

**THE VILLAGES MASTER PLANNED DEVELOPMENT
DEVELOPMENT AGREEMENT
BETWEEN
CITY OF BLACK DIAMOND, WASHINGTON and
BD VILLAGE PARTNERS, L.P.**

A. Parties, Date, Recitals, and Mutual Consideration1

B. Terms1

1.0 Project Goals and Objectives1

1.1 Definitions 1

1.2 Consistency with Law 1

1.3 Purpose of the MPD Ordinance 1

1.4 Development Goals..... 2

2.0 Project Description1

2.1 Project Envelope 1

2.2 Project Elements 1

2.3 MPD Land Use and Parcel Boundaries Approximate..... 1

3.0 Prior Agreements1

3.1 Effect of Development Agreement 1

3.2 Termination of Development Agreement 2

4.0 Land Use and Project Elements.....1

4.1 Total Number of Dwelling Units 1

4.2 Total Amount of Non-Residential Development 1

4.3 Development Parcel Land Use Categories..... 1

4.4 Changing the Category of Development Parcels 2

4.5 Interface with Adjoining Development..... 3

4.6 Expansion Parcels..... 3

4.7 Allowed Uses..... 3

4.8 Density 10

4.9 Transfer of Development Rights..... 12

4.10	Developer Improvements	13
5.0	Bulk, Landscape and Sign Standards	1
5.1	Dimensional Standards	1
5.2	Parking Standards	8
5.3	Signage Standards	13
5.4	Landscape Standards	15
6.0	Street Standards	1
6.1	Purpose	1
6.2	Applicability	1
6.3	Street Sections	1
6.4	Street Connectivity	3
6.5	Review Criteria for Deviations	4
6.6	Ownership and Maintenance	5
6.7	Green Valley Road	9
7.0	Water, Sewer and Stormwater Utility Standards	1
7.1	General Requirements	1
7.2	Water System Standards	3
7.3	Sanitary Sewer Design Standards	7
7.4	Stormwater Management Standards	9
8.0	Sensitive Areas Standards	1
8.1	Sensitive Areas Ordinance Applicability	1
8.2	Sensitive Areas Determinations	1
8.3	Alteration of Geologically Hazardous and Landslide Hazard Areas	2
8.4	hazardous tree removal	2
9.0	Parks, Open Space and Trail Standards	1
9.1	Overall Open Space Requirement	1

- 9.2 Park and Open Space Plan 3
- 9.3 Sensitive Areas and Buffers 3
- 9.4 Non-Sensitive Open Space 3
- 9.5 Recreation and Useable Open Space Standards..... 4
- 9.6 Trail Plan..... 12
- 9.7 Trail Standards 12
- 9.8 Park, Open Space and Trail Deviations 13
- 9.9 Ownership and Maintenance 13
- 9.10 Park Characteristics..... 14
- 10.0 Plan and Agreement Changes and Administration 1**
- 10.1 Purpose 1
- 10.2 Applicability..... 1
- 10.3 Interpretations 1
- 10.4 Amendments..... 2
- 10.5 Expansion Parcels..... 4
- 11.0 Project Phasing and Vesting 1**
- 11.1 Purpose 1
- 11.2 Phasing of Improvements 1
- 11.3 Phasing of On-site Regional Infrastructure Improvements 1
- 11.4 Phasing and construction of Off-Site Regional Infrastructure
Improvements..... 6
- 11.5 Off-Site Pedestrian Improvements 13
- 11.6 Vesting Standard for MPD 13
- 11.7 Build-Out Period for MPD 13
- 11.8 Phasing of Development..... 14
- 11.9 Housing Types 14
- 12.0 Development Review Process..... 1**
- 12.1 Purpose 1

The Villages Master Planned Development
Draft Development Agreement

12.2	Applicability.....	1
12.3	Design Review Committee.....	1
12.4	Permit Required.....	2
12.5	Application Review Procedures.....	2
12.6	Notice Requirements.....	4
12.7	Modifications to Permits.....	5
12.8	Applicability, Decision Criteria and Permit Specific Requirements.....	6
12.9	Bonding for Improvements.....	13
12.10	Maple Valley Transportation Mitigation Agreement.....	13
12.11	Covington Transportation Mitigation Agreement.....	15
13.0	Miscellaneous Additional Standards and Requirements.....	1
13.1	Construction Waste Management Plan.....	1
13.2	Forest Practices.....	1
13.3	Schools.....	1
13.4	Fire Mitigation.....	1
13.5	Mine Hazard Release.....	2
13.6	Fiscal Impacts Analysis.....	2
13.7	Noise attenuation.....	6
14.0	Definitions.....	1
15.0	General Provisions.....	1
15.1	1
	Binding Effect.....	1
15.2	Duties of Master Developer.....	1
15.3	Assignment.....	1
15.4	Governing Law.....	2
15.5	Severability and Waiver.....	2
15.6	Authority.....	2

