



**Land Use & Economic
Development
Committee Agenda**
Mukilteo City Hall - 11930 Cyrus
Way
Wednesday, July 7, 2021
5:30 PM - 7:00 PM
Zoom Virtual Meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/84006796607?pwd=MDIyQigHQmRNMzF6eDFhVmMyMGR3Zz09>

BY PHONE:

+1 253 215 8782 US (Tacoma)
+1 669 900 9128 US (San Jose)

Meeting ID: 840 0679 6607
Passcode: 066151

CALL TO ORDER - 5:30 PM

Meeting Objectives:

1. Sector 3 2007 Development Agreement (Harbour Pointe Townhomes)
2. Economic Recovery
 - A. Proposal to discuss Diamond Knot Outdoor Seating
 - B. Economic Alliance Snohomish County (EASC) Outreach Effort

ADJOURNMENT - 7:00 PM

Next Meeting Date: Tuesday, August 3, 2021

- For accessibility information and for accommodation requests, please call the ADA Coordinator at (425) 263-8005 (or TRS (800) 833-6384 or dial 711), or visit <https://mukilteowa.gov/departments/executive/ada-program/>.

LAND USE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT	
SUBJECT TITLE: Sector 3 2007 Development Agreement (Harbour Pointe Townhomes)	FOR AGENDA OF: July 7, 2021
Contact Staff: Linda Ritter, Senior Planner	EXHIBITS: <ol style="list-style-type: none"> 1. October 6, 2020, LU&ED Committee Minutes 2. Sector 3 Existing, Planned Concept (under the 2007 Development Agreement) and Development Proposals 3. Sector 3 2007 Development Agreement 4. Active Citywide Development Agreement Map
Department Director: David Osaki, Community Development Director	

RECOMMENDATION:

Land Use & Economic Development (LU&ED) Committee to provide feedback on current development proposals in the area subject to the Sector 3 2007 Development Agreement (“2007 Development Agreement”).

Two separate developers have discussed or formally submitted development proposals for remaining vacant parcels in the area subject to the Sector 3 2007 Development Agreement. Both proposals require amendments to the 2007 Development Agreement. These include:

- A townhome development proposal located on the vacant lot between the Montessori School and Harbour Pointe Senior Living (Lot 4A - Formal application to amend the 2007 Development Agreement submitted).
- Discussion of a proposal for either a hotel or senior/retirement housing on the vacant lot south of the Staybridge Suites Hotel (Lots 9 and 10 - No formal application submitted).

Do these proposals align with City vision for the Sector 3 area?

Should Staff proceed with the appropriate processes to allow the developers to pursue this vision?

If not, Staff recommends establishing a new vision that could be outlined in a new development agreement through discussions with developers, as the current 2007 Development Agreement has become outdated and cumbersome with extensive staff and attorney time required to implement it.

This Agenda item was previously brought to the LU&ED Committee for discussion at its October 2020 meeting. At that time, the LU&ED Committee indicated that it would

like to keep the 2007 Development Agreement as is until the Housing Action Plan process was complete (see **Exhibit 1** for LU&ED Committee October 2020 meeting notes).

REMAINING VACANT SECTOR 3 PARCELS

Three (3) parcels have remained vacant throughout the life of the 2007 Development Agreement. Recently, the property owners of these lots have expressed interest in developing outside the requirements of the 2007 Development Agreement including:

- A townhome development proposal on the vacant lot south of the Montessori School (Lot 4A - Formal application submitted).
- A proposal for either a hotel or senior/retirement housing on the vacant lot south of the Staybridge Suites Hotel (Lots 9 and 10 - No formal application submitted).

Exhibit 2 provides information on existing development, planned development (envisioned under the 2007 Development Agreement) and the two recently proposed developments identified above in the 2007 Development Agreement area.

For the two proposals identified above, major amendments to the 2007 Development Agreement (See **Exhibit 3** for 2007 Development Agreement) or termination of that existing 2007 Development Agreement and a new development agreement would be required. Townhomes and senior/retirement housing are currently not allowed on any lot under the Sector 3 2007 Development Agreement.

In addition, the size and number of rooms preliminarily discussed for the hotel proposal exceeds thresholds set in the 2007 Development Agreement for an administrative amendment (reviewed and decided by staff). This means that, if formally proposed as discussed to date, a major amendment (action by City Council following a public hearing) would be required.

OPTIONS FOR FUTURE DEVELOPMENT IN SECTOR 3

The City has three (3) process related options for how to proceed with addressing future development in Sector 3:

1. Full Fresh Start (i.e. New Sector 3 Development Agreement)

This option would terminate the 2007 Development Agreement in full. All parcels would be subject to the current development regulations and underlying zoning.

Process:

Staff would work with the City Attorney to draft documents necessary to terminate the entire agreement. A City Council public hearing and action is required to terminate the agreement.

The existing 2007 Development Agreement amendment application for townhome development on Lot 4A would be processed as a new Development Agreement, as required by the underlying zoning (rather than as an amendment to the 2007 Development Agreement.)

2. Partial Fresh Start (i.e. Partial Termination of 2007 Development Agreement)

This option would terminate the 2007 Development Agreement for the vacant lots only (Lots 4A, 9, and 10). The vacant lots would then be subject to the current development regulations and underlying zoning¹. Other previously developed lots would remain subject to the 2007 Development Agreement standards.

Single-family residential, duplexes, and townhouse uses would be allowed in the underlying PCB(S) zone with a new Development Agreement². Senior/retirement housing and hotels are permitted outright in the PCB(S) zone and would not require further Council action.

Process:

Staff would work with City attorney to draft documents necessary to terminate the 2007 Development Agreement for the vacant parcels only. A City Council public hearing and action is required to terminate the agreement for the vacant parcels only.

The existing 2007 Development Agreement amendment application for townhome development on Lot 4A would be processed as a new Development Agreement, rather than as an amendment to the 2007 Development Agreement.

3. Status Quo

This option would keep the 2007 Development Agreement in place, with additional amendments as needed. All parcels would be subject to the 2007 Development Agreement standards, and any amendments would require approval from all property owners before they could proceed.

The 2007 Development Agreement as written provides limited residual benefit to the City: traffic impact fees were paid as part of concurrency for the original Harbour Pointe Master Plan, and the amount of staff and attorney effort to process applications under the 2007 Development Agreement is proving cumbersome and time-consuming.

¹ This would be to the current standards in the PCB(S) zoning district, including permitted uses, bulk matrix standards (height, setbacks, lot and hard surface coverage, etc.), mixed-use development and design standards, amended development standards, etc.

² See [Mukilteo Municipal Code \(MMC\) 17.16.060](#) Permitted Use Matrix and MMC 17.16.060(B)(9).

Process:

No action required at this time. Proposed amendments to the current 2007 Development Agreement will require either administrative or City Council approval.

ADDITIONAL BACKGROUND

Harbour Pointe is a master planned community developed under the 1978 *Possession Shores Master Plan*, also commonly referred to as the *Harbour Pointe Master Plan*.

Before annexation into Mukilteo, the Harbour Pointe Master Plan and subsequent Sector Plans were approved by Snohomish County. Harbour Pointe is divided into 23 Sectors which laid out the allowed land uses and zoning, road network, maximum vehicle trips, parks and open space, wetlands, and public services.

To provide predictability during the 1991 Harbour Pointe Annexation and transition period, the City of Mukilteo agreed to:

- Accept the Snohomish County land uses and zoning for a period of at least three (3) years after the annexation;
- Adopt certain Snohomish County zoning regulations; and,
- Adopt the Harbour Pointe Master Plan and sector plans.

ABOUT DEVELOPMENT AGREEMENTS

Development agreements are site-specific, voluntary contracts between a city and private property owners. These agreements may contain details about site-specific project elements, a vesting period, and modifications to development standards (e.g. zoning and infrastructure improvements). As examples, development standards may include density, parking, circulation, setbacks, building size and separation, and landscaping.

The “vesting period” (also called the “Buildout Period”) is important for providing predictability to the developer. It means that the proposal is subject to agreed upon development standards during the term of the agreement ([RCW 36.70B.180](#)):

“A development agreement and the development standards in the agreement govern during the term of the agreement, or for all or that part of the build-out period specified in the agreement, and may not be subject to an amendment to a zoning ordinance or development standard or regulation or a new zoning ordinance or development standard or regulation adopted after the effective date of the agreement.”

New development agreements require City Council action. Amendments to existing development agreements are either decided administratively or by the City Council. There are currently six (6) active development agreements in the City (see **Exhibit 4**).

HISTORY OF SECTOR 3

Sector 3 is the portion of Harbour Pointe that includes the Sno-Isle Library, Harbour Pointe Senior Living, Walgreens, the Montessori School, and the Staybridge Hotel. This approximately 45-acre area remained largely intact and undeveloped until the mid-1990s.

Major development did not occur until 1998 with the completion of the library. Additional development has been sporadic since. The northern properties completed the Development Agreement process in 2002. In the area covered by this agreement, three (3) lots remain vacant and undeveloped, including one (1) lot adjacent to the Montessori School and two (2) lots south of the hotel. The southern portion of Sector 3 and the Harbour Pointe Industrial Condominiums developed without a Development Agreement.

SECTOR 3 DEVELOPMENT AGREEMENT FOR “MUKILTEO TOWN SQUARE”

In 2002, the Mukilteo City Council approved a Development Agreement for Lots 4-10 of Sector 3 (Ordinance No. 1063). The Sector 3 2002 Development Agreement (“2002 Development Agreement”) was intended to create a “Mukilteo Town Square” anchored by a major tenant such as a grocery store. A gasoline service station was proposed for the Square along with other retailers and services typically found in a neighborhood shopping center.

The 2002 Development Agreement included the properties previously developed as the Harbour Pointe Industrial Condominiums on Lots 5 and 6. As part of the 2002 Agreement and rezone of Lots 4-10 from Industrial Park (IP) to Planned Community Business - South (PCB(S)), the existing IP uses would be allowed to continue on the Harbour Pointe Industrial Condominiums property.

In 2007, the 2002 Development Agreement was administratively amended to add alternative primary land uses for Lots 4 and Lots 7-10. In addition, it updated the site plan to reflect the Harbour Pointe Montessori School and the extension of Harbour Place to the intersection of SR 525 and Paine Field Blvd. (The 2007 Development Agreement is therefore an amendment to the 2002 Development Agreement, and is oftentimes also referred to as the Sector 3 *Amended* 2007 Development Agreement (See again **Exhibit 3**).

2007 DEVELOPMENT AGREEMENT - DURATION

The current 2007 Development Agreement included a buildout period of five (5) years from the effective date of the agreement with an additional five (5) year extension.

The 2007 Development Agreement buildout and vesting period expired in November 2017. However, the 2007 Development Agreement provides that all proposals submitted after the buildout and vesting period are still subject to the terms of the 2007 Development Agreement, or any future amendments to the 2007 Development Agreement, unless the development agreement is explicitly terminated. The City has the right to terminate the agreement for all or a portion of the properties, with notice.

EXHIBIT 1



Land Use & Economic Development Committee

Tuesday, October 6, 2020
4:00 PM - 5:30 PM
(MEETING HELD VIA ZOOM)

Meeting Notes

Attendees: Councilmember Champion (Committee Chair), Councilmember Marine, Council Vice President Kneller

Mayor Gregerson
Community Development Director Osaki
Planning Manager Balisky
Senior Planner Ritter
Associate Planner Jensen
Kandace Barnes, President and CEO, Mukilteo Chamber of Commerce
Paula Townsell, Planner, Brent Planning Solutions
Lucy Chen, Project Manager, Basel Capital Group
Maria Hui, Assistant Project Director, Basel Capital Group

1. Economic Recovery

The Land Use & Economic Development Committee (LU&ED) was updated on the status of the second round of City of Mukilteo CARES small business grants. The application period is open from October 1, 2020 to October 15, 2020. So far, about a dozen grant applications have been submitted in addition to those received in the first round.

Kandace Barnes, Mukilteo Chamber of Commerce President and CEO, discussed the status of a Chamber business survey. The business survey was open last week and she will provide an update at the next LU&ED Committee meeting.

Staff provided a brief update on certain new businesses currently in for tenant improvement permitting. This includes a new restaurant and a new plumbing and heating business.

2. WSDOT Aviation Division - Commercial Aviation Coordinating Commission (SSB 5370)

The LU&ED Committee was updated on work being done by the WSDOT Aviation Division - Commercial Aviation Coordinating Commission ("CACC"). The CACC was created by the Washington State Legislature in 2019 due to concerns that Sea-Tac International Airport is nearing capacity limits.

The CACC consists of 15 voting members and 11 non-voting members (the Governor may appoint additional non-voting members) with representatives from the aviation industry, airport communities, freight industry, state and local agencies and elected officials. Arif Ghouse, Director of Paine Field/Snohomish County Airport, is a CACC voting member.

The CACC is to make a recommendation to the State legislature by January 1, 2022 on a single preferred location for a primary aviation airport (addressing passenger and cargo) that would be completed and functional by 2040.

The State legislation directs that the CACC take the following actions with specified timelines:

- By January 1, 2021, develop a short list of six potential airport alternatives to present to the legislature.
- By September 1, 2021, identify the top two airport locations.
- By January 1, 2022, choose, by a 60 percent majority vote, a single preferred location.

There has been discussion that the CACC may ask for an extension of time due to COVID-19 impacts on the CACC's ability to do business, including public outreach.

At its July 2020 meeting, the CACC was presented with staff analysis of approximately 20 airports in the State and how they compare against certain site selection factors. Based on these site selection factors, Paine Field was one of several airports the staff analysis identified as a possible site. However, the CACC has not made any recommendations yet.

The LU&ED Committee discussed how the City should look at this topic over the rest of this year and setting direction for the LU&ED Committee's work plan over next year. The LU&ED Committee also discussed next steps and felt that getting to know key players, advocates for City concerns and gathering information was appropriate.

LU&ED Committee consensus was that the Mayor reach out to Snohomish County Councilmembers Dunn and Wright to see if they were available to attend the November 3, 2020 LU&ED Committee to discuss the future of aviation in Snohomish County and the CACC process.

3. Sector 3 - Development Agreement

The LU&ED Committee was provided with an overview of development agreements in general. The planning/zoning background, development history, current status, vision, and termination processes associated with the Sector 3 Development Agreement was also presented.

The status of an application to amend the Sector 3 Development Agreement to allow a 32 townhouse development proposal was presented. The LU&ED Committee was also informed about recent conversations staff has had with another property owner subject to the Sector 3 Development Agreement and possible land uses that the property owner is considering for that site. Some of those uses, if pursued, would also require an amendment to the Sector 3 Development Agreement.

Given the existing Sector 3 Development Agreement amendment application, and the possibility that other Sector 3 Development Agreement amendment applications may be made, the LU&ED Committee reviewed options for keeping the Sector 3 Development Agreement as-is or terminating the agreement in whole or in part.

The LU&ED Committee provided input on the proposed options and would like to keep the Sector 3 Development Agreement as is until the Housing Action Plan process is complete.

LU&ED consensus was to open up the Committee meeting for public comment, and heard from Paula Townsell, Planner for the Basel Townhomes proposal. Ms. Townsell also provided a prior site plan to the Committee.

Next Meeting: Tuesday, November 3, 2020 from 4:00 PM - 5:30 PM via Zoom.

November 3, 2020 Agenda Items

- Economic Recovery, to include a business survey update
- Commercial Air Space, Guest speakers County Councilmembers Wright and Megan Dunn, if available

The site plan illustrates the proposed hotel development on Lot 9, which is bounded by Harbour Place to the north and SR 525 to the south. The development includes several buildings: Bldg. A (2-story), Bldg. B, Bldg. C, Bldg. D, Bldg. E (2-story), Bldg. F, Bldg. G, and Bldg. H. A central plaza connects Bldg. A and Bldg. E, while another plaza is located between Bldg. C and Bldg. D. Parking areas are designated for 'ON STREET DIAGONAL PARKING' along Harbour Place and a 'NEW TRAIL' along SR 525. Monument signs are placed at the intersections of Harbour Place and SR 525, and at the entrance to the hotel property. The hotel property is accessed from the east via 'ACCESS TO S.D. PONDS'. Surrounding lots include Lot 4A, Lot 4B, Lot 5, Lot 6, Lot 7, Lot 8, and Lot 10. Lot 7 contains an 'EXISTING S.D. POND' and Lot 8 contains 'EXISTING S.D. PONDS'. A 'FUTURE BUILDING 2 STORY' is shown on Lot 4A. The plan also shows a 'POOL' and 'HOTEL LOBBY' on Lot 7. A scale bar (0 to 80 feet) and a north arrow are provided in the bottom left corner.



EXHIBIT 3

City of Mukilteo, Washington

Sector 3 Development Agreement

Amended Agreement

October 30, 2007



Return Address:
Community Development Department
City of Mukilteo
4480 Chennault Beach Road
Mukilteo, WA 98275

200711290678
11/29/2007 3:59pm \$115.00
SNOHOMISH COUNTY, WASHINGTON
CONFORMED COPY
76 PGS

Document Title(s) (or transactions contained therein):

1. Sector 3 Development Agreement
- 2.
- 3.
- 4.

Reference Number(s) of Documents assigned or released:
(on page 1 of documents(s))

Grantor(s) (Last name first, then first name and initials)

1. Harbour Pointe Limited Partnership
2. Kirtley, Ralph R. Anna Lee
3. Kaanda, LLC
4. Industrial Park Condominium Owners Association
5. ☒ Additional names on page 1 of document.

Grantee(s) (Last name first, then first name and initials)

1. City of Mukilteo
- 2.
- 3.
- 4.
5. ☐ Additional names on page ____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

Portion of NE ¼ Section 16 and the NE ¼ of Section 21, all in Township 28 North Range 4 East, W.M.

☒ Additional legal is on page 29-33 of document.

Assessor's Property Tax Parcel/Account Number

280421-001-032-00, 280416-004-007-00, 280416-004-008-00, 280416-004-009-00, 280416-004-010-00,
280416-004-012-00, 009231-000-109-00, 9231-000-222-00

☒ Additional legal is on page 29-33 of document.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

DEVELOPMENT AGREEMENT
For Mukilteo Town Square

THIS DEVELOPMENT AGREEMENT ("Agreement") extinguishes and replaces the December 11, 2002 Development Agreement and is entered into by and between THE CITY OF MUKILTEO, a Washington municipal corporation ("City") and HARBOUR POINTE LIMITED PARTNERSHIP, a Washington limited partnership or its assigns ("HPLP"), RALPH R. KIRTLEY AND ANNA LEE KIRTLEY, husband and wife or its assigns ("KIRTLEY"), Kaanda, LLC, a Alaska Limited Liability Company or its assigns ("KAANDA"), Industrial Park Condominium Owners Association, a Washington Non-Profit Corporation ("IPCOA"), Wild Sockeye, LLC, a Washington Limited Liability Company, or its assigns ("SOCKEYE"), and Fred and Margaret Holland, husband and wife or its assigns ("HOLLAND"), (collectively HPLP, KIRTLEY, KAANDA, IPCOA, SOCKEYE, and HOLLAND are hereinafter referred to as the "Owners") (collectively the City and the Owners are referred to as the "Parties").

RECITALS

A. SOCKEYE owns the property legally described in Exhibit A (the "Sockeye Property"), HOLLAND owns the property legally described in Exhibit A-1 (the "Holland Property"), HPLP owns that property legally described in Exhibit B (the "HPLP Property"). KIRTLEY and KAANDA owns that property legally described in Exhibit B-1 (the "KIRTLEY Property"). IPCOA owns that property legally described in Exhibit C (the "IPCOA Property").

