q time frame for approval of the Clearing and Grading permit, including these Civil Plans, we seek confirmation that approval is forthcoming.

Third, the condition contains an incomplete and, therefore, inaccurate cite to the requirement for a revegetation plan. No such plan is required, unless removal of large trees is planned. Specifically, the DA, Appendix B provides: "Trees with a diameter in excess of thirty (30) inches, measured four feet above grade, in any open space or planned public area, shall not be removed prior to creation of a vegetation management and revegetation and planting plan completed by a certified arborist." No such trees are being removed in any open space or planned public area and, therefore, a vegetation management and revegetation and planting plan is not required to be submitted at this time.

Finally, the call for a visual analysis requires additional mitigation above and beyond the DA terms, including a time-consuming report and analysis, which is – frankly – wholly unnecessary duplicative make-work. The EIS already included a visual analysis, done at spot areas of the project, looking from the south in existing town, toward the north, in the project. Visual simulations were done at those locations. The result was not a requirement for further study or simulation. Instead, the mitigation required included the 20-80 foot retained buffer along most of the southern boundary, and that homes

along the southern boundary should be in muted tones to reduce impact. The visual analysis clearly established that some development, throughout the project, will be visible. There is no new impact or basis for the City to demand a second visual analysis when one already exists and the mitigation was already set, especially given that the DA already concluded that all mitigation is adequate.

We ask that Plat Condition 17 and the corresponding and similar SEPA Condition 3 be either redrafted or be confirmed to be interpreted to mean only the following:

- 17. A landscaping plan prepared in accordance with the provisions of the vested standards set forth in CEMC 17.64 as modified by the City Heights Development Agreement including but not limited to Appendix B, shall be filed for City review, provided that:
 - a. This plan may be submitted and/or implemented in phases.

Plat Conditions 18 and 19 provides:

- 18. Prior to final plat approval, the Project Sponsor shall submit for City review and approval a water system design plan to serve the proposed Phase 1 Development. These plans shall be prepared and implemented in compliance with the applicable City standards, the provisions of Appendix E to the City Heights Development Agreement, and this document.
- 19. Prior to final plat approval, the Project Sponsor shall submit for City review and approval a wastewater system design plan to serve the proposed Phase 1 Development. These plans shall be prepared and implemented in compliance with the applicable City standards, the provisions of Appendix D to the City Heights Development Agreement, and this document.

These conditions may be appropriate, depending on the City's intent and interpretation. We seek the City's confirmation that all that is being requested in Conditions 18 and 19 are the water and sewer utility plans needed to serve the new development within Phase 1. If that is the case, these conditions are appropriate. However, if the City intends these conditions to call for larger water and sewer system designs that are triggered under the DA Appendices D and E later in time, then these conditions would be an illegal unilateral amendment of the DA and must be ignored.

Plat Condition 21 (similar to SEPA Condition 4) provides:

21. All proposed construction activities shall include documentation from a geotechnical engineer that the area is suitable for the proposed development and complies with the provisions of Appendix F to the Development Agreement (Coal Mine Hazards) and the applicable provisions of the City Heights EIS.

- a. Prior to initiating any construction activities, the Project Sponsor shall provide additional information identifying the location of any known or potential mine hazards, mine shafts, or associated features such as mine entrances or foundations.
- b. The location of any coal mine hazards, coal mine shafts and associated features within the boundaries of the Phase I preliminary plat shall be identified on the face of the final Phase I plat along with a reference to all mitigation measures identified in the EIS and related technical studies for the plat as well as a reference to the related technical studies included with the City Heights EIS.
- c. If unknown coal mine hazards are identified during subsequent construction activities, all work in the immediate vicinity shall be suspended and the site secured, pending consultation with the City and the preparation of appropriate plans and measures necessary to protect the public health and safety.

