



# City Council Regular Meeting Agenda

This City Council meeting will be held in person at the Council Chambers on the 5th floor of City Hall, 333 S. Meridian.

The meeting can be viewed online via the city website (<http://cityofpuyallup.org/meetings>) on YouTube (<https://bit.ly/45iUPQM>) and on Zoom (<https://puyallupwa-gov.zoom.us/j/88016534747?pwd=hmAM4OVcpdSlGsaPJUpG69fUQPNN1Q.1>). To listen by phone, call 253-215-8782 and enter webinar ID 880 1653 4747 and passcode 306566.

Public comments can be submitted in writing at [info@puyallupwa.gov](mailto:info@puyallupwa.gov) until 5:30 p.m. and be distributed to the City Council prior to the meeting, or in-person. No public comments will be accepted via Zoom.

Tuesday, January 28, 2025  
6:30 PM

## PLEDGE OF ALLEGIANCE

## ROLL CALL

### 1. APPROVAL OF AGENDA

### 2. CONSIDERATION OF MINUTES

- 2.a **Pg. 4** - Approval of the January 7, 2025 minutes  
[January 7, 2025 Minutes](#)

### 3. PRESENTATIONS AND PROCLAMATIONS

- 3.a Presentation from American Legion Post 67

## CITIZEN COMMENTS

### 4. CONSENT AGENDA

- 4.a **Pg. 9** - Contract with AA Asphaltting for the Unit Price Bid - Streets project
- 4.b **Pg. 10** - Approve accounts payable, payroll, and electronic fund transfers from November 2024  
[Voucher](#)
- 4.c **Pg. 12** - Washington State Traffic Safety Commission grant  
[Interagency Agreement](#)
- 4.d **Pg. 36** - Department of Homeland Security grant to address cyber security risks and threats to city-owned information systems
- 4.e **Pg. 37** - Deer Creek Imminent Danger Declaration  
[Imminent Danger Declaration](#)  
[Beaver Dam Exhibit](#)

## Deer Creek Beaver Dam Staging Exhibit

- 4.f **Pg. 41** - Contracts with Parametrix, Inc., and David Evans and Associates, Inc., for the 2025-2026 On Call Survey Services project  
[Parametrix Scope and Fee](#)  
[David, Evans, and Associates, Inc., Scope and Fee](#)
- 4.g **Pg. 46** - Purchase of large industrial air conditioning unit and generator for emergency management purposes
- 4.h **Pg. 47** - Amendment to contract with Michael Bejarano, Attorney at Law, regarding services for indigent defense
- 4.i **Pg. 48** - Metro Animal Shelter Mitigation and Repairs

## 5. PUBLIC HEARINGS

- 5.a **Pg. 49** - Downtown Economic Development – Development Agreement and Purchase and Sale Agreement regarding a Mixed-Use Project on City-owned Property Known as Cornforth Campbell Property  
[Resolution](#)  
[Development Agreement](#)  
[Purchase and Sale Agreement](#)
- 5.b **Pg. 122** - Puyallup 2044 - Comprehensive Plan Periodic Update
  - A) [Staff Report](#)
  - B) [Citywide Future Land Use Map](#)
  - C) [Future Land Use Map Series](#)
  - D) [Planning Commission Amendments](#)
  - E) [December 11, 2024 Draft PC Minutes](#)
  - F) [December 18, 2024 Draft PC Minutes](#)
  - G) [Agency Comments](#)

## 6. ORDINANCES

- 6.a **Pg. 184** - Second reading of an ordinance amending the Puyallup Municipal Code pertaining to sewer usage charges  
[Ordinance](#)

## 7. RESOLUTIONS

- 7.a **Pg. 189** - Resolution approving the Federal Better Utilizing Investments to Leverage Development Grant Program application  
[Resolution](#)

## CITY MANAGER'S REPORT

## COUNCIL REPORTS

## MAYOR'S REPORT

## EXECUTIVE SESSION

## **ADJOURNMENT**

**The City of Puyallup does not discriminate on the basis of disability in any of its programs, activities, or services. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City of Puyallup should contact the City Clerk's Office (253-841-4321, [info@puyallupwa.gov](mailto:info@puyallupwa.gov)) as soon as possible but no later than 48 hours before the event.**

**City of Puyallup  
Regular City Council Meeting  
January 7, 2024**

**COUNCILMEMBERS PRESENT:** Mayor Kastama, Deputy Mayor King, Councilmember Adler, Councilmember Door, Councilmember Gilliam, Councilmember Johnson, and Councilmember Witting

**APPROVAL OF THE AGENDA**

**Council Action:** A motion was made by Deputy Mayor King, and seconded by Councilmember Gilliam, to approve the agenda. The motion passed 7-0.

**CONSIDERATION OF MINUTES**

**Council Action:** A motion was made by Deputy Mayor King, and seconded by Councilmember Door, to approve the November 26, 2024 minutes. The motion passed 7-0.

A motion was made by Deputy Mayor King, and seconded by Councilmember Door, to approve the December 10, 2024 minutes. The motion passed 7-0.

**PRESENTATIONS AND PROCLAMATIONS**

**Dr. Martin Luther King Jr. Day Proclamation**

Mayor Kastama read a proclamation declaring January 20, 2025, as Dr. Martin Luther King Jr. Day in Puyallup. The proclamation highlighted Dr. King's dedication to advancing equality, social justice, and opportunity for all and his impact on pivotal U.S. federal laws. Mayor Kastama thanked Council for their unanimous support in bringing forward the proclamation.

**CITIZEN COMMENTS**

John Hopkins commented on the Cornforth Campbell redevelopment plan. He expressed support for the plan but raised concerns about parking. Mr. Hopkins urged the council to consider the potential parking pressure on surrounding streets and businesses and suggested consulting with adjacent business owners who would be most impacted by the development.

Colleen Wise addressed traffic safety concerns around Fruitland Avenue during school pick-up and drop-off times. She described the dangerous situation where parents block lanes of traffic, forcing other drivers to make unsafe maneuvers. Ms. Wise suggested potential solutions, including designating no-stopping zones between school driveways, and encouraging parents to queue in areas with shoulders.

Doc Hansen commented on the comprehensive plan update, emphasizing the importance of allowing adequate time for citizen input on the plan, given its long-term impact. Mr. Hansen praised the planners' work but stated his intention to attend every meeting until the plan is

adopted to bring up sections he believes need to be addressed. Mr. Hansen urged the Council to consider that the plan will guide decisions for the next 20 years, not just the immediate future.

Paul Rometsch expressed support for the Cornforth Campbell site plans. Mr. Rometsch discussed the balance between parking and other land uses, noting that parking comes at a cost in terms of lost space for housing, businesses, and green areas. Mr. Rometsch suggested that smaller developments throughout the city could help disperse the impact. Mr. Rometsch thanked Council for their work on the project and expressed hope for similar projects in the future.

### **CONSENT AGENDA**

**Accept the 12th Street SW and W Pioneer Signal Replacement project with Global Contractors, LLC as complete**

**House demolition and rough grading of former Minnich House at 1701 13th Street SE**

**Council Action:** A motion was made by Councilmember Adler, and seconded by Councilmember Gilliam, to approve the consent agenda. The motion passed 7-0.

### **PUBLIC HEARINGS**

**Public Hearing on the 2025-2030 Six-Year Transportation Improvement Plan and Resolution to approve the Transportation Improvement Plan**

City Engineer (CE) Hans Hunger shared details about the 2025-2030 Six-Year Transportation Improvement Plan. This plan, updated yearly as state law requires, focuses mainly on road projects and their development. CE Hunger explained that this update helps keep a prioritized list of road projects for improvements and maintenance.

The plan focuses on several project types: non-motorized improvements, intersection upgrades, and corridor enhancements. It aligns with the City's broader goals. CE Hunger noted that some projects might be ambitious due to limited funding but stressed the importance of securing grants to support local resources.

He mentioned that understanding each project's background helps prioritize them effectively. CE Hunger also invited the Council to suggest ways to make the transportation improvement plan more precise and functional.

At 6:59 pm, Mayor Kastama opened the public hearing for citizen comments.

John Hopkins raised concerns regarding the timeline for the completion of the Riverwalk project, questioning its 2030 schedule. Mr. Hopkins suggested that, given the current progress in the design phase and anticipated future funding efforts, the project could likely be completed earlier.

Paul Rometsch voiced his reservations about allocating funds for non-motorized projects within the plan. Mr. Rometsch pointed out the lack of funding for these projects in 2026. He questioned

prioritizing major road projects like the Shaw Road expansion over smaller-scale non-motorized improvements. These comments underline an ongoing debate on the balance between significant infrastructure investments and enhancements geared toward pedestrian and cycling paths, which are crucial for fostering a sustainable urban environment.

At 7:06 pm, Mayor Kastama closed the public hearing for citizen comments.

When asked by Council, CE Hunger clarified that the timeline for the Riverwalk project could speed up if grant funding is obtained. He also explained how road projects like the Shaw Road expansion include important non-motorized features like shared-use pathways. CE Hunger recognized the need to show how these road projects help develop non-motorized infrastructure, which Council valued. Council highlighted the importance of clearly communicating the combined benefits of road spending, which could help align funding with community needs. They suggested promoting the non-motorized aspects within larger road projects to improve public understanding and support.

**Council Action:** A motion was made by Councilmember Gilliam, and seconded by Deputy Mayor King, to approve the resolution. The motion passed 7-0.

## **ORDINANCES**

### **First reading of an ordinance amending the Puyallup Municipal Code pertaining to sewer usage charges**

Finance Director (FD) Barbara Lopez introduced a proposed ordinance to amend the Puyallup Municipal Code concerning sewer usage charges. This amendment seeks to adjust the dates used for calculating winter averaging of water consumption, which is a factor in determining sewer charges during high usage periods. The proposed change is intended to provide residents with increased flexibility for engaging in activities such as pressure washing earlier in the year without facing increased sewer charges. Council showed support for this amendment, with several Councilmembers highlighting the benefit it would offer to residents by potentially reducing their water and sewer bills. Council emphasized the significance of providing relief to residents through such policies and reiterated the positive impact on mitigating inflated sewer costs for the citizens.

**Council Action:** A motion was made by Councilmember Johnson, and seconded by Deputy Mayor King, to approve the first reading of the ordinance. The motion passed 7-0.

## **RESOLUTIONS**

### **Development and Permitting Services Update and Resolution to address permit timelines in response to Senate Bill 5290**

Development and Permitting Services Director (DPSD) Meredith Neal, along with Performance Management Analyst (PMA) Tulika Makharia and Planning Manager (PM) Katie Baker, provided a comprehensive update on Development and Permitting Services operations and efforts to enhance customer satisfaction. DPSD Neal began by outlining the various divisions within the

department, emphasizing their core principle of delivering exceptional customer experiences. She shared detailed data regarding the permit processing activities for 2024, highlighting the number of permits issued, the valuation of projects, and the fees collected during that period.

PMA Makharia then introduced the department's new approach to customer experience surveys, explaining the transition to a touchpoint survey method. This change enables more frequent feedback at different stages of the permitting process. She presented evidence of customer satisfaction, focusing on key aspects such as the timeliness of permit reviews, the overall experience, and the likelihood of customers recommending the department's services.

PM Baker elaborated on how the department addresses Senate Bill 5290, which aims to expedite permit timelines and improve local project reviews. She outlined a resolution proposing three significant measures: establishing on-call permitting assistance for each division, making pre-application meetings optional instead of mandatory, and initiating a formal meeting with applicants after two review rounds if issues persist.

Council provided feedback on various aspects of the update. They inquired about the current ratio of multifamily permits to single-family permits and discussed ways the City could incentivize fee-simple ownership construction to promote homeownership. Additionally, Council highlighted the need to revise existing codes to allow for greater administrative flexibility, thereby enhancing efficiency within the permitting process. They also advocated segmenting customer satisfaction data by permit type to assess service quality across different permitting categories better.

**Council Action:** A motion was made by Councilmember Gilliam, and seconded by Councilmember Adler, to approve the resolution. The motion passed 7-0.

### **CITY MANAGER'S REPORT**

City Manager (CM) Steve Kerkelie reminded the Council about two forthcoming meetings. The first is the annual legislative meeting with the 25th delegation, which will take place on January 8th at 7:45 AM in the Council Chambers. The second is a study session scheduled for January 14th, providing a preview of the comprehensive plan public hearing that is set for January 28th.

### **COUNCIL REPORTS**

City Manager (CM) Steve Kerkelie reminded the Council about two forthcoming meetings. The first is the annual legislative meeting with the 25th delegation, which will occur on January 8th at 7:45 AM in the Council Chambers. The second is a study session scheduled for January 14th, previewing the comprehensive plan public hearing set for January 28th.

Councilmember Gilliam commended City Staff for their hard work on the project management team and the permitting process. Councilmember Gilliam also praised the Puyallup Police Department for keeping the community safe during the holiday season.

Councilmember Adler echoed concerns regarding traffic issues at Fruitland Elementary and other schools in the City. Councilmember Adler requested a future report on traffic mitigation

strategies for schools. Councilmember Adler lastly expressed interest in receiving an update on downtown parking regulations and stall management.

Councilmember Door provided an update on the merger of Central Pierce, East Valley, and Graham fire departments. Councilmember Door informed Council that the Pulse Point app has been updated to reflect the merger and that a vote on the merger will occur in April.

Deputy Mayor King expressed support for addressing the Fruitland Elementary traffic situation and suggested exploring the use of school resource officers to help direct traffic. Deputy Mayor King looked forward to the second reading of the water and sewer billing rates ordinance and commended the Puyallup Police Department for their holiday home check program.

### **MAYOR'S REPORT**

Mayor Kastama thanked the Council for their service and emphasized the importance of making decisions that will affect the City for decades. Mayor Kastama reflected on the City's history and the responsibility of current leaders to carry on the work of previous generations. Mayor Kastama lastly expressed appreciation for the community's participation and looked forward to the work ahead in 2025.

**ADJOURNMENT**- 8:33pm

DRAFT



## City Council Agenda Item Report

Submitted by: Michelle Gehring  
Submitting Department: Engineering  
Meeting Date: January 28, 2025

### **Subject:**

**Pg. 9 - Contract with AA Asphaltting for the Unit Price Bid - Streets project**

### **Presenter:**

Hans Hunger, P.E. City Engineer

### **Recommendation:**

Authorize the City Manager to execute a contract in the amount of \$1,261,040 to AA Asphaltting, for the Unit Price Bid - Streets project, in a form as approved by the City Attorney.

### **Background:**

The Engineering and Public Works departments have established a process for on-call work in the streets division. Unit price bids are helpful for various small- to medium-sized projects not associated with larger capital improvement projects. These smaller work items include asphalt patching, pothole patching, small grind and overlays, curb and gutter replacement, and minor sidewalk replacements.

The "unit price bid" method of contracting for street maintenance services is specifically authorized and regulated by the State. Using this method, the contractor agrees to perform an undefined quantity of on-call tasks with all work done at previously determined pricing. The city will pay only for work needed, which may include emergency construction.

The contract with AA Asphaltting will allow for efficiencies in engineering, public works, and other departments' street needs.

On January 14, 2025, the city held an online bid opening for the Unit Price Bid - Streets project. Three bids were received, with AA Asphaltting being the lowest responsible bidder.

### **City Strategic Plan Goal Category:**

Safe Community

### **Fiscal Impacts:**

The total base bid for this contract is \$1,146,400. The city is asking to include a 10% contingency of \$114,640. This is for a total award of \$1,261,040. Funds for this project will be paid from individual budgets that utilize the use of the unit price bids.



## City Council Agenda Item Report

Submitted by: Dan Vessels  
Submitting Department: Finance  
Meeting Date: January 28, 2025

**Subject:**

**Pg. 10** - Approve accounts payable, payroll, and electronic fund transfers from November 2024

**Presenter:**

Barbara Lopez, Finance Director

**Recommendation:**

Approve accounts payable, payroll, and electronic fund transfers of \$9,907,683.38; ratify and confirm payments as previously authorized by the finance director.

**City Strategic Plan Goal Category:**

Organizational Excellence

**ATTACHMENT(S)**

[Voucher](#)



*I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Puyallup, and that I am authorized to authenticate and certify to said claim.*

Accounts Payable warrant numbers:	AP 6955	through	AP 7251	\$	1,316,033.93
Accounts Payable (ACH) warrant numbers:	EF 703382	through	EF 703585	\$	2,202,358.25
Payroll warrant numbers:	PY 84	through	PY 89	\$	5,086.67
Payroll warrant numbers	PY 94	through	PY 99	\$	705.35
Payroll (direct deposit) numbers:	EF 104024	through	EF 104395	\$	1,058,249.75
Payroll (direct deposit) numbers:	EF 104409	through	EF 104778	\$	1,051,891.62
Electronic payments / Wire transfers dates:	11/1/2024	through	11/30/2024	\$	2,189,260.85
				<b>Total All Funds</b>	<b>\$ 7,823,586.42</b>

Barbara Lopez      1/6/2025  
Barbara Lopez      Date  
Finance Director  
City of Puyallup



## City Council Agenda Item Report

Submitted by: Nichole McNiven  
Submitting Department: Police Department  
Meeting Date: January 28, 2025

**Subject:**

**Pg. 12** - Washington State Traffic Safety Commission grant

**Presenter:**

Scott Engle, Chief of Police

**Recommendation:**

Authorize the Chief of Police to sign an Interagency Agreement, in a form as approved by the City Attorney, with the Washington State Traffic Safety Commission (WSTSC) for a Law Enforcement Liaison (LEL) grant up to \$10,000 for designated traffic safety projects and amend the budget as necessary.

**Background:**

The traffic sergeant of the Puyallup Police Department has served as the Law Enforcement Liaison (LEL) for Pierce County, Washington, since 2019. In this position, he has collaborated closely with the Washington Traffic Safety Commission (WTSC) to promote traffic safety initiatives, reduce traffic-related injuries and fatalities, and enhance cooperation between local law enforcement agencies and statewide traffic safety programs.

The WTSC's LEL Program improves traffic safety enforcement and encourages safe driving behaviors. LELs play a vital role in supporting law enforcement agencies by offering resources, training, and guidance to address traffic safety issues effectively. The program focuses on several key areas: support for enforcement campaigns, training and resources, and agency engagement.

The contributions of the LEL role have been significant in advancing traffic safety in Pierce County. Through a proactive approach to coordinating campaigns, providing training, facilitating agency engagement, and advocating for systemic change, the LEL has been instrumental in improving road safety outcomes. These accomplishments highlight the importance of the WTSC's LEL Program.

**City Strategic Plan Goal Category:**

Safe Community

**ATTACHMENT(S)**

[Interagency Agreement](#)



## **INTERAGENCY AGREEMENT**

**BETWEEN THE**

**Washington Traffic Safety Commission**

**AND**

**Puyallup Police Department**

**2025-Sub-grants-5491-Region 5 Law Enforcement Liaison**

THIS AGREEMENT is made and entered into by and between the Washington Traffic Safety Commission, hereinafter referred to as “WTSC,” and Puyallup Police Department, hereinafter referred to as “SUB-RECIPIENT.”