15.7	Exhibits	2
15.8	Time is of the Essence.....	3
15.9	Interpretation	3
15.10	Integration	4
15.11	No Third-Party Beneficiary.....	4
15.12	Other Necessary Acts.....	4
15.13	Remedies.....	4
15.14	Notice	4
15.15	Counterparts.....	5
15.16	Term	5

Exhibits

Exhibit “A” – Project Boundaries and Land Use Map

Exhibit “B” – Legal Description

Exhibit “C” – MPD Approval

Exhibit “D” – Summary of Prior Agreements

Exhibit “E” – City of Black Diamond Municipal Code

Exhibit “F” – Traffic Monitoring Plan

Exhibit “G” – Constraint Maps

Exhibit “H” – ~~[RESERVED]~~ MPD Project Specific Design Standards and Guidelines

Exhibit “I” – High Density Residential Supplemental Design Standards and Guidelines

Exhibit “J” – Construction Waste Management Plan

Exhibit “K” – Phases Map and Phasing Plans

Exhibit “L” – Street Standards

Exhibit “M” – Mine Hazard Release Form

Exhibit “N” – Villages MPD Funding Agreement

Exhibit “O” – Stormwater Monitoring

Exhibit “P” – Green Valley Road Measures

Exhibit “Q” – Maple Valley Transportation Mitigation Agreement

The Villages Master Planned Development
Draft Development Agreement

[Exhibit "R" – Covington Transportation Mitigation Agreement](#)

[Exhibit "S" – Potential Expansion Areas](#)

A. Parties, Date, Recitals, and Mutual Consideration

This Development Agreement is entered into this ___ day of _____, ~~2010~~2011, by and between the CITY OF BLACK DIAMOND, a non charter code city in the State of Washington, operating under the provisions of chapter 35A RCW (“Black Diamond” or “City”) and BD Village Partners, L.P., a Washington limited partnership (“Master Developer”).

RECITALS

- A. The City includes large areas of undeveloped lands, and the City has spent decades evaluating and planning for future coordinated development of those lands.
- B. To strengthen the public planning process, encourage private participation and comprehensive planning, and reduce the economic cost of development, the legislature of the State of Washington enacted RCW 36.70B.170 through 36.70B.210 (the “Development Agreement Statute”), which authorizes a local government to enter into a development agreement with the owner of real property within its jurisdiction regarding the development of such property and establishing certain development rights and standards.
- C. The City has adopted a process for review and approval of applications for a Master Planned Development (“MPD”) in its development regulations (Black Diamond Municipal Code (“BDMC”) Chapter 18.98 attached as Exhibit “E”), which include the requirement for a Development Agreement which shall be binding on all MPD property owners and their successors, and shall require that they develop the subject property only in accordance with the terms of the MPD Approval.
- D. This Development Agreement has been processed, considered and executed in accordance with the City’s regulations, BDMC Chapter 18.66, and state law requirements, RCW 36.70B.170 through .210.
- E. The Master Developer owns certain real property consisting of approximately 1,196 acres located in the City of Black Diamond, as generally diagrammed in **Exhibit A**, the Land Use Map, and more particularly described in **Exhibit B** (the “Villages Property”).
- F. The Master Developer designed The Villages MPD on the Villages Property to utilize the natural land forms, including protection of wetlands and open space areas, to define the

compact and clustered development pattern. The master planning process allows the Villages Property to be developed in a thoughtful and fully integrated manner and provides certainty to the City, existing and future residents, and the Master Developer. The Villages MPD community design includes a wide variety of housing, shopping and recreational opportunities. The wide range of housing options will provide opportunities for a mix of people from different social and economic levels to call The Villages MPD home. The Villages MPD also includes a comprehensive system of Parks, Open Spaces and Trails that will further connect and integrate the clusters of development and promote the natural beauty of the Project Site.

G. The City has approved the Master Developer's MPD Application and desires to enter into this Agreement. This Agreement will, among other things, provide greater certainty about the character and timing of residential and commercial development within The Villages MPD, provide for the orderly development of The Villages MPD on a comprehensive basis consistent with the MPD Approval (copy attached as **Exhibit C**), allow for timely mitigation of probable significant adverse environmental impacts, provide services appropriate for development of The Villages MPD, encourage an economic and employment base within the City, contribute to the City's fiscal performance and otherwise achieve the goals and purposes for which the MPD Ordinance was enacted.