Plat Condition 21 and SEPA Condition 4 impose mitigation that violates the DA. Specifically, the DA does not authorize the City to interpose yet more delay in initiating construction activities by forcing my client to provide any additional information identifying mine hazards or features. A complete assessment was conducted as part of the EIS, and the EIS mitigation measures dictate requirements on areas of the site that include coal mine hazards. That said, we acknowledge the City's concerns regarding recent neighborhood comments about possible coal mine features such as a partial building foundation within the southern portion of the Phase 1 lands. We are willing to commit to the City that no grading or vertical construction will occur within 25 feet of these areas until after an additional review by archeological professionals; if the City requires that commitment to be further documented, then the MOU is the place to do so. Therefore, we ask that the City interpret and/or revise Plat Condition 21 and SEPA Condition 4 to provide only:

21. All proposed construction activities in a documented Coal Mine Hazard Area shall include documentation from a geotechnical engineer that the area is suitable for the proposed development and complies with the provisions of Appendix F to the Development Agreement (Coal Mine Hazards) and the applicable provisions of the City Heights EIS. In addition, the Project Sponsor shall provide documentation from a geo-technical engineer identifying the proposed measures necessary to avoid, remediate, or mitigate such hazards.

Plat Condition 22 provides:

22. W Sixth Street, starting at the intersection with Reed Street and continuing east to the Phase 1 project boundary, shall be designed and improved by the Project Sponsor, subject to City review and approval, provided that:

- a. This segment shall be designed and constructed consistent with the standards for an Internal Road within City Heights.
- b. The City may grant a limited variance to the design standards if needed due to topography.
- *c. The street shall be placed in a tract for dedication to the City.*
- d. The easement and/or access to the City-owned water reservoir to the east of Phase 1 properties may be vacated upon dedication of the improved W Sixth Street to the City.
- e. It is the intent of the City to grant an easement for the use of City-owned property at the end of the proposed Street E for purposes of providing a turnaround for emergency vehicles.
- f. The Project Sponsor shall, in consultation with the Department of Ecology, provide documentation of any previously unidentified wetlands in the vicinity of this area and proposed mitigating measures.

Condition 22.a is contrary to the Phase 1 Decision's approval of the requested Applicant Elections. Among the Applicant Elections was that this segment of W. Sixth Street be designed to meet City half-street standards, not the standards for an Internal Road within City Heights. This segment of W. Sixth is not an internal road. Accordingly, we ask that the City interpret and/or revise Condition 22.a. to authorize design and construction to the City's half-street standards.

Condition 22.f is directly contrary to the DA and, therefore, unenforceable. Appendix B of the DA plainly states: "The critical area designations and delineations set forth in the EIS shall be deemed the final determination of the identification, designation, and extent of critical areas and boundaries for purposes of applying and implementing the provisions of the City's critical area ordinance(s) set forth in Title 18 of CEMC." The City has no authority to require review and identification of alleged new wetland areas.

Plat Condition 24 provides:

24. Prior to final plat approval, the Project Sponsor shall prepare and submit for City review and approval engineered drawings for improvements to the corner of Stafford Street north of Fourth Street, in accordance with the provisions of the City Heights Development Agreement Appendix I and City standards, provided that:

- a. The road base, depth of pavement, and the width of the paved area shall be consistent with the standards for the construction of Summit View Drive as a collector road, unless otherwise approved by the City.
- b. The improvements shall be designed and constructed to accommodate entering and exiting grades not to exceed 12%.
- c. Pedestrian improvements may be excluded where topography or right-of-way limitations do not reasonably permit their inclusion.
- d. Guardrails, striping, and other safety measures shall be designed consistent with City standards.
- e. Drainage towards a collection ditch or bio-filtration swale adjacent to the edge of pavement.
- f. Design features shall reasonably accommodate City snowplowing.
- g. The Project Sponsor shall provide documentation, subject to City review and approval, that with the proposed improvements to the Stafford Street corridor:
 - (1) That access to the Phase 1 plat complies with provisions of the International Building and Fire Codes, as adopted by the City.
 - (2) That emergency service providers may safely and reasonably access the Phase 1 plat in all seasons, weather, and driving conditions.
 - (3) That other conditions of approval identified in the Development Agreement, such as access by school buses can reasonably be met.