NOW THEREFORE, in consideration of the authority provided to WTSC in RCW 43.59 and RCW 39.34, terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties mutually agree as follows:

### **1. PURPOSE OF THE AGREEMENT:**

The purpose of this Agreement is to provide funding, provided by the United States Department of Transportation (USDOT) National Highway Traffic Safety Administration (NHTSA) and allowed under the Assistance Listing #20.600, for traffic safety grant project 2025-Sub-grants-5491-Region 5 Law Enforcement Liaison.

### **2. PERIOD OF PERFORMANCE**

The period of performance of this Agreement shall commence upon the date of execution by both parties or January 03, 2025, whichever is later, and remain in effect until September 30, 2025, unless terminated sooner, as provided herein.

### **3. STATEMENT OF WORK**

The SUB-RECIPIENT shall carry out the provisions of the traffic safety project described here as the Statement of Work (SOW). If the SUB-RECIPIENT is unable to fulfill the SOW in any manner on this project, the SUB-RECIPIENT must contact the WTSC program manager immediately and discuss a potential amendment. All Federal and State regulations will apply.

#### **3.1 SCOPE OF WORK**

##### **3.1.1 Problem ID and/or Opportunity**

The Law Enforcement Liaison (LEL) program provides an opportunity for the WTSC to work with local law enforcement agencies to develop and implement statewide initiatives focusing on traffic safety education and culture change at the local level. The frequency of contact with local law enforcement is important to help facilitate their cooperation in achieving the Washington State Traffic Safety Commission's (WTSC) mission of building partnerships to save lives and prevent injuries on our roadways for the health, safety, and benefit of our communities. The LEL program provides the conduit to make those connections while helping the WTSC and local coordinators implement agency strategies.

##### **3.1.2 Project Purpose and Strategies**

The purpose of this project is to increase law enforcement participation in traffic safety enforcement and to serve as a resource for local law enforcement agencies for other WTSC supported programming.

This project supports the effectiveness of many other WTSC-funded projects, particularly those that involve law enforcement activity.

#### **3.2 PROJECT GOALS**

- 1) Grow participation in regional traffic safety activities, with a goal of 75% of law enforcement agencies in the region participating in HVE events in the fiscal year.
- 2) Provide leadership in the development of professional development for traffic safety minded officers, with the long term goal of increasing the number of law enforcement agency leaders/admin who believe that traffic safety is a priority.
- 3) Provide guidance/feedback on law enforcement topics to the regional Target Zero Manager and traffic safety coalition (if applicable).

3.2.1 The objectives, measures and timelines listed in Appendix A will be reviewed at least annually by the designated contacts of the SUB-RECIPIENT and WTSC, and may be updated pursuant to clause 6 of this AGREEMENT. For the purposes of this section only, the parties' DESIGNATED CONTACTS, as listed in clause 42, are authorized to execute these amendments to Appendix A.

### 3.3. COMPENSATION

3.3.1 The cost of accomplishing the work described in the SOW will not exceed \$10,000.00, for the entire period of performance, as allocated to each year of this agreement in Section 3.4 PROJECT COSTS. Unspent contract funds from each year do NOT carry over into subsequent years and each year's budget is independent of the others.

3.3.2 Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount in a written Amendment to this Agreement executed by both parties.

3.3.3 After the first year, continuation is subject to funding availability, agreement on future objectives and measures, and satisfactory progress toward completion of agreed upon goals (as determined by WTSC), as set forth in the SOW.

3.3.4 If the SUB-RECIPIENT intends to charge indirect costs, an Indirect Cost Rate must be established in accordance with WTSC policies, and an approved cost allocation plan may be required to be submitted to the WTSC before any performance is conducted under this Agreement. Indirect cost rates are subject to change based on updated Indirect Rate Letters from a cognizant federal agency or approved cost allocation plans. If the indirect rate increases, the budget will be modified by deducting the amount of the indirect rate increase from other budget categories so that the total budget does not increase. The total budget may not increase without an amendment to this agreement executed by both parties.

3.3.5 WTSC will only reimburse the SUB-RECIPIENT for travel related expenses for travel defined in the scope of work and budget or for which approval was expressly granted. The SUB-RECIPIENT must submit a travel authorization form (A-40) to request approval for any travel not defined in the SOW and for all travel outside of the continental United States.

3.3.6 WTSC will reimburse travel related expenses consistent with the written travel policies of the SUB-RECIPIENT. If no written policy exists, state travel rates and policies (SAAM Chapter 10) apply. If WTSC makes travel arrangements on behalf of the SUB-RECIPIENT, state travel policies must also be followed. Washington State Administrative & Accounting Manual (SAAM) Chapter 10 can be obtained at this website: <https://www.ofm.wa.gov/sites/default/files/public/legacy/policy/10.htm>. If for any reason, this information is not available at this website, contact the WTSC office at 360-725-9860 to obtain a copy. If following state travel policies, the SUB-RECIPIENT must provide appropriate documentation (receipts) to support reimbursement requests, including the A-40 Travel Authorization form if required.

3.3.7. Any equipment that will be purchased under this agreement with a purchase price over \$10,000 must be pre-approved by NHTSA prior to purchase. Pre-approval must also be gained if funding from this agreement is used to purchase a portion of an item with a purchase price of \$10,000 or higher. Approval

for these purchases will be facilitated by WTSC. WTSC will notify the SUB-RECIPIENT when approval has been gained or denied. Failure to receive pre-approval will preclude reimbursement. Any equipment purchased with NHTSA funds must be used exclusively for traffic safety purposes or the cost must be pro-rated. If required under the Buy America Act, SUB-RECIPIENT will provide WTSC with purchase price, quote, manufacturer, description of its use in the project, and documentation showing that it is made in America.

3.3.8. All equipment must be inventoried by the SUB-RECIPIENT. The SUB-RECIPIENT agrees to maintain the equipment, continue to use it for project purposes, and report on its status to WTSC each year when requested.

3.3.9. Equipment is defined as any asset with a useful life greater than one year AND a unit cost of \$10,000 or greater, and small and attractive assets. Small and attractive assets are the following if they a unit cost of \$300 or more:

- Laptops and Notebook Computers
- Tablets and Smart phones

Small and attractive assets also include the following if they have a unit cost of \$1000 or more:

- Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
- Cameras and Photographic Projection Equipment
- Desktop Computers (PCs)
- Television Sets, DVD Players, Blu-ray Players and Video Cameras (home type)

### 3.4 PROJECT COSTS

The costs for the work under the SOW to be provided by the SUB-RECIPIENT are as follows:

**Year 1:** \$10,000.00

APPLICABLE STATE AND FEDERAL TERMS AND CONDITIONS:

### 4. ACTIVITY REPORTS

The SUB-RECIPIENT will submit progress reports on the activity of this project in the form provided by

the WTSC using the WTSC Enterprise Management System (WEMS) Progress Reporting process or other alternate means pre-approved by WTSC. The SUB-RECIPIENT will include copies of publications, training reports, advertising, social media posts, meeting agendas, and any statistical data generated in project execution in the reports. The final report will be submitted to WTSC within 30 days of termination of this Agreement. WTSC reserves the right to delay the processing of invoices until activity reports are received and approved.

#### **5. ADVANCE PAYMENTS PROHIBITED**

No payments in advance of or in anticipation of goods or services to be provided under this Agreement shall be made by the WTSC.

#### **6. AGREEMENT ALTERATIONS AND AMENDMENTS**

This Agreement may be amended by mutual agreement of the parties in the form of a written Amendment to this Agreement. Such amendments shall only be binding if they are in writing and signed by personnel authorized to bind each of the parties.

#### **7. ALL WRITINGS CONTAINED HEREIN**

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

#### **8. SUBCONTRACTING REQUIREMENTS**

The SUB-RECIPIENT may not assign the work to be provided under this Agreement, in whole or in part, without the express prior written consent of the WTSC, which consent shall not be unreasonably withheld. The SUB-RECIPIENT shall provide the WTSC a copy of all third-party contracts and agreements entered into for purposes of fulfilling the SOW. Such third-party contracts and agreements must follow applicable federal, state, and local law, including but not limited to procurement law, rules, and procedures. If any of the funds provided under this Agreement include funds from NHTSA, such third-party contracts and agreements must include the federal provisions set forth in this Agreement in sections 33 through 42.

#### **9. ATTORNEYS' FEES**

In the event of litigation or other action brought to enforce the Agreement terms, each party agrees to bear its own attorney fees and costs.

#### **10. BILLING PROCEDURE**

The SUB-RECIPIENT shall submit monthly invoices for reimbursement to WTSC with supporting documentation as WTSC shall require. All invoices for reimbursement shall be submitted through the WEMS invoicing process, or via alternate method if approved by WTSC. Payment to the SUB-RECIPIENT for approved and completed work will be made by warrant or account transfer by WTSC

within 30 days of receipt of such properly documented invoices acceptable to WTSC. Upon expiration of the Agreement, any claim for payment not already made shall be submitted within 45 days after the expiration date of this Agreement. All invoices for goods received or services performed on or prior to June 30, must be received by WTSC no later than August 10 of the same calendar year. All invoices for goods received or services performed between July 1 and September 30, must be received by WTSC no later than November 15 of the same calendar year. WTSC reserves the right to delay the processing of invoices until activity reports required by Section 4 of this agreement, are received and approved.

#### **11. CONFIDENTIALITY / SAFEGUARDING OF INFORMATION**

The SUB-RECIPIENT shall not use or disclose any information concerning the WTSC, or information which may be classified as confidential, for any purpose not directly connected with the administration of this Agreement, except with prior written consent of the WTSC, or as may be required by law.

#### **12. COST PRINCIPLES**

Costs incurred under this Agreement shall adhere to provisions of 2 CFR Part 200 Subpart E.

#### **13. COVENANT AGAINST CONTINGENT FEES**

The SUB-RECIPIENT warrants that it has not paid, and agrees not to pay, any bonus, commission, brokerage, or contingent fee to solicit or secure this Agreement or to obtain approval of any application for federal financial assistance for this Agreement. The WTSC shall have the right, in the event of breach of this section by the SUB-RECIPIENT, to annul this Agreement without liability.

#### **14. DISPUTES**

14.1. Disputes arising in the performance of this Agreement, which are not resolved by agreement of the parties, shall be decided in writing by the WTSC Deputy Director or designee. This decision shall be final and conclusive, unless within 10 days from the date of the SUB-RECIPIENT's receipt of WTSC's written decision, the SUB-RECIPIENT furnishes a written appeal to the WTSC Director. The SUB-RECIPIENT's appeal shall be decided in writing by the Director or designee within 30 days of receipt of the appeal by the Director. The decision shall be binding upon the SUB-RECIPIENT and the SUB-RECIPIENT shall abide by the decision.

14.2. Performance During Dispute. Unless otherwise directed by WTSC, the SUB-RECIPIENT shall continue performance under this Agreement while matters in dispute are being resolved.

14.3 In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties hereto agree that any such action or proceedings shall be brought in the superior court situated in Thurston County, Washington.

#### **15. GOVERNANCE**

15.1. This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

15.2. In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

15.2.1. Applicable federal and state statutes and rules

15.2.2. Terms and Conditions of this Agreement

15.2.3. Any Amendment executed under this Agreement

15.2.4. Any SOW executed under this Agreement

15.2.5. Any other provisions of the Agreement, including materials incorporated by reference

## **16. INCOME**

Any income earned by the SUB-RECIPIENT from the conduct of the SOW (e.g., sale of publications, registration fees, or service charges) must be accounted for, reported to WTSC, and that income must be applied to project purposes or used to reduce project costs.

## **17. INDEMNIFICATION**

17.1. To the fullest extent permitted by law, the SUB-RECIPIENT shall indemnify and hold harmless the WTSC, its officers, employees, and agents, and process and defend at its own expense any and all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs of whatsoever kind (“claims”) brought against WTSC arising out of or in connection with this Agreement and/or the SUB-RECIPIENT’s performance or failure to perform any aspect of the Agreement. This indemnity provision applies to all claims against WTSC, its officers, employees, and agents arising out of, in connection with, or incident to the acts or omissions of the SUB-RECIPIENT, its officers, employees, agents, contractors, and subcontractors. Provided, however, that nothing herein shall require the SUB-RECIPIENT to indemnify and hold harmless or defend the WTSC, its agents, employees, or officers to the extent that claims are caused by the negligent acts or omissions of the WTSC, its officers, employees or agents; and provided further that if such claims result from the concurrent negligence of (a) the SUB-RECIPIENT, its officers, employees, agents, contractors, or subcontractors, and (b) the WTSC, its officers, employees, or agents, or involves those actions covered by RCW 4.24.115, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the negligence of the SUB-RECIPIENT, its officers, employees, agents, contractors, or subcontractors.

17.2. The SUB-RECIPIENT agrees that its obligations under this Section extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents in the performance of this agreement. For this purpose, the SUB-RECIPIENT, **by mutual negotiation**, hereby waives with respect to WTSC only, any immunity that would otherwise be available to it against such claims under the

Industrial Insurance provisions chapter 51.12 RCW.

17.3. The indemnification and hold harmless provision shall survive termination of this Agreement.

## **18. INDEPENDENT CAPACITY**

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

## **19. INSURANCE COVERAGE**

19.1. The SUB-RECIPIENT shall comply with the provisions of Title 51 RCW, Industrial Insurance, if required by law.

19.2. If the SUB-RECIPIENT is not required to maintain insurance in accordance with Title 51 RCW, prior to the start of any performance of work under this Agreement, the SUB-RECIPIENT shall provide WTSC with proof of insurance coverage (e.g., vehicle liability insurance, private property liability insurance, or commercial property liability insurance), as determined appropriate by WTSC, which protects the SUB-RECIPIENT and WTSC from risks associated with executing the SOW associated with this Agreement.

## **20. LICENSING, ACCREDITATION, AND REGISTRATION**

The SUB-RECIPIENT shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements and standards necessary for the performance of this Agreement. The SUB-RECIPIENT shall complete registration with the Washington State Department of Revenue, if required, and be responsible for payment of all taxes due on payments made under this Agreement.

## **21. RECORDS MAINTENANCE**

21.1. During the term of this Agreement and for six years thereafter, the SUB-RECIPIENT shall maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended in the performance of the services described herein. These records shall be subject to inspection, review, or audit by authorized personnel of the WTSC, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration. The Office of the State Auditor, federal auditors, the WTSC, and any duly authorized representatives shall have full access and the right to examine any of these materials during this period.

21.2. Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving them a reasonable opportunity to respond. Each party will utilize reasonable

security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

## **22. RIGHT OF INSPECTION**

The SUB-RECIPIENT shall provide right of access to its facilities to the WTSC or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Agreement. The SUB-RECIPIENT shall make available information necessary for WTSC to comply with the right to access, amend, and receive an accounting of disclosures of their Personal Information according to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) or any regulations enacted or revised pursuant to the HIPAA provisions and applicable provisions of Washington State law. The SUB-RECIPIENT shall upon request make available to the WTSC and the United States Secretary of the Department of Health and Human Services all internal policies and procedures, books, and records relating to the safeguarding, use, and disclosure of Personal Information obtained or used as a result of this Agreement.

## **23. RIGHTS IN DATA**

23.1. WTSC and SUB-RECIPIENT agree that all data and work products (collectively called "Work Product") pursuant to this Agreement shall be considered works made for hire under the U.S. Copyright Act, 17 USC §101 et seq., and shall be owned by the state of Washington. Work Product includes, but is not limited to, reports, documents, pamphlets, advertisement, books, magazines, surveys, studies, computer programs, films, tapes, sound reproductions, designs, plans, diagrams, drawings, software, and/or databases to the extent provided by law. Ownership includes the right to copyright, register the copyright, distribute, prepare derivative works, publicly perform, publicly display, and the ability to otherwise use and transfer these rights.

23.2. If for any reason the Work Product would not be considered a work made for hire under applicable law, the SUB-RECIPIENT assigns and transfers to WTSC the entire right, title, and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.

23.3. The SUB-RECIPIENT may publish, at its own expense, the results of project activities without prior review by the WTSC, provided that any publications (written, visual, or sound) contain acknowledgment of the support provided by NHTSA and the WTSC. Any discovery or invention derived from work performed under this project shall be referred to the WTSC, who will determine through NHTSA whether patent protections will be sought, how any rights will be administered, and other actions required to protect the public interest.

## **24. SAVINGS**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to completion of the SOW under this Agreement, the WTSC may terminate the Agreement under the "TERMINATION FOR CONVENIENCE" clause, without the 30 day notice requirement. The Agreement is subject to renegotiation at the WTSC's discretion under any new funding limitations or conditions.

## **25. SEVERABILITY**

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

## **26. SITE SECURITY**

While on WTSC premises, or while interacting with WTSC's personnel, the SUB-RECIPIENT, its agents, employees, or sub-contractors shall conform in all respects with all WTSC physical, fire, or other security policies and applicable regulations and not interfere with WTSC's operations.

## **27. TAXES**

All payments of payroll taxes, unemployment contributions, any other taxes, insurance, or other such expenses for the SUB-RECIPIENT or its staff shall be the sole responsibility of the SUB-RECIPIENT.

## **28. TERMINATION FOR CAUSE**

If the SUB-RECIPIENT does not fulfill in a timely and proper manner its obligations under this Agreement or violates any of these terms and conditions, the WTSC will give the SUB-RECIPIENT written notice of such failure or violation, and may terminate this Agreement immediately. At the WTSC's discretion, the SUB-RECIPIENT may be given 15 days to correct the violation or failure. In the event that the SUB-RECIPIENT is given the opportunity to correct the violation and the violation is not corrected within the 15-day period, this Agreement may be terminated at the end of that period by written notice of the WTSC.

## **29. TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Agreement, either party may terminate this Agreement, without cause or reason, with 30 days written notice to the other party. If this Agreement is so terminated, the WTSC shall be liable only for payment required under the terms of this Agreement for services rendered or goods delivered prior to the effective date of termination.

## **30. TREATMENT OF ASSETS**

30.1. Title to all property furnished by the WTSC shall remain property of the WTSC. Title to all property furnished by the SUB-RECIPIENT for the cost of which the SUB-RECIPIENT is entitled to be reimbursed

as a direct item of cost under this Agreement shall pass to and vest in the WTSC upon delivery of such property by the SUB-RECIPIENT. Title to other property, the cost of which is reimbursable to the SUB-RECIPIENT under this Agreement, shall pass to and vest in the WTSC upon (i) issuance for use of such property in the performance of this Agreement, or (ii) commencement of use of such property in the performance of this Agreement, or (iii) reimbursement of the cost thereof by the WTSC in whole or in part, whichever first occurs.

30.2. Any property of the WTSC furnished to the SUB-RECIPIENT shall, unless otherwise provided herein or approved by the WTSC, be used only for the performance of this Agreement.

30.3. The SUB-RECIPIENT shall be responsible for any loss or damage to property of the WTSC which results from the negligence of the SUB-RECIPIENT or which results from the failure on the part of the SUB-RECIPIENT to maintain and administer that property in accordance with sound management practices.