B. The HPLP Property, KIRTLEY Property, IPCOA Property, SOCKEYE Property, and HOLLAND Property collectively referred to as the Property, is located within Sector 3 of the Harbour Pointe Master Plan ("Sector 3") originally adopted as the Possession Shores Master Plan in April 1978 by Snohomish County and subsequently by the City of Mukilteo in March 1991. The Sockeye Property comprises Lot 4A of Sector 3. The Holland property comprises Lot 4B of Sector 3. The HPLP Property comprises Lots 7, 8 and 9 of Sector 3. The IPCOA Property comprises Lots 5 and 6 of Sector 3. The KIRTLEY Property comprises Lot 10 of Sector 3. The Property is approximately 23 acres in size and is illustrated on the map attached as Exhibit. D

C. The Individual Parcel Owners of Lots 7, 8, 9, and 10 desire to develop a neighborhood shopping center, office and hotel on Lots 7, 8, 9, and 10, to be integrated with development of retail and office uses on Lot 4A and the existing school on Lot 4B, and the industrial condominiums on Lots 5 and 6 of the Property.

D. The Parties desire to tailor the development to the site and specify applicable development standards utilizing this development agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties agree as follows:

1. PROJECT DESCRIPTION.

1.1 Project Elements.

1.1.1 Lots 7, 8, 9 and 10 of the Property are currently vacant and will be developed as a neighborhood shopping center called Mukilteo Town Square (the "Square"). The Square may include retail services, hotel, offices, service station and other retailers and services typically found in a Class A neighborhood shopping center.

1.1.2 Lot 4B has a Montessori school and Lot 4A can be developed with uses outlined in Table 2.1.

1.1.3 Lots 5 and 6 are currently developed with two buildings containing industrial condominium users. These existing industrial uses will continue to be allowed and future industrial uses will continue to be allowed under the current IP zoning. PCB(S) uses are permitted on Lots 5 and 6 per the current zoning. This agreement allows the industrial condominiums to continue to be used for industrial uses as originally planned under the IP zoning designation prior to the rezone to PCB(S) but also to allow for retail / commercial uses when and where commercially viable. It is understood that Lot 4A will be developed separately from Lots 7, 8, 9 and 10. However, the development standards described herein shall apply to all of the Property except for internal improvements to existing buildings on Lots 4B, 5, and 6. It is anticipated that the Harbour Place side of the industrial condominiums will be more desirable as retail commercial tenancies due to the synergy created once Lots 4A, 7, 8, 9 and 10 have been developed and occupied.

1.1.4. The existing and planned development on Lots 4A, 4B, 5, 6, 7, 8, 9 and 10 (together referred to as the "Project") is illustrated in Exhibit E, E1, & E2.

1.2 Primary Uses and Primary Placement of Uses. The Project consists of three areas described in the table below. The Primary Uses identify the initial proposed uses to be placed in each by project area ("Allocation of Uses"). The key design parameter for the placement of these uses in each area ("Primary Placement of Uses") is also described. Additional design and development standards are established in the various Exhibits attached to this Agreement.

PROJECT AREA	ACREAGE	PRIMARY USE(S)	PRIMARY PLACEMENT OF USES
Lot 4	5.7 ac.	Retail, office, school	Buildings shall be located up against Harbour Place to help shield the parking fields.
Lots 5 & 6	6.3 ac.	Existing industrial condominiums. IP uses shall be allowed per the MMC. PCB(S) uses shall be allowed per this agreement.	Existing buildings
Lots 7, 8, 9 & 10	11.1	Grocery store, service station, retail shops, hotel, office, and other approved uses by this Agreement.	Retail shops shall be located up against Harbour Place to help shield the parking fields and improve the streetscape.
TOTAL PROJECT AREA	23 ac. (approx.)		

1.3 Allowable Development. The Project shall not exceed the following maximum building square footages excluding parking space for parking under buildings ("Allowable Development"):

- The total size of any single building footprint in the Project shall not exceed 75,000 square feet (excluding space for parking under buildings).
- Hotel alternative and retail/office to be built as depicted on Exhibit E2, the retail/office, excluding the Hotel, will not exceed 100,000 square feet. Hotel is allowable to 180 guest rooms.
- Auto service alternative and retail/office to be built as depicted on Exhibit E1, and will not exceed 135,000 square feet.

1.4 Development Vesting Period. The terms and entitlements granted by this Agreement shall continue for a term of five (5) years from the Effective Date with an additional automatic five (5) year extension.

2. PROJECT DEVELOPMENT STANDARDS.

The following constitute the development and design standards, mitigation measures and other conditions of development of the Project as provided in this Agreement (collectively "Development Standards"):

2.1 Permitted Land Uses, Density and Zoning. The Property is zoned Planned Community Business - South ("PCB(S)") with the permitted land uses and density as set forth in Exhibit 2.1, but subject to the Allocation of Uses, the overall Allowable Development and other provisions of this Agreement.

2.2 Building and Infrastructure Design Standards.

2.2.1 Bulk Standards. The setbacks, yards, bulk, height and other regulations are set forth in Exhibit 2.2.1.

2.2.2 Landscape, Trail, NGPA Standards. The landscape standards are set forth in Exhibit 2.2.2.

2.2.3 Parking Standards. The parking standards are set forth in Exhibit 2.2.3.

2.2.4 Road, Street Lighting, Street Furniture and Streetscape Standards. The road and streetscape standards are set forth in Exhibit 2.2.4.

2.2.5 Building Design Standards. The building standards are set forth in Exhibit 2.2.6.

2.2.6 Signage Standards. The signage standards are set forth in Exhibit 2.2.8.

2.3 Critical /Sensitive Area Standards. The only sensitive/critical areas within the Project consist of the Big Gulch ravine on the north and west sides and the associated 15' Special Management Area (SMA), Native Growth Protection Area (NGPA) at the top of the bank that meanders across Lot 4A&B in a southeasterly to northwesterly direction, then continuing in a northerly direction across the approximate western quarter of Lots 5, 6, and 7, then running easterly along the northern most portions of Lots 7 and 8. A storm detention pond is located on the northwest corner of Lot 7 (Tract A). Access to the detention pond will be provided. All Critical / Sensitive Areas have been identified and mitigated within Sector 3 per the Sector Plan, Sector 3 Industrial Development and the Harbour Pointe Sector 3 Sector Plan Amendment dated September 1998. The proposed development as illustrated in Exhibit E may extend into the existing SMA/NGPA in compliance with MCC 17.52A.050.C(2) and (5). Wetland and associated buffers are surveyed and meet the required standards and monitoring plan and shall remain in effect. Trails and other uses approved by the City are allowed within the buffer area consistent with the City's critical area ordinance. The Developer will submit a replanting plan with the building permit for development on lots 7 and 8 if impacted by development.

2.4 Sidewalks, Trails and Open Space.

2.4.1 Sidewalks and Trails. The Individual Parcel Owners of Lots 4A, 7, 8, 9, and 10 shall construct and complete, fund, or provide the City with appropriate financial guarantees for those portions of the City's sidewalk system that are within the Property or in the right-of-way that is directly adjacent to the Property, before occupancy of the first new building in the Project. The Individual Parcel Owners of Lots 4A, 7, 8, 9, and 10 shall grant access and maintenance easements to the City for those portions of the Sidewalk and Trail located on their respective private properties.

Construction of the trail system shall be made according to the Exhibit 2.2.2. The onsite trail system will be connected to the City's trail system at the northeast corner of Lot 8. The sidewalk system will consist of:

- a southerly 10' sidewalk meandering along side Mukilteo Speedway, in the right of way directly adjacent to the easterly portions of Lots 8, 9 and 10. Payment for this portion of the sidewalk is funded per the terms of WSDOT agreement dated December 20, 1999. The Owners will seek a credit from WSDOT for building the sidewalk.
- a westerly trail currently exists along the northerly most portions of lots 8 and 7 where it wraps around the detention pond located in the northwest most corner of Lot 7(Tract A) and then travels in a southerly direction along the Special Management Area, which is generally ten feet (10') from the top of the Big Gulch Bank. In the event that construction of the site improvements for the Square damages this trail, it shall, at the termination of site construction for the Square, either be returned to at least as good a condition as existed at the commencement of the site construction, or modified and improved as specified in plans and specifications approved by the applicant and the City. Except for portions of the trail temporarily disturbed during construction, the trail will be kept clean during construction. The city will assume responsibility for maintenance of the sidewalk, sidewalk lighting and highway lighting after the City has accepted these improvements as complete. Owners are responsible for a two-year maintenance bond requirement. The Owners shall remain responsible for all landscape maintenance between their property line and the curb. Owners' landscape maintenance will not include any hanging plants or other types of landscaping that the City may construct or add to the sidewalk, sidewalk light posts or highway light posts.
- an existing crosswalk crossing Mukilteo Speedway and terminating at the northeast corner of the Paine Field Boulevard / Mukilteo Speedway intersection, which shall be left intact and included in any redesign and or modification to the intersection as a result of this Development Agreement.
- a new crosswalk crossing the new westerly intersection entrance of SR-525 and Paine Field Blvd. into Lot 8 of the development.
- sidewalks will be improved where necessary to create a complete linkage of the sidewalk system in Sector 3.
- Internal pedestrian walkways will be marked with textured or colored materials (or paint only if approved by the Planning Director) to connect the parking lots and buildings and sidewalks. These sidewalks must be completed prior to any retailer opening for business.

2.4.2 Open Space. The Project, and the required open space areas for wetlands and buffers, landscape buffers and transition areas, meets the required open space in accordance with the Sector Plan and Harbour Pointe Sector 3 Sector Plan Amendment. The PCB(S) open space requirements of fifteen percent (15%) need not be met on a lot by lot basis so long as total required open space is provided, retained and incorporated into the landscape plan. Plaza space, NPGA, open area and any other open area that is not a part of the ten percent (10%) parking lot area landscaping requirement will be credited to the PCB(S) open space requirement.

2.5 Transportation Standards.

2.5.1 Concurrency. The Allowable Development of the Project meets the concurrency and level of service standards of the City. Transportation mitigation covering this project is included in two transportation mitigation agreements done for the Harbour Pointe Master Plan: (i) Agreement Letter of Understanding with WSDOT dated June 1985 and amended March 1988; and Modification to Letters of Understanding with WSDOT dated December 20, 1999; (ii) Road Improvement Agreement dated September 1988 and amended January 1991 and August 1992. A traffic study has been submitted as part of this Agreement. The traffic signal and 4th leg measures have been approved by WSDOT and constructed and an additional trip generation study has been completed.

Transportation mitigation for the Project consists of the following, which are in addition to \$381 per highway front foot (less credit for sidewalk construction) that will be paid to WSDOT:

- Modification of the traffic signal at the intersection of Mukilteo Speedway and Paine Field Boulevard. The fourth leg (west leg) for Mukilteo Speedway and Paine Field Boulevard shall be opened into Lot 8 for full turning movements into and out of Mukilteo Town Square and connecting to Harbour Place. This improvement will include an eastbound connection that allows traffic to leave the Project and travel northbound onto Paine Field Boulevard.
- Installation of a ten (10') foot meandering sidewalk along SR 525 frontage.
- cobra lighting along the SR 525 frontage (this is further described in Exhibit 2.2.3).
- acorn lighting along the meandering ten (10') foot sidewalk (this is further described in Exhibit 2.2.3)
- Scored and colored concrete pad to designate pedestrian crossings

2.6 Surface Water Standards. The Project shall comply with the storm drainage requirements set forth in the Sector 3 Industrial Park Development Plan, the Harbour Pointe Sector 3 Sector Plan Amendment, and the recommendations of the drainage study to be completed by the Individual Parcel Owners of Lots 7, 8, 9, and 10 subsequent to this Agreement to confirm adequate capacity for the Project. A storm detention pond has already been constructed on the northwest corner of Lot 7 (Tract A), sized to accommodate stormwater from buildout of development in Sector 3. A

relocatable access road for pond maintenance from SR 525 to the detention pond has also been built. In the event that the drainage study shows that a greater amount of impervious surface is proposed than was designed for under the existing Sector 3 Plan, the additional impervious surface beyond the amount already designed for shall be addressed through the application of Best Management Practices ("BMPs") and Clean Water Standards of the 1992 DOE Storm Water Manual for the Puget Sound Basin. The storm detention pond has been dedicated to the City and the City is responsible for operation and maintenance of the pond. The owner will be given right of entry to make necessary changes to pond to accommodate additional storm and/or storm detention requirements per 1992 storm water manual for Puget Sound Basin.

2.7 Sewer and Water Service; Underground Utilities. The Owners have installed at its cost sewer and water collection and distribution facilities to serve the Project and transferred those facilities to the Mukilteo Water District and Olympus Terrace Sewer District. All utilities within the Project shall be underground. The City and Individual Parcel Owners of Lots 7, 8, 9 and 10, will work together to ensure that the utilities agencies locate boxes, meters, pedestals etc. in other areas than the area between the property parking lot and SR 525 curb.

2.8 Noise. The City's noise code shall apply generally to the Project. Further, a note shall be included on any final plat, short plat or binding site plan map stating as follows:

"The property as described herein is located within or near a designated noise contour of the Snohomish County Airport at Paine Field. The property is subject to noise levels that residents may find to be objectionable as a result of aircraft operations. Property Owner may want to consider adding noise attenuation materials in the final building design."

Mitigation to comply with the noise code is required for any operation of the shopping center that, at the time of a building permit application, is predicted to exceed the City's noise ordinance.

2.9 Maintenance of Facilities. The Owners will maintain the private common areas and facilities and adjacent streetscapes (street trees, lawns etc.) within public areas through CCR and/or REA agreements, owner's association or other structure with authority to impose assessments.

2.10 Flexibility and Modification of Development Standards. The Project as described in this Agreement, including the Allocation of Uses, Primary Placement of Uses, Allowable Development and the Development Standards, provides the desired initial definition and certainty for the Project concept. However, the Parties acknowledge modifications to the Project will occur during the Buildout Period which may achieve a number of purposes including but not limited to refinement of initial design concepts, incorporation of new information, response to changing community and market needs, encourage modifications that provide comparable benefit or functional equivalents with no significant reduction in public benefits or increased cost to the

development (collectively "Flexibility Objectives"). The Project, including Allocation of Uses, Primary Placement of Uses, Allowable Development and Development Standards, may be modified based upon achieving Flexibility Objectives under the standards and procedures set forth in Exhibit 2.10. The types of modifications under Exhibit 2.10 include (a) authorized applicant elections, (b) administrative minor modifications and (c) major modifications requiring City Council approval.

2.11 Impact Fees. No city impact fees shall be imposed except as expressly provided in this Agreement.

2.12 Other Standards. To the extent this Agreement does not establish or incorporate Development Standards covering a certain subject, element or condition, then the Project shall be governed by those land use control ordinances and regulations in effect on the Effective Date. For those requirements that are not land use control ordinances or regulations, the Project shall be governed by those City codes and standards in effect upon the date of an application for an Implementing Approval (defined in Section 3 below).

3. VESTING OF DEVELOPMENT STANDARDS AND MITIGATION.

3.1 General Vesting Rule. All development within the Project shall be implemented through plats, short plats, binding site plans, condominiums, site development permits, building permits and other City permits and approvals (collectively "Implementing Approvals"). All Implementing Approvals shall be governed by the Development Standards and the City shall not modify or impose new or additional Development Standards beyond those set forth in this Agreement, except as provided in this Section.

3.2 During Buildout Period. The Buildout Period shall run for a term of five (5) years from the Effective Date with an additional automatic five (5) year extension. After notice, a public hearing and adoption of findings, the City Council may modify one or more Development Standards during the Buildout Period to the extent required to avoid a serious threat to the public health or safety. Notwithstanding the foregoing, the International Building Code, International Fire Code and other construction codes in effect on the date of a building permit application or other construction application within the Project shall apply, except no code changes after the date of this Agreement shall require retrofitting or modification of utilities, facilities or other infrastructure which were installed in accordance with this Agreement unless such retrofitting or modifications are required to avoid a serious threat to the public health and safety.

3.3 After Buildout Period. The Development Standards shall continue to apply to all applications for Implementing Approval submitted for the Project after expiration of the Buildout Period, except either party may terminate this Agreement, and the zoning and development regulations may be modified, as provided in Section 6.12 below.

3.4 Application and Processing Fees. The application and processing fees for all Implementing Approval shall be those in effect on the date of the particular permit application.

3.5 Replacement Regulations. During and after the Buildout Period, the Owner, as an alternative to using one or more of the Development Standards for particular subject matters specified in Section 2, may request City approval to use new code provisions or other City regulations or standards for that subject adopted after the execution of this Agreement. This shall be processed as a Minor Amendment pursuant to Exhibit 2.10. After the Buildout Period, new standards also may be adopted as provided in Section 6.12.

3.6 Development Agreement Amends Sector 3 Sector Plan. This Development Agreement hereby serves to amend the Sector 3 Sector Plan from an IP zoned plan to a PCB(S) zoned plan. All other elements of the Sector 3 Sector Plan not affected by this Development Agreement ("DA") will remain in force. All new buildings developed on Lots 4 thru 10 shall be subject to this Agreement.

4. CITY PROCESSING AND REVIEW OF IMPLEMENTING APPROVALS.

4.1 City Permit Procedures. Unless the parties otherwise agree, the City shall review applications for Implementing Approvals under its regular code procedures, but applying the Development Standards set forth in this Agreement.

4.2 SEPA Compliance. SEPA compliance for the Implementing Approvals is governed by Exhibit 4.2.

4.3 New Studies. The following new studies and environmental documents have been prepared and are attached hereto:

4.3.1 Traffic Study dated the 13th day of June 2002.

4.3.2 Geotechnical Study dated the 5th day of July 2002.

4.3.3 SEPA Checklist dated the 25th day of March 2002.

4.3.4 MDNS issued the 3rd day of July 2002.

4.3.5 Mukilteo Town Center – Trip Generation dated the 9th day of August 2007.

4.3.6 Mukilteo Town Center – Trip Generation dated 14th day of September 2007.

4.3.7 SEPA Checklist dated the 10th day of August 2007.

4.4 Previous SEPA reviews. There have been prior SEPA reviews and approval of the Sector 3 Sector Plan that, by this reference, are fully incorporated into this Development Agreement. The review and approval dates are:

- Harbour Pointe Master Plan EIS, June 1978
- Possession Shores Master Plan 1978
- Harbour Pointe Build-out Traffic Impact Study, April 1988
- Sector 3 Mitigated Determination of Non-Significance, November 6, 1991.
- Revised Mitigated Determination of Non-Significance, April 17, 1992.
- 2nd Revision to Mitigated Determination of Non-Significance, May 21, 1992.
- Sector 3 Plan Approval, March 17, 1993.
- Final Wetland Mitigation Plan, March 17, 1993.
- Sector 3 Rezone Request and SEPA Checklist (Lots 4 through 10), March 25, 2002.

5. MITIGATION. The Development Standards provide Project mitigation. The Owner's compliance with the Development Standards and other provisions of this Agreement meet applicable concurrency and level of service requirements and constitutes adequate and sufficient public facilities and services for the Project.

6. GENERAL PROVISIONS.

6.1 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

6.2 Binding on Successors; Assignment; Release of Liability.

6.2.1 Binding. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Owners and upon the City.

6.2.2 Assignment. The parties acknowledge that development of the Project likely will involve sale and assignment of portions of the Property ("Individual Parcels") to other persons ("Individual Parcel Owners") who will own, develop and/or occupy portions of the Property and buildings thereon. The City has authority under its code provisions to require bonds or other security for performance of construction obligations through binding site plan or other permit approvals.

Each Owner shall have the right to assign or transfer all or any portion of the respective interests, rights or obligations under this Agreement or in the Project to Individual Parcel Owners including transfer of all interests through foreclosure (judicial or non-judicial) or by deed in lieu of foreclosure. Consent by the City shall not be required for any transfer of rights by such Owner (the "Transferring Owner") pursuant to this Agreement.

