City of Cle Elum

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Bullfrog UGA Master Site Plan / Preliminary Plat
Pre-Application Meetings Summary and Analysis
July 17, 2024

The Cle Elum Municipal Code Chapter 17.100.050 requires that a Project Sponsor schedule a pre-application review meeting with City staff prior to submitting Type 2, 3, or 4 applications. The purpose of this meeting is to provide the City with a better understanding of the proposed project and to discuss the application requirements and permit processing schedule. The following is a summary of the meetings as well as additional information provided by the City. This information is advisory and subject to revision as additional research is conducted and/or additional information is provided by the Project Sponsor. A formal review of the project will be initiated by the City in the normal course as applications are submitted.

On May 22, 2024, representatives of Blue Fern and Sun Communities met with representatives of the City of Cle Elum to discuss the application(s) being prepared for submittal to the City to implement the approved Development Agreement and Master Site Plan. Participants in this initial meeting included:

City of Cle Elum:
Matthew Lundh, Mayor
Robert Omans, City Administrator
Jay Derr, Van Ness Feldman
Clara Park, Van Ness Feldman
Ben Annen, PE, HLA Engineering and Land Surveying, Inc.
Colleda Monick, HLA Engineering and Land Surveying, Inc.
Christina Wollman, Perteet
Richard Weinman, SEPA Official

Sun Communities:
Spencer Crabb, Atwell/Sun
Bill Raffoul, Sun
Brent Droze, Davis Wright Tremoine LLP

Blue Fern:
John Graves
Ben Paulus
Scott Johnson
Brandon Gibben
Anna Drumheller
Michelle Branley
Ian Faulds, Core Design

Quentin Chalmers, Core Design
Holli Heavrin, Core Design

Following the May 22, 2024 meeting, representatives of Blue Fern, Sun, and the City held a series of additional discussions through meetings and by phone and email. Information from those meetings is also provided below as a resource to the Project Sponsor.

Project Summary:

Background

In 2002 the Cle Elum City Council approved a Master Plan and a Development Agreement to govern the future development of approximately 1,100 acres located west of the Cle Elum Cemetery between Bullfrog Flats Road, SR 903, and I-90. This area, originally known as the Bullfrog Flats Urban Growth Area, or the Bullfrog UGA, has since been annexed into the City. The approved Master Site Plan provided for the construction of 1,334 dwelling units, including 810 single family units and 524 multi-family units, as well as a 75-acre business park, and 7.5 acres for the construction of 50 affordable housing units. The Development Agreement, which was based on a Final Environmental Impact Statement (FEIS) prepared for the proposed master site plan and issued on March 18, 2002, included over 120 conditions of approval. In accordance with the provisions of the Development Agreement, 112 acres were dedicated to the City in 2008 for the purposes of establishing the Washington State Horse Park, and 38 acres were dedicated to the Cle Elum School District in 2003. Other than the subsequent development activities initiated by the Washington State Horse Park Authority and the Cle Elum School District, the only other approved development activity to date was the 2008 subdivision associated with the future development of the Business Park.

The Development Agreement was amended in 2017 to extend the termination date by 10 years, to 2027. Recently, Sun, the current owner of the remaining portion of this site, informed the City that it had entered into an agreement to potentially sell the site to Blue Fern, a privately-owned Redmond-based developer that has developed housing communities in the Pacific Northwest. Blue Fern subsequently advised the City that it was exploring the feasibility of developing the site as contemplated under the Master Site Plan and the Development Agreement, without any revisions that would constitute a "major amendment" to the approved Master Site Plan, as that term is defined in the Development Agreement.

During the initial meeting, Blue Fern shared a preliminary site plan and utility plans. Blue Fern has indicated that the anticipated first phase of the development will be implemented through preliminary plat applications for three phases of single-family/townhome residential development (specifically, Phases S-1, S-2, and J shown on the preliminary site plan). Other components, such as the business park and the affordable housing units, will be addressed in future phases. Consistent with Blue Fern's desire to avoid necessitating major amendments, Blue Fern is not proposing changes to these components at this time.