30.4. If any WTSC property is lost, destroyed, or damaged, the SUB-RECIPIENT shall immediately notify the WTSC and shall take all reasonable steps to protect the property from further damage.

30.5. The SUB-RECIPIENT shall surrender to the WTSC all property of the WTSC prior to settlement, upon completion, termination, or cancellation of this Agreement.

30.6. All reference to the SUB-RECIPIENT under this clause shall also include SUB-RECIPIENT's employees, agents, or sub-contractors.

### **31. STATE NONDISCRIMINATION**

31.1 Nondiscrimination Requirement. During the term of this Contract, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.

31.2 Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).

31.3 Default. Notwithstanding any provision to the contrary, WTSC may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until WTSC receives notification that Contractor, including any

subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), WTSC may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. The Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

31.4 Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. WTSC shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe WTSC for default under this provision.

### **32. WAIVER**

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement.

APPLICABLE CERTIFICATIONS AND ASSURANCES FOR HIGHWAY SAFETY GRANTS (23 CFR PART 1300 APPENDIX A):

### **33. BUY AMERICA ACT**

The SUB-RECIPIENT will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using federal funds. Buy America requires the SUB-RECIPIENT to purchase only steel, iron, and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use federal funds to purchase foreign produced items, the WTSC must submit a waiver request that provides an adequate basis and justification, and which is approved by the Secretary of Transportation.

### **34. DEBARMENT AND SUSPENSION**

Instructions for Lower Tier Certification

34.1. By signing this Agreement, the SUB-RECIPIENT (hereinafter in this section referred to as the “lower tier participant”) is providing the certification set out below and agrees to comply with the requirements of

2 CFR part 180 and 23 CFR part 1200.

34.2. The certification in this section is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

34.3. The lower tier participant shall provide immediate written notice to the WTSC if at any time the lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

34.4. The terms covered transaction, civil judgement, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded, as used in this clause, are defined in 2 CFR parts 180 and 1200.

34.5. The lower tier participant agrees by signing this Agreement that it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by WTSC.

34.6. The lower tier participant further agrees by signing this Agreement that it will include the clause titled "Instructions for Lower Tier Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions, and will require lower tier participants to comply with 2 CFR part 180 and 23 CFR part 1200.

34.7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov/>).

34.8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent

person in the ordinary course of business dealings.

34.9. Except for transactions authorized under paragraph 34.5. of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

#### Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

34.10. The lower tier participant certifies, by signing this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

33.11. Where the lower tier participant is unable to certify to any of the statements in this certification, such participant shall attach an explanation to this Agreement.

### **35. THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)**

35.1. The SUB-RECIPIENT shall:

35.1.1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the SUB-RECIPIENT'S workplace, and shall specify the actions that will be taken against employees for violation of such prohibition.

35.1.2. Establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace; the SUB-RECIPIENT's policy of maintaining a drug-free workplace; any available drug counseling, rehabilitation, and employee assistance programs; and the penalties that may be imposed upon employees for drug violations occurring in the workplace.

35.1.3. Make it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph 35.1.1. of this section.

35.1.4. Notify the employee in the statement required by paragraph 35.1.1. of this section that, as a condition of employment under the grant, the employee will abide by the terms of the statement, notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction, and notify the WTSC within 10 days after receiving notice from an employee or otherwise receiving actual notice of such conviction.

35.1.5. Take one of the following actions within 30 days of receiving notice under paragraph 35.1.4. of this section, with respect to any employee who is so convicted: take appropriate personnel action against such an employee, up to and including termination, and/or require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

35.1.6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

### **36. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)**

In accordance with FFATA, the SUB-RECIPIENT shall, upon request, provide WTSC the names and total compensation of the five most highly compensated officers of the entity, if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in federal awards, received \$25,000,000 or more in annual gross revenues from federal awards, and if the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 or section 6104 of the Internal Revenue Code of 1986.

### **37. FEDERAL LOBBYING**

37.1. The undersigned certifies, to the best of his or her knowledge and belief, that:

37.1.1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

37.1.2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

37.1.3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grant, loans, and cooperative agreements), and that all sub-recipients shall certify and disclose accordingly.

37.2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**38. FEDERAL NONDISCRIMINATION (Title VI, 42 U.S.C. § 2000d et seq.)**

38.1. During the performance of this Agreement, the SUB-RECIPIENT agrees:

38.1.1. To comply with all federal statutes and implementing regulations relating to nondiscrimination (“Federal Nondiscrimination Authorities”). These include but are not limited to:

38.1.1.1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252)

38.1.1.2. 49 CFR part 21

38.1.1.3. 28 CFR section 50.3

38.1.1.4. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

38.1.1.5. Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.)

38.1.1.6. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.)

38.1.1.7. The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.)

38.1.1.8. The Civil Rights Restoration Act of 1987

38.1.1.9. Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189)

38.1.1.10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

38.1.1.11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency

38.1.1.12. Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government

38.1.1.13. Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation

38.1.2. Not to participate directly or indirectly in the discrimination prohibited by any federal non-discrimination law or regulation, as set forth in Appendix B of 49 CFR Part 21 and herein.

38.1.3. To keep and permit access to its books, records, accounts, other sources of information, and its facilities as required by the WTSC, USDOT, or NHTSA in a timely, complete, and accurate way. Additionally, the SUB-RECIPIENT must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

38.1.4. That, in the event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding Agreement, the WTSC will have the right to impose such

contract/agreement sanctions as it or NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies, and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part.

38.1.5. In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the SUB-RECIPIENT hereby gives assurance that it will promptly take any measures necessary to ensure that: “No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA”.

38.1.6 To insert this clause, including all paragraphs, in every sub-contract and sub-agreement and in every solicitation for a sub-contract or sub-agreement that receives federal funds under this program.

#### **39. POLITICAL ACTIVITY (HATCH ACT)**

The SUB-RECIPIENT will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

#### **40. PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE**

The SUB-RECIPIENT will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists. This Agreement does not include any aspects or elements of helmet usage or checkpoints, and so fully complies with this requirement.

#### **41. STATE LOBBYING**

None of the funds under this Agreement will be used for any activity specifically designed to urge or influence a state or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any state or local legislative body. Such activities include both direct and indirect (e.g., “grassroots”) lobbying activities, with one exception. This does not preclude a state official whose salary is supported with NHTSA funds from engaging in direct communications with state or local legislative officials, in accordance with customary state practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

#### **42. CERTIFICATION ON CONFLICT OF INTEREST**

##### **General Requirements**

42.1. No employee, officer or agent of the SUB-RECIPIENT who is authorized in an official capacity to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving any

subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward.

42.2. Based on this policy:

42.2.1. The SUB-RECIPIENT shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents. The code or standards shall provide that the SUB-RECIPIENT's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential sub-awardees, including contractors or parties to subcontracts and establish penalties, sanctions or other disciplinary actions for violations, as permitted by State or local law or regulation.

42.2.2. The SUB-RECIPIENT shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

### **Disclosure Requirements**

42.3. No SUB-RECIPIENT, including its officers, employees or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities.

42.3.1. The SUB-RECIPIENT shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to WTSC. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.

42.3.2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.

43.3.3 Conflicts of interest that require disclosure include all past, present or currently planned organizational, financial, contractual or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any SUB-RECIPIENT, affiliate, proposed consultant, proposed subcontractor and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more

than a 20 percent interest in a SUB-RECIPIENT, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

**43. DESIGNATED CONTACTS**

The following named individuals will serve as designated contacts for each of the parties for all communications, notices, and reimbursements regarding this Agreement:

The Contact for the SUB-RECIPIENT is:	The Contact for WTSC is:
David Obermiller davido@puyallupwa.gov 253-841-5415	Jerry Noviello jnoviello@wtsc.wa.gov 360-725-9897 ext.

**44. AUTHORITY TO SIGN**

The undersigned acknowledge that they are authorized to execute this Agreement and bind their respective agencies or entities to the obligations set forth herein.

**IN WITNESS WHEREOF**, the parties have executed this Agreement.

**Puyallup Police Department**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Date

**WASHINGTON TRAFFIC SAFETY COMMISSION**

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Signature

---

Printed Name

---

Title

---

Date

# APPENDIX A

## Project Costs

### Year 1

BUDGET CATEGORY	DESCRIPTION	DIRECT AMOUNT	Indirect Cost Rate	Indirect Amount	Total Budget
Employee salaries and benefits		\$10,000.00	0%	\$0.00	\$10,000.00
Travel		\$0.00	0%	\$0.00	\$0.00
Contract Services		\$0.00	0%	\$0.00	\$0.00
Goods and Services		\$0.00	0%	\$0.00	\$0.00
Equipment		\$0.00	0%	\$0.00	\$0.00
TOTAL		\$10,000.00		\$0.00	\$10,000.00

#### Important Notes:

1. Indirect cost rates are subject to change based on updated Indirect Rate Letters from a cognizant federal agency or approved cost allocation plans. If the indirect rate increases, the budget will be modified by deducting the amount of the indirect rate increase from other budget categories so that the total budget does not increase.
2. The total annual budget may not increase without a written amendment to this agreement executed by both parties.
3. Adjustments between budget categories within the same year can be made upon mutual agreement of the contact for WTSC and the contact for the SUB-RECIPIENT.

## Objectives and Measures

**Goal 1 - Grow participation in regional traffic safety activities, with a goal of 75% of law enforcement agencies in the region participating in HVE events in the fiscal year.**

Objective	Objective Details	Completion Date
Actively participate in your region/county traffic safety task force. Encourage participation in HVE activities from all agencies in the region. Troubleshoot options if an agency is experiencing staffing or political issues that impact their participation in local HVE programming.		09/30/2025
Facilitate the development of performance expectations for HVE participation for your region. Along with the TZM, monitor HVE performance and follow up with officers if their performance doesn't meet the task force's expectations.	The WTSC relies on LELs to ensure that HVE funds are being used in an appropriate and effective manner. Work with your task force to determine appropriate performance expectations and processes for following up when needed.	09/30/2025
Build support for traffic safety by meeting/presenting to department leadership about traffic safety. These can be a great opportunity to gather feedback about their priorities for the region and discuss current/future planned activities.		09/30/2025

Measure	Reporting Frequency	Type	Target
Percent of law enforcement agencies in your region that participate in HVE activities.	Annual	Process	75

**Goal 2 - Provide leadership in the development of professional development for traffic safety minded officers, with the long term goal of increasing the number of law enforcement agency leaders/admin who believe that traffic safety is a priority.**

Objective	Objective Details	Completion Date
<p>Seek out opportunities for professional development for yourself and others in your region that will grow traffic safety leaders in your region.</p>	<p>Some examples of this include the Traffic Safety Champions event, CJTC supervisor training courses, etc.</p> <p>It is critical that LELs have the knowledge and skills to be a trusted leader in traffic safety to their peers in the region. They should seek training opportunities to stay at the cutting edge of the field.</p> <p>Preapproval required to attend training events.</p> <p>For non-WTSC led trainings, LEL will provide an after-training summary that describes how the learned skills and information will be used in the field.</p>	<p>09/30/2025</p>

**Goal 3 - Provide guidance/feedback on law enforcement topics to the regional Target Zero Manager and traffic safety coalition (if applicable).**

Objective	Objective Details	Completion Date
<p>Support the TZM in building relationships with law enforcement departments in your region.</p>		<p>09/30/2025</p>



## City Council Agenda Item Report

Submitted by: Amit Makharia

Submitting Department: Information Technology

Meeting Date: January 28, 2025

### **Subject:**

**Pg. 36** - Department of Homeland Security grant to address cyber security risks and threats to city-owned information systems

### **Presenter:**

Amit Makharia, IT Director

### **Recommendation:**

Authorize the City Manager to accept a grant in the amount of \$136,500 from the Department of Homeland Security (DHS) as part of the State and Local Cyber Security Grant Program (SLCGP), in a form as approved by the City Attorney, and amend the budget as appropriate.

### **Background:**

This DHS grant will address cyber security risks and threats to city-owned information systems. The funds will also be used to develop an incident response policy and plan related to cybersecurity and practice the incident response plans in a controlled environment (also known as Table-Top Exercises).

### **City Strategic Plan Goal Category:**

Safe Community



## City Council Agenda Item Report

Submitted by: Robyn Buck  
Submitting Department: Stormwater Engineering  
Meeting Date: January 28, 2025

**Subject:**

**Pg. 37 - Deer Creek Imminent Danger Declaration**

**Presenter:**

Hans Hunger, City Engineer

**Recommendation:**

Authorize the City Manager to execute a contract with RS Underground, in a form as approved by the City Attorney, waive the competitive bidding per City of Puyallup Purchasing and Contracting Policy 4.12 Emergency, Sole Source, Special Facility or Market Conditions, and amend the budget as appropriate.

**Background:**

The City has been made aware of a beaver dam across Deer Creek located on City of Puyallup property, which has increased the water level by a minimum of three feet, creating a higher potential for flooding on the Shope property. This increased chance of flooding threatens Shope facilities during heavy rain events and the City's storm system, which discharges into that section of Deer Creek. This has created an imminent, dangerous condition with minimal distance between the water level and the surrounding banks. Under RCW 39.04.280, competitive bidding requirements may be waived in an emergency,

RS Underground will be the contractor employed to notch a portion of the dam, removing enough to drop the water elevation, likely up to five feet, and relieving the increased potential for flooding, based on survey data and visual observation.

**City Strategic Plan Goal Category:**

Safe Community

**Fiscal Impacts:**

The base contract amount for time and materials is not to exceed \$30,000. The contracted amount will be allocated from the Stormwater Fund.

**ATTACHMENT(S)**

[Imminent Danger Declaration](#)

[Beaver Dam Exhibit](#)

[Deer Creek Beaver Dam Staging Exhibit](#)



# City of Puyallup

## OFFICE OF THE CITY ENGINEER

Hans Hunger, PE  
253.435.3640

### DECLARATION OF Imminent Danger

#### Deer Creek Beaver Dam Removal Contracting and Environmental Procedures

In 2024 the City was made aware of a beaver dam across Deer creek, located on City parcels 0420271164 and 0420271165, North of East Main near the intersection of 15<sup>th</sup> St SE. The beaver dam has created ponding on the north side of east main and an increased water level of deer creek. This has increased the water level, by a minimum of three feet prior to any rain event, south through the culvert that crosses east main and day-lights within a City easement, south of East Main, on Shope Concrete, LLC (Shope) property (AFN:7845100191). This backwater effect on deer creek adjacent to Shope Concrete has caused a higher potential for flooding onto Shope property. This increased chance of flooding threatens Shope facilities during heavy rain events.

This has created an imminent, dangerous condition where there is minimal freeboard in the creek next to Shope and reduced capacity to convey water from our storm system into the creek. This lack of freeboard in Deer Creek will likely lead to increased flooding of Shope and the City's storm system that discharges into that section of Deer creek.

To address high water elevations that are threatening public and private structures, it is necessary to perform emergency beaver dam removal in Deer Creek by employing a contractor to notch a portion of the dam. This measure would remove enough of the dam to drop the water elevation, likely up to five feet, and relieve the increased potential for flooding, based on survey data and visual observation.

Therefore, in accordance with, RCW 35.23.352, RCW 35A.40.210, RCW 39.04.280, RCW 39.80.060, WAC 197-11-880, PMC 2.31.115, and City of Puyallup Purchasing and Contracting Policy 4.3.1, the undersigned has determined that an emergency exists requiring the waiver of normal procedures related to public works capital projects and procurements as well as State Environmental Policy Act (SEPA) regulations. City staff is authorized to execute contracts for the procurement of materials, equipment, supplies, services, and public works necessary to proceed with all elements of the project located within Deer creek in the City of Puyallup in an expedited time frame due to the emergency.

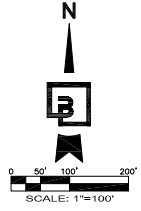
DocuSigned by:  
Steve Kirkelie 1/13/2025  
3E20119FE1004A5  
Steve Kirkelie, City Manager DATE

Approved as to form:

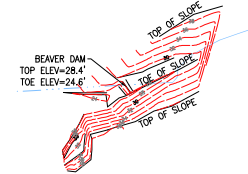
DocuSigned by:  
Joseph N. Beck 1/13/2025  
EFD8A5DC2E6048  
Joseph N. Beck, City Attorney DATE

BEAVER DAM EXHIBIT  
FOR  
**SHOPE CONCRETE**

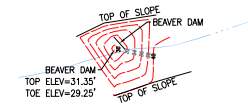
A PORTION OF THE NW 1/4 OF THE SW 1/4 OF SECTION 26, TOWNSHIP 20 N., RANGE 04 E., W.M.  
CITY OF PUYALLUP, PIERCE COUNTY, STATE OF WASHINGTON



FIRE HYDRANT/FIRE LOCATION ACCESS APPROVED



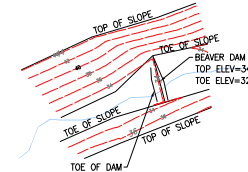
**BEAVER DAM#1**  
1"=30'



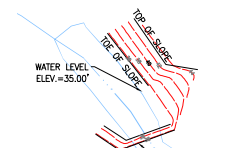
**BEAVER DAM#2**  
1"=30'