Upon the transfer under this Section 6.2.2, the Individual Parcel Owner shall be entitled to all interests and rights and be subject to all obligations under this Agreement, and the Transferring Owner shall be released of liability as to the portion of the Property transferred upon the Individual Parcel Owner's express assumption of obligations under this Agreement. The Transferring Owner shall notify the City of the transfer, including the name and address of the Individual Parcel Owner(s) and a contact person. From and after the date of transfer, the Transferring Owner shall have no further liability or obligation under this Agreement (except as to other property owned by such Owner in the Project and liability shall continue for any violation or default under this Agreement occurring prior to the date of assignment), and the assignee for all matters arising after the date of assignment shall exercise the rights and perform the obligations of the Transferring Owner under this Agreement for that portion of the Property acquired by the successor or assign. If after release of liability a default occurs relating to the transferred portion of the Property, such default shall not constitute a default by the released party nor be a default as to any other portion of the Property not subject to the defaulted obligation.

6.2.3 Enforcement of Agreement. The City may enforce this Agreement. Any one or any combination of all of the Owners or Individual Parcel Owners may enforce this Agreement. Any property owner's association ("Association") established by one or more of the Owners or Individual Parcel Owners may enforce all provisions of this Agreement as it relates to portions of the Property covered by the association.

6.2.4 Development Standard Modifications (Exhibit 2.10). Any one or any combination of Owners or Individual Parcel Owners may propose modifications of Development Standards to such portions of the Property that it owns using the process established under Exhibit 2.10. The Owner(s) proposing such modifications shall also give notice to all Owners and Individual Parcel Owners and the City shall provide an opportunity for written comments by all Owners and Individual Parcel Owners.

6.2.5 Amendment of Agreement by Designated Successors. Any amendment to this Agreement affecting all properties subject to this Agreement (including "Major Modifications" under Exhibit 2.10) must be approved by the City and all Owners and Individual Parcel Owners. Any one of the Owners or Individual Parcel Owners or any combination thereof may seek an amendment of this Agreement as to that portion of the Property owned by such Owner(s) or Individual Parcel Owner(s) with prior notice and opportunity for written comment by all Parties.

6.2.6 Successor Indemnification. The indemnification in Section 6.20 shall also apply to Individual Parcel Owners as to each party's respective actions and omissions, and shall apply to the Transferring Owner if the indemnification obligations arose from any acts or omissions of the Transferring Owner prior to any assignment which otherwise relieves that party of responsibility for future obligations under Section 6.2.2.

6.3 Recording. A memorandum of this Agreement shall be recorded against the Property as a covenant running with the land and shall be binding on the Owners and their successors and assigns.

6.4 Authority; Severability.

6.4.1 Authority. The City and the Owners each represent and warrant they have the respective power and authority, and are duly authorized, to execute, deliver and perform their obligations under this Agreement. 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 to reserve to the City only that police power authority which is prohibited by law from being subject to a mutual development agreement with consideration.

6.4.2 Severability. If any provisions of this Agreement are determined to be unenforceable or invalid by a court of law, then this Agreement shall thereafter be modified to implement the intent of the Parties to the maximum extent allowable under law. If a court finds unenforceability or invalidity of any portion of this Agreement, the parties agree to seek diligently to modify the Agreement consistent with the court decision, and no Party shall undertake any actions inconsistent with the intent of this Agreement until the modification to this Agreement has been completed. If the parties do not mutually agree to modifications within forty-five (45) days after the court ruling, then either party may initiate the dispute resolution proceedings in Section 6.11 for determination of the modifications, which implement the intent of this Agreement and the court decision.

6.5 Amendment. The Project and Development Standards may be modified as provided in Section 2.10, Exhibit 2.10 and other provisions of this Agreement, which shall not constitute amendments of this Agreement except for "Major Modifications" as determined under Exhibit 2.10. This Agreement shall not be modified or amended without the express written approval of the City and the Owners/Individual Parcel Owners affected by such amendment and with notice to all Owners/Individual Parcel Owners and opportunity for written comment by such other owners except this Agreement may be terminated after the Buildout Period as provided in Section 6.12.

6.6 Exhibits and Appendices. Exhibits A through 4.2 are incorporated herein by this reference as if fully set forth.

6.7 Headings. The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

6.8 Time of Essence. Time is of the essence of this Agreement in every provision hereof. Unless otherwise set forth in this Agreement, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday, then the time period shall be extended automatically to the next business day.

6.9 Integration. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein.

6.10 Default and Remedies.

6.10.1 Conference. In the event of any dispute relating to this Agreement (except disputes covered by Section 6.11 shall be governed by that section rather than this Section 6.10), each party upon the request of any other party shall meet within seven (7) days of being provide notice per section 6.17, to seek in good faith to resolve the dispute. The City shall send a department director and persons with information relating to the dispute, and the Owners/Individual Parcel Owners shall send an owners' representative and any consultant or other person with technical information or expertise related to the dispute.

6.10.2 Default and Remedies. No party shall be in default under this Agreement unless it has failed to perform under this Agreement for a period of thirty (30) days after written notice of default from any other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the thirty (30) day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure. Any party not in default under this Agreement shall have all rights and remedies provided by law including without limitation damages, specific performance or writs to compel performance or require action consistent with this Agreement. The prevailing party (or the substantially prevailing party if no one party prevails entirely) shall be entitled to reasonable attorneys' fees and costs. Nothing herein shall limit the City's right to require a cure sooner than 30 days in cases where there is an imminent danger to persons or property.

6.10.3 Relief Against Defaulting Party or Portion of Property. In recognition of the anticipated sale(s) by the Owners of portions of the Property to others to own, develop and/or occupy, the remedies -under this Agreement shall be tailored to the portions of the Property or particular parties as provided herein. Any claimed default shall relate as specifically as possible to the portion of the Property involved and any remedy against any party shall be limited to the extent possible to the owner of such portion of the Property. To the extent possible, the City shall seek only those remedies, which do not adversely affect the rights, duties or obligations of any other non-defaulting Owner of portions of the Property under this Agreement, and shall seek to utilize the severability provisions set forth in this Agreement. The City shall have no liability to any person or party for any damages, costs or attorneys fees under this Section 6.10.3 so long as the City exercises reasonable and good faith judgment in seeking remedies against appropriate parties or portions of the Property.

6.10.4 City Retained Enforcement Rights. Nothing in this Agreement shall limit the procedures or authority of the City to utilize its code enforcement authority.

6.11 Dispute Resolution. This Section shall govern any disagreements between the City and the Owners over (a) any proposal by the City to revise Development Standards under Section 3 based upon its determination that a serious threat to public health or safety exists, and (b) disputes over modification of this Agreement after a court determination of invalidity under Section 6.4.2. The parties agree to settle the dispute over these matters by arbitration by a single arbitrator, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. To provide an expeditious and fair process, the parties shall meet in good faith to settle the dispute within ten (10) days after either party requests such a meeting, or within forty-five (45) days after a court ruling under Section 6.4.2. The parties during said meeting will also seek to agree upon a single arbitrator if the parties do not voluntarily settle the dispute. If the parties cannot agree on a single arbitrator, then the arbitration will be referred to the JAMS/ENDISPUTE in Seattle, Washington, but if JAMS is not in existence or not able to hear the matter, then either the City or the Owners may apply to the Washington Superior Court for appointment of a single arbitrator pursuant to RCW 7.04.050. The arbitrator shall establish the procedures and allow presentation of written and oral information, but shall render its final decision within thirty (30) days after the matter is referred to arbitration. The parties shall pay equally the cost of the arbitration, but each party shall pay its own attorney's fees. The arbitrator's decision shall be in writing and specifically find (a) whether or not the criteria for modifying development regulations are present under Section 3, or (b) what modifications implement the parties' intent consistent with the court invalidation decision under Section 6.4.2. Dispute resolution on the subjects covered by this Section 6.11 is the exclusive remedy of the parties, and the City shall have no liability for damages if dispute resolution is complied with under this Section 6.11.

6.12 Term. The term of this Agreement shall continue at a minimum through the Buildout Period, and shall continue after the Buildout Period unless and until notice of termination is given as provided in this section. The notice of termination may cover all or portions of the Property.

6.12.1 City Notice. The City's notice of termination shall use the same notice procedures, which would apply to a rezone of the Property. The City shall mail notice to the Owners under Section 6.17 and to any business or homeowners association or community groups which the City in its sole discretion determines should receive notice, but the, failure to provide notice pursuant to this sentence shall not affect the validity of the City's termination notice using rezone procedures nor subject the City to any liability.

6.12.2 Owner Notice. Notice of termination may be provided by Owner(s) owning 50% (by acreage) of the portion of the Property for which termination is sought. Notice shall be delivered to the City and to all Owners as provided in Section 6.17 of this Agreement. No sooner than six (6) months after the notice of termination, the City shall hold public hearings and shall adopt zoning and related development standards for the Property, or portions thereof as determined appropriate by the City. Upon such adoption, this Agreement shall terminate for that portion of the Property for which termination is sought and thereafter the Property (or portion thereof for which this

Agreement has been terminated) shall be governed by the adopted City zoning and related development regulations.

6.13 Mortgagee Rights. Any person who is the beneficiary of a deed of trust or mortgagee ("Mortgagee") of a mortgage secured against all or any portion of the Property ("Mortgaged Parcel") shall be entitled to notice of default and opportunities to cure as provided in this section. Any Mortgagee may provide written notice to the City requesting a copy of all notices of default and correspondence, claims or litigation related thereto or the Mortgaged Parcel. For each Mortgagee who has provided such notice, the City during the remaining term in this Agreement shall notify such Mortgagee of any event of default, claim or litigation relating to the Owners or the Mortgaged Parcel under this Agreement and provide the same opportunity to cure such event of default, within the times provided below, as provided to the Owners under this Agreement. Failure of the City to notify Mortgagee under this section shall not give rise to liability on the part of the City. Notwithstanding any other provision of this Agreement, this Agreement shall not be terminated by the City as to any Mortgagee either (1) who has requested notice but has not been given notice by the City or (2) to whom notice of default is given by the City and to which either of the following is true:

(a) the Mortgagee cures a default involving the payment of money by the Owners within sixty (60) days after notice of default; or

(b) for defaults which require title or possession of all or any portion of the Property to effect a cure, then:

(1) the Mortgagee agrees in writing, within ninety (90) days after its receipt of written notice of default, to perform the defaulted obligation allocable to the Mortgaged Parcels conditioned upon the Mortgagee's acquisition of the Mortgaged Parcel by foreclosure judicial or non-judicial) or through a deed in lieu of foreclosure;

(2) the Mortgagee commences foreclosure proceedings to acquire title to the Mortgaged Parcel within ninety (90) days and thereafter diligently pursues the foreclosure to completion; and

(3) the Mortgagee (or any purchaser of the Mortgaged Parcel at foreclosure, trustee's sale or by deed in lieu of foreclosure) promptly and diligently cures the default after obtaining title or possession. Subject to the foregoing, if Mortgagee delivers a notice of default to the City, then the Owner's rights and obligations under this Agreement may be transferred to the Mortgagee or to any purchaser of the Mortgaged Parcel at a foreclosure, trustee's sale or conveyance by deed in lieu of foreclosure.

The parties agree to incorporate reasonable changes to this Agreement if necessary based upon requirements for financing of the Project or infrastructure required under this Agreement.

6.14 Project Status Statement. Within thirty (30) days following any written request which any party or a Mortgagee may make from time to time, the other party to this Agreement shall execute and deliver to the requesting person a statement certifying that: (1) this Agreement is unmodified and in full force and effect, or stating the date and nature of any modification; (2) to the best knowledge of the certifying party, (a) no notice of default has been sent under Section 6.10 of this Agreement or specifying the date(s) and nature of the notice of such default and (b) no written notice of infraction has been issued in connection with the Project; and (3) any other reasonably requested information. Failure to deliver such statement to the requesting party within the thirty (30) day period shall constitute a conclusive presumption against the party failing to deliver such statement that this Agreement is in full force and effect without modification (except as may be represented by the requesting party) and that there are no notices of default nor infraction (except as may be represented by the requesting party). The delivery of the project status statement on behalf of the City pursuant to this section shall be deemed an administrative matter and shall not require legislative action. The City shall not have any liability to the requesting party or to any third party for inaccurate information if it provides the project status statement in good faith and with reasonable care.

6.15 No Third Party. Except for the mortgagee rights under Section 6.13, this Agreement is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

6.16 Interpretation. This Agreement has been reviewed and revised by legal counsel for all parties and no presumption or rule that ambiguity shall be construed against the party drafting the document shall apply to the interpretation or enforcement of this Agreement.

6.17 Notice. All communications, notices and demands of any kind which a party under this Agreement requires or desires to give to any other party shall be in writing and either (i) delivered personally, (ii) sent by facsimile transmission with an additional copy mailed first class, or (iii) deposited in the U.S. mail, certified mail postage prepaid, return receipt requested, and addressed as follows:

If to the City: City of Mukilteo
4480 Chennault Beach Road
Mukilteo, WA 98275
Attn: Mayor's Office
Phone: (425) 355-4141
Fax: (425) 347-4544

with a copy to: Ogden Murphy & Wallace
2100 Westlake Center Tower
1601 Fifth Avenue Seattle, WA 98101
Attn- James E. Haney
Phone: (206) 447-7000
Fax: (206) 447-0215

If to HPLP:

Harbour Pointe Limited Partnership
12199 Village Center Place, Suite 203
Mukilteo, WA 98275-6001
Attn: Dennis Vrabek
Phone: (425) 348-0807
Fax: (425) 348-4977

If to KIRTLEY:

Ralph R. Kirtley
Anna Lee Kirtley
21515 127th Ave. SE
Snohomish, WA 98290
Fax: (360) 568-7919

with a copy to:

Kaanda, LLC
2431 West 100th
Anchorage, AK 99515

If to IPCOA:

Industrial Park Condominium Owners Association
9700 Harbour Place, Unit 124
Mukilteo, WA 98275

If to SOCKEYE:

Wild Sockeye, LLC
Attn: Daniel Parks
6308 Clubhouse Lane
Mukilteo, WA 98275

If to HOLLAND:

Margaret and Fred Holland
12221 Possession Way
Mukilteo, WA 98275

Notice by hand delivery or facsimile shall be effective upon receipt. If deposited in the mail, notice shall be deemed delivered 48 hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given.

6.18 Cooperation. The parties shall not unreasonably withhold requests for information, approvals or consents provided for in this Agreement. The parties agree to take further actions and execute further documents, either jointly or within their respective powers and authority, to implement the intent of this Agreement. The City agrees to work cooperatively with the Owners to achieve the mutually agreeable goals as set forth in this Agreement, subject to the City's independent exercise of judgment.

6.19 Delays. If either party is delayed in the performance of its obligations under this Agreement due to *Force Majeure*, then performance of those obligations shall be excused for the period of delay.

6.20 Modification or Suspension by State or Federal Law. In the event that state or federal laws or regulations, enacted after the Effective Date, prevent or preclude any party from complying with one or more of the provisions of this Agreement, then to the extent feasible such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce. Upon enactment of any such new law or regulation, the parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the affect such modification or suspension would have on the purposes and intent of this Agreement. If such modification or suspension is unfeasible in Owners' business judgment, then as their sole remedy, Owners shall have the right to terminate this Agreement by written notice to the City, provided that in addition, Owners shall have the right to challenge the such new law or regulation preventing compliance with the terms of this Agreement, and, in the event such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

7. DEFINITIONS.

The definitions set forth in Mukilteo Zoning Code, Chapter 17.08, shall apply except as inconsistent with the terms of this Agreement or as provided below:

“Administrative Approval Standard” means the criteria to administratively approve Project modifications, which are consistent with the Flexibility Objectives in Section 2.10 and will not result in significant adverse environmental impacts, taking into account mitigation measures. See Exhibit 2.10.

“Administrative Modifications” means those modifications to the Project meeting the standards and procedures of Exhibit 2.10.

“Agreement” means this development agreement for the Project entered into by the parties herein.

“Allowable Development” means the overall square footages and Commercial Uses specified in Section 1.3.

“Association” means a property Owner association established by an Owner.

“Buildout Period” means the five (5) year period following the Effective Date, with an additional automatic five (5) year extension, excluding such time as may be necessary to fully resolve any appeals or litigation relating to this Agreement.

“City” means the City of Mukilteo a code city.

“Commercial Uses” means the retail, office, hotel, entertainment and other non-residential uses specified in Exhibit 2.1.

“Development Areas” means the Development Areas means the Lots 4A, 4B, 5, 6, 7, 8, 9 and 10 as shown in Exhibit E which are authorized for the uses, densities and other Development Standards as set forth in this Agreement.

“Development Standards” mean, collectively, the Project elements, Development Standards, and other conditions of development set forth in this Agreement and the Exhibits thereto.

“Designated Successor” means a successor Owner.

“Effective Date” means the date this Agreement is in effect, which shall be the date of the last signature required for this Agreement.

“Flexibility Objectives” means the public purposes of modifying various Project elements, as further described in Section 2.10, 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 to or reduced land area for developments.

“Force Majeure” means extraordinary natural elements or conditions, war, riots, labor disputes or other causes beyond the reasonable control of the obligated party.

“Implementing Approvals” means land use approvals or permits subsequent to execution of this Agreement which implement or otherwise are consistent with this Agreement, including but not limited to plats, short plats, binding site plans, site development permits, building permits, and grading permits.

“Individual Parcel Owner” means an Owner or successor Owner of their respective portions of the Property as described in Exhibits A, A-1, B, B-1, and C.

“Major Modification” means those modifications of the Project requiring City Council approval under the standards and procedures of Exhibit 2.10.


“Owner” means Harbour Pointe Limited Partnership or Ralph and Anna Kirtley or Kaanda, LLC or Industrial Park Condominium Owners Association or Wild Sockeye, LLC or Fred and Margaret Holland, or their successors and assigns.

“Project” means the development and use of the Property in accordance with the Development Standards and on the other terms, standards, and conditions set forth in this Agreement.

“Project Envelope” means the Allowable Development at maximum densities and intensities allowed under this Agreement as provided in Exhibit 4.2 and the Authorized Elections under Exhibit 2.10.


"Property" means the real property owned by the Owners described in Exhibits A through C.