Prior Proposal and Summary of SEPA Analysis:

Prior to Blue Fern's involvement, the City has been reviewing and processing Sun's proposal and applications, which contemplated various major amendments to the Master Site Plan. By letter dated July 1, 2024, Sun requested that the City pause and place the Sun application on a temporary hold, during the pendency of the City's consideration of Blue Fern's applications.

As part of its review of the Sun application, the City studied the environmental impacts of the Sun proposal in a Final Supplemental Environmental Impact Statement ("FSEIS") issued on April 16, 2021. The FSEIS evaluated two alternatives: "New Alternative 5" as a "no action" alternative that is substantially the same as the approved Master Site Plan (Alternative 5 studied in the FEIS), and "Alternative 6" as the "action" alternative comprising of Sun's proposal. On March 9, 2023, the City issued an Addendum to the FSEIS that updated Alternative 6 to reflect the changes to the Sun proposal made after the issuance of the FSEIS. Blue Fern's proposal will be able to utilize these previously completed environmental documents consistent with the SEPA Rules.

Identify the Relevant Approval Criteria, Development Standards and Other Relevant Laws and Policies:

Approval Criteria and Processes:
The parties discussed the need to reconfigure the existing parcels to align with the approved Master Site Plan in what the Development Agreement calls the Master Plat. The City referenced a short plat and/or boundary line adjustment as potential ways to accomplish this. In addition to the standard application submittals required for a preliminary plat and/or boundary line adjustment, the Development Agreement and the associated Conditions of Approval provide additional requirements to be incorporated in the Master Plat, either in the application submittals or as part of the approval and conditioning process. The Development Agreement should be reviewed in full for the complete list of requirements. A summary of requirements is provided below as a resource, but this summary does not amend, replace, or alter the terms or interpretation of the Development Agreement or the Conditions of Approval in any way:

- Development Agreement ("DA") 4.1.1 - the Final Master Plat shall contain a note reflecting the public facility and service obligations of the Conditions of Approval prior to or concurrent with subsequent platting or development.
- DA 5.1 – The Master Plat shall identify what access and utility infrastructure is necessary to serve each individual parcel within the master plat.
- DA 5.1 - If developed in phases the Master Plat must contain sufficient engineering and site planning information for the City to adequately determine the feasibility of providing facilities and services to the entire development.
- Condition of Approval ("COA") 12.c - If Developer does not transfer water rights to the City sufficient to handle the expected water use for the entire development approved by these Conditions at the time of final Master Plat Approval, then the City may, at its option, impose reasonable additional phasing conditions on the final Master Plat Approval that the City can demonstrate are appropriate to ensure logical progression of the UGA development based on projected costs to maintain public infrastructure over the long term, should the UGA development not be completed.
- COA 27 – 150-foot buffer adjacent to and outside of the existing I-90 right-of-way shall be placed in a separate tract to qualify for open space tax classification as part of the Master Plat.
- COA 28 – 100-foot buffer outside of and adjacent to the Bullfrog Road Right-of-way shall be placed in a separate tract to qualify for open space tax classification as part of the Master Plat.
- COA 42 - As part of the first phase Master Plat Approval, Developer shall submit for City review and approval a trail construction phasing plan showing how the trail network will be

constructed, consistent with proposed phasing of the individual parcel development. Developer shall also demonstrate appropriate permission, if required, to use the power line right-of-way for trails, or shall provide an alternative alignment for this trail corridor.

- COA 50 - Prior to, or as part of the approval, of the Master Plat, Developer shall obtain City approval of a Master Drainage Plan.
- COA 69 - Developer shall specify the size and overflow elevation of the zone 3 reservoir at the time of submittal of the Master Plat application. The City will review and approve or revise the proposed size and overflow location of the zone 3 reservoir at the time of approval of the Master Plat.
- COA 84 - The precise locations of the Bullfrog and SR 903 access points shall be determined as part of the Master Plat Approval described in Section 5 of the Development Agreement, after consultation with Kittitas County Public Works and WSDOT to address any design issues related to their improvements and their rights of way.
- COA 98 - Prior to the first Master Plat Approval, Developer and City shall establish a shortfall mitigation accounting system.

The City understands that Blue Fern intends to submit applications for a revised Master Plat and preliminary plat(s) for parcels S1, S2 and J at the same time. Under the Development Agreement, the developer "may submit an application for a preliminary plat for one or more of the Master Plat parcels at the same time as application for the Master Plat and both plats may be reviewed and processed concurrently." (Development Agreement § 5.1).