**BEAVER DAM#3**  
1"=30'



**BEAVER DAM#4**  
1"=30'



**BEAVER DAM#5**  
1"=30'

Revision  
Title: **BEAVER DAM EXHIBIT**

For: **SHOPE CONCRETE**  
1618 E. MAIN  
PUYALLUP, WA 98372

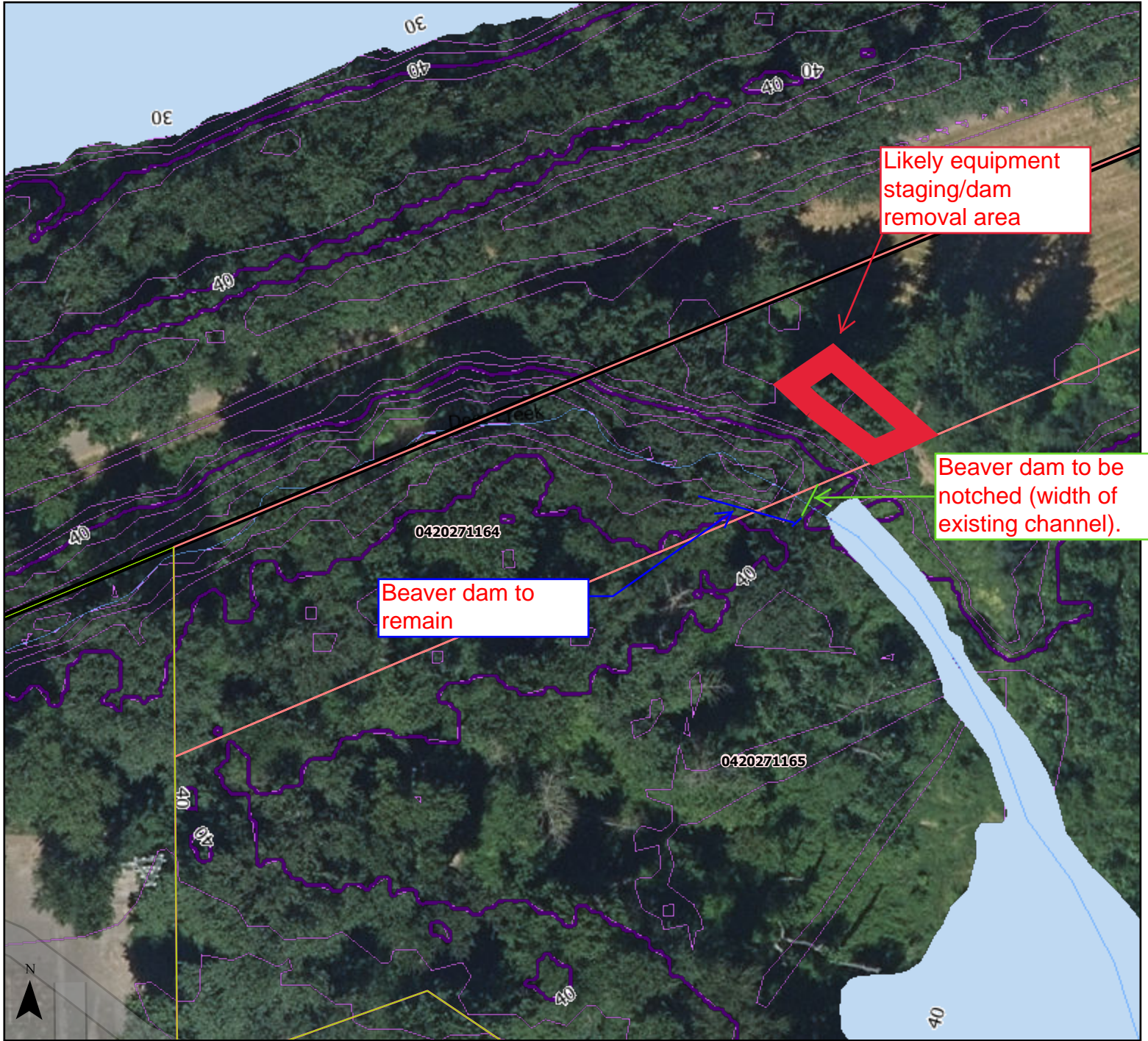


Scale: Horizontal AS SHOWN, Vertical  
Designed: DMJ, Drawn: DMJ, Checked: DMJ, Approved: DMJ, Date: 11/13/2024

**Berghausen Consulting Engineers, Inc.**  
10215 77th Avenue South  
Kent, WA 98032  
425.251.6223 [berghausen.com](http://berghausen.com)

CALL 1-800-424-5555  
BEFORE YOU DIG

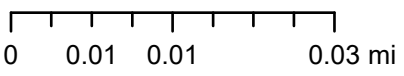
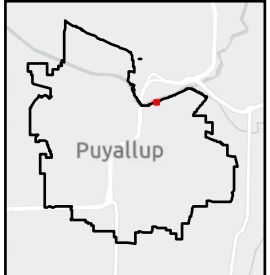
Job Number: 21467  
Sheet: 1 of 4



**Legend**  
**Tax Parcels**

- Base Parcel
- Other
- Puyallup City Limits

- Surfaces
- Boundaries
- Streams
- Centerlines
- 2ft Contour
- 10ft Contour



Scale: 1:1,128

Map produced using City of Puyallup GIS web apps.

Date: 1/9/2025

The printed information was derived from digital databases within the City of Puyallup GIS Portal. The City of Puyallup cannot accept responsibility for any errors, omissions, or positional accuracy, and therefore, there are no warranties which accompany this product. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



## City Council Agenda Item Report

Submitted by: Michelle Gehring  
Submitting Department: Engineering  
Meeting Date: January 28, 2025

### **Subject:**

**Pg. 41** - Contracts with Parametrix, Inc., and David Evans and Associates, Inc., for the 2025-2026 On Call Survey Services project

### **Presenter:**

Hans Hunger, City Engineer

### **Recommendation:**

Authorize the City Manager to execute a contract for 2025-2026 On Call Survey Services with Parametrix Inc., and David Evans and Associates, Inc., in the amount not to exceed \$100,000, in a form as approved by the City Attorney.

### **Background:**

In December 2024, the city advertised a Request for Qualifications for the 2025-2026 On Call Survey Services. Nine Statements of Qualifications were received, and the city decided to select two consultants. Parametrix, Inc., and David, Evans, and Associates, Inc., have been selected.

The 2025-2026 on-call services will include a variety of tasks, including temporary construction staking, boundary line adjustments, and various other survey project-related tasks.

The each contract has a total award amount of \$100,000 for two year term.

### **City Strategic Plan Goal Category:**

Livable & Healthy Community

### **Fiscal Impacts:**

Funding for the on-call contract will be from existing project budgets.

### **ATTACHMENT(S)**

[Parametrix Scope and Fee](#)

[David, Evans, and Associates, Inc., Scope and Fee](#)

## SCOPE OF WORK

City of Puyallup Public Works Department CIO 25-004 On-Call Survey Services  
2025-2026

### GENERAL SCOPE:

Parametrix shall provide on-call surveying services to the City of Puyallup on selected projects and tasks as requested. Survey services shall include, but not be limited to the following:

- Perform temporary construction staking survey services.
- Provide boundary surveys, boundary line adjustments, and preparation of Record of Surveys in accordance with Washington State law.
- Perform property or right-of-way delineation and/or staking.
- Provide topographical mapping per the instructions and specifications of the City of Puyallup.
- Provide right-of-way research and determination.
- Prepare and review legal description for property acquisition, right-of-way acquisition, and easements.
- Perform CAD services as requested.
- Provide horizontal and vertical control based on the City of Puyallup datum for selected projects to be included in the City's Geographical Information System.



**EXHIBIT A  
CITY OF PUYALLUP  
PARAMETRIX SURVEY BILLING RATE  
SCHEDULE October 2024 – September 2025**

<u>Classification</u>	<u>Hourly Billing Rate</u>
Survey Supervisor	\$260
Sr Surveyor	\$225
Technical Lead	\$155
Surveyor III	\$165
Surveyor II	\$130
Surveyor I	\$115
Project Control Specialist/Project Coordinator	\$130
Project Accountant	\$140

<b>Prevailing Wage rates apply to construction surveying on all public Work Projects</b>	
Surveyors	As defined by L&I

<b>Expense Rates</b>	
<u>Expense Category</u>	<u>Billing Rate</u>
Survey Truck Mileage	\$0.70/mile
Survey Equipment	\$160/day
Scanner	\$250
Rented Equipment	\$Cost
Title Report Ordering	\$380
Recording Fee's	\$423.50 + \$5 Additional Per Page

\*Labor rates will be reviewed on an annual basis

\*A service processing charge of 15 percent will be added to Direct Expenses



DAVID EVANS  
AND ASSOCIATES INC.

**CITY OF PUYALLUP  
PUBLIC WORKS DEPARTMENT  
CIP 25-004 ON-CALL SURVEY SERVICES FOR 2025-2026**

**Scope of Services**

David Evans and Associates will provide professional on-call land surveying services to the City of Puyallup.

Typical tasks will include but are not limited to:

- Temporary Construction Staking
- Boundary Survey
- Property or Right of Way delineation and/or staking,
- Boundary Line Adjustments
- Topographic Surveys
- Legal Descriptions
- Research or analysis of recorded documents
- Other survey related tasks

All land surveying services will be performed or supervised by persons licensed or registered under state laws governing the practice of Land Surveying.





## City Council Agenda Item Report

Submitted by: Kirstin Hofmann  
Submitting Department: Emergency Management  
Meeting Date: January 28, 2025

**Subject:**

**Pg. 46** - Purchase of large industrial air conditioning unit and generator for emergency management purposes

**Presenter:**

Kirstin Hofmann, Emergency Management Manager

**Recommendation:**

Authorize the City Manager to purchase an industrial air conditioning unit (AC) and generator, not to exceed \$162,518.35, and amend the budget as necessary.

**Background:**

This is a one-time purchase of an industrial air conditioner and a large generator deployed to the City of Puyallup Memorial Center or another designated location as part of the city's extreme weather response planning efforts. The City received grant funds from the State of Washington Military Department Emergency Management Division under the Extreme Weather Response Grant Program, amounting to \$169,219.13. These funds will be utilized to acquire the two pieces of equipment for \$162,518.35. The remaining grant balance will be returned to the State of Washington Military Department Emergency Management Division.

**City Strategic Plan Goal Category:**

Safe Community



## City Council Agenda Item Report

Submitted by: Dan Vessels

Submitting Department: City Manager's Office

Meeting Date: January 28, 2025

### **Subject:**

**Pg. 47** - Amendment to contract with Michael Bejarano, Attorney at Law, regarding services for indigent defense

### **Presenter:**

Steve Kirkelie, City Manager

### **Recommendation:**

Authorize the City Manager to execute an amendment to the contract with Michael Bejarano, Attorney at Law, as provided for below, regarding indigent defense services provided in Puyallup Municipal Court, in a form as approved by the City Attorney.

### **Background:**

The City of Puyallup (“City”) operates Puyallup Municipal Court (“Municipal Court”), which has jurisdiction over criminal misdemeanor charges filed within Puyallup. The City is required by law to provide court-appointed legal counsel to persons who are indigent. The City contracts with various private law firms to provide such service.

Since 2013, one of the private attorneys the City has contracted with for public defense services is Michael Bejarano (“Bejarano”). As part of the contract with Bejarano, in addition to individual case assignments, Bejarano also provides legally mandated “standby attorney” services to indigent defendants at in-custody (i.e. jail) arraignment calendars and out-of-custody arraignment calendars. The City currently pays Bejarano \$2,000 per month to cover the in-custody calendars and \$1,000 per month for the out-of-custody calendars. These rates were established in 2013 and have not been raised.

Based on inflationary factors, an increase in case counts, and an increase in court calendars over the last decade, the contract with Bejarano would be amended to increase the monthly fee for in-custody calendar coverage to \$3,500 per month and the out of custody calendar coverage to \$2,000 per month.

### **City Strategic Plan Goal Category:**

Safe Community



## City Council Agenda Item Report

Submitted by: Cody Geddes

Submitting Department: Parks, Recreation and Facilities

Meeting Date: January 28, 2025

### **Subject:**

**Pg. 48 - Metro Animal Shelter Mitigation and Repairs**

### **Presenter:**

Cody Geddes, Parks and Recreation Director

### **Recommendation:**

Authorize the City Manager to execute a contract with Restoration 1 of Olympia, for Mitigation and Repairs of the Metro Animal Shelter, in the amount of \$107,657.89, in a form approved by the City Attorney.

### **Background:**

The City of Puyallup owns a 3,100-square-foot facility currently used by Metro Animal Services. Metro is an entity managed and operated by the City of Sumner. This building, constructed over 20 years ago. A large portion of the flooring in the facility was scheduled for replacement due to age, and wear and tear.

During the preparation for the flooring replacement, staff identified water intrusion beneath the existing flooring and in areas extending into the drywall. This water intrusion has caused damage requiring immediate attention to mitigate potential health risks, including organic growth, and to prevent further structural deterioration.

The repair and restoration process will occur in two phases with the initial phase addressing the water intrusion, removing affected materials, and conducting remediation to ensure the building is safe for occupancy and use.

After the mitigation phase, restoration efforts will include replacing damaged drywall, reinstalling appliances and fixtures, and completing painting work to restore the building to its original condition.

### **City Strategic Plan Goal Category:**

Livable & Healthy Community

### **Fiscal Impacts:**

The base bid for the Mitigation and Repairs is \$97,781.92, plus sales tax of \$9,875.97 for a total contract award of \$107,657.89. The City is including a 10% contingency of \$10,765.79 for a total authorization of \$118,423.68. This will be allocated from the Parks and Facilities Department's Operations and Maintenance funds.



## City Council Agenda Item Report

Submitted by: Dan Vessels

Submitting Department: City Manager's Office

Meeting Date: January 28, 2025

### **Subject:**

**Pg. 49 - Downtown Economic Development – Development Agreement and Purchase and Sale Agreement regarding a Mixed-Use Project on City-owned Property Known as Cornforth Campbell Property**

### **Presenter:**

Steve Kirkelie, City Manager; Meredith Neal, Development & Permitting Services Director; Brian Vanneman, Forum Placemaking (Consultant); Robert Gibson, President, Palindrome Communities

### **Recommendation:**

First, conduct a public hearing on the proposed Development Agreement; Second, consider approving the proposed Development Agreement and authorizing the City Manager to execute the Development Agreement in a form as approved by the City Attorney; Third, and as a corollary to the Development Agreement, consider authorizing the City Manager to execute the Purchase & Sale Agreement in a form as approved by the City Attorney.

### **Background:**

At the December 10th, 2024 City Council meeting, City staff, a City consultant, and Palindrome Communities, presented to City Council for review and consideration Palindrome's proposal for a three-phased mixed-use development on City-owned property in downtown Puyallup. The three City-owned parcels adjacent to Meeker Street are located at 115 2nd Street SE comprising approximately 1.5 acres commonly referred to as Cornforth Campbell properties.

The three-phased project would include: 1) the repurposing of the existing structure on the City-owned property into a market hall with micro-restaurants and a brewery/taphouse; 2) a mixed-mixed use building with commercial spaces and approximately 115 living units, with a combination of market-rate apartments and affordable apartments; and 3) approximately seven for-sale townhomes with five being sold at market-rate and two being sold affordable. The project will include twenty (20) public parking spaces Monday – Friday during regular business hours and have an open public plaza adjacent to the market hall in addition to the expanded dining opportunities and living options in downtown Puyallup.

The City purchased the parcels from Cornforth Campbell Motors in 2002. The City's Strategic Plan, Downtown Economic Development Plan, and numerous other planning-level efforts over the last several years have focused on increasing housing density in downtown along with more retail services and vibrant public amenities and events. Over the last two decades the City has worked on the environmental clean-up of the properties and explored various uses centered around a mixed-use project.

In 2023 the City issued a Request for Proposal (RFP) seeking development proposals for the City-owned parcels. The RFP sought proposals that focused on multi-family housing density, a "market hall" concept or other highly active commercial spaces, and a project that would create synergy with the development of the adjacent "Meeker Festival Street" project. Based on the proposals and the City's stated intent for the development of the property, City staff began initial due diligence work with

Palindrome Development. Palindrome stood out based on their proposal's clear nexus to the City's stated intent for the property and the documented experience Palindrome has in developing vibrant downtown mixed-used projects. Under the terms of the proposed development agreement and the purchase and sale agreement, the City would convey the property to Palindrome in exchange for Palindrome developing the property according to the three-phased approach and thereby providing numerous public benefits.

The first phase of the project would be the "market hall." This phase will include at least six micro-restaurants and a brewery/tap house all within the existing building on the parcel that will be repurposed/remodeled. The City has envisioned a market hall concept at this location but it has been cost prohibitive. The market hall will offer enhanced dining options in downtown and create synergy with special events at the adjacent "Meeker Festival Street" when it is completed in the near term. As part of the "market hall" phase, it is proposed that one block of 2nd Street S.E. between E. Main and E. Meeker be vacated. Palindrome will construct a "public plaza" in a portion of the vacated 2nd Street and provide the City with an easement to the plaza ensuring that the plaza will remain open and accessible to the public. The plaza will be immediately adjacent to the market hall. In addition, Palindrome would relocate the above-ground utilities (e.g. telephone and electric cables) to underground providing a more aesthetic space in the public plaza.

The second phase of the project would be the mixed-use building that would have approximately 115 living units and ground floor commercial/retail space. It is proposed that at least twenty-percent (20%) of the living units would be affordable (i.e. households at or below 80% of the Area Median Income) and the remainder would be market-rate. Palindrome would be required to provide at least twenty (20) parking spaces available to the public Monday – Friday during regular business hours. The second phase would also include two electric vehicle charging stations available for public use, two public restrooms facing Meeker Street that would be licensed to the City for use at the City's discretion, and a storage unit within the building licensed to the City to use to store equipment or other items as Meeker Festival Street is constructed and activated.

The third phase of the project will include approximately seven townhomes. It is proposed that five of the townhomes would be sold at market-rate and two would be affordable. Each townhome would have a one-car garage/parking spot.

The development agreement and purchase and sale agreement require Palindrome to continue any necessary environmental mitigation and monitoring on the site. The agreement has clearly established milestones that provide deadlines for Palindrome and the City regarding the project. The milestones provide for all three phases to be completed within five-years of the City and Palindrome executing the development agreement and purchase and sale agreement.

**City Strategic Plan Goal Category:**

Vibrant Economy

**ATTACHMENT(S)**

[Resolution](#)

[Development Agreement](#)

[Purchase and Sale Agreement](#)

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PUYALLUP, WASHINGTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT WITH PALINDROME PUYALLUP, LLC FOR THE DEVELOPMENT AND CONSTRUCTION OF A MIXED-USE MULTIFAMILY BUILDING, A FOOD HALL AND BREWERY, AND TOWNHOMES.

---

WHEREAS, in 2002 the City of Puyallup (the “City”) purchased three parcels of property located at 115 2<sup>nd</sup> Street S.E. comprising approximately 1.5 acres commonly referred to as Cornforth Campbell properties;

WHEREAS, over the past several years the Cornforth Campbell properties have undergone significant environmental remediation based on prior use of the properties;

WHEREAS, the City’s Strategic Plan, Downtown Economic Development Plan, and numerous other planning-level efforts over the last several years have focused on increasing housing density in downtown along with more retail services and vibrant public amenities and events;

WHEREAS, the City desires to have a “market hall” concept in the existing structure on the Cornforth Campbell properties that would provide an economic development benefit to downtown as well as enhancing and activating the adjacent proposed “Meeker Festival Street” project;

WHEREAS, the City desires additional living units in downtown and has identified the Cornforth Campbell properties as an ideal location with its proximity to transit stations and creating additional vibrancy for the downtown businesses;

WHEREAS, in 2023 the City issued a Request for Proposal (RFP) seeking development proposals in alignment with the City’s vision for the Cornforth Campbell properties;

WHEREAS, Palindrome Communities proposal stood out based on their proposal’s clear nexus to the City’s stated intent for the property and the documented experience Palindrome has in developing vibrant downtown mixed-used projects;

WHEREAS, Palindrome proposes a three-phased project to be constructed over five-years to include: 1) the repurposing of the existing structure on the City-owned property into a market hall with micro-restaurants and a brewery/taphouse; 2) a mixed-

use building with commercial spaces and approximately 115 living units, with a combination of market-rate apartments and affordable apartments; and 3) approximately seven for-sale townhomes with five being sold at market-rate and two being sold affordable; and

WHEREAS, as part of Palindrome’s proposal, in addition to the vibrancy that will be created by the proposal in having additional commercial/retail uses in downtown, living units, and the corresponding jobs and revenues associated with these uses, Palindrome’s proposal will offer public parking, a public plaza, public restrooms, and storage space for the City to use for special events at the Meeker Festival Street.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PUYALLUP, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Authorize the City Manager to enter into a development agreement with Palindrome Puyallup, LLC, substantially in the form as attached and incorporated herein as Exhibit "A", pertaining to the development and construction of a mixed-use multifamily building, a food hall and brewery, and townhomes.