CITY OF MUKILTEO, a Washington municipal corporation

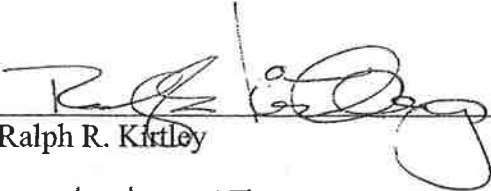
By: 
Its: Mayor
Date: 11.7.07


Approved as to Form:

HARBOUR POINTE LIMITED PARTNERSHIP, a Washington limited partnership

By: 
Its: DENNIS VRABEK, PRESIDENT
Beilisk Corporation
General Partner
Date: 10/30/2007

RALPH R. KIRTLEY AND ANNA LEE KIRTLEY, husband and wife

By: 
Ralph R. Kirtley
Date: 11-1-07

By: 
Anna Lee Kirtley
Date: 11-1-07

Kaanda, LLC, a Alaska Limited Liability Company

By: [Signature]
Its: Member

Date: 11-1-07

Industrial Park Condominium Owners Association,
a Washington Non-Profit Corporation

By: [Signature]
Its: President

Date: 10/30/07

Wild Sockeye LLC

By: [Signature]
Daniel Park

Date: 10/30/07

By: [Signature]
Margaret Holland

Date: 10/30/07

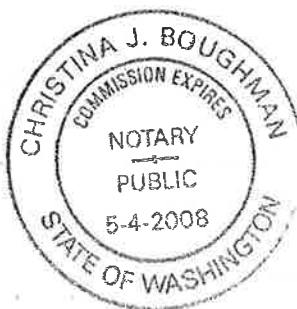
By: [Signature]
Fred Holland

Date: 10/30/07

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this 7TH day of NOVEMBER 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Joe Marine, to me known to be the Mayor of the city of Mukilteo, described in and that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Christina J. Boughman
NOTARY PUBLIC in and for the
State of Washington, residing at
EDMONDS
My commission expires 5.4.08

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this 30th day of October 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dennis Vrabek, to me known to be the President of BellBek, the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

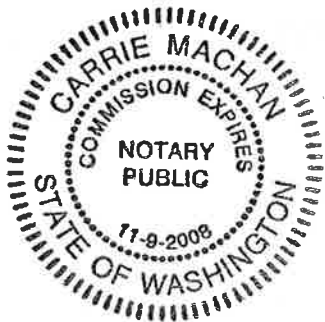


Tim Taylor
NOTARY PUBLIC in and for the
State of Washington, residing at
Snohomish County
My commission expires 4/30/2011

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this 1st day of November 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ralph R. Kirtley and Anna Lee Kirtley, husband and wife to me known to be the people that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Carrie Machan
NOTARY PUBLIC in and for the
State of Washington, residing at
Snohomish, WA
My commission expires 11-9-08

STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

On this 28th day of November 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David Baugh, to me known to be a Member of Kaanda, LLC, the limited liability company that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



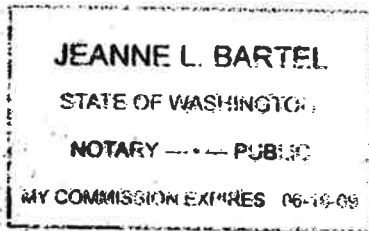
Stacy Nice
NOTARY PUBLIC in and for the
State of Washington, residing at
Snohomish County
My commission expires 8/05/2011

STATE OF WASHINGTON)

COUNTY OF) ss.
Snohomish

On this 28th day of November 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Richard Sandstrom to me known to be the President of Industrial Park Condominium Owners Association, the person that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



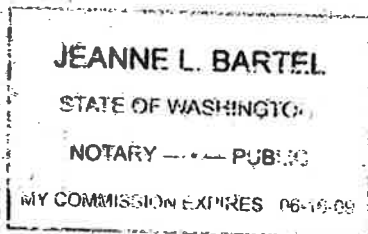
Jeanne Bartel
NOTARY PUBLIC in and for the
State of Washington, residing at
Snohomish
My commission expires 6/16/09

STATE OF WASHINGTON)

COUNTY OF) ss.
Snohomish

On this 30th day of October 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Daniel Park to me known to be the President of Wild Sockeye, LLC, the limited liability company that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



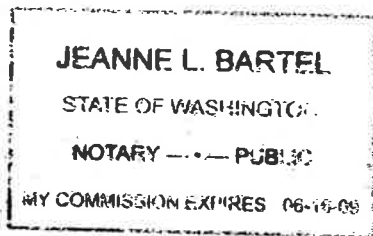
Jeanne L. Bartel
NOTARY PUBLIC in and for the
State of Washington, residing at
Snohomish
My commission expires 6/16/09

STATE OF WASHINGTON)

COUNTY OF Innomish) ss.

On this 28th day of November 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Margaret and Fred Holland, to me known to be the people that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Jeanne L. Bartel
NOTARY PUBLIC in and for the
State of Washington, residing at
Innomish
My commission expires 6/16/09

EXHIBIT B
HPLP
LEGAL DESCRIPTION

Lots 7, 8 and 9 of Sector 3, Harbour Pointe Business Center, Big Gulch Campus.

PARCEL A:

LOT 7 OF RECORD OF SURVEY BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 200508295173, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 7 OF HARBOUR POINTE BUSINESS CENTER BIG GULCH CAMPUS BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 9312305007, SAID BINDING SITE PLAN BEING A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16 AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, ALL IN TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID LOT 7 ON THE WEST SIDE OF A CUL-DE-SAC HAVING A RADIUS OF 55.00 FEET;
THENCE SOUTH 87°16'30" WEST, ALONG THE SOUTH LINE OF SAID LOT, 148.89 FEET;
THENCE NORTH 7°25'35" EAST, 153.18 FEET;
THENCE NORTH 3°37'38" WEST, 88.80 FEET;
THENCE NORTH 49°09'44" EAST, 60.78 FEET;
THENCE NORTH 58°08'25" EAST, 36.71 FEET;
THENCE NORTH 15°02'34" EAST, 16.54 FEET;
THENCE NORTH 10°32'00" WEST, 21.40 FEET;
THENCE NORTH 36°42'01" WEST, 29.49 FEET;
THENCE NORTH 86°44'34" EAST, 126.98 FEET TO THE EAST LINE OF LOT 7;
THENCE SOUTH 4°19'20" EAST, ALONG THE EAST LINE OF SAID LOT, 299.68 FEET TO THE MOST EASTERLY SOUTHEAST CORNER THEREOF, BEING A POINT ON THE NORTH SIDE OF THE ABOVE REFERENCED CUL-DE-SAC;
THENCE SOUTHWESTERLY ALONG THE CURVED BOUNDARY OF LOT 7 AND SAID CUL-DE-SAC HAVING A RADIUS OF 55.00 FEET, A BEGINNING RADIAL BEARING OF SOUTH 22°42'42" WEST, A CENTRAL ANGLE OF 123°16'05", AND AN ARC LENGTH OF 118.33 FEET, TO THE TRUE POINT OF BEGINNING.

PARCEL B:

LOT 8 OF HARBOUR POINTE BUSINESS CENTER BIG GULCH CAMPUS BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 9312305007, SAID BINDING SITE PLAN BEING A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16 AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, ALL IN TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

LOT 9.

LOT 9, CITY OF MUKILTEO BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NUMBER 199910065001, SAID BOUNDARY LINE ADJUSTMENT BEING IN THE SW QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16 AND IN THE NE QUARTER OF THE NE QUARTER OF SECTION 21, ALL IN T.28N., R.4E., W.M., CITY OF MUKILTEO, SNOHOMISH COUNTY, WASHINGTON

EXHIBIT B-1
LEGAL DESCRIPTION
Kirtley Property

Lot 10 of Sector 3, Harbour Point Business Center, Big Gulch Campus.

LOT 10.

NEW PARCEL 10 OF CITY OF MUKILTEO BOUNDARY LINE ADJUSTMENT
RECORDED UNDER AUDITOR'S FILE NUMBER 199910060039, RECORD OF
SURVEY RECORDED UNDER AUDITOR'S FILE NUMBER 199910065001, SAID
PARCEL BEING LOT 10 AND A PORTION OF LOTS 4, 5 AND TRACT A, CITY OF
MUKILTEO BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE
NUMBER 9312305007, BEING A PORTION OF THE SOUTHEAST QUARTER OF
THE SOUTHEAST QUARTER OF SECTION 16 AND OF THE NORTHEAST
QUARTER OF THE NORTHEAST QUARTER OF-SECTION 21, ALL IN
TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M., RECORDS OF SNOHOMISH-
COUNTY, WASHINGTON; SITUATE IN THE COUNTY OF SNOHOMISH, STATE
OF WASHINGTON.

EXHIBIT C
LEGAL DESCRIPTION
IPCOA PROPERTY

Lots 5 and 6 of Sector 3, Harbour Point Business Center, Big Gulch Campus.

LOTS 5 AND 6.

PARCEL A: LOT 5 BOUNDARY LINE ADJUSTMENT NUMBER 99-10 AS DESCRIBED UNDER AUDITOR'S FILE NUMBER 199910060039 AND DELINEATED ON SURVEY RECORDED UNDER AUDITOR'S FILE NUMBER 199910065001 BEING A PORTION OF LOT 5, CITY OF MUKILTEO BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 9312305007, SAID BINDING SITE PLAN BEING A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16 AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, ALL IN TOWNSHIP 28 NORTH, RANGE 4 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

PARCEL B: LOT 6, CITY OF MUKILTEO BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 9312305007, SAID BINDING SITE PLAN BEING A PORTION OF THE SOUTHEAST QUARTER OF SOUTHEAST QUARTER OF SECTION 16 AND OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 21, ALL IN TOWNSHIP 28 NORTH. RANGE 4 EAST, W.M., RECORDS OF SNOHOMISH COUNT, WASHINGTON.

EXHIBIT D

Parcel Map

Refer to City of Mukilteo Rezone File 02-01 and SEPA File 02-05

EXHIBIT E
Overall Site Plan

EXHIBIT E
Overall Site Plan
MUKILTEO TOWN SQUARE
Mukilteo, Washington

DYKEMAN
INSPIRING VISIONARY SPACES

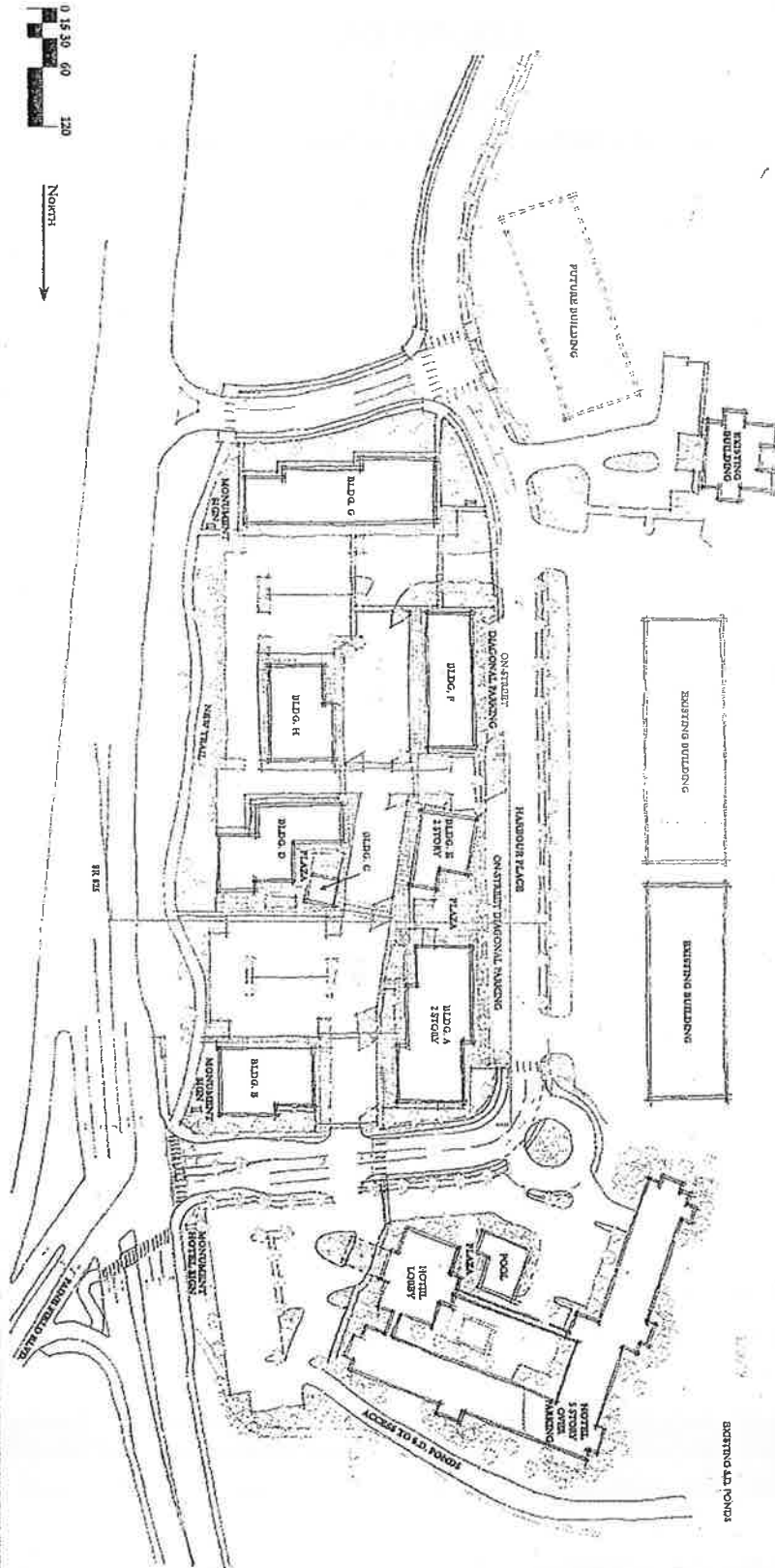


EXHIBIT E-1

**Option #1
Retail / Office / Auto Fuel Service Station**

DESIGN GUIDELINE ELEMENTS SHOWN FOR EXAMPLE ONLY

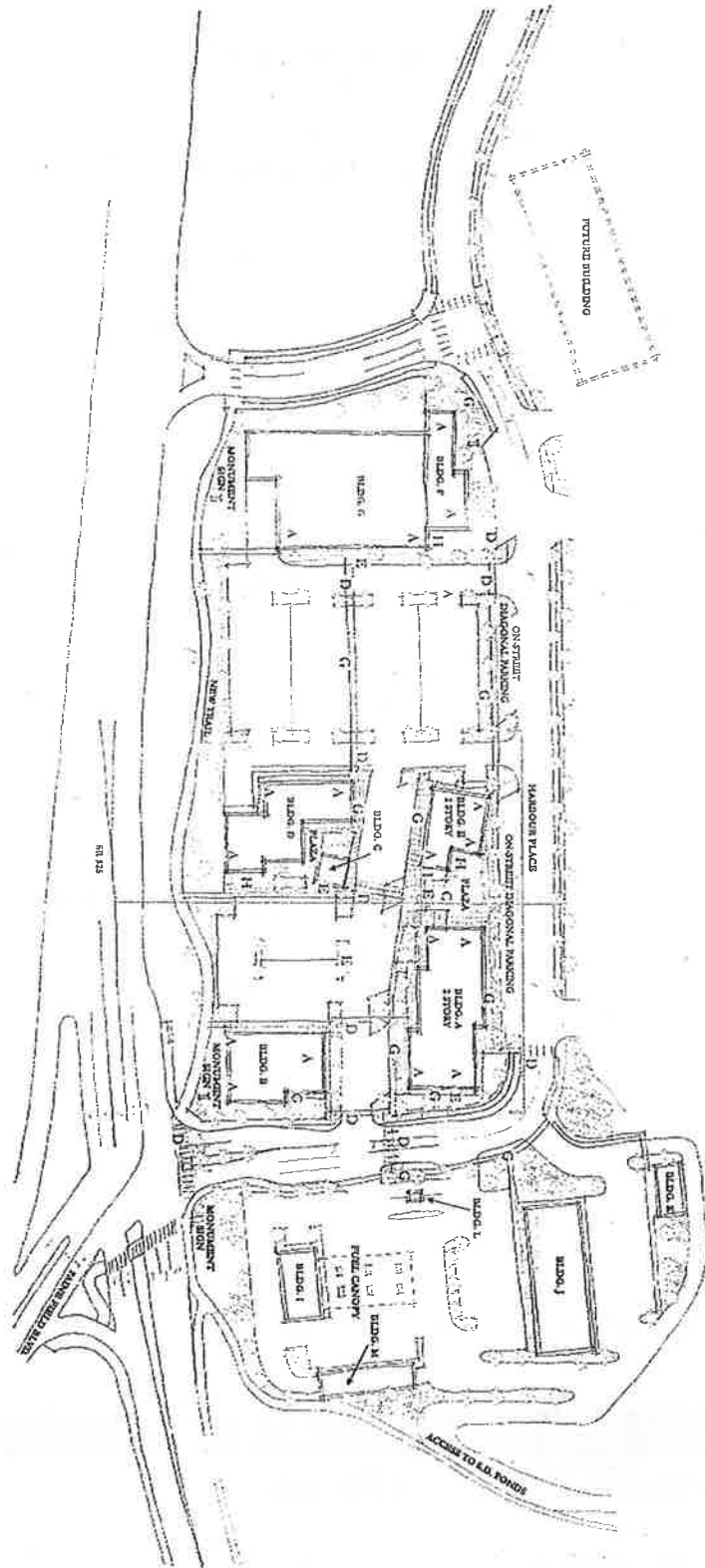


EXHIBIT E.1 Option 1: Retail / Office / Auto Fuel Service Station **MUKILTEO TOWN SQUARE** Mukilteo, Washington

DYKEMAN
 INSURING EVERYDAY SPACES

EXHIBIT E-2

**Option #2
Retail / Office / Hotel**



Option 2: Retail / Office / Hotel
MUKILTEO TOWN SQUARE
Mukilteo, Washington

LYKEMAN
INSPIRING EVERYDAY SPACES

EXHIBIT F-1
Building & Site Design Guidelines – North Elevation Thru Plaza

DESIGN GUIDELINE ELEMENTS SHOWN FOR EXAMPLE ONLY

A. BUILDING ELEMENTS

- Consistent material palette
- Use a variety of materials to create visual interest
- Use a variety of materials to create visual interest
- Use a variety of materials to create visual interest

B. LIGHTING

- Provide low lighting conditions throughout development
- Use a variety of lighting fixtures to complement the building

C. WATER FEATURE

- Include fountains or other water features at focal points within project to visually separate two areas or zones

D. PAVING PATTERN

- Incorporate contrasting patterns in paving to define and level project areas
- Use a variety of materials to create visual interest

E. TRELLIS/KIOSK

- Locate trellis elements at particular locations to provide shade and visual interest
- Use a variety of materials to create visual interest
- Use a variety of materials to create visual interest

SR 525

TRAIL

BUILDING A

BUILDING B

BUILDING C

BUILDING D

BUILDING E

HARBOR PLACE

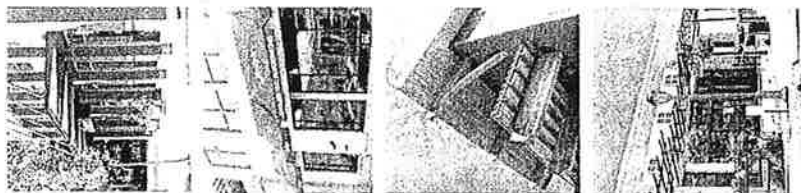
0 15 30 60

NOTES: SEE LIGHTING PLAN FOR ADDITIONAL KEYED ITEM DESCRIPTIONS

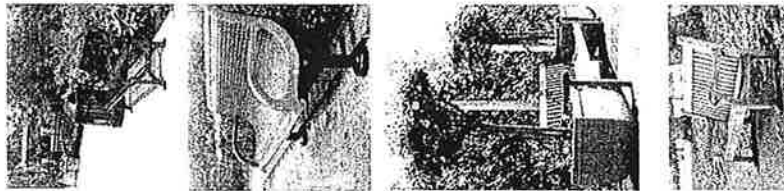
EXHIBIT E-1
Building and Site Design Guidelines - North Elevation through Plaza
MUKILTEO TOWN SQUARE
Mukilteo, Washington

EXHIBIT F-2
Building & Site Design Guidelines - Partial West Elevation

R. AWNINGS



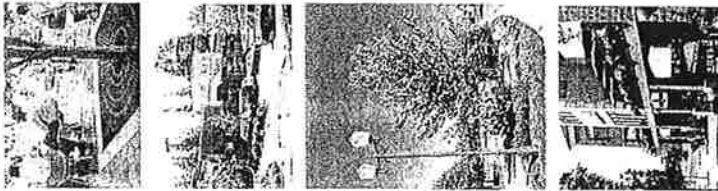
- Airways are used for shelter and to break up the scale of the building
- Provide a variety of openings (roofs, glass and slats) to shelter visitor from the sun and the rain
- Elevation above sidewalk shall be consistent throughout project



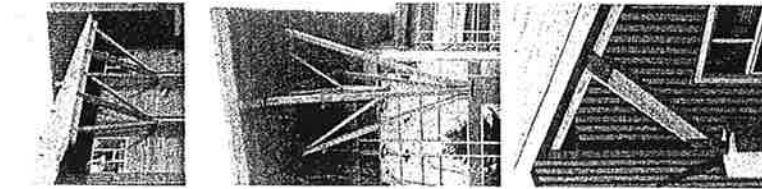
- Provide benches throughout project to encourage visitors to stay longer
- Create spots for sitting
- Use a mix of bench types (i.e. free-standing or built-in, concrete or metal)
- Use complementary signage, receptacles and traffic bollards throughout project to provide good safety



- Create places where people will gather
- Where possible, locate cafe areas near streets or in locations that will allow for shade umbrellas
- Locate the seating, landscaping areas



- Include street trees along Harbor Place and along pedestrian corridors within the project area.
- Locate flowering plants throughout project (i.e. hanging baskets, street light, along balcony railing).
- Where possible, provide planters both within plaza locations and along pedestrian corridors.
- Use vegetation to "soften" parking fields where possible.
- Landscaped street medians where possible.