H. The Master Developer desires to enter into this Agreement in exchange for the benefits to the City described in Recital G, together with other public benefits that could result from the development of The Villages MPD. Moreover, entering into this Agreement provides assurance to the Master Developer and its successors and assigns that: (i) any and all Implementing Approvals necessary to build out the MPD will be processed under the terms and conditions of The Villages MPD Approval and this Agreement; (ii) that all Implementing Approvals will be vested to and processed in accordance with the standards described in this Agreement; (iii) that this Agreement and its standards will be in effect for 15 years with the possibility of further extension; (iv) that mitigation measures for the Implementing Approvals, including protections to the natural environment and improvements to the built environment necessary to accommodate the build out of the MPD, are fully described in this Agreement; and (v) that cost recovery mechanism are in place to assist the Master Developer with construction of public infrastructure when appropriate.

The Villages Master Planned Development
Draft Development Agreement

~~H. All capitalized terms in this Agreement shall have the meaning set forth in Section 14.~~

NOW THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the adequacy, sufficiency, and receipt of which are hereby acknowledged, the parties hereby voluntarily ~~hereby~~ mutually agree as follows:

B. Terms

1.0 PROJECT GOALS AND OBJECTIVES

1.1 DEFINITIONS

All capitalized terms in this Agreement shall have the meaning set forth in Section 14, or, if not defined in Section 14, capitalized terms shall have the meaning set forth in the City of Black Diamond Municipal Code as attached hereto and incorporated herein as Exhibit E.

1.2 CONSISTENCY WITH LAW

The Villages MPD is consistent with ~~and implements Washington State's Growth Management Act ("GMA") (Chapter 36.70A RCW) planning goals and~~ the City of Black Diamond Comprehensive Plan and development regulations. The development goals in this Agreement are the policy guide and foundation that have been used to develop the guidelines and standards in this Agreement.

1.23 PURPOSE OF THE MPD ORDINANCE

The purpose of the City's MPD Ordinance is to allow alternative, innovative forms of Development that preserve open space, promote economic development and job creation, and create vibrant mixed-use neighborhoods with a balance of housing, employment, civic and recreational activities. The City's MPD Design Standards and Guidelines encourage compact forms of development, a mix of uses, coordinated open space, and the creation of a sense of community. ~~The specific purposes of the City's MPD approval process and standards are set forth in BDMC 18.98.010 as follows:~~

~~(A) Establish a public review process for MPD applications;~~

~~(B) Establish a comprehensive review process for development projects occurring on parcels or combined parcels greater than eighty acres in size;~~

~~(C) Preserve passive open space and wildlife corridors in a coordinated manner while also preserving usable open space lands for the enjoyment of the city's residents;~~

- ~~(D) Allow alternative, innovative forms of development and encourage imaginative site and building design and development layout with the intent of retaining significant features of the natural environment;~~
- ~~(E) Allow flexibility in development standards and permitted uses;~~
- ~~(F) Identify significant environmental impacts, and ensure appropriate mitigation;~~
- ~~(G) Provide greater certainty about the character and timing of residential and commercial development and population growth within the city;~~
- ~~(H) Provide environmentally sustainable development;~~
- ~~(I) Provide needed services and facilities in an orderly, and fiscally responsible manner;~~
- ~~(J) Promote economic development and job creation in the city;~~
- ~~(K) Create vibrant mixed use neighborhoods, with a balance of housing, employment, civic and recreational opportunities;~~
- ~~(L) Promote and achieve the city's vision of incorporating and/or adapting the planning and design principles regarding mix of uses, compact form, coordinated open space, opportunities for casual socializing, accessible civic spaces, and sense of community; as well as such additional design principles as may be appropriate for a particular MPD, all as identified in the book Rural by Design by Randall Arendt and in the city's design standards;~~
- ~~(M) Implement the city's vision statement, comprehensive plan, and other applicable goals, policies and objectives set forth in the municipal code.~~

1.34 DEVELOPMENT GOALS

1.34.1 Create a Distinct, Attractive Community with a Strong Sense of Place

A goal of the Master Developer and the City is that The Villages MPD captures the spirit of historic Black Diamond in a modern new community. Through comprehensive site planning, building form and detailing, and landscaping, The Villages MPD draws from the architectural

elements of historic mining towns and reinterprets them in a sophisticated modern way utilizing sound design principles. This design direction executed in a vibrant, mixed-use environment establishes The Villages MPD as a truly memorable community.

Lending to this vibrancy are the public spaces in The Villages MPD community plan and their ability to accommodate a wide range of activities. These include but are not limited to events and activities such as open air concerts, theater performances, movies, farmer's markets, brew festivals and wine tastings, harvest festivals and craft fairs within Parks such as the Town Green; Christmas tree lightings and other seasonal or holiday events, smaller live performances, poetry readings, and retail or restaurant events such as "A Taste of Black Diamond" in the Town Center Plaza; closure of the Main Street to vehicles to allow larger events in the Plaza or to allow parades or festivals; and Retail and dining activities are encouraged to flow out onto the sidewalks in the Town Center on a daily basis. Live entertainment is allowed and encouraged in coffee houses and restaurants.