Section 2. The City Clerk is authorized to make necessary corrections to this resolution including, but not limited to, the correction of scrivener’s/clerical errors, references, resolution numbering, section/subsection numbers and any references thereto.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

APPROVED:

\_\_\_\_\_  
JIM KASTAMA  
MAYOR

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
DAN VESSELS, JR.  
CITY CLERK

APPROVED AS TO FORM:

---

JOSEPH N. BECK  
CITY ATTORNEY

FILED WITH THE CITY CLERK: \_\_\_\_\_  
PASSED BY THE CITY COUNCIL: \_\_\_\_\_  
RESOLUTION NO.: \_\_\_\_\_

**AFTER RECORDING, RETURN TO:**

City of Puyallup  
City Manager  
333 S. Meridian, Floor 5  
Puyallup, WA 98371

<i>Document Title:</i>	Development Agreement
<i>Grantor:</i>	City of Puyallup
<i>Grantee:</i>	(1) Palindrome Properties Group, LLC (2) Palindrome Puyallup, LLC
<i>Abbreviated Legal Description:</i>	Parcels A, B & C, BLR Rec. No. 200009125003  (Full legal description on Exhibit A)
<i>Tax Parcel Number:</i>	706000-0070, 706000-0020 and 706000-0030
<i>Related Documents:</i>	N/A

**DEVELOPMENT AGREEMENT**

*(Seasons on Meeker)*

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made and entered as of the last date of signature below (the “**Effective Date**”), by and between **City of Puyallup**, a Washington municipal corporation (the “**City**”), and **Palindrome Properties Group, LLC**, a Nevada limited liability company (“**Developer**”), and **Palindrome Puyallup, LLC**, a Washington limited liability company (“**Project Owner**” and together with Developer, “**Palindrome**”). The City and Palindrome may be referred to jointly in this Agreement as the “**Parties**” and individually as a “**Party**.”

**RECITALS**

A. In 2019, the City Council adopted the Downtown Economic Development Plan (the “**Economic Development Plan**”). The Economic Development Plan identified seven strategies, including Strategy 4: Support Residential Development. Within that strategy is Action 4a – “Review opportunities to use city-owned land and public-private partnerships for projects with a range of housing types accessible to households at different incomes.”

B. In June 2021, the City adopted the Puyallup Housing Action Plan which is the City’s plan to support affordable housing options for all community members (the “**Housing Action Plan**”).

C. The City owns three (3) parcels of real property that are collectively known as the Cornforth-Cambell Properties, which are identified by tax parcel numbers 7060000020, 7060000030, and 7060000070, legally described on the attached Exhibit A, located in Puyallup, Pierce County, Washington (the “**Existing Land**”), has been identified by the City as a potential site for mixed-use development and are located in the CBD-Core zone.

D. On January 19, 2023, the City issued a Request for Proposals (“**RFP**”) soliciting developer teams to bring concepts for the Existing Land as a highly active, mixed-use destination. The RFP provided a vision for future development on the Existing Land, including a statement that future development should “Continue to revitalize Downtown Puyallup; Build Housing; Include a Market Hall, micro-retail, or other highly active commercial space; Create synergy with the Meeker Festival Street; Maximize the development potential of the property; Preserve some public parking; and Feature high quality design.” The RFP also requested that developer teams provide information about past successfully constructed projects. Palindrome submitted a response to the RFP detailing Palindrome’s proposed project and process for the Existing Land. Palindrome was selected by the City and entered into that certain non-binding Exclusive Negotiating Agreement with the City, dated as of June 22, 2023 (the “**Prior Agreement**”).

E. The Puyallup Municipal Code (the “**PMC**”) section 20.30.005 (1) states that “The intent and purpose of the CBD-Core zone is to focus civic, commercial, entertainment, cultural and urban residential uses into an intense, compact, walkable area served by public transit. The zone and any development standards or guidelines applicable to such zone should be liberally construed to enhance opportunities for significant and concentrated growth of office space, commercial space, and residential projects in the city core in order to achieve increased economic and urban activity levels within the zone, where public transit and civic amenities are more available and concentrated. This zone is specifically intended to permit higher density, larger, and taller buildings between three and five stories... The zone should accommodate development projects with an intentional reduction in parking requirements and an increase in building scale to accommodate high density pedestrian-oriented development in this most accessible of zoning districts. The zone is also intended to provide large-scale planned development by public entities or through public-private partnerships which provide a clear community benefit. The zone is envisioned for innovative development meeting unique community needs.”

F. The City desires to enter into this Agreement with Palindrome to commit the development of the Existing Land as a mixed-use development consisting of three components (each, a “**Component**”): (I) approximately seven (7) for-sale townhomes; (II) an approximately 115-unit multifamily building with a mix of market-rate housing units (approximately 75% - 80% of the units) and affordable housing units (at least 20% of the units), including a bathroom available to the public on Meeker Street and storage room for the City; and (III) a market hall concept that has no fewer than (6) micro restaurant units and a brewery/tap house, and a public plaza on the vacated 2nd Street, as more particularly described in the attached Exhibit B (the “**Project**”).

G. The City has determined that the development of the Project supports the City’s goals under the Economic Development Plan and the Housing Action Plan, as well as the City’s general goals to provide housing, economic development, and community development opportunities. The City has determined that the housing is necessary to support future job growth and to attract new employers.

H. Pursuant to the Prior Agreement, the City and Palindrome have been meeting regarding the Project and the terms and conditions of the transfer of the Property to Project Owner and the development standards that will apply to the Property.

I. The Washington State Legislature has authorized the execution of a development agreement between a local government and an entity having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)). A development agreement must set forth the development standards and other provisions that shall apply to, govern, and vest the development, use, and mitigation of the development of the real property for the duration specified in the in the development agreement (RCW 36.70B.170(1)). A development agreement must be consistent with the applicable development regulations adopted by a local government planning under Chapter 36.70A RCW.

J. This Agreement is intended to be a “development agreement” as the term is used and authorized under RCW 36.70B.170(1) and relates to the development of the Project. This Agreement establishes certain terms and conditions pertaining to development of the Project on the Land (defined below), and establishes an overall framework for current and future development of the Land.

K. All issues or matters not addressed by this agreement shall be determined and interpreted consistent with Puyallup Municipal Code (“*PMC*”), development standards, and/or other applicable law.

L. A development agreement must be approved by ordinance or resolution after a public hearing (RCW 36.70B.200). A public hearing for this Agreement was held on January 28, 2025 and the City Council approved this Agreement on \_\_\_\_\_, 2025.

## AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, and the conditions, covenants and agreements set forth below, the Parties hereby agree as follows:

### 1. GENERAL TERMS OF DISPOSITION

1.1 **Agreement for Disposition and Development.** The City will sell the Property to Project Owner on the terms and conditions included in this Agreement and that certain Purchase and Sale Agreement and Escrow Instructions by the City and Project Owner dated on or about the date hereof (“*PSA*”). Upon satisfaction or waiver of the conditions set forth in Section 2, the City and Project Owner will close by execution and delivery of a statutory warranty deed (the “*Deed*”)

from the City to Project Owner (“*Close*” or “*Closing*”). It is currently anticipated that the Closing will occur approximately fourteen (14) months after the execution of this Agreement.

1.2 **Description of the Property.** The City agrees to transfer the Land to Project Owner, together with (i) all rights, privileges, licenses, and easements appurtenant to the Land owned by the City; and (ii) all improvements, equipment, fixtures and other personal property of every kind located on the Land (which Land, together with the elements described above in (i) and (ii), is included in the definition of the term “*Property*”). “*Land*” shall mean the Existing Land together with the Second Street Land (defined below).

1.3 **Purchase Price.** As part of this Agreement, the City will convey ownership of the Property to Palindrome in exchange for Palindrome’s construction and operation of certain public benefits defined in Schedule 1.3 (the “*Public Benefits*”). Therefore, the monetary consideration for the City’s sale of the Property to Project Owner is the total development cost to Palindrome of constructing the Public Benefits, plus \$1.00 (the “*Purchase Price*”). The Purchase Price also reflects the diminished value of the Land because of: (a) the Land being located near an active rail line which impacts noise levels; (b) the Land being a cleanup site for contaminated soils, and requiring active groundwater monitoring; (c) sub-standard lahar zone soil conditions which increase the development costs of the Land; and (d) development obligations of Palindrome under this Agreement, including but not limited to the Public Benefits and Project as defined in Section 4.

1.4 **AS IS.** Prior to Closing, Palindrome will have examined and investigated or will have had the opportunity to examine and investigate the Property to its own satisfaction and will have formed its own opinion as to the condition (including Environmental Condition) and value thereof. Palindrome has not relied on any statements or representations from the City or any person acting on behalf of the City concerning any of the following: (i) the size or area of the Property; (ii) the location of corners or boundaries of the Property; (iii) the condition of the Property, including but not limited to, physical or geotechnical properties above or below the surface of the Property or the Environmental Condition adjacent, above or below the surface of the Property (including without limitation impacts to soil, soil vapor or groundwater from releases or threatened releases of hazardous substances regulated under Environmental Laws) or the Property’s compliance with Environmental Laws (defined below) and other governmental requirements (“*Environmental Condition*”); (iv) the availability of services to the Property; or (v) the ability of Palindrome to use the Property or any portion thereof for any intended purpose. Project Owner is acquiring the fee interest in the Property, in the condition existing at the time of the Closing AS IS, with all defects, if any. Palindrome hereby waives, releases and forever discharges the City and the City’s successors and assigns, of and from all claims, actions, causes of action, fines, penalties, damages (including consequential, incidental and special damages), costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Property, including any surface or subsurface Environmental Condition, or any law, rule or regulation applicable to the Property, including Environmental Laws.

For purposes of this Agreement, “**Environmental Laws**” means all present or future federal, state, and local laws or regulations related to the protection of health or the environment, including but not limited to the Resource Conservation and Recovery Act of 1976 (RCRA) (42 USC § 6901 et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 USC § 9601 et seq.), the Model Toxics Control Act (RCW 70A.305 et seq.), the Toxic Substances Control Act (15 USC § 2601 et seq.), the Federal Water Pollution Control Act (the Clean Water Act) (33 USC § 1251 et seq.), the Clean Air Act (42 USC § 7401 et seq.), amendments to the foregoing, and any rules and regulations promulgated thereunder (including Chapter 173-340 of the Washington Administrative Code).

1.5 **Title Review.** Palindrome will review a preliminary title commitment for the Land from Fidelity National Title Insurance Company (the “**Title Company**”), in accordance with the provisions of the PSA.

1.6 **Project Dedications; Easements.** The Parties recognize that in order to provide for the development of the Property, it may be necessary, desirable, or required that street, water, sewer, drainage, gas, power line, and other easements and dedications and similar rights be granted or dedicated over or within portions of the Property. The City will, upon request of Palindrome, join with Palindrome in executing and delivering such documents as may be appropriate, necessary, or required by any governmental agency or public utility company for the purpose of approving the Project, provided that any such exception will not materially increase the City’s costs under this Agreement, as determined by the City in the City’s reasonable discretion. Any such exceptions accepted by the City will be included as a “Permitted Exception” at the Closing.

1.7 **Title Insurance.** The City, at its expense, will order that the Title Company provide to Project Owner, at the Closing, a standard coverage owner’s title policy of title insurance, insuring that Project Owner is the fee simple owner of the Land, free and clear of encumbrances, except for the Permitted Exceptions (a “**Title Policy**”). Project Owner, at its option and its expense, may elect to obtain extended coverage under the Title Policy, and the City agrees to execute any affidavits or other documents reasonably required by the Title Company to enable Project Owner to obtain such coverage.

1.8 **Access and Inspection.** Palindrome shall have the right and permission of the City to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at Palindrome’s sole cost and expense, of making all tests and/or studies of the Property that Palindrome may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Palindrome shall indemnify and hold harmless the City from and against any mechanic’s or other liens or claims that may be filed or asserted against the Property or the City as a direct result of any actions taken by Palindrome in connection with the Property, including but not limited to permitting the City to review a written description of Palindrome’s proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the Property. Palindrome shall also provide the City with a copy of all soil or environmental test results for the Property upon the City’s request. Palindrome shall reasonably restore the Property to its condition immediately prior

to any invasive testing. The effect of the representations and warranties made by the City in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Palindrome or its agents.

**1.9 Early Access and Demolition.** Palindrome shall have the right to demolish portions of the interior of existing buildings located on the Land, prior to Closing, provided that: (a) the provisions of Section 1.8 shall apply to such work; (b) Palindrome shall notify the City of the time and date of the demolition, as well as the location and scope of the demolition; and (c) the City shall have five business days to respond and the City shall not unreasonably withhold or condition its approval of such work. Failure of the City to respond within such five-business-day time period shall be deemed approval by the City.

**1.10 City Commitment.** The City agrees to support the development of the Project, including but not limited to the following:

1.10.1 The City and Palindrome shall mutually agree on the best use of the funds the City has received from the State of Washington, in the approximate amount of \$575,000 (the “**State Funds**”). The State Funds are to be used for site preparation, environmental and geotechnical due diligence, frontage improvements such as sidewalks and street lighting, and other Project-related costs. The City may use the State Funds to pay for some of these Project-related costs.

1.10.2 The City shall coordinate with Palindrome on the design and construction of Meeker Street as a festival street.

1.10.3 The City’s SEPA Planned Action Ordinance for Downtown Puyallup will limit the SEPA requirements of the Project.

1.10.4 The City plans to convert Meeker Street into a festival street where various community events may take place (the “**Festival Street Project**”); and in connection with the Festival Street Project, the City will enhance the streetscape of Meeker Street with pavers, lighting, street art, and other amenities. In the event that Palindrome completes its improvements adjacent to Meeker Street before the completion of the Festival Street Project, Palindrome may delay some of its planned improvements along the north right-of-way of Meeker Street. The City and Palindrome will coordinate the timing of the Festival Street Project adjacent to the Property in order to provide efficiency in efforts.

1.10.5 The City may re-apply for \$1,000,000 in funding from the State of Washington, Department of Commerce, through the Connecting Housing to Infrastructure Program (the “**CHIP Funds**”). If the CHIP Funds are awarded to the City, then the SDCs (defined below) charged to Project Owner relating to the Project will be reduced by the amount of CHIP Funds received by the City, up to a maximum of \$1,000,000.

## 2. CONDITIONS PRECEDENT TO CLOSING

2.1 **General.** The Party benefited by a condition may not unreasonably withhold, condition, or delay acknowledgment that the condition has been satisfied.

2.2 **Project Conditions.** Prior to Closing, the City and Palindrome anticipate that the following actions will be taken:

2.2.1 The City's intends to initiate a street vacation process encompassing that portion of Second Street located adjacent to the Existing Land (the "***Second Street Land***") and extending from Meeker Street on the south to Main Street on the north no later than sixty (60) days after the Effective Date; and upon completion of such vacation process, the Second Street Land shall be included in the Land. If the street vacation process is not initiated by the Outside Date identified in Schedule 2.2.5, then the dates provided in Schedule 2.2.5 shall be extended for each day in which the initiation of the street vacation process is delayed. The Parties acknowledge and agree that Palindrome shall not be obligated to incur predevelopment costs until the street vacation process has been initiated by a Council resolution.

2.2.2 Palindrome will subdivide, complete a boundary line adjustment, complete a binding site plan, and/or similar revision to the Land, so that each Component shall be constructed on separate legal parcels. To the extent such action requires cooperation by the City, the City shall cooperate with Palindrome's efforts, at no out-of-pocket costs to the City.

2.2.3 Palindrome may seek financing from a variety of sources, potentially including but not limited to the United States Department of Transportation, tax-exempt bond financing, and other sources. To the extent such financing requires the cooperation of the City, the City will not unreasonably withhold its assistance to execute documents, provide information, or otherwise undertake actions to assist Palindrome in obtaining financing for the Project. The City also agrees to explore other opportunities for funding for the Project, including but not limited to the City's funding for affordable homeownership, infrastructure funding from the State of Washington, and environmental remediation.

2.2.4 Palindrome intends to seek a multi-family tax exemption pursuant to RCW 84.14 and PMC 3.70. The City staff shall not unreasonably withhold its assistance of Palindrome's application for such tax exemption.

2.2.5 Section 4 of this Agreement further defines the Project, and Section 4.4 of this Agreement defines each Component of the Project. The Parties agree that Palindrome may develop one or more Components of the Project at a time, and will not be required to begin construction on all Components of the Project at the same time. Palindrome will construct the Market Hall Component as either the first or second Component of the Project. The current anticipated milestones for the Project are shown on the attached Schedule 2.2.5 (the "***Milestones***"). The Parties acknowledge and agree that the Milestones

may be revised in writing upon the mutual consent of both Parties, without the need for an amendment to this Agreement. Prior to Closing, the Milestones may be updated by mutual consent of the Parties.

**2.3 Conditions Precedent to Closing.** Palindrome and the City are not obligated to proceed with Closing unless the following conditions are satisfied on or prior to the Closing Date (defined in Section 3.2, below).

2.3.1 To the reasonable satisfaction of both the City and Palindrome:

(a) No litigation is pending that prevents the City or Palindrome from performing their respective obligations under this Agreement.

(b) The permits necessary to commence construction of one or more Components of the Project are final and ready to be issued to Developer but for the requirement that Developer pay a fee for such permits (the “*Final Permits*”).

(c) Palindrome has closed or will close simultaneously on the financing for one or more Components of the Project.

(d) Title Company is prepared to issue to Project Owner the Title Policy for the Property.

2.3.2 To Palindrome’s reasonable satisfaction:

(a) No material adverse change in the physical or legal condition of the Property has occurred, except as otherwise accepted by Palindrome.

(b) The City has executed all documents reasonably requested by Project Owner’s lenders and investors.

2.3.3 To the City’s reasonable satisfaction:

(a) Palindrome has provided to the City documentation that Project Owner is an entity that is qualified to do business in the state of Washington.

(b) Palindrome is not in default under this Agreement, and no event has occurred that, with notice or passage of time, or both notice and passage of time, would constitute a default of Palindrome under this Agreement.

(c) Palindrome has demonstrated the financial feasibility of all Components of the Project and that lenders, together with any equity or other financial resources available to Palindrome (including personal guaranties of financial commitments), are sufficient to complete all Components of the Project. If Palindrome proposes to complete any Component via a combination of equity and debt, then Palindrome shall provide (i) letter(s) of commitment from any

lenders providing debt for the first Project Component, and (ii) evidence of Palindrome's financial capacity to complete the Project.

(d) A Contaminated Media Management Plan ("*CMMP*") has been provided to the Washington State Department of Ecology ("*Ecology*"), and the CMMP has been approved by Ecology.