Once again, this is a condition that effectuates unilateral amendments to the Development Agreement. That is simply not allowed. Accordingly, under the DA, Plat Condition 24 cannot be enforced. As the City is well-aware, my client has offered to enter into an MOU including provisions that will expand upon the requirements already set in the DA for improvements to Stafford Street.

Plat Condition 25 provides:

- 25. The designated haul route to and from the Phase 1 plat shall be the Alliance Road Corridor, as approved by the City. This haul route shall be used for the movement of all construction equipment and machinery, hauling building materials and supplies, and all forestry activities.
 - a. Neither Park Street, Steiner Street, Reed Street, Stafford Street, Billings Street, Oakes Street, W Sixth, nor W Fifth Street shall be used as a haul route unless specifically authorized in writing by the City.

- b. Prior to the use of Alliance Road, the Project Sponsor shall provide to the City documentation of the legal right to use the Alliance Road for hauling. This shall include, but is not limited to:
 - (1) Access easements.
 - (2) Approval by Kittitas County.
 - (3) Approval by the Washington State Department of Natural Resources.
 - (4) Documentation that an environmental review for the use of this haul route has been conducted in accordance with the provisions of the Washington State Environmental Policy Act.

Plat Condition 25.a. is acceptable and appropriate under the DA Appendix I. Plat Condition 25.b. is illegal and unenforceable. We are aware of no legal authority under which the City is entitled to delay or prevent access to private property by demanding review of access easements, or demanding that Kittitas County and DNR create an approval process that doesn't exist in order to provide the City documentation. Likewise, use of existing private and public road access is not an action that triggers any form of SEPA review. Therefore, we ask that the City agree to not enforce Condition 25.b. or delete it.

Plat Condition 27 provides:

- 27. Prior to final plat approval, the Project Sponsor shall submit for City review and approval a stormwater plan designed in accordance with the provisions of the 2004 Stormwater Design Manual for Eastern Washington prepared by the WashingtonState Department of Ecology (DOE) and as adopted by the City, consistent with the provisions of Appendix C to the City Heights Development Agreement, and this document, provided that:
 - a. The stormwater system shall be designed assuming a 100-year flood event.
 - b. The City may require off-site improvements in accordance with the provisions of the DOE manual.
 - c. The Project Sponsor will supplement the Phase I Stormwater Drainage Report, dated March 12, 2021, to address possible alteration of wetland hydrology from the proposed development activities. The report supplement should address the findings in Section 3.4 of the City Heights Draft EIS and demonstrate that the system as designed has considered and addressed wetland hydrology.
 - d. Prior to the issuance of the first permit for stormwater infrastructure the Project Sponsor shall pay to the City a one-time payment of \$20,000 for

improving stormwater improvements in the City (Development Agreement Appendix C Section 6).

Aspects of this Condition 27 are contrary to the DA and cannot be enforced. For example, subsection b. inaccurately quotes the DA Appendix C, which actually states: "Unless required by the design parameters and requirements of the Ecology Design Manual, the City agrees that no offsite stormwater infrastructure will be required to be constructed to mitigate for the impacts from the Project." We ask that the City interpret and apply this condition (or modify it), to more clearly reference the need to comply with the DA standards, including Appendix C.

Plat Condition 31 provides:

- 31. The Project Sponsor shall prepare and submit for City approval, plans for the development and use of Park #3 and proposed trails consistent with Appendix N and Exhibits 3 and 7 to the City Heights Development Agreement, as modified by the conditions of approval of minor modifications requested by the Project Sponsor.
 - a. In the event that the City's approval of the requested minor modifications and the associated conditions of approval cannot be met, the City may require that the Project Sponsor submit a revised Site Plan that complies with the City Heights Development Agreement without modification.

This Condition 31 is contrary to the DA and, therefore, unenforceable. The DA Appendix N authorizes the Project Sponsor to design and build any park and trail improvements. The City was provided no say or control or design approval authority over the design of parks and trails. The City does have authority to review and approve clearing and grading and/or other construction level permits. Accordingly, we ask that the City interpret Condition 31 as only extending to that level of permit, and not creating a new right of the City to approve the design of parks and trails. Alternatively, Condition 31 should be deleted.