~~The combination of the character of the architecture and public spaces in The Villages MPD, along with the activities and events that bring people to those spaces, creates the strong sense of place that will enrich the lives of all residents of Black Diamond.~~

1.34.2 Fulfill City MPD Public Benefit Objectives

A goal of the Master Developer and the City is that construction of The Villages MPD, consistent with the MPD Approval and this Agreement, will fulfill the public benefit objectives outlined in BDMC 18.98.020.

1.34.3 Create Employment Opportunities

A goal of the Master Developer and City is to provide Commercial, Retail, Office, and Light Industrial opportunities that are well integrated into The Villages MPD, that promote the creation of jobs and commerce, that are flexible to market conditions and that provide the opportunity for the newly created households and residents to have a place to work and shop. The Master Developer will also provide Mixed-Use opportunities to create meaningful village centers that support local business activity and employment opportunities.

1.34.4 ~~Create-Implement~~ a Mix of Land Uses

A goal of the Master Developer and City is to develop a mix of uses within The Villages MPD that complements the range of existing and planned uses within the City; respects the

character of adjacent neighborhoods by utilizing the Master Planned DevelopmentMPD Framework Design Standards and Guidelines as adopted in BDMC 18.74; and utilizes existing availability and planned capacity of urban services, access opportunities, and infrastructure systems located in proximity to the Project Site.

1.34.5 Implement the Black Diamond Urban Growth Area Agreement

A goal of the Master Developer and the City is that The Villages MPD will implement the BDUGAA by completing the elements outlined in the West Pre-Annexation Development Agreement between Plum Creek Land Company and the City of Black Diamond dated December 8, 2005, and the South Pre-Annexation and Development Agreement between BD Village Partners LP and the City of Black Diamond dated August 20, 2009, and conveying and preserving the open space contemplated with the annexations, in addition to other identified open spaces necessary to fulfill the requirements outlined in the BDUGAA. The relationship of this Agreement to prior agreements is established in Section 3.

1.34.6 Protect the Environment

A goal of the Master Developer and City is to create a MPD community that seeks to protect the naturally constrained areas of the Project Site and surrounding area, including streams, wetlands, and surface and groundwater resources, through master planning concepts and, to the extent feasible, through Low Impact Development technologies.

1.34.7 Create a Fiscally Sound, Economically Viable Community

A goal of the Master Developer and City is to create an economically-viable MPD community that provides Office, Retail, Light Industrial, and other Commercial uses; preserves Open Spaces and integrates Open Space corridors; provides recreational opportunities, necessary public facilities, and a wide range of residential opportunities. The Master Developer and City seek to ensure that these elements of The Villages MPD are fiscally sound and sufficient so they can aid in minimizing necessary up-front infrastructure cost and upgrades, and will work collaboratively to evaluategenerate an adequate financial return to justify the risk and cost of local and regional improvements to transportation, water, sewer, and stormwater facilities. Opportunities to create positive fiscal performance that are mutually beneficial to the City and Master Developer are to be pursued.

1.34.8 Provide a Range of Housing Types and Lifestyle Opportunities

A goal of the Master Developer and City is to provide within The Villages MPD a range of residential and lifestyle opportunities at urban densities within the City that adequately responds to dynamic market factors over time, is accessible to all economic segments of the population, and contributes to the City targets for accommodating growth under the GMA.

1.34.9 Built-In Flexibility

A goal of the Master Developer and City is to create a community with the flexibility to quickly respond and adapt to new and/or innovative technology, construction methods and materials, ~~land uses,~~ housing types and businesses. Recognizing that the future may include advances in these areas that do not currently exist and that may prove to be fiscally or environmentally beneficial to the Master Developer and City, the City ~~shall~~may allow flexibility in the use of new and/or innovative technologies, construction methods and materials, land uses, housing types and businesses that meet or exceed City' MPD Design Standards and Guidelines throughout The Villages MPD.

1.34.10 Sustainability

A goal of the Master Developer and the City is to integrate Low Impact Development techniques within The Villages MPD in order to create a community that is more livable, walkable, and sustainable for current and future residents. Potential techniques include, but are not limited to, Low Impact Development, recycling, clustered development, pedestrian-oriented development, reduced roadway widths, pervious materials, rain gardens, energy efficient appliances, drought tolerant native landscaping, construction waste recycling, opportunities for electric vehicle charging, utilizing solar energy, green roofs, pea patches, and water conservation.

1.34.11 Make Development Decisions Predictable, Fair and Cost- Effective

A goal of the Master Developer and the City is to provide certainty, predictability and a streamlined process for the review and approval of Implementing Projects that are consistent with and implement this Agreement.