(e) Palindrome has provided to Ecology a plan, access easement, and/or other documentation indicating how Palindrome plans to install and provide other parties with access to monitoring wells on the Property, and this plan has been acknowledged or approved by Ecology. The City's understanding is that the long-term monitoring of the monitoring wells will be conducted by the former owners of the site, Cornforth-Campbell Motors, and their environmental consultants and assigns.

(f) The Parties have executed the following agreements related to the Project: (i) the PSA; (ii) an easement agreement that provides public access to the public plaza; (iii) a license agreement or other agreement governing the public restrooms; (iv) a license agreement or other agreement governing the parking available to the public; (v) covenant regarding the affordability of two of the townhouses; and (vi) other contracts related to this Agreement as may be determined by the City and Palindrome.

**2.4 Elections upon Non-Satisfaction of Conditions.** If any condition is not fulfilled to the satisfaction of the benefited Party or Parties as of the applicable Closing Date, then such benefited Party or Parties may elect to:

2.4.1 Terminate this Agreement by and effective upon written notice to the other Party pursuant to Section 2.5, below; or

2.4.2 Waive in writing the benefit of that condition and proceed in accordance with the terms of this Agreement; or

2.4.3 Designate in writing a later date for the Closing, to allow additional time for the condition to be satisfied, if the condition can be satisfied and the other Party agrees in writing to the later date.

**2.5 Final Termination Date.** If all of the conditions precedent to a Closing set forth in this Section 2 have not been satisfied or waived by the later of (a) the applicable Closing Date or (b) such later date, if any, designated pursuant to Section 2.4.3, then this Agreement will terminate five (5) business days after written notice from the Party seeking termination unless the specified condition has been satisfied or waived and the Closing has occurred within such five-day period.

### 3. CLOSING

3.1 **Manner of Closing; General.** The Closing will occur in escrow at the Title Company, which escrow is to be administered by an escrow agent of the Title Company (the “*Escrow Agent*”), as more particularly described in the PSA.

3.2 **Closing Date.** Consistent with Schedule 2.2.5, the Closing must occur fourteen months after mutual execution of this Agreement (the “*Closing Date*”). The Closing Date may be extended with the prior written consent of both Parties. If Palindrome has submitted applications for building permits for the first Component(s) of the Project, but the permits have not been issued, then the Closing Date shall be extended until June 30, 2026.

#### 4. PROJECT

4.1 **In General.** A material factor in the City’s decision to sell the Property to Project Owner, is Project Owner’s commitment to pursue development of the Project, at Project Owner’s sole cost and expense, consistent with each element of the descriptions of the Project as described in the attached Exhibit B.

##### 4.2 Diligent Commencement and Completion of the Project.

4.2.1 Palindrome will Commence Construction of the first Component(s) of the Project within ninety (90) days after the Closing Date (“*Construction Commencement Deadline*”). Thereafter, Palindrome will diligently pursue completion of the first Component(s) of the Project. For the purposes of this Agreement, the terms “*Commence Construction*” and “*Construction Commencement*” mean Palindrome has obtained all permits and financing necessary for completion of the first Component(s) of the Project, has mobilized equipment and supplies on the Property, and has commenced clearing, grading, excavation, or other similar substantial action. Following Construction Commencement, Palindrome will diligently pursue construction completion (“*Construction Completion*”) for each of the Components, subject to Force Majeure, which means that Palindrome has obtained a certificate of occupancy from the City for the respective Component of the Project. For purposes of this Agreement, “*Force Majeure*” shall mean a cessation of construction caused by conditions that are beyond the control of Palindrome and directly impact Palindrome’s ability to complete construction, including, acts of God or the elements, acts of war, acts of terrorism, fire, strikes, pandemic, government shutdowns, and disruption of shipping. If Palindrome believes that Force Majeure conditions are in effect, then Palindrome will submit a written monthly update to the City summarizing the nature of the Force Majeure condition(s) and the steps that Palindrome is taking to overcome them.

4.2.2 Palindrome will keep the City informed of its progress with respect to development of the first Component(s) of the Project during construction, with periodic reports to be provided to the City no less frequently than once a quarter. In addition, Palindrome must promptly respond to any inquiries from the City regarding Project status.

4.3 **Project Review and Evaluation.** The Project shall be reviewed in accordance with City’s development review procedures and the development standards of RCW 36.70B.170 et seq.

The City shall use this Agreement during the development review process as additional standards and criteria to evaluate the Project and determine appropriate conditions and requirements of development. Project approval and subsequent build out will require various City permits and approvals. Once approved, this Agreement and all other related governmental approvals (e.g., SEPA determination, building permits, etc.) required for development of the Project shall collectively comprise the “**Project Approvals**.” The Project shall comply with the Project Approvals in all particulars, and City may take enforcement action in accordance with Section 7 at any time to compel such compliance.

**4.4 Development Components.** The Project consists of three distinct components:

4.4.1 Mixed-Use Building Component (the “**Mixed-Use Building Component**”): a building that includes approximately 115 rental apartment units with (a) a mix of market-rate housing units (approximately 80% of the units, provided that if the City receives the CHIP Funds and the CHIP Funds reduce the amount of SDCs charged to Project Owner, then approximately 75% of the units) and affordable housing units (at least 20% of the units, provided that if the City receives the CHIP Funds and the CHIP Funds reduce the amount of SDCs charged to Project Owner, then at least 25% of the units) that will be affordable to households at or below 80% of area median income for at least twelve (12) years; (b) at least one ground floor retail or commercial space which is at a minimum of 820 square feet; (c) two public restrooms; (d) a storage room for equipment related to events and festivals; (e) electric vehicle charging stations; (f) no fewer than twenty (20) parking spaces available to the general public subject to the terms set forth in Schedule 1.3: Public Benefits; and (g) new monitoring wells and a vapor barrier or other vapor management system per Ecology’s specifications, and deep foundation systems.

4.4.2 Market Hall Component (the “**Market Hall Component**”): a food hall that includes micro restaurants, a brewery/tap house, and an adjacent public plaza. The public plaza shall be subject to an easement ensuring public access and use of the public plaza space in perpetuity; this easement shall be prepared separately and executed prior to issuance of the relevant certificate of occupancy or permit closeout. The Market Hall Component will also include twenty (20) interim parking spaces for use by the general public until construction of the Mixed-Use Building Component begins.

4.4.3 Townhome Component (the “**Townhome Component**”): No fewer than seven (7) for-sale townhomes of which at least two (2) will be sold at prices affordable to households at or below 80% of area median income and which will remain affordable upon resale via a deed restriction or other mechanism for a minimum of twenty (20) years.

**4.5 Development Timing.** The City acknowledges and agrees that Palindrome may construct each Component of the Project at different times, in its sole discretion. Currently, the anticipated timeline for the construction of the Components is as shown on the attached Schedule 2.2.5, which is subject to change, however each Component must overlap another.

## 5. DEVELOPMENT STANDARDS

5.1 Pursuant to RCW 36.70B.170 through 36.70B.210, as amended, as well as Chapter 1.15 Puyallup Municipal Code (“*PMC*”), the City may enter into a development agreement with Palindrome for the Project. Palindrome has requested land use approval for the Project using the development agreement process in accordance with Chapter 1.15 PMC. The City hereby agrees to combine the requirement for a land use approval and this Agreement because the City Council held a public hearing on this Agreement; this Agreement contains such reasonable conditions as necessary to ensure the Project’s review and siting satisfies the City’s land use approval criteria and procedures outlined in Chapter 20.80 PMC, and the development agreement process has met all applicable procedural requirements.

5.2 This Agreement shall constitute a binding development regulation for the aspects of the Project and Property that are specifically defined in this Agreement for purposes of the City’s review of applications related to the Project received within six (6) years of the effective date of this Agreement (“*Vested Term*”). During the Vested Term, Palindrome shall have the right to develop the Project in accordance with the terms of this Agreement and the Project Approvals regardless of intervening changes in the applicable development regulations. Upon the expiration of the Vested Term, this Agreement shall continue to apply to the use of all Property and development approved pursuant to this Agreement. Development applications received after the Vested Term or for different projects shall be subject to review under all then-applicable development regulations.

5.3 The Property is vested in the following development terms:

5.3.1 Permitted Uses. The following uses are permitted for the Property: (a) retail; (b) restaurants, micro-restaurants, and bars; (c) multifamily and single-family housing; (d) commercial use, general; (e) community space and public plaza; (f) live-work space; (g) parking; (h) brewery/tap house; and (i) mixed-use development.

5.3.2 Building Activities. The structures described on the attached Exhibit B have the following activities:

(a) Building A – Market Hall Component that includes micro-restaurants and brewery/tap house

(b) Building B – Mixed-Use Building Component that includes housing and retail or commercial space.

(c) Building C - Townhome Component that includes housing.

5.3.3 Traffic. The Property is vested with 31.8 PM peak trips.

5.3.4 Parking. The aggregate parking for the Project is 120 parking stalls. Palindrome and the City may agree to a parking reduction of up to 10% less than this

aggregate number. Additional parking code deviations are described in Schedule 5.3.6: Departures from Base Code.

5.3.5 System Development Charges and Impact Fees. Systems Development Charges (“**SDCs**”) are charges on new development for connection to water, sewer, and stormwater systems. Impact fees (“**Impact Fees**”) are fees on new development related to traffic, parks, and schools. The City may re-submit a grant application to the State of Washington’s Connecting Housing to Infrastructure Program (“**CHIP**”) to request CHIP funding to cover up to \$1,000,000 in SDCs. If the City receives CHIP Funds, the amount of the SDCs charged to Project Owner relating to the Project will be reduced by the amount of CHIP Funds received by the City, up to \$1,000,000. If the CHIP application is not submitted, approved or fully funded, the City and Palindrome agree to negotiate in good faith regarding how to address the financial impact to the Project.

(a) If the CHIP Funds are not awarded, Palindrome will not be required to pay the Parks Impact Fees, in consideration that the financial investment being made by Palindrome in the public plaza, which is expected to be equal to or greater than the amount of parks Impact Fees. The City may add the public plaza to its Capital Facilities Plan in order to enable some or all of the public plaza improvement to be Parks Impact Fee creditable. In order to document this Parks Impact Fee adjustment, Palindrome will be required to submit a study that includes conceptual designs and cost estimates for the public plaza.

(b) Palindrome will pay other SDCs and Impact Fees consistent with the City’s fee schedule. Any Impact Fees assessed by the City shall be due and payable prior to the date that each Component of the Project receives its certificate of occupancy.

5.3.6 Design Standards. The Project shall depart from the base design standards (such as maximum heights, setbacks, landscaping, and other development features), as identified on the attached Schedule 5.3.6.

5.3.7 Signs. The Project is allowed a minimum of one freestanding sign (monument, pole or as agreed to by the Parties) per entrance to the Property.

5.3.8 Townhouses. Fee simple townhouses shall be permitted on the Property. Frontage improvements for the townhouses that face the public plaza shall not be required to be constructed as part of the Project.

5.3.9 Utility Lines. Palindrome shall relocate existing utility lines located on 2nd Street, such as the overhead power lines.

5.4 The City has determined that the Project is consistent with the Comprehensive Plan and development regulations. So long as the Project is developed consistent with appropriate City permit approvals and this Agreement, the public health, interest, and welfare are adequately protected within the bounds of the law. Therefore, the City is allowing departures from

development regulations because the Project will be providing a benefit to the City of an equal or greater value relative to the standards from which departure is being allowed. Palindrome may propose a concept outside of these departures; in which case City approval would be required.

**5.5 Additional Permits.** In addition to this Agreement, additional permits and approvals will be required by the City, including but not limited to: building, right-of-way, clearing, grading, and drainage, hauling route, sign, demolition, fire alarm, sprinkler, plumbing, mechanical, and electrical permits. Subsequent to execution of this Agreement, the City agrees that it shall issue permits and approvals necessary to complete the Project consistent with this Agreement and any other applicable laws and regulations within the City's jurisdiction. The City shall exercise due diligence to review and issue decisions on any additional permits and approvals efficiently and in a timely manner as further described in this Agreement.

**5.6 Vested Rights.** Palindrome is assured, and the City agrees, that the development rights, obligations, terms, and conditions specified in this Agreement are fully vested and may not be changed or modified by the City, except as may be expressly permitted by, and in accordance with, the terms and conditions of this Agreement. Notwithstanding the foregoing, and pursuant to RCW 36.70B.170(4), the City reserves the authority to impose new or different regulations to the extent required by a serious threat to public health and safety.

**5.7 Failure to Commence or Cessation of Development.**

**5.7.1** Prior to the commencement of construction of the first Component of the Project, in the event of circumstances that result in a failure to commence construction within the time period identified in Section 7.2.2(b) or cessation of development of the first Component in compliance with this Agreement, Palindrome shall surrender this Agreement and the Property shall thereafter develop under the base zoning and regulations in effect prior to this Agreement's effective date (see PMC 1.15.060(9)); provided, however, Palindrome shall have additional time to commence and complete construction because of Force Majeure. The City shall have the right to rescind the sale of the Property, and Palindrome agrees to take whatever steps are necessary to reconvey the Property.

**5.7.2** After the commencement of construction of the first Component of the Project, if the Public Benefits, as may be revised by agreement of the parties, are not achieved by the Project, at the City's discretion, the City shall have the right to repurchase the portion of the Property that has not achieved the Public Benefits, for the difference between (a) the then-current assessed value of such portion of the Property and (b) the assessed value of the Property as of Effective Date of this Agreement inflated to the current year using the U.S. Bureau of Labor Statistics' Consumer Price Index for the Seattle area. As of January 2025, the average assessed value of the three Cornforth-Cambell Properties is \$33.93 per square foot. Palindrome agrees to take whatever steps are necessary to reconvey such portion of the Property; provided, however, upon commencement of construction of any Component, so long as such Component is constructed according to the construction permits issued by the City, such Component shall be deemed to have achieved the required Public Benefits, and the City's right of repurchase with respect to that Component shall be suspended during the course of construction of such Component

and shall terminate upon the receipt of a temporary certificate of occupancy for such Component.

5.7.3 In the event that the City elects to repurchase a portion of the Property after the commencement of construction of a Component, and if the public plaza has been completed, then the portion of the Property to be repurchased shall be subject to a latecomer's agreement to pay a pro-rata share of the costs for the construction and development of the public plaza. For purposes of determining the pro-rata share for each Component of the Project, the Market Hall Component shall be responsible for 50%, the Mixed-Use Building Component shall be responsible for 40%; and the Townhome Component shall be responsible for 10%. If the public plaza has not been completed, then the City shall not be subject to a latecomer's agreement.

5.8 **Contaminated Media Management Plan.** Pursuant to RCW 36.70B.170(3), a Contaminated Media Management Plan shall be prepared to, among other things, (1) guide sampling prior to grading, excavating, dewatering activities or other subsurface work, (2) ensure proper handling of any soil or groundwater that is identified from sampling as containing hazardous substances regulated under Environmental Laws at concentrations exceeding applicable cleanup levels, and (3) guide if the installation of a vapor barrier or other infrastructure is necessary to minimize the risk of vapor intrusion from hazardous substances.

## 6. ENVIRONMENTAL CONDITION OF THE PROPERTY

6.1 **Environmental Conditions.** Palindrome shall conduct its own environmental investigations of the Property to make its own determination about the Environmental Condition of the Property. In doing so, the City shall support Palindrome's efforts in relocating or decommissioning, as warranted, required, or allowed under Environmental Laws, any monitoring wells currently located on the Property. Palindrome acknowledges that, although the Washington State Department of Ecology has issued a No Further Action opinion ("*NFA*") for Cleanup Site ID: 5682, that the NFA does not alone resolve any liability under Environmental Laws that Palindrome may otherwise incur as a result of acquiring title to the Property. Palindrome further acknowledges that the NFA expressly did not apply to any Environmental Condition impacting the Property that is associated Cleanup Site ID 1194.

6.2 **The City's Representations as to Environmental Condition.** The City makes no representations or warranties about the Environmental Condition of the Property.

6.3 **Acceptance of Environmental Condition.** Palindrome accepts the Property, and its Environmental Condition, AS IS as further described in Section 1.4, and shall be responsible, at Palindrome's sole cost, for complying with all Environmental Laws applicable to the Property, regardless of whether the Environmental Condition arose pre- or post-Closing, or from off-Property or on-Property sources. Notwithstanding the foregoing, the City will cooperate with Palindrome in Palindrome's efforts to find sources of funding for any environmental remediation that may be required as a result of development of the Project.

## 7. DEFAULT AND REMEDIES

7.1 **City's Pre-Transfer Remedies.** If a default by Palindrome occurs before the Closing, and such default continues for thirty (30) days after the City provides written notice to Palindrome of such default (the "**Pre-Transfer Defaults**"), then the City and Palindrome agree that it would be impractical and extremely difficult to estimate the damages that the City may suffer. Therefore, the Parties agree that a reasonable estimate of the total net detriment that the City would suffer if Palindrome commits a Pre-Transfer Default is and will be all studies, architectural and engineering plans, and other documents prepared by Palindrome and its consultants (the "**Liquidated Damages Compensation**") which will be provided to the City. This amount will be the City's sole and exclusive remedy (whether at law or in equity) and the full, agreed, and liquidated damages for any Pre-Transfer Defaults by Palindrome. The retention by the City of said amount as liquidated damages is not intended as a forfeiture or penalty. The City hereby expressly waives all other claims to damage or other remedies. Upon a Pre-Transfer Default by Palindrome, the City may terminate this Agreement by written notice to Palindrome, will receive the Liquidated Damage Payment, and except as set forth in this paragraph, neither party will have any further rights or obligations under this Agreement to one another.

7.2 **City's Post-Closing Remedies.**

7.2.1 If a default by Palindrome occurs after the Closing, the City shall provide Palindrome with written notice of default (the "**Default Notice**"). Palindrome will have thirty (30) days from receipt of the Default Notice to cure the default. In the event the default is such that more than thirty (30) days would reasonably be required to cure the default or otherwise comply with any term or provision herein, then Palindrome shall notify the City of such and the timeframe needed to cure such default, so long as Palindrome commences performance or compliance or gives notice of additional time needed to cure within said 30-day period and diligently proceeds to complete such performance or fulfill such obligation; provided further, however, that no such cure period shall exceed ninety (90) days. Any Default Notice shall specify the nature of the default and the manner in which the default may be satisfactorily cured, if possible.

7.2.2 Palindrome stipulates and agrees that in the event that Palindrome fails to cure the default, within the time period provided in Section 7.2.1, then the City's remedies shall include the following:

(a) City may seek and obtain special action and/or specific performance (whether characterized as mandamus, injunction or otherwise), requiring Palindrome to use best and all efforts to complete all Components of the Project and to undertake and to fully and timely perform its, respective, obligations under this Agreement. Notwithstanding the foregoing, if the Public Benefits, as may be revised by agreement of the parties, are not achieved by any Component, at the City's discretion, the portion of the Property related to such Component shall revert to the City, subject to the provisions contained in Section 5.7.