V. Other text in the Phase 1 Decision also Present the Project in a Manner that is Potentially Inconsistent with Development Agreement, City's Permit Process, and Previously Filed Reports

The Phase 1 Decision includes discussion of various matters that may mislead the public or the City Council. That language should either be ignored or eliminated. For example, there is a discussion at p. 13 of concerns about possible future access to SR 903. My client is well aware of the City's concerns and well aware of its rights to access SR 903, and also well aware that we may reach an agreement to eliminate that fourth access point. Similarly, there is a discussion on p. 20 of concerns about possible additional mine features and an entirely incorrect allegation that the condition of Stafford Street was not addressed in the prior EIS. As noted elsewhere in this letter, mine hazards were thoroughly addressed.

The design of Stafford Street was extensively evaluated and negotiated as is reflected in the requirements for Stafford improvements in the DA.

Finally, the entire Phase 1 Decision reads as though the City believes my client does not know how to develop land and build homes. That tone is disappointing, and nothing could be further from the truth. Trailside Homes, as the controlling entity for the City Heights build out, has decades of experience building high quality communities where people want to buy homes, live, work and play.

Very truly yours,

Many Son hor Nancy Bainbridge Rogers

NBR:alw

Cc: Mike Kenyon

Sean Northrop Brett Pudists Andrew Miller City of Cle Elum 119 West First Street Cle Elum, WA 98922



Phone: (509) 674-2262 Fax: (509) 674-4097 www.cityofcleelum.com

City of Cle Elum, Washington Notice of Land Use Decision City Heights Phase 1 Preliminary Plat Approval

Date of Issuance: May 13, 2021

Project Name: City Heights Planned Mixed Use Development, Phase 1.

Project File Number(s): SUB 20-001.

Applicant: City Heights Holdings, LLC.

Application Contact Person: Mr. Sean Northrop

116 ½ S Washington Street

Seattle, WA 98104 (206) 388-3121

Project Site: The Phase 1 preliminary plat includes approximately 29 acres north of W Sixth Street in the vicinity of the intersection with Summit View Drive (Parcels 956732/956733, 956734/956735, and 493395). A map highlighting the location and general layout of the Phase 1 plat as well as a map that highlights the proposed relocation of Summit View Drive can be found on the City of Cle Elum website, www.cityofcleelum.com.

Project Description: In November of 2011, the Cle Elum City Council approved a Master Site Plan, an Annexation and Development Agreement, and a Planned Action Ordinance for City Heights, a planned mixed-use development that includes the development of up to 962 dwelling units on 358 acres in the City of Cle Elum generally located north of 6th Street. Until recently, no actions have been taken to implement this approved Master Site Plan and Development Agreement.

The City has received and completed the review of the first application to implement the approved Master Site Plan, a proposed subdivision that would create 68 residential lots on approximately 29-acres within City Heights Development Pods B7 and C, which are generally located north of the intersection of W 6th Street and Steiner Street. This Phase 1 application includes proposed improvements to Summit View Drive, Stafford Street, the construction of several internal streets and alleys, the construction of trails and a park, the installation of water, sewer, and stormwater

City of Cle Elum, Washington Notice of Land Use Decision City Heights Phase 1 Preliminary Plat Approval May 13, 2021

improvements, and the design and construction of a privately owned, mixed-use building that will include a community center and commercial uses.

With the Phase 1 preliminary plat application, the Project Sponsor has requested two minor modifications to the approved Master Site Plan and Development Agreement in accordance with the provisions of Appendix R to the City Heights Development Agreement:

- 1. A proposal to realign Summit View Drive through the project site and move it to the east so that it connects with the intersection of W Sixth and Reed Streets.
- 2. A proposal to modify the boundaries of Park #3 Red Rock Open Space to align with the new location of Summit View Drive and to design and construct a privately owned, mixed-use facility, open to the public in an area that includes some property that was within the original park boundary.