- Include Northwest Style elements (i.e. natural wood, stone, light)
- Use expressive structural elements in key locations

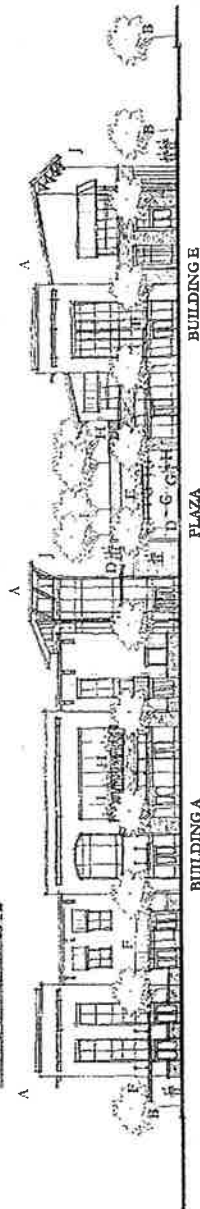


EXHIBIT F2

Building and Site Design Guidelines - Partial West Elevation

Molitor, Washington

EDDYMAN
INSPIRING EVERYDAY SPACES

EXHIBIT G

Service Station Elevation

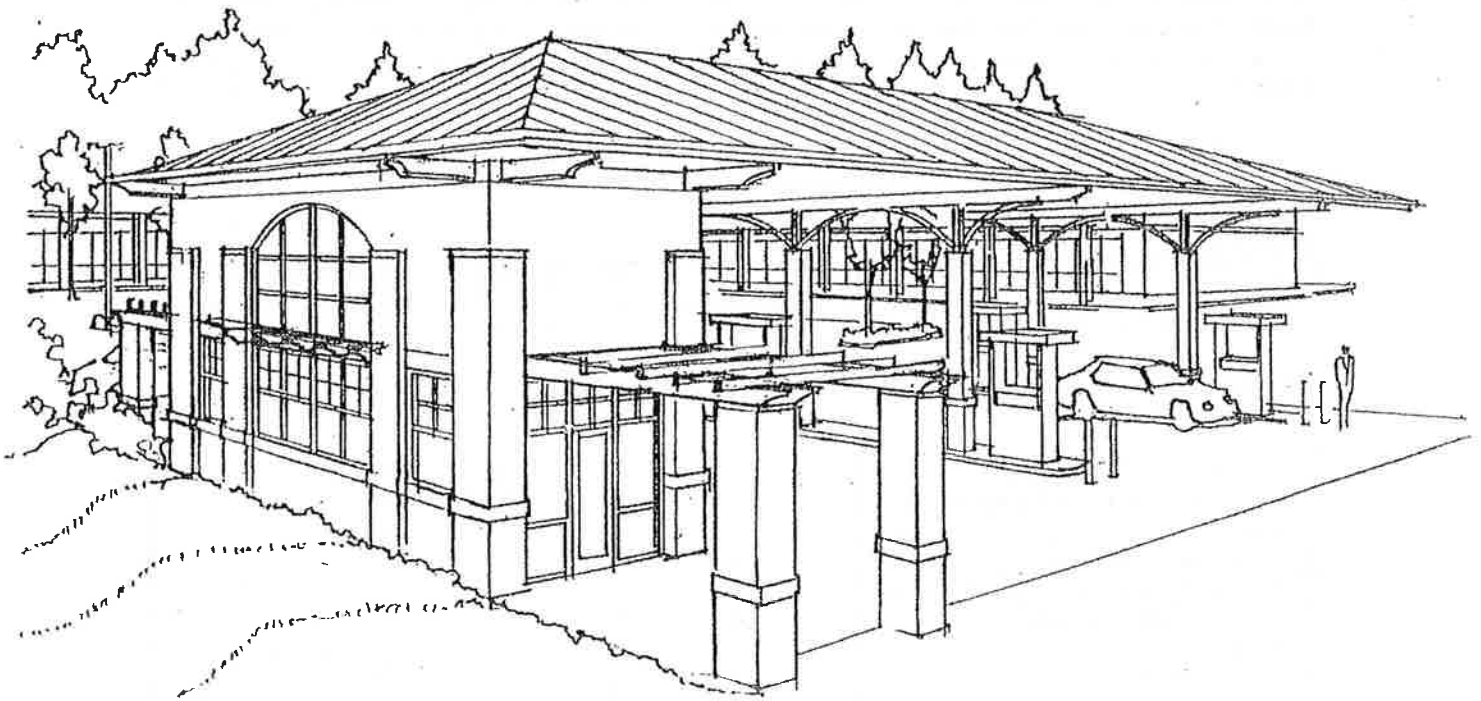


EXHIBIT G: Fuel Station (looking southwest from SR 525)

August 13, 2007

MUKILTEO TOWN SQUARE / Mukilteo, Washington

Harbour Pointe Limited Partnership with Ray Kirtley

EXHIBIT 2.1 Permitted Land Uses

1.0 Purpose. The purpose of this Exhibit is to establish permitted uses located within the Development of Lots 4A&B, 5, 6, 7, 8, 9 and 10 of Sector 3, as described in this Development Agreement. Permitted uses are those allowed as a matter of course in the indicated Development Sub-Area. No special zoning permit is required to establish a permitted use in the Development. Permitted uses are indicated in Table 2.1.

2.0 Lots. Uses shall be established upon legally created or legal nonconforming lots. A lot may have one or more permitted uses placed within its bounds.

Table 2.1 Permitted Land Uses.

Use	Lot 4	Lots 5 & 6	Lots 7, 8, 9 & 10
Agricultural Product Sales	P	P	P
Animal services	P	P	P
Amusement facility	P(1)	P(1)	P(1)
Apparel and Accessory Stores	P	P	P
Arboretum	P	P	P
Art gallery	P	P	P
Book, Stationary, Video and Art Supply Stores	P	P	P
Brewery, micro; and winery	P	P	P
Building, Hardware and Garden Materials	P	P	P
Clubs, charitable, nonprofit or social organizations	P	P	P
Communication Offices	P	P (2)	P (2)
Conference Center	P	P	P
Day Care Center	P(3)	P(3)	P(3)
Department and Variety Stores	P	P	P
Drug Stores	P	P	P
Dry Cleaning shop	P	P	P
Fabric Shops	P	P	P
Family Day Care	P(3)	P(3)	P(3)
Florist Shops	P	P	P
Food Stores	P	P	P
Furniture and Home Furnishings Store	P	P	P
General Business Service	P	P	P
Health Club	P	P	P
Hobby, Toy, Game Shops	P	P	P
Hotel/Motel	P	P	P
Jewelry Stores	P	P	P
Library	P	P	P
Liquor Stores	P	P	P
Medical/ Dental Lab	P	P	P
Miscellaneous Health	P	P	P
Miscellaneous Repair (Tire, Auto Service)	P	P	P
Museum	P	P	P
Nursing and personal care facilities	P	P	P
Office, General, Medical and Professional	P	P	P
Park, private	P (4)	P (4)	P (4)
Park, public	P (4)	P (4)	P (4)
Passenger Transportation Service	P (2)	P (2)	P (2)
Personal Medical Supply Stores	P	P	P
Pet Shops	P	P	P
Photographic and Electronic Shops	P	P	P
Plays/Theatrical production	P	P	P
Public Agency or utility office	P	P	P

Restaurants, Taverns, Eating and drinking Places	P	P	P
Service Station/ retail fuel sales & above ground storage & distribution of biodiesel (B-99 or B-100)	P	P	P
Social services	P	P	P
Specialized Instruction School	P	P	P
Sporting Goods and related stores	P	P	P
Sports club, private swimming pool	P		P
Telegraph and other Communications	P (2)	P (2)	P (2)
Theater	P	P	P
Trails	P	P	P
Veterinary Clinic	P	P	P
Wireless communication facilities, attached	P (5)	P(5)	P(5)
Wireless communication facilities, detached	C(5)	C(5)	C(5)
All uses permitted under IP zoning matrix, MMC 17.16.040		P	

P = Permitted Use

C = Conditional Use

Notes and Conditions.

1. Indoor uses only.
2. Limited to office uses.
3. Allowed per the regulations and requirements indicated in the City of Mukilteo Zoning Code, Chapter 17.16.
4. The following conditions and limitations shall apply where appropriate:
 - a. Lighting for structures and fields shall be directed away from residential areas and natural/open spaces and roadways; and
 - b. Structures or service yards shall maintain a distance of 20' from property lines adjoining residential areas.
5. Subject to performance standards set forth in City of Mukilteo Zoning Code, 17.16.040 (37).

EXHIBIT 2.2.1 Bulk Standards.

1.0 Table 2.2.1a establishes standards for setbacks, lot size and coverage, and building height within the Property.

Table 2.2.1a

Category	Lots 5 & 6	Lots 4, 7, 8, 9 & 10
Minimum Street Setback (1) >SR 525 >Harbour Place (4)	Existing “	25’ 5’
Minimum Rear Setback	“	N/A
Maximum Building Height	“	45’(2)(5)(6)
Minimum Open Space	“	15%(3)

1. Street setbacks apply to both streets on a corner lot. Street setbacks are measured from the property line. Street Setbacks do not apply to parking lots. Monument sign setback from SR 525 is 5’ plus any additional setback to meet sight distance triangle, MMC 17.20.060.
2. 10% of the gross building footprint area of Lots 4, 7, 8, 9 & 10 will be allowed a maximum building height of 55’.
3. Undevelopable land may be used to meet Minimum Open Space area requirements. Open Space requirement need not be met on a lot by lot basis so long as total required open space is provided and maintained.
4. The grocery store proposed in Exhibit E or other substitute anchor tenant building is exempted from setback requirements at Harbour Place.
5. A hotel on lot 7 and/or 8 may be five stories, plus covered parking, below grade, for a total of six stories, with a maximum height of 65’.
6. “Building height” means the vertical distance from the mean ground level (using the existing grade at time Development Agreement was executed, December 11, 2002) to the highest point of the coping of flat roof or to the deck line of a mansard roof or to the height of the highest gable or roofline of a gable or pitched roof. “Mean ground level” means the calculation of the arithmetic mean of the elevations of the ground level, in place as of December 11, 2002, and shown on Dowl Engineers topographic survey prepared June 13, 2002, of the four corners of the smallest rectangle which will enclose all of the current or proposed building walls containing the habitable, working, storage, common and garage areas. If a corner of the rectangle projects beyond the property, the elevation of the corner shall be deemed to be the arithmetic mean elevation of the two points projected downward where the two sides of the rectangle cross the property line.

2.0 Fences and freestanding walls. See Exhibit 2.2.2 -Landscaping Standards.

3.0 Setback and Landscape Buffer Exceptions.

3.1. Canopies and street furniture may extend 8’ into the right-of-way. Awnings shall not extend more than 4’ into the right-of-way. Blade signs may not extend more than 2’ into the right-of-way. Trellises and similar structures may not extend more than 0.5’ into the right-of-way. All structures which may be permitted to intrude into the right-of-way shall be set back at least 4’ from curb lines. Canopies can extend over the parking lot drives and spaces to create a continuous pedestrian connection.

3.2 The following architectural features shall not project more than 24 inches into an interior setback or 30 inches into a street setback or landscape buffer:

- a. architectural features (bay windows, entry points and focal points);
- b. public art
- c. flag poles
- d. and similar structures.

3.3 Retaining walls may be constructed in required setbacks.

4.0 Height Exceptions.

The following uses and features shall not be subject to height limitations:

- a. atrium domes;
- b. public art;

- c. flag poles;
- d. rooftop communications, heating, ventilation and air conditioning equipment that is screened, ornamental screens for such equipment;
- e. rooftop vertical accents such as skylights, tower rooms, widow's walks, theme tower signage, etc. are allowed. Vertical accents may exceed the maximum building height by a maximum of 10'.
- f. elevator shafts and stair towers cannot exceed 55'; (except as noted for hotels)
- g. architectural pediments which do not provide additional floor space to a building/structure

EXHIBIT 2.2.2

Landscape, Trail and NPGA Standards.

1.0 Purpose and Intent

The purpose and intent of this chapter is to encourage healthy, attractive landscapes in the Property. Minimum requirements and standards are established to promote safety, provide screening between incompatible uses, to safeguard privacy, to promote wise and efficient use of potable water resources, to protect water quality and aesthetics of streams and wetlands and the aesthetic assets of to community, and to reduce the impact of development on the environment. The intent of the following described types of landscaping and screening is not to impose rigid and inflexible standards upon either the designer or the site plan; rather, they are to serve as general minimum standards in describing the extent of buffering and beautification desired. It is expected that good landscaping design principles will be applied at all times, including:

- a. Spacing for proper growth and root development.
- b. Safety to pedestrian and vehicular traffic.
- c. Proper access and patrol for Fire and Police Departments.
- d. Wise and efficient use of water resources.

2.0 Streetscape Landscape Descriptions

The two types of required landscape streetscape on and off the Property are SR-525 and Harbour Place and they are described below.

2.1 SR-525 Streetscape Landscape

SR-525 Streetscape Landscaping shall be required for all Property frontage along Mukilteo Speedway. The purpose of SR-525 Streetscape Landscape improvements is to provide aesthetic landscape improvements and some visual separation between development and the adjacent SR-525 / Mukilteo Speedway. It is the purpose of SR-525 Streetscape Landscape to help minimize and breakup visibility from Harbor Place and Mukilteo Speedway to the parking fields.

2.1.1 Meandering Sidewalk

A ten (10') wide meandering sidewalk shall be located within the SR-525 Streetscape Landscape. Portions and/or all of the landscaped areas and meandering sidewalk may be located in the right-of-way. The parking lot may be constructed to within five (5') feet of the property line along SR-525.

2.1.2 Landscaping

A landscape buffer shall be required between Mukilteo Speedway and the east lot lines of Lots 8, 9 & 10 with the sidewalk meandering through this landscape area. The landscape buffer shall consist of the following:

- a. A mix of 75% deciduous and 25% evergreen trees with the total quantity averaging 15' on center for the lineal frontage of streetscape area. Street tree varieties subject to approval by the City of Mukilteo Planning Department. Tree sizes required: deciduous - 2 1/2" caliper; evergreen - 50% 6-8' height, 25% 8-10' height, 25% 10-12' height.
- b. A mix of evergreen and deciduous shrubs and or hedge type plants will be planned on and adjacent to help break up visibility of the parking lot to traffic on SR-525. A mix of shrub species with the total quantity averaging 5' on center for the lineal frontage of the buffer. Native and drought tolerant species are encouraged.
- c. Evergreen ground covers shall be planted to achieve 90% coverage within 3 years of the time of planting. Lawn may be used for up to 50% of the area.

2.2 Harbour Place Streetscape Landscape

The Harbour Place Streetscape Landscape shall be required along Harbour Place. The purpose of Harbour Place Type Streetscape Landscape improvements is to promote an aesthetic "urban" streetscape complementing the smaller shop buildings located close to Harbour Place and screening parking fields from drivers and pedestrians. A minimum 10' wide Harbour Place

Streetscape Landscape shall consist of a minimum 5' wide planting strip adjacent to the curb except for areas with angled parking as shown on the site plan and a minimum 5' wide sidewalk. However, patios shall be allowed to "spill" out onto the sidewalk to encourage the streetscape scene.

A Harbour Place Streetscape Landscape shall be a minimum of 10' in width except as noted above and minimally consist of all of the following:

- a. 2 1/2" caliper deciduous street trees shall be planted 20' on center within the right-of-way planting strip. Street tree varieties to include Sunset Maples and be subject to approval by the City of Mukilteo Planning Department.
- b. Evergreen ground covers shall be planted to achieve 90% coverage within 3 years of the time of planting. Low perennials are encouraged within the planter strips.
- c. Cu-de-sac street trees to be planted inside of sidewalk for fire trucks.

3.0 Landscape Requirements for Parking Lots

The purpose of parking lot landscaping is to soften the visual appearance, screen views of parking lots, add shade, limit the amount of impervious surface and reinforce safe pedestrian access to buildings and connecting sidewalks.

3.1 Interior Requirements for Parking Lots

Landscaping in the interior of parking lots with 12 or more stalls shall consist of all of the following:

- a. One (1) tree for every six (6) parking stalls. Trees to consist of shade canopy deciduous trees a minimum of 2' in caliper.
- b. Three (3) shrubs shall be provided for every 150 square feet of parking island.
- c. Evergreen ground covers shall be planted to achieve 90% coverage within 3 years of the time of planting. Lawn may be used in lieu of shrubs and ground covers for parking islands exceeding 200 square feet in area.
- d. A landscape island shall be provided at the end of parking aisles.
- e. The total of all interior landscaped areas shall be equal to or greater than 10% of the total parking lot area (including parking, maneuvering, and loading areas). The first five (5) feet in width of perimeter landscaped areas abutting public rights of way may count towards the requirement.

4.0 Fences

- a. Fences shall meet the conditions indicated in the Mukilteo Zoning Code, Section 17.20.080 with the following exceptions:
 1. Chainlink fences shall only be allowed as a safety separation between storm water facilities and other hazards (other than swimming pools). Only black vinyl coat or black painted chainlink is allowed.
 2. The maximum allowable height for fences is eight (8') feet.
 3. Adjoining, adjacent, and connecting fences shall be similar in design and constructed from like materials. Fence materials may consist of metal, wood, and/or masonry units, and shall be consistent with the architectural character of adjacent structures.

5.0 Landscape Requirements and Specifications

The following landscape requirements and specifications shall apply to all landscaping required under this chapter.

5.1 Plant Selection

All plants shall be adapted to their sites (sun exposure, cold hardiness, hydrozones, soil type, soil pH, etc.). Plants with differing environmental/cultural requirements shall not be used together if desirable circumstances cannot be provided for both. New plant materials shall consist of native

or drought tolerant varieties or non-native species that have adapted to the climatic conditions of the Puget Sound Region.

5.2 Plant Sizes

- a. Plant Sizes for Streetscape Landscape
- b. Minimum plant sizes for new landscape buffers shall be as follows:
 1. Ground-covers – minimum 4 inch pots planted to achieve 90% coverage within 3 years.
 2. Shrubs – 18-inch height for required shrubs
 3. Street Trees - 2 -1/2 inch caliper
 4. Deciduous Trees – 2-inch caliper for canopy trees, 5' to 6' height for multi-stem trees. Canopy trees only for street trees
 5. Evergreen Trees – 6' height
- c. Plant Sizes for all Parking Lot Areas
 1. Ground-covers – 4 inch pot with 12 inch spacing or 1 gallon pot with 18 inch spacing;
 2. Interior Shrubs – 18-inch height or spread for required shrubs
 3. Buffer Shrubs – 24-inch height or spread for required shrubs
 4. Deciduous Trees – 2-inch caliper
 5. Evergreen Trees – 6' height.