(b) If Palindrome has not begun the Commencement of Construction of the first Component of the Project within six (6) months of the Outside Date identified in Schedule 2.2.5, subject to Force Majeure, City shall have the option to

rescind the sale of the Property. Within thirty (30) days of the City giving notice of its intent to exercise this option to rescind, Palindrome shall transfer the Property to the City by quit claim deed free and clear of any financial encumbrances and without any encumbrances that did not exist when the Property was conveyed to Palindrome.

(c) If Palindrome has not achieved Construction Completion for all of the Components and construction of all Public Benefits by the later of March 1, 2030 or sixty (60) months from the Effective Date of this Agreement, then the City shall have the right to repurchase such portion of the Property not developed, subject to the provisions of Section 5.7.

**7.3 Palindrome's Remedies.** If the City wrongfully fails to Close, Palindrome may, at its option: (i) terminate this Agreement by written notice to the City without waiving any cause of action that Palindrome may have against the City, including but not limited to seeking actual damages incurred by Palindrome, or (ii) specifically enforce the City's obligation to Close. Palindrome may seek monetary damages against the City for such defaults, other than its attorneys' fees and costs of litigation.

**7.4 Nonexclusive Remedies.** The rights and remedies provided by this Agreement are not exclusive, except where otherwise indicated, and will be in addition to any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of one or more of such remedies will not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or of any of its remedies for any other default by the other Party, including, without limitation, the right to compel specific performance.

**7.5 Unavoidable Delay.**

7.5.1 Neither a Party nor a Party's successor in interest will be considered in breach of or in default with respect to any obligation under this Agreement if the delay in performance of such obligation ("**Unavoidable Delay**") is a result of conditions unforeseeable, beyond the Party's reasonable control, and without the Party's fault or negligence, including, without limitation, events such as natural disasters (fire, flood, earthquake, storm, hurricane, or unusually severe weather), war, invasion, hostilities, terrorist activities, epidemic, quarantine, blockage, embargo, labor dispute, shortages of labor or materials, strike, malicious mischief, or explosion. A material change in the financial markets alone will not be deemed an Unavoidable Delay.

7.5.2 A Party asserting an Unavoidable Delay as an excuse for failure to perform the Party's obligation must, within thirty (30) days after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and estimated time of correction. The Party must thereafter make all commercially reasonable efforts to resume performance of the delayed obligation.

7.5.3 Unavoidable Delay will extend the time or times for performance of the Party's obligation for the period of the Unavoidable Delay, except in no event will the time

for performance be extended for more than 180 days without the prior written consent of the other Party.

## 8. MISCELLANEOUS PROVISIONS

8.1 **Notice.** Any notice or communication under this Agreement by either Party to the other will be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail, postage prepaid, return receipt requested, (b) when received if personally delivered, or (c) if sent by e-mail or other form of electronic transmission, with receipt of written reply confirmation from the recipient that such transmission has been received:

In the case of a notice or communication to Palindrome, addressed as follows:

Palindrome Properties Group, LLC  
Palindrome Puyallup, LLC  
412 NW 5th Ave., Suite 200  
Portland, OR 97209  
Attn: Robert Gibson

With a copy to:

Stoel Rives LLP  
600 University Street, Suite 3600  
Seattle, WA 98101  
Attn: Sallie Lin

In the case of a notice or communication to the City, addressed as follows:

City of Puyallup  
City Manager  
333 S Meridian  
Floor 5  
Puyallup, WA 98371

or addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this section. Notice given in any other manner will be effective upon receipt by the Party for whom the same is intended.

8.2 **Headings.** Titles of the sections of this Agreement are inserted for convenience of reference only and will be disregarded in construing or interpreting any of its provisions.

8.3 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed to be an original, and such counterparts will constitute one and the same instrument.

8.4 **Assignment of Interests, Rights, and Obligations.** This Agreement shall be binding and inure to the benefit of the Parties. No Party may assign its rights under this Agreement

without the written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, in the event that Palindrome determines that the Project would benefit from the participation of a nonprofit tax-exempt organization, Palindrome may assign this Agreement to a nonprofit tax-exempt organization, so long as Developer remains the developer of the Project and an affiliate of Developer manages the operations of the Project.

**8.5 Incorporation of Recitals.** The Recitals contained in this Agreement are hereby incorporated into this Agreement as if fully set forth herein.

**8.6 Severability.** If any term of this Agreement is held to be illegal, invalid or unenforceable, it will not affect the remainder of this Agreement, which will be construed as if the illegal, invalid, or unenforceable term had never been contained in this Agreement.

**8.7 Governing Law, Venue, Consent to Jurisdiction.** This Agreement will be governed by Washington law, without regard to principles of conflicts of law. Any action or suit to enforce or construe any provision of this Agreement by any Party must be brought in Pierce County Superior Court or, if the action or suit must be brought in a federal forum, the United States District Court for the Western District of Washington. Each Party, by execution of this Agreement, hereby consents to the *in personam* jurisdiction of said courts.

**8.8 Attorneys' Fees.** If a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under U.S. Bankruptcy Code, is instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing party will be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge at trial or on any appeal in addition to all other amounts provided by law. This provision will cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

**8.9 No Third-Party Beneficiary Rights.** No person not a party to this Agreement is an intended beneficiary of this Agreement, and no person not a party to this Agreement will have any right to enforce any term of this Agreement.

**8.10 Integration.** This Agreement and its exhibits and schedules are the entire agreement between the Parties with regard to the disposition and development of the Property. This Agreement supersedes and replaces the Prior Agreement. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations or warranties made by either Party, implied or express, other than those contained in this Agreement.

**8.11 Authority.** The Parties each represent that they have full power and authority to enter into this Agreement and to carry out all actions required of them by this Agreement. All persons who are executing this Agreement in their representative capacities hereby represent that they have the full power and authority to bind their respective entities.

8.12 **Covenants Running with the Land.** The conditions and covenants set forth in this Agreement and incorporated herein by the exhibits and schedules shall run with the land and the benefits and burdens shall bind and inure to the benefit of the Parties.

8.13 **Amendments and Modifications.** This Agreement may be amended by mutual consent of the Parties, provided that any such amendment relating to Section 5 shall follow the process established by law for the adoption of a development agreement (RCW 36.70B.200).

8.14 **Police Power.** Nothing in this Agreement shall be construed to diminish, restrict, or limit the police powers of the City granted by the Washington State Constitution or by general law.

8.15 **Recording.** Developer shall record an executed copy of this Agreement with the Pierce County recorder, pursuant to RCW 36.70B.190, no later than fourteen (14) days after the Effective Date.

8.16 **Waivers.** No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement will be considered a waiver of any other rights of the Party making the waiver. No waiver by the City or Developer of any provision of this Agreement or any breach thereof, will be of any force or effect unless in writing and no such waiver will be construed to be a continuing waiver.

8.17 **Calculation of Time.** All periods of time referred to herein will include Saturdays, Sundays, and legal holidays in the state of Washington, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period will be extended to include the next day which is not a Saturday, Sunday or legal holiday.

8.18 **Time of Essence.** Time is of the essence of this Agreement.

8.19 **Limitation on Damages.** Notwithstanding anything to the contrary that may be contained in this Agreement, in no event will the City or Developer be obligated to pay special, incidental or consequential damages for any purposes or in any circumstance under or in relation to this Agreement, each of which is hereby waived by the parties. For the avoidance of doubt, the foregoing waiver includes without limitation any lost opportunities, profits or losses.

8.20 **Finders' or Brokers' Fees.** The City represents that it has not engaged the services of any broker or finder to which a commission or other fee is due in connection with any of the transactions contemplated by this Agreement. The City agrees to indemnify, defend and hold harmless Developer against any loss, liability, damage, cost, claim or expense, including interest, penalties and reasonable attorneys' fees that Developer shall incur or suffer by reason of a breach by the City of the representation set forth above.

8.21 **Incorporation.** The following exhibits and schedules are attached to this Agreement are incorporated into and made a part of this Agreement.

Exhibit A – Legal Description of the Property  
Exhibit B – Description of the Project  
Schedule 1.3 – Public Benefits  
Schedule 2.2.5 – Milestones  
Schedule 5.3.6 – Departures from the Base Code

*[No further text.]*

IN WITNESS WHEREOF, this Agreement is executed in multiple counterparts as of the Effective Date.

**City of Puyallup,**  
a Washington municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City of Puyallup Legal Counsel

STATE OF WASHINGTON

COUNTY OF PIERCE

This record was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by \_\_\_\_\_ as \_\_\_\_\_ of City of Puyallup, a Washington municipal corporation.

\_\_\_\_\_  
Notary Public for the State of Washington  
Print name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**Palindrome Properties Group, LLC,**  
a Nevada limited liability company

By: \_\_\_\_\_  
Name: Chad I. Rennaker  
Title: President

**Palindrome Puyallup, LLC,**  
a Washington limited liability company

By: \_\_\_\_\_  
Name: Chad I. Rennaker  
Title: President

STATE OF OREGON

COUNTY OF MULTNOMAH

This record was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by Chad I. Rennaker as President of Palindrome Properties Group, LLC, a Nevada limited liability company.

\_\_\_\_\_  
Notary Public for the State of Oregon  
Print name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF OREGON

COUNTY OF MULTNOMAH

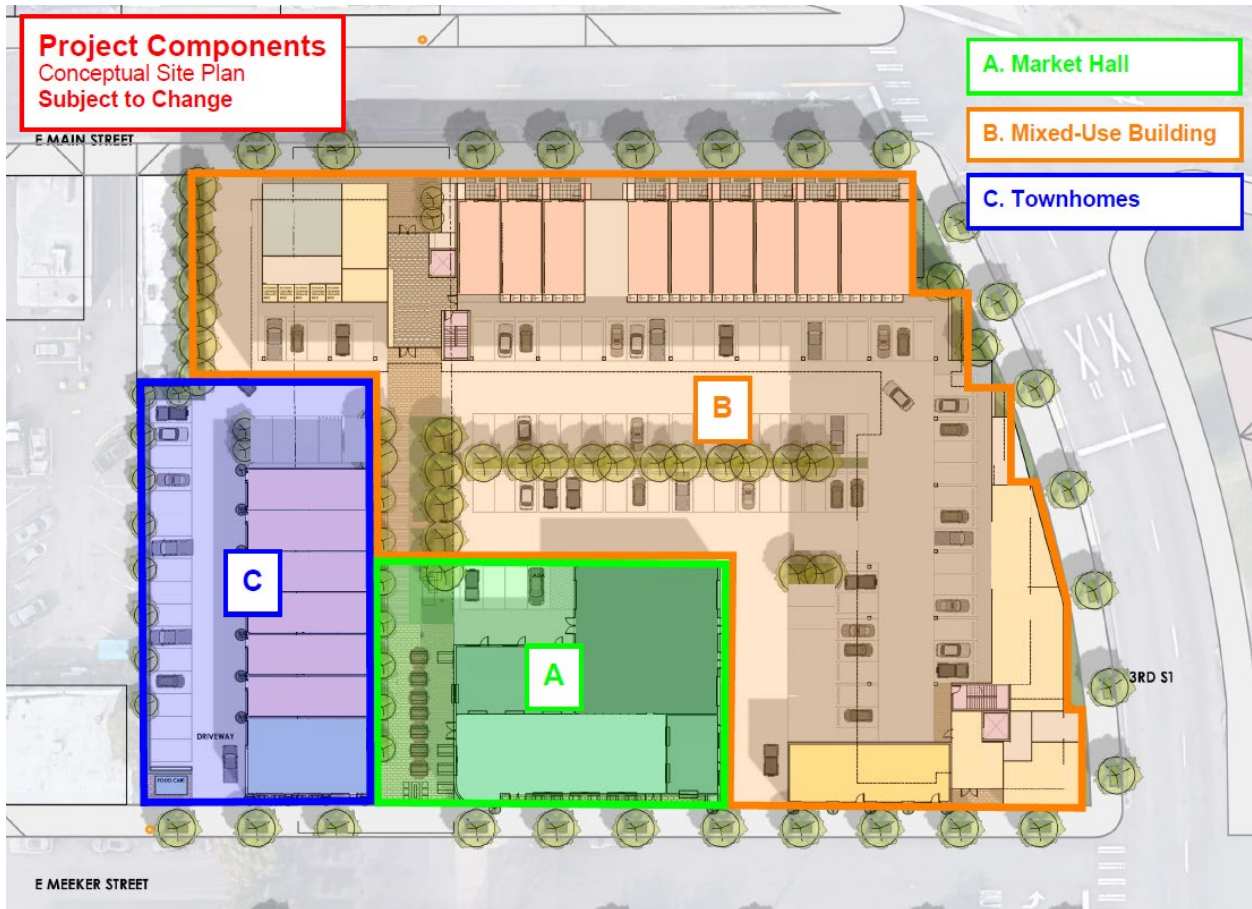
This record was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by Chad I. Rennaker as President of Palindrome Puyallup, LLC, a Washington limited liability company.

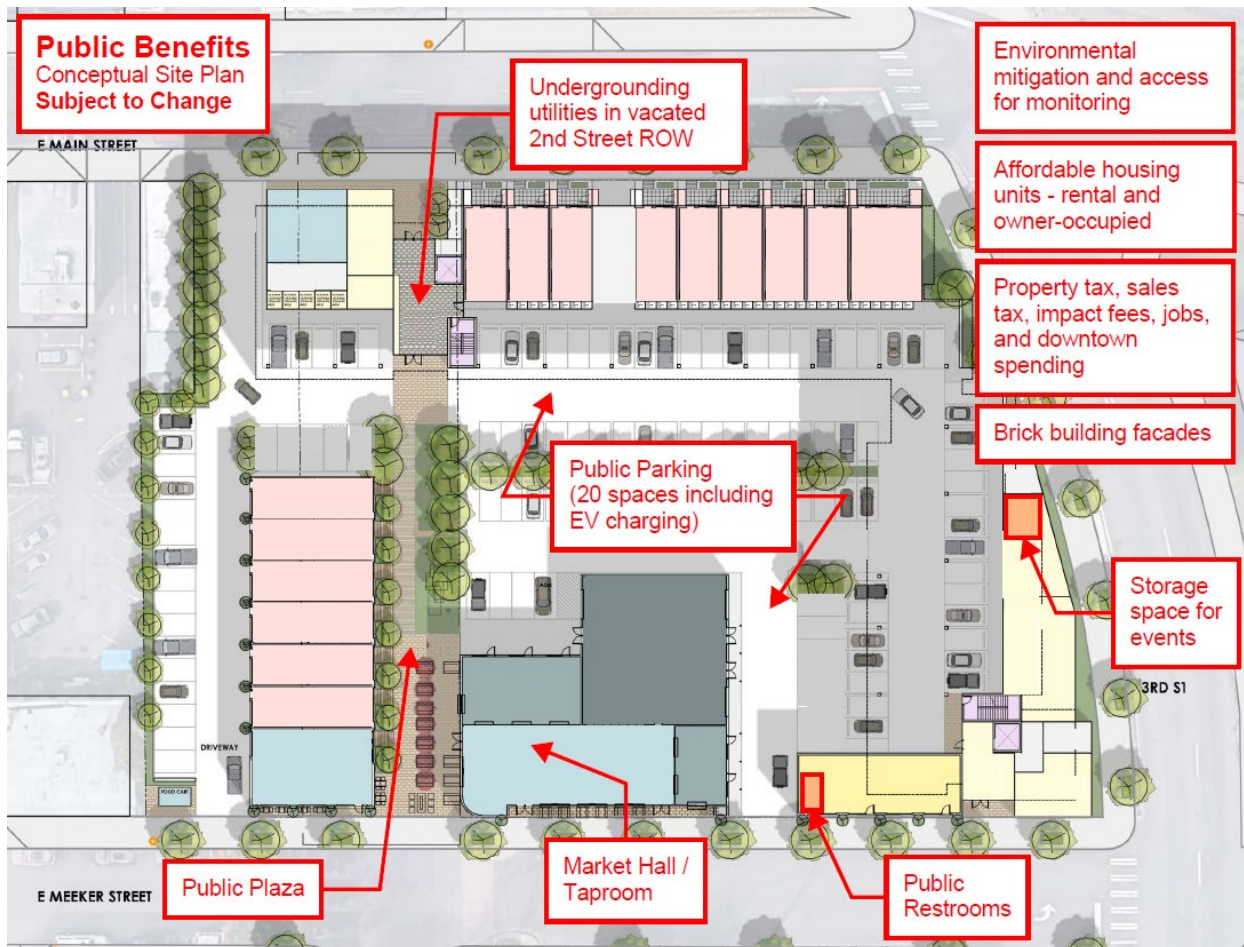
\_\_\_\_\_  
Notary Public for the State of Oregon  
Print name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

## **Exhibit A: Legal Description of the Property**

Parcels A, B and C of Boundary Line Revision, recorded September 12, 2000 under Recording No. 200009125003, in Pierce County, Washington.

## Exhibit B: Conceptual Project Components and Public Benefits Plan





### **Schedule 1.3: Public Benefits**

Below is a list of public benefits that the City is anticipated to obtain from the conveyance of the Property to Palindrome, and the development of the Project:

1. A market hall including no fewer than six micro-restaurants and one brewery/tap house, built within the existing buildings located at the southwest corner of the Property, that responds to the City's vision statements in the RFP: "Include a Market Hall, micro-retail, or other highly active commercial space on the ground floor" and "Create synergy with the Meeker Festival Street."
2. Two public restrooms for people of all genders will be constructed. Palindrome will provide the keys for the restrooms to the City, and the City will determine what hours the restrooms will be open. The public restrooms will be constructed by Project Owner at no cost to the City. The City will be responsible for insurance, routine maintenance, and janitorial services; and will be responsible for opening and closing the restrooms. Palindrome will be responsible for any capital repairs. These terms will be memorialized via a license agreement to be agreed upon prior to Closing.
3. A public plaza will be constructed on a portion of the abandoned Second Street. This public plaza will be constructed, repaired, and maintained by Project Owner at no cost to the City. The public plaza is currently anticipated to be at least 2,000 square feet in size. Public access to the public plaza will be memorialized via an easement agreement between the City and Project Owner.
4. Project Owner will construct storage space for equipment related to events and festivals in one of the buildings in the Project. This event space storage may be used by the City at no cost to the City. The event space storage is currently anticipated to be approximately 300 square feet.
5. No fewer than twenty percent of the units of rental housing to be constructed will be set aside for households at or below 80% of area median income for a minimum of twelve (12) years. Additionally, two of the for-sale townhouses will be set aside for households at or below 80% of area median income. Resale of these two townhomes will be restricted to households at or below 80% of area median income for a minimum of twenty (20) years. Housing cost limits for the affordable rental housing and townhomes shall be governed by the City's Multi-Family Tax Exemption Program at 80% of area median income. Resales of townhomes will be controlled by a deed or other binding agreement between Palindrome and future homebuyers. A draft of this deed or binding agreement shall be provided to the City concurrently with the building permit application for the Townhome Component.
6. At least two (2) electric vehicle charging stations that are accessible to the general public will be installed in the parking lot, which will contribute to the City's efforts to provide

more electric vehicle options. Electric vehicle charging stations will be accessed a fee at the then-current market charge for such service. Parking will be at no cost to the general public.