SEPA Threshold Determination: The City of Cle Elum issued an environmental impact statement for the City Heights project on November 12, 2010 and subsequently adopted Ordinance 1353 on November 8, 2011 designating City Heights as a planned action in accordance with the provisions of under RCW 43.21C.031 and WAC 197-11-164. The City has determined that the Phase 1 preliminary plat application and the requested minor modifications are consistent with the City Heights EIS and provisionally meets the criteria for a planned action. As a result, no SEPA Threshold Determination is required in conjunction with the review of the Phase 1 preliminary plat application.

Decision: The City of Cle Elum has provisionally approved the two minor modifications requested by the Project Sponsor, subject to compliance with conditions of approval. In addition, the City has determined that the proposed Phase 1 preliminary plat is within the scope and is materially consistent with the City Heights Master Site Plan and Development Agreement. As a result, the Phase 1 preliminary plat is approved, and the Project Sponsor may proceed with the authorized site development activities necessary for final plat approval.

A copy of the City Heights Phase 1 SEPA Compliance Determination and Consistency Review and the Phase 1 application materials can be found on the City's website at www.cityofclelum.com. In addition, a copy of these documents can be viewed at the Cle Elum City Hall by appointment only. Please contact Cle Elum City Clerk Kathi Swanson at (509) 674-2262 x103 or kswanson@cleelum.gov to make arrangements to view these application materials.

Appeal Period. In accordance with the provisions of the City Heights Development Agreement Appendix Q, appeals of this Consistency Determination and Phase 1 Preliminary Plat approval must be filed with the Cle Elum City Council within 15 days

City of Cle Elum, Washington Notice of Land Use Decision City Heights Phase 1 Preliminary Plat Approval May 13, 2021

of the publication of this Notice of Decision. Applications to appeal this decision must be submitted to the City Clerk no later than May 28, 2021 and shall include:

- 1. The name, mailing address, and contact information of the petitioner(s).
- 2. The name, mailing address, and contact information of the petitioner's attorney, if any.
- 3. A separate and concise statement of each alleged error in the Consistency Determination.
- 4. A statement of the facts and evidence on which each alleged error is based.
- 5. A statement and description of the type and extent of relief requested.
- 6. Payment of the application appeal fee as required by the City Fee Schedule.

Please note that due to COVID-19 public health and safety restrictions that the Cle Elum City Hall is closed and may not reopen during the appeal period. As result, please contact Cle Elum City Clerk Kathi Swanson at (509) 674-2262 x103 or kswanson@cleelum.gov to confirm the process for submitting the appeal documents.

Change in Valuation: Property owners that may be affected by this decision may request a change in valuation for property tax purposes in accordance with the provisions of RCW 36.70B.130.

For more information about this decision on the Phase 1 preliminary plat or the City Heights Project, please call and leave a message at (509) 674-2262 x102 or send an email to planning@cityofcleelum.com. Please be sure to clearly provide your name, address, and information on how to respond to your inquiry and we will make every effort to respond in a timely manner.



City of Cle Elum 119 West First Street Cle Elum, WA. 98922 509-674-2262

City Heights Holdings, LLC. Trailside Homes/Sean Northrop 116 1/2 S Washington Street Seattle, WA 98104

Account Information

Cust #: Date:

2036

05/27/2021 Due:

05/27/2021

Invoice #: 2906

For:

Planning And Development

Item	Taxed	Quantity	Amount	Total
Appeal Fee	N	1.0000	550.00	550.00
City Heights Phase 1 Appeal		Non Taxed:		
		Taxed:		0.00
		Tax @	6.00%:	0.00
		Payments:		0.00
		Total:		550.00

THANK YOU!

Receipt: 9924
Acct #: 2036
City Of Cle Elum
119 W First Street
Cle Elum, WA 98922
5096742262

05/28/2021 COPY

City Heights Holdings, LLC. Trailside Homes/Sean Northrop 116 1/2 S Washington Street Seattle, WA 98104

Invoice Payment

Inv#: 2906 Amt Paid:

550.00

City Heights Phase 1 Appeal

 Non Taxed Amt:
 550.00

 Total:
 550.00

 Chk:
 1021
 550.00

Ttl Tendered: 550.00

Change: 0.00

Issued By: Whitney Prosek

05/27/2021 16:10:53