5.3 Plant Standards

All plant materials used shall meet the most recent American Association of Nurserymen Standards for nursery stock: ANSI 260.1.

5.4 Tree Pruning

- a. All pruning shall be done in accordance with the International Society or Arboricultural Standards. It is required that all pruning be done to current standards.
- b. In no case is topping allowed.

5.5 Shrub Pruning

Shrubs shall not be pruned below the minimum heights required by these standards.

5.6 Soil Porosity

Soils in planting areas shall have adequate porosity to allow root growth. Soils which have been compacted to a density greater than 85% (penetrable with a hand shovel) shall be loosened to increase aeration to a minimum depth of 18 inches or to the depth of the largest plant root ball, whichever is greater. Imported topsoils shall be tilled into existing soils to prevent distinct soil interface from forming. After soil preparation is completed, motorized vehicles shall be kept off the area to prevent compaction and damage to underground irrigation systems and utilities.

5.7 Tree Protection

Where vehicles may overhang into required landscape areas, trees shall be located such that they are not damaged by parked vehicles. Trees in lawn areas are required to have a mulched bed extending 12 inches in all directions from the base of the tree.

5.8 Water-Wise Planting

Plants having similar water use characteristics (hydrozones) shall be grouped together.

5.9 Water-Wise Irrigation

A permanent (or temporary for establishment with temporary being at least two years), efficient irrigation system shall be installed in all landscapes that do not have high soil moisture conditions. The system shall be designed to conserve water by using the best practical techniques available. Best practical management techniques available may include, but not be limited to: automatic controllers to insure proper duration of watering, sprinkler head selection and spacing designed to minimize overspray, and separate zones for turf and plants with similar hydrozones and for full sun exposure and shady areas to meet watering needs of different sections of the landscape.

5.10 Water-Wise Mulches and Soil Amendments.

- a. Soil amendments may be necessary for a healthy growing medium, which will increase the survival rate for new planting and reduce on-going maintenance requirements.
- b. Incorporate water and nutrient holding materials into the soil as deep as possible. Use fully composted organic material.
- c. Mulch new planting areas to minimize evaporation, reduce weed growth and slow erosion. Use fully composted material.
- d. All mulches used in planter beds shall be feathered to the base of the plants.

6.0 Trash, Recycling and Storage Area Screening.

6.1 All dumpsters, individual refuse containers, trash compactors and permanent storage areas ("Containers") shall meet the following standards:

- a. An architectural screen a minimum of one (1) foot in height greater than the tallest portion of the Container shall surround all sides except the access entry. Building walls of adjacent structures may be used to partially satisfy this requirement. Screen walls shall be a solid visual screen constructed out of metal, concrete, and/or masonry units; and other materials similar to structures on the site. Wood may be used for doors, gates, trellises, and other architectural screening elements that complement the surrounding buildings.
- b. Container door(s) shall provide a solid visual screen and be constructed out of metal and/or wood. Chain link fences with slats are prohibited.
- c. A concrete slab shall be installed as the base material within the Container. Landscape plant materials shall be used to soften the appearance of the Container. Trellis like elements with vines are encouraged to screen views into the enclosure from above. The three sides of the Container that are not used for access shall be landscaped.
- d. Recycling areas shall be conveniently located near central trash areas. They shall be large enough to contain the separate recycling of green yard materials, newspapers/print, glass (clear and mixed), plastic, and aluminum cans.

6.2. Loading docks shall be screened to minimize and breakup visibility from SR 525 and pedestrian paths as may be practicable with fencing and or vegetation, such as evergreen hedges, as well as trees and shrubs.

7.0 Retaining Walls

Substantial retaining walls may be necessary on portions of the Property to accommodate necessary circulation while maintaining adequate separation from the NGPA and detention facility. Such retaining walls are permitted, subject to compliance with applicable engineering standards.

8.0 Fence Standards

Fences are allowed under the following conditions:

1. Material and Location.
 - a. Commercial Uses: Fences and freestanding walls around commercial uses shall be constructed of suitable materials except chain link or barbed wire, and may not be electrified. Suitable materials include wood, brick, or masonry.
2. Fences around Trash Enclosures. Fences around dumpster containers, individual refuse containers, and trash compactors shall meet the following standards:
 - a. All trash enclosures shall be enclosed.
 - b. Trash enclosures shall not be visible from the street.
 - c. An architectural screen shall surround all sides except the access entry.
 - d. Walls shall be constructed out of wood, metal, concrete, and/or masonry units.
 - e. Gates or similar sight-obscuring enclosures are required.

- f. A concrete slab shall be installed as the base material within the enclosure.
- 3. Height.
 - a. Fences and freestanding walls may not exceed eight feet in height and may not obstruct the vision of an intersecting street. Unobstructed vision at corners is measured according to the sight distance triangle requirement**. A building permit is required for fences over six (6) feet in height and meet the required building setbacks.

**** Sight Distance Triangle**

All lots shall maintain a vehicular sight triangle for safety purposes. A sight triangle is a triangular area, on angle of which shall be formed by the front and side lot lines. Within the area comprising the triangle, no tree, fence, shrub, or other physical obstruction higher than 42 inches above the established street grade shall be permitted. No fences or freestanding walls more than four feet in height shall be permitted in the sight triangle when the sides forming the street corner angle measure 40 feet or less.

EXHIBIT 2.2.3

Parking Standards.

1.0 Parking General Requirements. All buildings erected, moved, reconstructed, enlarged or subject to change in use from a lower intensity to a higher intensity shall be provided with parking spaces as provided in this section, and the parking spaces shall be made permanently available and maintained for parking purposes. No building permit shall be issued until plans showing provisions for the required parking have been submitted and approved as conforming to the standards of this section. Every lot or parcel of land used as a public or private parking area and having a capacity of three or more vehicles shall be developed and maintained in accordance with this section.

2.0 Ingress and Egress. Vehicular access is generally as shown on the site plans. The city engineer shall have the authority to fix the location, width and manner of approach of vehicular ingress or egress from a building or parking area to a public street and to alter existing ingress and egress as may be required to control street traffic in the interest of public safety and general welfare. All new structures shall take primary access from a public street, private road, and driveways (per site plan) that complies with the road and streetscape standards of Exhibit 2.2.4, Road and Streetscape Standards, except that access through the drive aisles of another lot will be permitted by the city engineer where private easements are granted.

3.0 Spaces required. The minimum required number of parking spaces shall be as indicated in Table 2.2.3a.

Table 2.2.3a

Use Classification	Number of Required Spaces
Commercial/Retail/ other uses in mixed-use facilities.	3.5 per 1,000 square feet of gross leasable floor area*
Office uses	3.0 per 1,000 square feet of gross leasable floor area
Theaters; auditoriums; assembly places with fixed seats.	1 per 4 seats
Hotel	1 per guest room

*Should joint parking between commercial, office, retail, and hotel be utilized, up to 25% can count towards parking requirements as provided in section 3.3 and 3.4

3.1 Fractional Spaces. If the provisions of this chapter result in a parking requirement that includes a fractional parking space equal to or greater than one-half, one parking space shall be required.

3.2 Parking for Unspecified Uses. Where the parking requirements for a use are not specifically defined herein, the parking requirements for such use shall be determined according to the City of Mukilteo Zoning Code, Section 17.56.050.

3.3 Joint Uses. Joint use of required parking spaces may occur where two or more uses on the same or separate sites involving more than one property owner are able to share the same parking spaces because their parking demands occur at different times. Applicants applying for approval of a joint use parking plan may be required to furnish a parking study as described in the City of Mukilteo Zoning Code, Section 17.56.070, as determined by the Planning Director.

3.4 Common/Shared Parking Areas. Common/shared parking facilities may be provided to satisfy on-site requirements if the sum of the spaces in the common facility equals the sum of the spaces required for the individual developments/uses, subject to the minimum conditions as described in the City of Mukilteo Zoning Code, Section 17.56.080.

3.5 Change or Expansion in Current Use. When a change of use is proposed for an existing structure, required parking shall be provided, according to the parking standards within this section. If the proposed use requires more parking than the previous use, the applicant shall provide that additional parking as an approval condition of development. If the new use requires more parking than the previous use, yet the applicant can provide information showing that the new use has adequate parking, the applicant may submit for a parking modification which is subject to administrative review.

3.6 On street parking on Harbour Place is included to meet the required parking for Lots 9 & 10.

4.0 **Bicycle Racks.** Off-street parking lots shall contain bicycle parking spaces, located in a visible and easily accessible location. Off-street parking areas shall provide bicycle parking spaces. Bicycle parking spaces should be concentrated in areas that may generate a higher volume of bicycle activity. Such areas and uses include, but are not limited to parks and retail businesses located along a developed bicycle trail.

5.0 **Loading Spaces.** The purpose of requiring loading spaces is to provide for adequate room on-site for the loading and unloading of commercial vehicles which are associated with the proposed development. On the premises with every building, structure, or part thereof, erected and occupied for storage, goods display, market, laundry, dry cleaning, or other uses involving the receipt of vehicles, materials or merchandise there shall be provided and maintained on the lot adequate space for standing, loading, and unloading services.

6.0 **Maintenance.** All on-site parking areas shall be maintained by the property owner and kept reasonably free of trash debris.

7.0 **Parking development standards.**

- A. Building sites which contain more than one hundred parking spaces shall be designed with access lanes not less than twenty-four feet wide and a designated fire lane thirty (30') feet in wide, forming a continuous route or loop connecting at both ends with public streets. In parking lots containing less than one hundred parking spaces, emergency access shall be provided subject to approval of the Planning Director. If any of these requirements are impractical due to the peculiarities of the site and/or building, other provisions for emergency access may be approved by the Fire Chief. Parking in fire lanes is prohibited, and is to be indicated as unlawful by signs and/or painting on the parking lot surface.
- B. All parking stalls and aisles shall be designed according to Figure 2.2.3b, Minimum Standards for Off-Street Parking, unless all parking is to be done by parking attendants on duty at all times that the parking lot is in use.
- C. Parking at any angle other than those shown is permitted, providing the width of the stalls and aisles is adjusted by interpolation between the specified standards. Parking shall be so designed that automobiles shall not back out into public streets
- D. Compact Parking Spaces.
 - 1. Retail and Commercial: Up to 50% of the parking spaces required for uses other than uses in Table 2.2.3a may be designed as compact spaces. Compact parking stalls shall be individually marked in the parking plan and each constructed parking stall shall be individually marked as being for compact cars only. Compact spaces shall not be located along a fire lane.
- E. Barrier-Free Spaces.

The property owner shall provide parking in accordance with the Regulations for Barrier-Free Facility (WAC Chapter 51-10), as currently written or amended. These parking requirements shall not be calculated as additional parking stalls per the requirement established in Table 2.2.3a. Barrier-free parking spaces shall be located on the shortest possible accessible route of travel to an accessible building entrance. In facilities with multiple accessible building entrances with adjacent parking, accessible parking spaces shall be dispersed and located near the accessible entrances. Whenever practical, the accessible route of travel shall not cross lanes of vehicular traffic. Where crossing traffic lanes is necessary, the route of travel shall be designated and marked as a crosswalk. Where a parking facility is not accessory to a particular building, accessible parking spaces shall be located on the shortest accessible route to an accessible pedestrian entrance or internal pedestrian walkways, to the parking facility.
- F. Tandem Parking must also comply with Regulation for Barrier Free Facility (WAC Chapter 51-30) as current or amended.

1. **Retail and Commercial Uses:** Tandem parking is permitted for retail and commercial uses. Tandem parking in retail and commercial may have more than two cars in a row. Tandem parking serving retail and commercial uses shall meet all of the following criteria:
 - a. Valet parking shall be provided; and
 - b. Tandem parking spaces for customers are available only for valet parking use with approval of the Planning Director.
- G. **Minimum Standards for Main Internal Route.**
 20' stall depths and a 30' aisle width must be provided on the main internal route within the parking lot. The 30' aisle will be drawn on the site plan and designated as the fire access route in addition to regular shopping center traffic circulation. See Table 2.2.3.b. for other dimensional standards.

8.0 **Parking lot surfacing requirements.**

- A. **Materials - All uses.** All off-street parking areas shall be graded before an occupancy permit for the use is issued, surfaced to standards for asphaltic concrete and provide for proper storm drainage and allow for marking of stalls and installations of other traffic control devices as set forth by the city public works director and this Exhibit. Turf-block or other similar all-weather alternative surfaces may be permitted only if all of the following approval criteria are met:
 1. **Barrier Free:** Those portions of the parking and pedestrian area are surfaced according to barrier free regulations.
 2. **Character/Location:** The alternative surface may be appropriate because of the character of the use and/or the character of the location; and
 3. **Parking Standards:** The alternative surface meets all other parking standards, excluding striping but including landscaping and screening.
- B. All traffic control devices such as parking strips designating parking spaces, directional arrows or signs, curbs, bull-rails, and other developments shall be installed and completed as shown on the approved construction plans. Hard surfaced parking areas shall use paint or similar devices to delineate parking stall and directional arrows. Other methods of designating parking spaces, emergency vehicle access, pedestrian pathways, and other developments may include surface materials of contrasting colors and/or textures, providing such materials meet all other parking standards.
- C. **Traffic calming.** Traffic calming methods shall be used in all parking areas in order to reduce driving speed in driving aisles and lanes, and to create a safe environment for pedestrians. Traffic calming methods may include, but are not limited to, speed bumps, changes in surface materials, textures, and colors, and landscaping. See Exhibit 2.2.2, Landscaping Standards for landscaping and buffer requirements in parking lots. Such traffic calming methods may be located at crosswalks, major entries, and feature intersections according to the character and/or use of the parking lot.
- D. **Pedestrian circulation.** Parking lots shall provide clearly identifiable routes of travel for pedestrians from the lot to the uses which it serves, or to a right-of-way or trail. Pedestrian circulation in parking lots should be indicated by methods that are identifiable to both pedestrians and vehicles. Methods may include, but are not limited to changes in surface materials, textures, colors, bollards, planters, and landscaping. All barrier-free design requirements shall be met.
- E. **Wheelstops:** When wheelstops are provided, they shall be positioned eighteen (18) inches into the parking stall.

9.0 Driveways. The location and design of driveways shall be reviewed by the City in accordance with the City's driveway construction standards found in the Development Standards. The owners of adjoining properties shall provide combined driveways wherever practical. In conjunction with approval of a development, the City may require a property owner to provide an access and circulation easement to an abutting owner where joint access is reasonable to serve future development.

10.0 Illumination. All lighting shall be designed and installed to avoid glare or reflection of light. Light standards shall not be located where they may interfere with parking stalls, stacking areas, and ingress and egress to parking areas. The design of lighting standards shall be appropriate to the character of the project and abutting uses. Any lights provided to illuminate any public parking area, any semi-public parking area, or any other parking area permitted by this Development Agreement shall be arranged so as to reflect the light away from any public right-of-way. The development will have Cobra light fixtures space along SR-525 at 300' on center and Acorn decorative lighting along the meandering sidewalk alongside SR-525 at 100' on center. The SR-525 Cobra lights and the sidewalk Acorn lights will be separately metered and the utility charge and all maintenance shall become the City's responsibility. The parking lots shall have Acorn lighting at heights not to exceed 24' to 30'.

11.0 Landscaping requirements for parking areas. See Exhibit 2.2.2 Landscape and Buffer Standards for landscaping requirements within and around parking areas.

Table 2.2.3b. Minimum Dimensional Standards for Parking

Interlocking - Standard Cars								
Parking Layout	Angle	Dimensions			One Way		Two Way	
	Parking Angle	Stall Width	Curb Length	Stall Depth	Aisle Width	Parking Section Width	Aisle Width	Parking Section Width
	A	B	C	D	E	F	E	F
Parallel	0	8'	21'	8'	12/22'	28/38'	22/24'	38/40'
Angular	20	8.5	24.9	10.5	11	32	20	41
	30	8.5	17	13.2	11	37.4	20	46.4
	40	8.5	13.2	15.5	12	43	20	51
	45	8.5	12	16.4	13.5	46.3	20	52.8
	50	8.5	11.1	17.3	15.5	50.1	20	54.6
	60	8.5	9.8	18.6	18.5	55.7	22	59.2
	70	8.5	9	19.3	19.5	58.1	22	60.6
	80	8.5	8.6	19.5	24	63	24	63
Perpendicular	90	8.5	8.5	18	24	60	24	60
Interlocking - Compact Cars								
Parking Layout	Angle	Dimensions			One Way		Two Way	
	Parking Angle	Stall Width	Curb Length	Stall Depth	Aisle Width	Parking Section Width	Aisle Width	Parking Section Width
	A	B	C	D	E	F	E	F
Parallel	0	8'	20'	8'	12'	28'	20'	36'
Angular	45	8	11.3	14.1	12.5	40.7	20	48.2
	60	8	9.2	15.9	17	48.8	22	53.8
Perpendicular	90	8	8	16	22	54	24	56

ACCEPTABLE PARKING DESIGNS

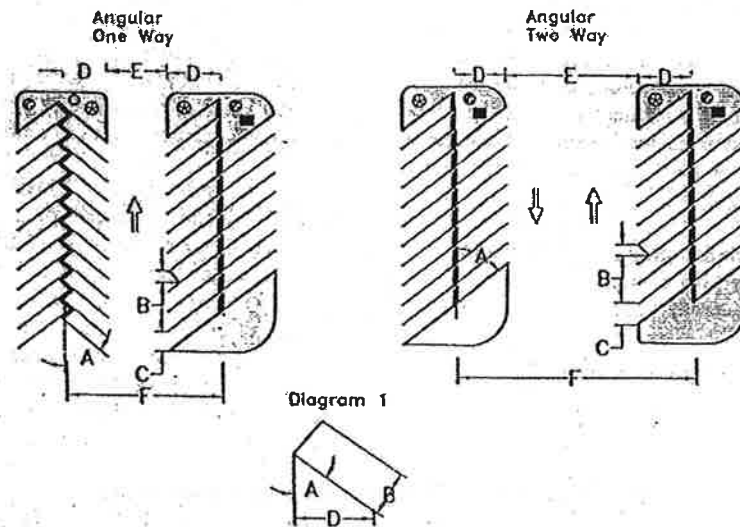


EXHIBIT 2.2.4

Road and Streetscape Standards.

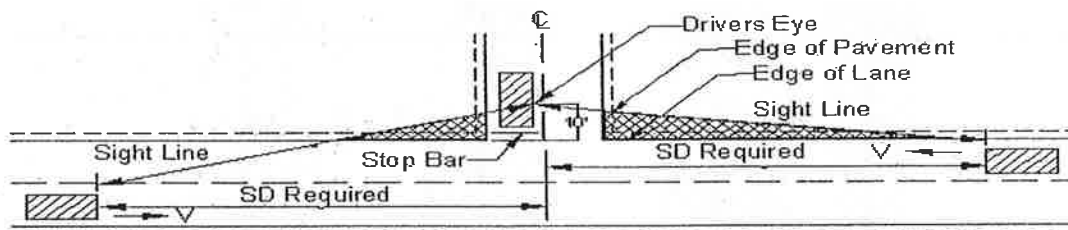
Dimensional Standards. The road and streetscape design for this Development Agreement are to be as depicted in Exhibits E.1 and E.2. Harbour Point Place shall be connected to SR 525, servicing the property and individual lots covered by this Development Agreement. Harbour Point Place as currently constructed, will be re-designed to accommodate on street parking and Community Transit. The connection of Harbour Point Place to SR525 must be completed, and the water line under this new road lowered per Mukilteo Water District's requirements, to accommodate the new roadway prior to any building being occupied.