Pursuant to CEMC 17.100.040.B (Ordinance No. 1139, Procedures Ordinance), the code to which the project is vested, when the City must approve more than one permit application for a project, all applications may be considered at one time, and all applications will be subject to the procedure type that requires the greatest level of public notice and involvement. In this case, the applications will be subject to process for Type IV applications because preliminary plats are considered Type IV applications, with the City Council as the final decision body.

The vested code identifies the Planning Commission as the recommending body that conducts the open record public hearing for Type IV applications. However, under the current code, the Planning Commission is a planning advisory body whose main duties are to make recommendations on amendments to the comprehensive plan and development regulations, while the hearing examiner is a quasi-judicial body that conducts open record public hearings. Based on the current roles, the parties agreed that the hearing examiner is the appropriate recommending body to conduct the open record public hearing.

<u>SEPA:</u>
The project is subject to review under SEPA, and the parties discussed the anticipated SEPA process. As noted above, the original FEIS issued in 2002 and the subsequent SEIS and Addendum documents analyzed the impacts of the approved Master Site Plan as Alternative 5. The City will review Blue Fern's application to see how it compares to the approved Master Site Plan and to the impacts identified for Alternative 5 in the existing SEPA documents. The City will then determine what studies need to be updated to account for the passage of time, changes in background conditions, changes incorporated in the new application, and changes in development standards (recognizing that vesting applies to some standards). Subject areas that may require updated analysis include traffic, utilities, fiscal and public services, and cultural resources.

Based on the review, the City will then determine the appropriate threshold determination and environmental document to prepare. Generally speaking, an Addendum is an appropriate document if there are no significant changes to the proposal and no new significant impacts that were not identified in the existing documents. A supplemental EIS is appropriate if there are new significant impacts.

Other Approvals Related to the Development Agreement:
The Development Agreement provides that the City must approve the sale and transfer of the property to Blue Fern. Additionally, Blue Fern intends to request an extension of the term of the Development Agreement, which currently has a termination date of October 30, 2027. Blue Fern intends to submit its request for approval of the transfer and the Development Agreement extension as part of its applications for the first phase of development. Both requests require approval by the City Council. The City understands that Blue Fern may request that the transfer approval be contingent upon the City's approval of Blue Fern's applications for the first phase. The City also discussed that an extension of the Development Agreement may be linked to the developer's ability to achieve certain development milestones and other terms that the parties may discuss.

Evaluate Information Supplied by the Applicant and Identify any Changes That May be Necessary to Comply with the Approval Criteria and Development Standards:
Following the initial meeting, the City and Blue Fern have conducted additional discussions regarding the project. Blue Fern has also submitted specific questions to planning staff, to which staff has responded by email. Those discussions remain ongoing, and the applicant is encouraged to continue engaging with the City.

One of the primary ongoing discussion topics centers on potential modifications to the approved Master Site Plan and Conditions of Approval. Some of the modifications that have been discussed include adjustments to road layout, access locations, and recreational and parks amenities. The City understands that Blue Fern is seeking to avoid any modifications that would be considered a major modification under the Development Agreement. As discussed, the applicant should carefully review the Development Agreement (particularly Section 6) and the Conditions of Approval and discuss any potential modifications with the City. Some of the modifications that have been discussed to date can be approved without a major modification, such as the proposal to adjust the road layout to include a connection to Bullfrog Road next to the future community recreation center. Other modifications would likely require a major modification, such as deferring construction of the proposed spine road that would provide access onto SR-903 through the business park area. Finally, other modifications require additional discussion and evaluation, such as replacing the lake depicted east of Phase M with an alternative recreational amenity.

Applicable Application Fees:
The City and the applicant have executed an agreement that enables the City to recover the costs associated with pre-application consultations and the subsequent evaluation of applications.

Public Facilities and Improvements Necessary to Serve the Development:
The Development Agreement identifies the required infrastructure improvements.

Current Utility Connection Charges:
The applicable fees charges for utilities will be determined later in the process.

Physical Development Limitations:
The approved Master Plan and Development Agreement include provisions for the protection of open space and environmentally sensitive areas.