Properties Adjacent to a Controlled Intersections: Properties adjacent to a controlled intersection shall be designed to maintain unobstructed vision at intersections in accordance with the following standards:

1. Unobstructed sight distances shall be designed according to the following speed limit schedule:

Posted Speed Limit (on the public r-o-w)	25 mph	30 mph	35 mph	40 mph
Sight Distance:	300'	400'	530'	600'

2. These distances are required for an approaching vehicle to be able to reduce speed or stop in order to prevent a collision.
3. For road approaches where left turns are not allowed, a sight triangle need only be provided to the left, as shown.
4. For road approaches where left turns are allowed, provide a sight triangle to the right in addition to the one to the left. The sight distance to the right is measured along the center line of the roadway.
5. Sight distance numbers are for passenger vehicles only. If there are a significant number of trucks, greater than ten (10) percent of ADT's (Average Daily Trips), using the intersection, then the sight distance shall be increased in accordance with the AASHTO requirements as determined by the Public Works Director.



Sight Distance at Controlled Intersections

EXHIBIT 2.2.5

Building And Plaza Standards.

Architectural Design

The design concept for this Agreement is to create a new diverse and pedestrian-friendly center for retail services, hotel, and offices for the convenience of the surrounding residential and business community. This concept allows for a range of building types and sizes to create a series of inviting functional public spaces, including shopping streets, small unique open spaces, plazas and trails. The design principles of the buildings and sidewalks/walkways are founded on traditional Northwest Washington streetscape and architecture that enhance pedestrian activities and community life and building designs should reinforce this concept at every opportunity.

Building design concepts should respond to the site plan by forming a main street concept wherever possible and encouraging an active area offering a variety of shopping and gathering opportunities. By using architectural styles that are associated with traditional Northwest Washington design, the retail spaces will be easily identified with the inclusion of central plaza(s) and public spaces for residents.

The architectural designs should utilize a variety of roof forms to create diverse elevations. Commercial activity should extend out onto plaza and sidewalks as part of a unified and defined sense of space. Businesses should be identified by use of color as well as vertical elements such as bays, roof style and doors which sometimes carry to the ground. Parapets, cornices, pitched roofs, dormers and other secondary roof forms create variety in the facades and break up the massing of the overall buildings. These roof elements also serve to reinforce the diverse experience of the streetscape. The materials used in the design of the buildings should also reinforce the traditional feel by breaking building facades (elevations) with tripart design and materials. Roof colors should be coordinated to complement the color schemes. Plaza materials create a community outdoor or covered space, through the use of color and score patterns in the hardscape, integrated landscape and moveable table, chairs and umbrellas benches for enjoying the spaces. Walkway connections and internal access road shall have color and material changes to designate the pedestrian way and shall be linked to sidewalks, buildings, plaza's, and outdoor spaces to provide connectivity between parcels.

Further concepts that should be used in the design of buildings are contained in the following paragraphs and as shown in the attached exhibits.

Overall Building Form

Buildings should provide and enhance the pedestrian scale and orientation of the Project. The following concepts help to achieve that goal:

1. Buildings should utilize elements such as massing, materials, building articulation, windows, canopies and articulated pitched roof forms to create a visually distinct "base" as well as a "cap", referred to as tripart design.
2. Within larger buildings or linear buildings, variations in facades, floor levels, architectural features and exterior finishes are encouraged to create the appearance of several smaller buildings and different floors. Where upper stories are used they should be articulated with setbacks and features such as bay windows and balconies. Multi-level buildings with different elevations shall use tripart architecture to differentiate levels and entrance ways.
3. Primary building entrance is required and special attention should be given to designing a primary building entrance, one that is clearly visible from the street and incorporates changes in mass, surface, or finish to give emphasis.
4. Multi-faced buildings (facing streets and internal accesses) shall have architectural articulation on all sides unless there is no pedestrian access or visibility from the street or internal accesses.
5. Corner buildings and larger buildings because of location, purpose or size should be given special attention in the form of building features, such as towers, cupolas or pediments. Building orientation, plazas and outdoor spaces should take advantage of solar access and provide connectivity for pedestrians.
6. Rooftop equipment should be integrated into the building roof or parapet design to screen it from roadway and internal access view corridors.

Architectural Details

The following architectural elements are required to provide visual interest and create a sense of human scale:

1. Awnings, Sunshades and Canopies: Weather protection is required for pedestrian frontages with ground floor commercial. The minimum width of such elements shall be 4'. Minimum height is 8', maximum height is 11'. Awnings with painted signs are permitted, however, must be externally lit and meet the requirements of the Sign Chapter. Internally illuminated awnings are not permitted.
2. Windows: storefront windows are required over 60% of the front façade of the ground floor between the height of 2' and 8'. The developer shall designate the front façade for those stores that face two streets or one street and the parking lot. All windows must have trim or molding around the perimeter of at least 2" in width.
3. Street Furniture: Public seating, trash receptacles and informational directional kiosks should be of uniform design and be provided throughout the Project.
4. Exterior Lighting: Exterior lighting should be an integral part of the architecture and landscape design. Decorative street lighting should relate in scale to the pedestrian character of the area.
5. Building Fenestration: In general, any facade visible from a public right-of-way, interior access road, pedestrian corridor, public open space, or building façade facing a parking lot should incorporate fenestration. Fenestration patterns for street level uses should have generous amounts of clear glass and be designed to incorporate displays. Glass curtain walls, reflective glass, and painted or dark tinted glass are not permitted except as mitigation for blank walls as provided below.
6. Blank walls: Where windowless walls are necessitated in office and commercial buildings by the uses housed within the building, they should have an interesting exterior treatment including, but not limited to, artwork, decorative lighting, display windows, decorative tile, or masonry, and trellises with plant material. Blank walls visible from a public way, larger than 10' in any dimension, which exceed 400 square feet, should be addressed by one of the above methods.
7. Service Entrances Shops: The back side of buildings that face either a public or private road shall provide facades that have special treatments to make them appealing and interesting to the pedestrians and cars on roadways so that they are not just service entrance access doors or loading/delivery spaces. See the Multi-Faced building and Blank Wall sections for additional requirements.
8. Proportions. The scale of all structures in relationship to other structures and spaces is important. Buildings and the spaces between structures should relate easily and openly to external public areas. To balance horizontal features on longer facades, vertical building elements, such as building entries should be emphasized.
9. Modulation. Building facades visible from public right-of-ways, pedestrian corridors or public open space and parking lots should be modulated with visible breaks in the façade approximately every 40'. The modulation should have a minimum depth of 12" as appropriate to the scale, use and construction type of the building.
10. Articulation. Building facades visible from public rights-of-way, internal access roads, pedestrian corridors, public open space and parking lots should be varied and articulated to provide visual interest. The roof line of buildings should be pitched or modulated and changing rooflines and should include interesting architectural features, such as decorative eave trim, or a cornice. Window articulation may be achieved through the use of decorative trim, such as window hoods and the use of regularly spaced windows with smaller divided lights. Store front designs and materials should be encouraged to be unique while maintaining the character of the building facade of which they are a part. The base of building should be articulated through use of plinths, pilasters or other elements and should be of stone, concrete or other solid material that provides a texture change. Brick and concrete block materials are acceptable.
11. Materials and Colors: Exterior building materials and finishes should convey an impression of interest, permanence and durability. Appropriate materials should be selected with consideration of the uses of buildings, relationship to streets and relationship to surrounding buildings. Materials such as wood, masonry, stone, stucco, terra cotta, metal, and tile are encouraged as primary and/or accents materials. Where masonry is used for exterior finish, decorative patterns, including changes in color or materials should be considered. Exterior colors should be given careful consideration in the context of the surrounding buildings, and the environment.

Screening

1. Wall Mounted Equipment: All wall-mounted mechanical, electrical, communication, and service equipment, including satellite dishes and large vent pipes should be screened as practicable from public view by parapets, walls, fences, landscaping or other approved means.
2. Roof Mechanical Equipment: All rooftop mechanical equipment and other appurtenances visible from the adjoining right-of-way, shall be concealed by or integrated within the roof form or other wise screened. The following appurtenances or necessary extensions above the roofline that require screening include; stair wells, elevator shafts, air conditioning units, large vents, heat pumps and mechanical equipment.
3. Trash Dumpsters: See the Landscaping Chapter.
4. Utility Boxes: All utility vaults or boxes should be screened as practicable. Hedges or screening vegetation should be used on three sides. Exposed pipes, such as gas pipes, must have a decorative enclosure that fits over them.

Plaza

Plazas are outdoor open gathering places which are primarily hard surface, but which may contain landscaping. They denote important places, create a focus, and/or increase light and air at street level. They also function as points of orientation. They may be located adjacent to buildings.

1. Plaza Special Requirements. The following special requirements shall apply to plazas:
 - a. Plazas may be constructed with concrete, pavers, or special paving material. Asphalt is not permitted except as a paving accent material.
 - b. Trees, seasonal flowers, planting boxes and beds, free-standing planting pots (planters) and other landscaping features may be included in the design of plazas. Root barriers shall be provided for all trees planted within plazas.
 - c. The majority of seating must be moveable with up to one quarter of the required seating can be provided by ledges, fountains, sculptures, benches, chairs, stairs, etc. Seating shall comply with barrier-free access standards. For purposes of determining the number of seats provided on a bench, ledge, fountain, etc., eighteen (18) lineal inches on a horizontal surface is considered one (1) seat.
 - d. The spacing, location and type of required street trees may be modified when adjacent to a plaza.
 - e. A portion (up to ¼ of the plaza space) of a plaza may be used for reserved seating for restaurants or other uses.
 - f. Permanent structures may be provided within a plaza provided they do not preclude use of and access to the plaza by the general public. Structures may be enclosed or open air and may have portions leased for commercial use.
 - g. Physical obstructions between a plaza and a sidewalk shall be designed to provide sufficient visibility to protect the public safety of the users of the plaza and to ensure that public access to the plaza is convenient, obvious and welcoming. No walls or structures shall exceed forty-two (42) inches in height above the abutting sidewalk.
 - h. Water feature elements, such as fountains, may be used in a plaza to provide interest and identity. A water feature should be integrated into the design of the plaza, and may serve as a focal point, the termination of an axis, a pedestrian or vehicular traffic flow guide. Large fountains should incorporate seating into the design of walls.
 - i. Art work may be used in a plaza to provide interest and identity. Art work may include, but is not limited to, sculpture, paving patterns and materials, mosaics, murals, wall patterns and textures, and feature landscaping.
 - j. Plazas shall be sufficiently well lit after dark to enable pedestrians and drivers to see potential obstacles such as changes in level, and for drivers and pedestrians to see each other. Lighting in plazas shall be provided through the use of light standards. Lighting should be provided in plazas to accommodate late night uses such as restaurants, cafes and shopping. Plaza lighting should provide illumination for the safety of pedestrians, vehicle drivers, and patrons. Light standards and fixtures shall be selected for appropriate human scale, overall design coordination and appropriate location. Down lighting located on walls and on bollards may be used for path lighting. No wall lighting with drop lenses can be used. Lighting should not emit, create glare for the plaza or adjacent travel ways or streets. Light standards and furniture must be approved by the Planning Director.
2. Within the Square at least two plazas shall be provided. Each plaza shall seat a minimum of 8.

Hotel Standards

Hotel/Motels uses shall be subject to the following design review standards:

1. **Building:** The structure(s), shall have varied building materials, design, texture, color, roof heights or facade and roof modulations to the building.
2. **Building Form:** The architectural design should utilize a variety of roof forms to create diverse elevations, parapets, cornices, pitched roofs, dormers, and other secondary roof forms.
3. **Variation:** Encourage varieties of shapes, angles, and relief in the upper stories of structures over two stories. Large buildings should avoid continuous, flat facades. Building facades should be divided into increments through the use of architectural features such as bay windows, offsets, recesses, balconies and other devices which step back or extend forward portions of the facade.
4. **Blank Walls:** Avoid using false fronts and large blank walls along arterial streets and pedestrian areas.
5. **Tripartite Articulation:** Tripartite building articulation (building base, middle and top) is encouraged to provide pedestrian scale and architectural interest. Stone and masonry is encouraged as a lower base material. Concrete block must be architecturally treated in one or more of the following ways:
 - a. Use of textured blocks with surfaces such as split face or grooved;
 - b. Use of color mortar;
 - c. Use of other masonry types such as brick, glass block, or tile in conjunction with concrete blocks; and/or
 - d. Other similar methods approved by the city
6. **Building Entry:** A porch, patio and/or covered entry should be used to provide a recognizable entryway. Provide landscaped walkway from building to parking. Ground mounted or similar lighting is encouraged in landscaped area next to pedestrian ways.
7. **Building Colors:** Care should be taken to avoid clashing colors on individual buildings and with other buildings in the area. Colors used on building exteriors should integrate a building's various design elements or features. Accent colors should use color combinations which complement each other. Northwest color and value ranges to emphasize muted primary colors and complementary secondary colors are encouraged.
8. **Building Common Areas:** A supervised entryway should be provided limiting access from the outside to the interior by this primary entrance. A lobby area should be provided as a common area. An outdoor patio(s), deck or seating area with southern and western exposure is encouraged. A swimming pool, lap pool, Jacuzzi or water slide and exercise room should be provided with restroom access.
9. **Site Landscape Treatment:** Building entries, primary vehicular entries off arterials and building perimeters should be enhanced with landscaping which could include ornamental, drought resistant or native varieties of vines, groundcovers, scrubs and trees selected for their screening, canopy, spatial enclosure, and seasonal variations. Annual and perennial flowers and potted plants are encouraged to provide seasonal interest and variety to landscaping. Landscaping areas or buffers should be used to break up large parking areas, parking and other open areas which are seen from the street
10. **Pedestrian Connections:** Efforts should be made to provide pedestrian connections to restaurants and other related services using sidewalks along streets and pathways between adjacent properties
11. **Limits on Design:** Avoid the use of building features or design elements which overemphasize standardized corporate themes, logos, or colors. No part of the building, signage or design elements shall stand above the typical height of surrounding buildings and mature vegetation, when they do not add functional or aesthetic value to the building context.

Service Station Standards

1. **Service Station Building and Covered Pump Location:** Where service stations are proposed, the service station building shall be located adjacent to SR 525 with the service station pumps located west of the service station. This location provides some screening of the gasoline pumps from SR 525.
2. **Building Form:** The service station pump canopy shall be attached to the service station building to help the overall structure look more like a building. The service station structure and canopy is required to have a pitched roof with a minimum 3:12 pitch. Dormers or multiple pitches should be provided to articulate the roofline. The canopy will be integral to this roof design and may have a fascia that is no wider than three feet, unless approved by the Planning Director. Pillars or structural supports for the roof should be in keeping with the architecture of the principal building and should have a base material that differs from the structure vertical and horizontal supports.

3. **Building Materials:** Building materials and colors will be compatible with the main structure/building and should be in harmony with but at a smaller scale than the principal use. Triparted architecture must be used to differentiate the base and upper wall area as well as the roof line and materials. All sides of the building should use similar building materials and treatment. Split faced block may be used for base and wall sections, but must provide different texture and color between them so that they are differentiated as required by triparted architecture. To provide some connection with NW architecture, accents or trellises should be used or other architectural style that is representative of the NW architecture.
4. **Building Security/Wall and Canopy Lighting:** Canopy lighting must be recessed into the underside of the canopy. Lights must have defused covers that are flush mounted to the ceiling of the roof. Light may not spill out further than the service station footprint area and shall not be used to light the adjacent parking lots. Security lighting mounted to the wall must have shielding so that the light is directed downwards and does not allow any side lighting.
5. **No backlighting of the structure or translucent materials:** No backlighting of the structure or materials is allowed. The structure can be externally uplighted to accent the architecture or rooflines and pitches.
6. **Streetscape Landscaping adjacent to the building:** Streetscape Landscaping along SR 525 shall be provided as provided in the Landscaping Chapter.
7. **Signage for the service station and service station prices:** Signage for the service station and advertising of prices shall be subject to the Sign Chapter.

EXHIBIT 2.2.6

Signage Standards.

Signage Requirements.

The intent of these signage requirements is to encouraging creative signs which have a strong design relationship to the architectural and site design elements of a project. This section describes sign types which are allowed in specific cases; signs or elements not allowed are also mentioned. Signs types not covered in this section may be submitted for review and approval through the modification chapter described in Agreement.

General Standards.

General standards applying to signage include the following:

1. Signage may be illuminated indirectly or backlit by a consistent (non-flashing) source during operating business hours of the tenant.
2. Signage shall be consistent in design and materials with adjacent architectural or site character.
3. Signage shall incorporate three dimensional relief into the sign face, adjacent surfaces, or mounting orientation.
4. Signage shall not pose hazards by obstructing pedestrian and vehicular access or sight distance requirements.
5. Temporary and permanent signage should not obstruct pedestrian routes.
6. Temporary sales or marketing signs are permitted adjacent to and within five feet (5') of the business, but not blocking the sidewalk or walkway and must be promptly removed by dusk of the day displayed. These signs not allowed on SR-525.
7. Real estate for sale signs shall not exceed 15 square feet.
8. Blinking or signs with moving parts are prohibited.
9. Signage materials shall be attached to building structures or ground mounted site elements such as walls.
10. Materials such as wood, metal, masonry, and stone are encouraged for sign faces and surrounding enclosures.

Complex Signage "Theme Tower".

One complex theme tower is allowed at the entrance to the commercial development on lots 9 and 10. The sign may be attached to a building or detached with complementary architectural features, focal point, or identity landmark, which is synonymous with the development as follows:

1. The height of a detached tower must not exceed 20 feet at the highest point of the structure. The height of an attached tower must not exceed 15 feet above the roof line and the combined maximum height (roof and theme tower) cannot exceed 60 feet.
2. The feature must have a minimum of three sides.
3. The feature must be located at or adjacent to the main entrance to the development or complex.
4. The copy area permitted shall be no greater than thirty-two (32) square feet per side. The sign shall have no more than two sign faces.
5. The sign may be externally illuminated only (back lit or floodlit).
6. Architectural embellishments, works of art, clock towers, or similar displays may be placed on the feature provided they do not display a message or contain any logos or symbols.
7. The top of the sign area shall be no higher than fifteen feet (vertical) from the ground.
8. The base shall be equal to or greater in width than the width of the sign above the base. The base shall be constructed of treated metal, treated concrete, treated masonry, decorated rock, wood, or a combination thereof.
9. The feature, focal point, or landmark shall have a distinct top feature or roof.

Building Mounted Signs.

Building mounted signs are permitted for retail and commercial uses, professional offices, services, hotel, and light industrial uses.

1. Signage shall be integral to the architectural facade, mounted flush against it, or placed perpendicular to a structure so long as it does not inhibit pedestrian circulation and incorporates three dimensional relief
2. Signage may be illuminated externally or internally.
3. Signage shall not exceed 10% of the front façade elevation of the building or leased space in multi-tenant buildings. One side sign per side will be allowed at 5% of the building façade or leased space. For signs utilizing individual letters mounted direct to a building facade, the actual area of the combined letters/characters shall constitute the signage area. Window signs are allowed in addition to the building mounted signs, so long as they do not substantially obstruct views into the tenant space and are permitted signs.
4. Signage is not allowed to be placed in windows facing out. No reader board or electronic message boards are permitted.

Ground Mounted (Monument) Signs.

Ground mounted signs are permitted for project identity purposes, directional way-finding purposes, retail, commercial, office, services, and hotel uses, and as identifiers for community use structures.

1. Ground mounted signs are permitted as follows:
 - a. One ground mounted retail complex sign, not exceeding eight (8') feet in height, may be located at signalized 4-way intersections.
 - b. One ground mounted complex sign, not exceeding five (5') feet in height, may be located at each right-in / right-out intersection.
 - c. One ground mounted sign, not exceeding eight (8') feet in height, shall be allowed at hotel entrances or located at corner of property near 4-way intersection. The surface area of this signage shall not exceed thirty-two (32) square feet.
2. Signage may be illuminated externally or internally. Cut-off features shall be incorporated into light fixtures to avoid glare or spill-over to adjacent uses.
3. Signage shall be constructed from permanent materials designed to last for a minimum duration of 10 years.
4. The surface area of a signage face shall not exceed thirty two (32') square feet for eight foot high complex signs and twenty-eight (28) square feet for five foot high complex signs. For signs utilizing individual letters mounted direct to an architectural finish wall, the actual area of the combined letters/characters shall constitute the signage area.
5. No reader board or electronic message boards are permitted; except that service station price signs may use electronic numbers for displaying prices.
6. The minimum setback from SR 525 shall be five (5') feet plus any additional setback necessary to meet the sight distance triangle.
7. The base of the sign shall be landscaped with shrubbery and ground cover. Landscaping shall be located to improve the overall visual appearance of the sign and to disguise or integrate the base of the sign. Landscaping shall be in proportion to the size and height of the sign, with a minimum of thirty-two square feet of landscaping area. Landscaping shall be maintained throughout the life of the sign. No dead shrubs, broken parts, cracked or extremely chipped material shall be allowed to remain without repair.

Service Station Sign(s) and Canopy.

1. General. Wall signs on the main building(s) and Monument Signs shall follow the regulations specified.
2. Canopies. Signs on canopies are limited to the company or organization logo on two sides. Each sign may be no greater than four (4) square feet in area.
 - a. Lighting. Lighting of the service station complex, including the canopies shall be recessed such that no more than .5 foot-candles of light extends beyond the property boundaries.
3. Windows. No sign or promotional signs can be displayed in windows.
4. Service Station Pumps/Islands. Signs on service station pumps and service islands are limited to a total of six (6) square feet per island and may not be visible from SR 525. Moving signs are prohibited.

5. **Fuel Price Signs.** A monument sign copy area may be increased as follows to accommodate the fuel price signs:
 - a. Monument sign area may be increased to forty-five (45) square feet to integrate fuel price signs; and
 - b. The maximum allowable copy and sign area is forty-five (45) square feet.
6. **Point of Sales Items.** No items may be placed out on the site or outside the service station.

Street Signs.

Street signs are permitted as required by City of Mukilteo for private drives to provide direction, identity of street or neighborhood, and for purposes of safety. Street signs within public right-of-way for safety and directional purposes shall conform to the requirements of the City of Mukilteo.

Internal Directional Signs.

Internal path finder signs (similar to street signs) can be used to assist patrons to find their way within the complex. They can be mounted on decorative light fixtures and their design and number must be approved by the City of Mukilteo.

Unspecified Standards.

Any proposed signage that is not specified in this Agreement shall meet City of Mukilteo sign code.

EXHIBIT 2.3

Sensitive/Critical Area Standards

1. The Native Growth Protection Area (NGPA), top of slope, revegetation area and library path shall be shown on the development site plans. and a note shall be attached as follows: "There shall be no clearing, excavation, or fill within a Native Growth Protection Area shown on the face of this site plan. Utility installation, removal of dangerous trees, topping of trees, thinning of woodlands for the benefit of the woodlands as determined by a certified landscape architect or arborist, and removal of obstructions to drainage." Must be approved by the Planning Director and Public Works Director.
2. A permanent sign shall be placed at the boundary of the Native Growth Protection Area limiting disturbance. A 10 foot setback shall be delineated with an orange construction fence.

EXHIBIT 2.10

ELECTIONS AND MODIFICATIONS OF PROJECT DEVELOPMENT STANDARDS

This Exhibit sets forth the standards and review procedures for City review of modifications to the Project elements, development standards, mitigation measures and other conditions of development (collectively the "Development Standards"). Notice of all proposed modifications shall be given to all Owners and Individual Parcel Owners with an opportunity for written comments, as provided in Section 6.2.4. The Mayor or his designee ("Designated Official") shall confirm the Owners Authorized Elections and Modifications under Paragraph 1 below and review the Administrative Minor Modifications under Paragraph 2 below. The Designated Official shall utilize the SEPA compliance provisions of Exhibit 4.2 as part of the determinations under this Exhibit 2.10.

1. Applicant Elections

1.1. Authorized Elections and Modifications. The Owners, with review by the city as specified in Section 1.2 below, shall have the right to elect to include as part of any application for (or to modify any pending or approved) binding site plan, site development permits or other Implementing Approvals the following pre-approved matters ("Authorized Elections"):

1.1.1. Designations or changes in the square footage or layout of commercial uses so long as the modification falls within the range of square footage/acreage approved for the Development Areas on Exhibit E and other relevant portions of the Agreement.

1.1.2. Designations or changes in lot size or lot configuration resulting from changes in the density or intensity under Paragraphs 1.1.1 above.

1.1.3. Designation or modification in alignment, location or layout of utilities within the Project.

1.1.4. Other elections or modifications requested by the applicant, which are within the pre-approved ranges or provisions of this Agreement and the Exhibits and which the Designated Official determines provide functional equivalence or are minor in nature.

1.2. Review Procedures. The Designated Official 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 Designated Official shall not have discretion to deny an Authorized Election. The Designated Official's verification shall be final and not subject to administrative appeal.

2. Administrative Minor Modifications.

2.1. Proposed Modifications. Upon the Owner's request, Administrative Minor Modifications to approve binding site plan, site plans or development standards may be authorized by the Designated Official under the standards provided in Paragraph 2.2 below. "Administrative Minor Modifications" may include but are not limited to the following changes:

2.1.1. Designations or changes in the Allocation of Uses with permitted uses authorized under Exhibit 2.1 of the Agreement.

2.1.2. Designations or changes within the Project to the configuration, location, design or size of the following (to the extent not covered in Paragraph 1 above): roads (including arterials, collectors and local); trails, open space or parks within the Development Areas.

2.1.3. Designations or changes to the number, configuration and average size of buildings, but not to exceed by more than 10% the Maximum Square Feet listed for each Development Lot(s) in Exhibit 2.1 or Exhibit E; provided, the cumulative total square footage in all areas shall not exceed the maximum Allowable Development under Section 1.4.

2.1.4. Changes to the size or shape of the Development Areas from the size and shape set forth in Exhibit E to this Agreement.

2.1.5. Inclusion of uses in addition to the permitted uses set forth in Exhibit 2.1, unless the additional uses represent a major change in the project concept.

2.1.6. Designations or changes to wetland buffers or other buffers, including their location, widths, configuration, crossings or uses within buffers.

2.1.7. Designations or changes to the locations, widths or other aspects of access, utility or other easements.

2.1.8. Designations or changes in the surface water management practices and standards, including the size and/or alterations to the configuration of detention facilities or tracts or other standards, so long as the changes provide substantially equivalent or better protection for aquatic resources.

2.1.9. Elections by the Owners to use a more recently-enacted City standard than the vested Development Standard established by this Agreement where the Designated Official determines the new standard would be consistent with the Mukilteo Town Square concept reflected in the Project objectives and that the vested Development Standard are not required to be retained because of any interdependency or other critical relationship to Development Standards which are not being changed.

2.1.10. Modifications to Development Standards set forth in this Agreement which (a) are authorized in a particular Development Standard, or (b) if the Development Standard does not discuss authorized modifications, then modifications which meet the Administrative Approval Standard set forth below.

2.2. Review Procedures and Standards. The Designated Official may approve, approve with conditions or deny the requested Minor Modification based upon the proposed modification's consistency with one or more of the Flexibility Objections set forth in Section 2.10 of the Agreement. Minor Modifications shall be reviewed and decided under the procedures of this Exhibit, and no separate variance procedures or other revision procedures, including no variances under the sensitive area regulations, zoning or road portions of the City Code, shall apply. Notwithstanding the foregoing, the Designated Official may circulate the requested modification to appropriate City departments and officials for review and comment and may provide public notice and opportunity to comment using one or more of the noticing options of Mukilteo Zoning Code 17.13.050.F, Table 2. The Designated Official may impose reasonable conditions as part of the approval of an Administrative Minor Modification where such conditions are necessary to mitigate impacts directly related to the proposed modification. The modification if approved may be in writing or incorporated through appropriate revisions or notations on the approved preliminary plat, final plat or engineering drawings, binding site plan or other appropriate document. The City shall maintain a cumulative list of all approved Administrative Minor Modifications. The decision by the Designated Official on any requested Administrative Minor Modification shall be subject to one open record appeal to the Board of Adjustment.

3. Major Modifications. Upon request by the applicant, the City Council shall review the following "Major Modifications":

3.1. Changes in the maximum commercial/retail square footage authorized for the Project under Section 1.4 of the Agreement.

3.2. Permitted additional uses, which are not approved as Administrative Minor Modifications under Paragraph 2.1.4 above.

3.3. Any other designation or change which does not qualify or was denied as an Administrative Minor Modification. The City shall consider major modifications as an amendment of this Development Agreement using procedures consistent with RCW 36.70B.210.

EXHIBIT 4.2

SEPA Compliance For Implementing Approvals

1.0 Prior Environmental Documents and Review.

The parties acknowledge the property has been included in or relates to the following environmental documents, hereinafter referred to as the Prior Environmental Review:

- Final Environmental Impact Statement, Mukilteo GMA Comprehensive Plan (October 31, 1994);
- Mukilteo GMA Comprehensive Plan (December 1994);
- Addendum to Final Environmental Impact Statement - 1997 Comprehensive Plan amendments (June 1997);
- Mukilteo GMA Comprehensive Plan (August 1997);
- Final Environmental Impact Statement for the Possession Shores Master Plan Revision (June 1978);
- Harbour Pointe Buildout - Traffic Impact Study (April 1988).
- Sector Plan, Sector 3 Industrial Development and the Harbour Pointe Sector 3 Sector Plan Amendment dated September 1998

And the following Appendices to the Sector Plan/Sector 3 Industrial Park Development:

- | | |
|---|---|
| B | SEPA Checklist |
| C | Preliminary Geotechnical Analysis |
| D | Revised Wetlands Delineation and Conceptual Mitigation Plan |
| E | Addendum Number 2 Wetlands Delineation and Conceptual Plan |
| F | Traffic Analysis |
| G | Road Improvements Agreement (WSDOT Letters of Understanding & Modification to Letters of Understanding dated December 20, 1999) |
| H | Service Availability/Facilities Impact Letter |

And the New Studies as follows:

- Traffic Study dated the 13th day of June 2002.
- Geotech Study dated the 5th day of July 2002.
- SEPA Checklist dated the 25th day of March 2002.
- MDNS issued the 3rd day of July 2002.
- Mukilteo Town Center – Trip Generation dated the 9th day of August 2007
- Mukilteo Town Center – Trip Generation dated the 14th day of September 2007
- SEPA Checklist dated the 10th day of August 2007

2.0 SEPA for Implementing Approvals.

The parties intend the Prior Environmental Review shall constitute SEPA compliance to the fullest extent possible for all Implementing Approvals and modifications requested under Exhibit 2.10 applied for during the Buildout Period. Moreover, since this Agreement sets forth the Development Standards to be applied during the Buildout Period other mitigation measures beyond those set forth in this Agreement shall only be required by the City if an Implementing Approval or requested modification exceeds the Project Envelope and governing Development Standards.

Upon receipt of any application for an Implementing Approval, the City shall undertake SEPA compliance as follows:

Step 1 - Project Envelope Determination. First, the City shall determine if the requested Implementing Approval applied for is within the Project Envelope. The City can request the applicant to provide reasonable information (including for convenience an environmental checklist even if a threshold determination is not required under this Step 1) to the extent needed to determine the requested action is within the Project Envelope. If so, then the existing SEPA documents and analysis shall be utilized and no further SEPA threshold determination is required (see WAC 197-11-600(4)(a)): "Agencies acting on the

same proposal for which an environmental document was prepared are not required to adopt the document.”) If the application is beyond the Project Envelope, then a threshold determination is required under Step 2 below. The Owner’s Authorized Elections under Exhibit 2.10 are within the Project Envelope.

Step 2 - Threshold Determination. If the requested Implementing Approval exceeds the Project Envelope, then the City shall prepare a threshold determination, taking into account the Prior Environmental Review and the Development Standards. Any studies or other information requested by the City from the applicant shall relate only to those potential impacts not adequately covered by the Prior Environmental Review. The City shall issue a Determination of Non-significance (DNS), Mitigated DNS (MDNS) or EIS Addendum utilizing an addendum or incorporating the Prior Environmental Review to the fullest extent possible. A supplemental EIS (SEIS) shall be required if the conditions in Step 3 are present. The City’s approval of “Administrative Minor Modifications” under Exhibit 2.10 shall not be deemed a significant change which would require an SEIS.

Step 3 - SEIS. The City shall prepare a SEIS if there are:

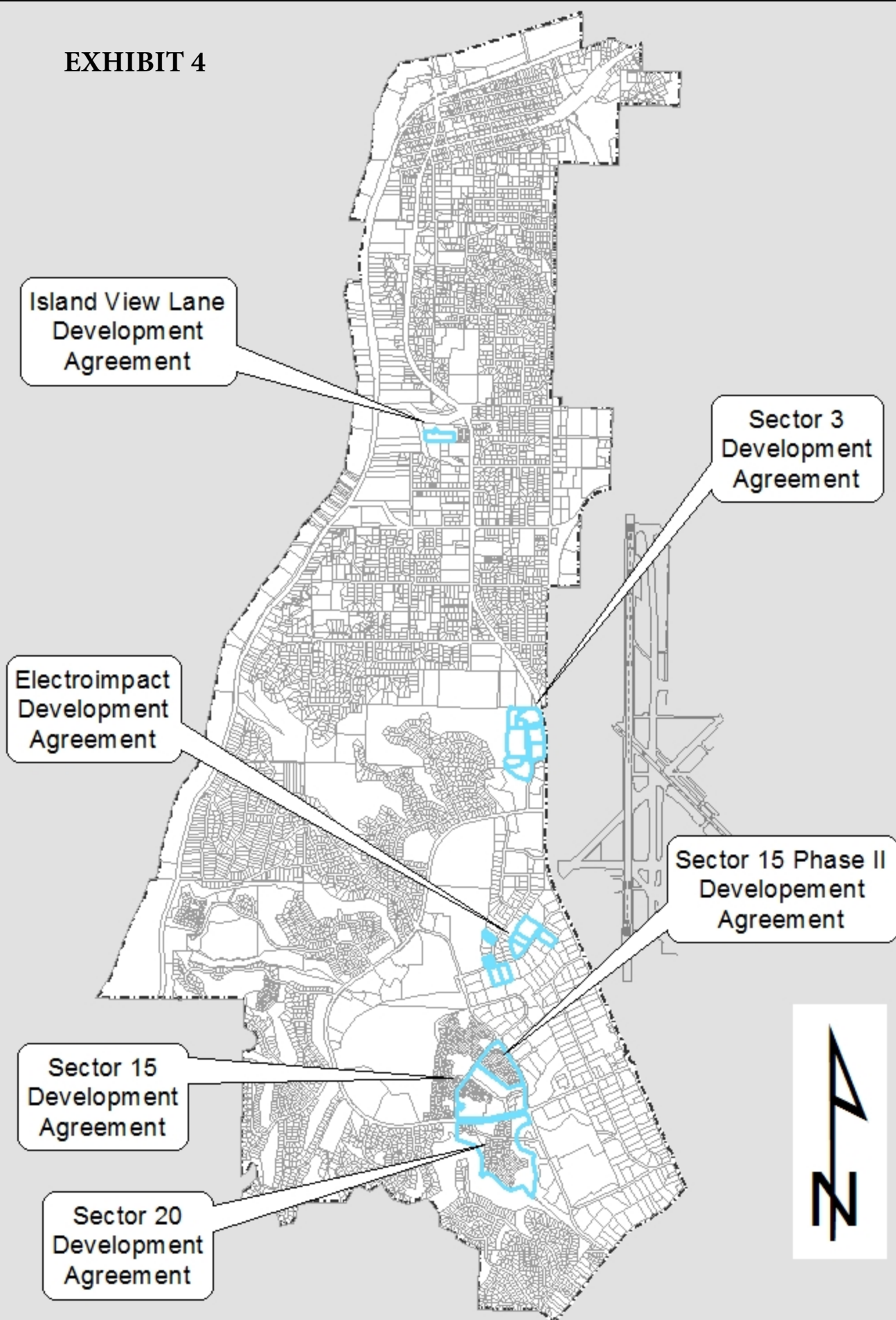
3.1 Substantial changes to the Project so that the proposal or Project Envelope described in the existing SEPA documents and analysis is likely to have significant adverse environmental impacts not previously analyzed and which cannot be mitigated through the Development Standards applicable to the Project (or revisions to those Development Standards under Exhibit 2.10); or

3.2 New information indicating the Project is likely to have significant, adverse environmental impact not previously analyzed in the existing SEPA documents and analysis and which cannot be mitigated through the Development Standards applicable to the Project (or revisions to those Development Standards under Exhibit 2.10).

If a SEIS is required, the City shall limit the scope thereof to the impacts which required the additional analysis (e.g. the City shall utilize a focused scope and EIS).

Step 4 - Modified Development Standards. If the SEIS discloses additional mitigation is required to avoid a serious threat to public health and safety hazards, then the Development Standards applicable to the Project may be modified pursuant to the procedure set forth in Section 3.1 of the Agreement.

EXHIBIT 4



LAND USE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT	
SUBJECT TITLE: Proposal to discuss Diamond Knot Outdoor Seating	FOR AGENDA OF: July 7, 2021
Contact Staff: David Osaki	EXHIBITS: None
Department Director: David Osaki	

RECOMMENDATION

Land Use & Economic Development Committee (“LU&ED Committee”) to discuss the potential conversion of certain Lighthouse Park property (next to Diamond Knot) to property that would not be subject to Washington State Recreation and Conservation Office requirements.

BACKGROUND

The Washington State Recreation and Conservation Office (“RCO”) requires that projects built with State park funding be maintained for public use. In 2014, the City and the RCO discussed a process called “conversion”, which would allow certain Lighthouse Park sidewalk space next to Diamond Knot to be leased for outdoor seating. RCO at that time appeared open to such a request.

“Conversions” of grant funded projects are allowed if certain RCO requirements are met. This includes, but is not limited to, documenting that practical alternatives, including avoidance, have been considered and rejected. Public comment is part of this process. Conversion also requires that facilities of an equivalent or greater usefulness and location than the converted property are provided. The latter would require an appraisal of the converted property and the substituted property.

Decisions on conversions rests with RCO staff or the RCO Board, depending on the characteristics of the specific conversion request.

ALTERNATIVES

For discussion.

LAND USE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT	
SUBJECT TITLE: Economic Alliance Snohomish County (EASC) Outreach Effort	FOR AGENDA OF: July 7, 2021
Contact Staff: David Osaki	EXHIBITS: None
Department Director: David Osaki	

RECOMMENDATION

Land Use & Economic Development Committee (“LU&ED Committee”) to discuss City economic development initiatives, opportunities and challenges it would like City staff to communicate to Economic Alliance Snohomish County (EASC) staff as part of its (EASC’s) local jurisdiction public outreach efforts.

BACKGROUND

Terrie Battuello recently left the Port of Everett to become the new Vice President of Economic Development at the Economic Alliance Snohomish County (EASC).

In her new role, Terrie is planning to meet with staff of each of the county cities to get a better understanding of the important economic development initiatives, opportunities and challenges within each local jurisdiction.

An objective of this effort is for EASC to make a real connection between what is happening on the ground and EASC’s work. The information will be used to develop a better understanding of each jurisdictions unique needs and identify possible avenues of EASC support.

EASC’s completion of this phase of the effort is expected to take several months.

The Wednesday July, 7, 2021 LU&ED Committee meeting will be an opportunity for the LU&ED Committee to identify items it wishes City staff to communicate to the EASC.

ALTERNATIVES

None.