7. No fewer than twenty (20) public parking spaces will be constructed and maintained by Palindrome as part of the Project. These parking spaces will have signs indicating that they are available to the general public, including patrons of any downtown businesses, from 9:00 AM to 5:00 PM, Monday through Friday. During such posted hours, cars parked in these public parking spaces will be subject to maximum time limits (e.g., of three hours, consistent with other parts of downtown Puyallup) and parking shall be free of charge. At all other times, Palindrome may determine who can use the parking spaces and at what cost.
8. The existing overhead power and telecom lines will be buried underground between Meeker Street and Main Street. Underground power and telecom lines help to beautify the community, and also assist with safety during storms.
9. The Property is sub-standard and has several environmental, geotechnical, and other development impairments. Transferring the Property to a developer who is willing to accept such sub-standard conditions helps the City in making sure the Property is redeveloped appropriately. Among other improvements, Palindrome will be installing new monitoring wells and a vapor barrier or other vapor management system per Ecology's specifications, and deep foundation systems.
10. The market hall will provide economic benefit to the City by expanding tourist opportunities and job creation for small businesses.
11. The Project will feature high-quality materials, including brick. The primary ground floor siding material for the Mixed-Use Building Component and Townhome Component shall be brick.

### Schedule 2.2.5: Milestones

Below is a list of anticipated milestones, which is subject to change. Prior to Closing, Palindrome will provide an updated list of milestones. The Target Dates shown below are the dates by which the Parties hope to achieve each of the Milestones; these are aspirational dates that the Parties hope to achieve, but are not binding. The Outside Dates shown below are the dates by which Palindrome or the City must accomplish each of the Milestones in order to remain in compliance with the terms of this Agreement. Any changes to the Milestones or Outside Dates must be approved in writing by both Parties.

<b>Milestone or Action</b>	<b>Target Date</b>	<b>Outside Date</b>	<b>Deadline:</b> (Day by which each milestone must occur.)
Mutual Execution of this Agreement (Effective Date)	2/15/2025	2/15/2025	
Initiation of vacation of 2nd Street by City	8/15/2025	8/15/2025	Not to exceed 180 days after Mutual Execution
Submission of design review application for Market Hall Component	8/15/2025	8/15/2025	Not to exceed 180 days after Mutual Execution
Submission of contaminated media management plan for all Project Components to Ecology	8/15/2025	8/15/2025	Not to exceed 180 days after Mutual Execution
Submission of building permit application for the Market Hall Component	11/12/2025	11/12/2025	Not to exceed 270 days after Mutual Execution
City approves vacation of 2nd Street	2/1/2026	2/1/2026	Prior to Closing; if not approved, then Closing may be delayed.
Closing Date	2/1/2026	2/1/2026	14 months after Mutual Execution

<b>Milestone or Action</b>	<b>Target Date</b>	<b>Outside Date</b>	<b>Deadline:</b> (Day by which each milestone must occur.)
<b><i>Market Hall Component</i></b>			
Commence construction of the Market Hall Component	6/1/2026	6/1/2026	120 days after Closing
Construction completion of the Market Hall Component	8/1/2027	12/31/27	Construction completion of the Market Hall Component must be completed by Palindrome on or before the latest of the following dates: <ul style="list-style-type: none"> <li>• 36 months after the Effective Date of this Agreement;</li> <li>• 24 months after the City’s construction completion of the Festival Street Project; or,</li> <li>• 16 months after Construction Commencement of the Market Hall Component.</li> </ul>
Public Plaza Easement	8/1/2027	12/31/2027	Executed prior to issuance of the relevant certificate of occupancy or permit closeout for the Market Hall Component.
<b><i>Mixed-Use Building Component</i></b>			
Submission of design review application for Mixed-Use Building Component	12/1/2026	5/1/2027	Not to exceed 805 days after Mutual Execution
Submission of building permit application for the Mixed-Use Building Component	5/1/2027	11/1/2027	Not to exceed 989 days after Mutual Execution
Commence Construction of the Mixed-Use Building Component	11/1/2027	3/1/2028	No later than 90 days after construction completion of the Market Hall Component

Development Agreement  
City of Puyallup and Palindrome Properties Group, LLC and Palindrome Puyallup, LLC  
Schedule 2.2.5

<b>Milestone or Action</b>	<b>Target Date</b>	<b>Outside Date</b>	<b>Deadline:</b> (Day by which each milestone must occur.)
License Agreement(s) for public restrooms, storage space, and public parking	12/31/2028	9/30/2029	Executed prior to issuance of the relevant certificate of occupancy or permit closeout for the Mixed-Use Building.
Construction Completion of Mixed-Use Building Component	12/31/2028	9/30/2029	No later than 24 months after start of construction of the Mixed-Use Building Component
<b><i>Townhome Component</i></b>			
Submission of design review application for Townhome Component	12/31/2027	5/4/2028	Not to exceed 1,174 days after Mutual Execution
Submission of building permit application for the Townhome Component	4/1/2028	9/1/2028	Not to exceed 1,294 days after Mutual Execution
Commence construction of Townhome Component	8/1/2028	3/1/2029	No later than 365 days after construction start of the Mixed-Use Building Component
Townhome resale deed restrictions or covenants, ensuring affordability for 20 years provided to City for approval	8/1/2029	3/1/2030	Executed prior to issuance of the relevant certificate of occupancy or permit closeout.
Construction completion of Townhome Component	8/1/2029	3/1/2030	18 months after Construction Commencement of construction of Townhome Component
<b><i>All Project Components</i></b>			
Construction Completion of All Project Components	8/1/2029	3/1/2030	The later of March 1, 2030 or five (5) years from the Effective Date of this Agreement.



### Schedule 5.3.6: Departures from Base Code

1. The Project will be located on Existing Land that is zoned CBD-Core zone. The Project will be subject to the specifications of this zone, except where identified in this Schedule and elsewhere in this Agreement. All issues or matters not addressed by this Agreement shall be determined and interpreted consistent with Puyallup Municipal Code (“*PMC*”), development standards, and/or other applicable law.

2. **Landscaping.** The Project shall be allowed to deviate from the following landscaping requirements:

2.1 PMC 20.58.005 (1) and the referenced Vegetation Management Standards (VMS) 14.4., and PMC 20.58.005 (2)

2.2 The City will allow flexibility for reduction and/or removal of parking lot landscaping including landscape islands. In deviating from these standards, Palindrome will endeavor to provide landscaping adjacent to and within on-site parking areas where feasible, while ensuring parking standards otherwise required to accommodate the proposed density of development are met. Palindrome will work with city staff to identify potential areas for smaller landscape islands or consolidated landscape areas in parking lots in order to maximize the amount of land available for mixed-use development and parking, and will ensure that screening adjacent to driveways meets sight distance requirements. Additionally, the Project will offer parking lot shading to satisfy the requirements of PMC 20.58.005 (1) by virtue of the building massing and locations.

2.3 The City will allow reductions in perimeter landscape buffer, if necessary, along interior lot lines (i.e., the front, rear, and side yard of townhomes) to be replaced by alternative buffers such as 42” wall with 1’ planting strip.

2.4 Palindrome will provide structural soil cells in accordance with the development code beneath and adjacent to parking areas wherever they occur adjacent to landscaped areas.

3. **Parking and Drive Aisles.** The Project shall be allowed to deviate from standards in the following areas:

3.1 PMC 20.55.035: The City will allow:

3.1.1 An increase to the allowed overhang from 24” to up to 30” for total parking space length when a clear area of 30” is provided in front of the interior face of a wheel stop, and the overhang does not impact ADA walking path standards;

3.1.2 A reduction to the required driveway width for one- or two-way access to 90-degree angle parking spaces from 24’-0” minimum to 20’-0”

minimum, provided that this reduction is acceptable to Central Pierce Fire & Rescue and does not impact fire operations for fire apparatus access;

3.1.3 PMC 20.55.061: The City will allow flexibility on the requirement for a standard loading space so long as aggregate commercial uses on the combined parcels comprising the development site do not exceed 10,000 sq ft, exclusive of residential amenity spaces that serve residents of the multifamily dwellings provided on site. The developer will work with staff to identify a standard loading zone alternative that could include time-restricted spaces for general parking after hours.

**4. Height allowance:**

4.1 PMC 20.30.032: This Agreement permits a maximum building height of 65 feet, which is the maximum allowed height in the CBD-Core, without requiring height bonuses to be applied.

**5. Townhome Component:**

5.1 The City will allow the Project to depart from the Ground Floor Height minimum of 14' within a Planned Action Area. The Townhome Component's first floor is currently assumed to be 10'; 14' is excessive for most townhome units.

5.2 The City will consider deviations from existing code for site width, depth, and maximum FAR for the Townhome Component. For example, individual townhomes may not meet the CBD-Core requirements for minimum lot width (30 feet), minimum lot depth (70 feet), or minimum floor area ration (2.75), depending on how these figures are calculated.

## PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

*(Cornforth-Campbell Properties)*

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this “**Agreement**”) is made and entered into as of \_\_\_\_\_, 2025 (the “**Effective Date**”) by and between the City of Puyallup, a Washington municipal corporation (“**Seller**”), and Palindrome Puyallup, LLC, a Washington limited liability company (“**Buyer**”), with reference to the following terms:

### RECITALS

A. Seller is the owner of certain real property located in the City of Puyallup, County of Pierce, State of Washington and certain improvements thereon, together with all easements, rights of way, privileges, appurtenances and other rights pertaining thereto, and all fixtures attached or appurtenant thereto owned by Seller and located on or used in connection therewith, as commonly known as the “Cornforth-Cambell Properties,” with such related real property as more particularly and legally described in Exhibit A attached hereto (the “**Real Property**”).

B. Seller is also the owner of certain intangible rights relating to the operation, management, maintenance, repair, development and use of the Real Property, including, without limitation all as-built drawings, plans and specifications, licenses, permits, certificates of occupancy, authorizations and approvals in connection with the operation, use, occupancy, possession and operation of the Real Property, utility deposits, security deposits and other similar deposits and bonds, warranties, guaranties, including, without limitation, all contractors’, architects’, designers’, engineers’ and manufacturers’ warranties and guaranties relating to the Real Property, surveys, inspection reports, development rights, entitlements, telephone numbers, and other intangible rights relating to or appurtenant to the Real Property (to the extent assignable and transferable, the “**Intangible Rights**”).

C. There is expressly no warranty given, either expressly, impliedly, or otherwise, by the Seller, and as noted under Section 1.2 below, the Property, including any and all improvements constructed thereon (as defined herein) is being purchased by Buyer from Seller “as-is” and “without warranty”. The Real Property and the Intangible Rights shall hereinafter collectively be referred to as the “**Property**”.

D. Seller and Buyer are parties to that certain Development Agreement, dated as of the date hereof (the “**Development Agreement**”). In connection with the Development Agreement, Seller desires to sell and Buyer desires to acquire from Seller all of Seller’s rights, title and interest in and to the Property on the terms and subject to the conditions hereinafter set forth.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### 1. SALE OF PROPERTY; AS-IS, WHERE IS.

1.1 Seller hereby agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, all of Seller's rights, title and interest in and to the Property on the terms and conditions contained herein.

1.2 BUYER HEREBY EXPRESSLY ACKNOWLEDGES THAT IT WILL HAVE PRIOR TO THE DUE DILIGENCE DEADLINE THE OPPORTUNITY TO INSPECT AND EXAMINE THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER IN ORDER TO ENABLE BUYER TO EVALUATE THE PURCHASE OF THE PROPERTY. BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE PURCHASER OF REAL ESTATE SUCH AS THE PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE TO EVALUATE THE PURCHASE OF THE PROPERTY; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT BE CONSTRUED OR INTERPRETED TO LIMIT OR WAIVE ANY OF THE EXCEPTIONS TO DISCLAIMER (AS DEFINED BELOW). BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE DOCUMENTS DELIVERED AT CLOSING, BUYER IS ACQUIRING THE PROPERTY ON AN "**AS-IS, WHERE IS AND WITH ALL FAULTS,**" BASIS, IN ITS CONDITION EXISTING AT THE CLOSE OF ESCROW, WITHOUT ANY REPRESENTATIONS OR WARRANTIES AND SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY INCLUDING, WITHOUT LIMITATION:

(a) VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION THE WATER, SOIL AND GEOLOGY;

(b) INCOME TO BE DERIVED FROM THE PROPERTY;

(c) SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON;

(d) COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY;

(e) HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR PARTICULAR PURPOSE OF THE PROPERTY;

(f) MANNER OR QUALITY OF THE CONSTRUCTION OR OF THE MATERIALS INCORPORATED INTO THE PROPERTY;

(g) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, AND EXPRESSLY DISCLAIMS AND FOREVER WAIVES ANY AND ALL CONSTRUCTION DEFECT CLAIMS BROUGHT UNDER THE COLOR OF LAW; OR

(h) COMPLIANCE WITH ANY FEDERAL, STATE OR LOCAL ENVIRONMENTAL LAW, REGULATION OR ORDINANCE REGARDING HAZARDOUS SUBSTANCES OR WASTE INCLUDING, BUT NOT LIMITED TO, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED OR MODIFIED.

1.3 Release by Buyer.

(a) Except for (i) Seller's fraud, willful misconduct, or default of representations, warranties, indemnities, obligations and covenants set forth in this Agreement or in the documents to be executed and delivered by Seller at Closing (the foregoing, collectively, the "**Exceptions to Disclaimer**"), in the event that the Closing occurs, by proceeding with the Closing Buyer shall be deemed to have released Seller related to or in connection with (1) any environmental or physical condition of the Property, including, without limitation, claims and liabilities relating in any manner to any hazardous, toxic or dangerous materials or substances located in, at, about or under the Property and (2) any and all claims or causes of action (actual or threatened) based upon, in connection with or arising out of any environmental laws and related to any hazardous, toxic or dangerous materials or substances located in, at, about or under the Property. Upon Closing, with the sole exception of the Exceptions to Disclaimer, Buyer (A) shall assume the risk that adverse matters including, without limitation, construction defects and adverse physical and environmental conditions, may not have been revealed by Buyer's investigations and diligence concerning the Property, and (B) shall be deemed to have waived, relinquished and released the Seller from and against any and all claims demands, causes of action, losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Buyer might have asserted or alleged against any of the Seller at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of applicable law (including, without limitation, environmental laws).

1.4 Conditions to Closing. Closing is subject to the terms and conditions of the Development Agreement.

1.5 Proposed Project. Buyer intends to construct multiple components on the Property, as more particularly described in the Development Agreement (the "**Proposed Project**").

2. PURCHASE PRICE FOR PROPERTY.

2.1 The total purchase price ("**Purchase Price**") for the Property shall be the sum of (a) the total development cost to Buyer of constructing the Public Benefits defined in the

Development Agreement, which shall be paid by Buyer as part of the ordinary course of development of the Public Benefits and not directly to Seller, and (b) One Dollar and zero cents (\$1.00), which shall be paid by Buyer at Closing. Buyer and Seller agree that the value of the Personal Property is zero dollars (\$0.00).

2.2 All deposits into Escrow made by Buyer prior to the Close of Escrow, if any, may be made by cashier's or certified check, or by wire transfer.

### 3. ESCROW.

3.1 Within two (2) business days after the Effective Date, Buyer and Seller shall open an escrow (the "**Escrow**") with Lawyers Title Company, Attn: Peggy Neikirk, having an address of 1455 SW Broadway, Suite 1400, Portland, OR 97201, which is hereby designated as the escrow holder ("**Escrow Holder**") for the purpose of carrying out the terms of this Agreement. Escrow shall be deemed open on the date that Escrow Holder receives an executed copy of this Agreement.

3.2 This Agreement is hereby designated as escrow instructions duly signed by Buyer and Seller, although Escrow Holder may require further written instructions executed by Buyer and Seller to clarify the duties and responsibilities of Escrow Holder. Seller and Buyer agree to execute and deliver to the Escrow Holder such additional and supplemental instructions as the Escrow Holder may reasonably require in order to clarify the Escrow Holder's duties under this Agreement, and either Buyer or Seller may elect to provide additional closing instructions in writing, in addition to the instructions contained in this Agreement, but any such further instructions required by Escrow Holder or from either or both of Buyer or Seller shall not modify or amend the provisions of this Agreement. Notwithstanding the foregoing, in the event of any discrepancy between this Agreement and such further instructions, the provisions of this Agreement shall prevail.

3.3 For purposes of this Agreement, the "**Close of Escrow**" or "**Closing**" shall be the time and date upon which the Warranty Deed (as defined below) conveying title to the Real Property to Buyer is recorded in the official records of Pierce County, Washington. The date of the Close of Escrow (the "**Closing Date**") shall be the "**Closing Date**" (unless the parties mutually agree in writing to a "GAP" closing as of an earlier date). Closing shall occur no later than the date provided in the Development Agreement.

3.4 In the event that Escrow Holder is unable to comply with these instructions and close escrow by the Closing Date, then unless Escrow Holder has been advised in writing of the termination of this Agreement by either party, Escrow Holder shall continue to attempt to comply with these instructions and close Escrow as soon as possible thereafter. In no event shall the Close of Escrow occur unless all conditions to Closing have been satisfied or waived in writing by the party for whose benefit such condition(s) are included herein.

### 4. PRELIMINARY TITLE REPORT; INSPECTIONS.

4.1 Within three (3) days of the Effective Date, Seller shall deliver to Buyer (i) a current title commitment for an ALTA standard form of Owner Policy of Title Insurance for

the Real Property from **Fidelity National Title Insurance Company** (the “**Title Company**”), together with copies provided by the Title Company of all instruments giving rise to any exceptions to title to the Property (collectively, the “**Title Commitment**”). Buyer will obtain a new survey (the “**Survey**”) of the Property. Not later than thirty (30) business days after Seller’s delivery of the Title Commitment, Buyer shall give notice (the “**Title Notice**”) to Seller (with a copy to Escrow Holder) specifying any matters shown on the Title Commitment or disclosed by the Survey which are disapproved by Buyer. Seller shall, no later than two (2) business days after the Effective Date, give written notice to Buyer (the “**Response**”) stating either that Seller (i) will not remove or remedy any of such disapproved matters, or (ii) will remove and remedy all of such disapproved matters, or (iii) will remove and/or remedy certain of the disapproved matters, but not all of the disapproved matters specified in the Title Notice. If Seller does not deliver a Response within the time provided above, such non-delivery shall constitute the Response and shall be deemed to have been delivered on the date on which Seller’s Response is due and shall constitute Seller’s notice that Seller does not intend to remove or remedy or take any action with respect to any matter referred to in Buyer’s Title Notice. Unless the Response states that Seller will remove or remedy all of the disapproved matters specified in the Title Notice, then no later than three (3) business days after Buyer’s receipt or deemed receipt of the Response, Buyer may elect: (a) to waive such disapproval(s) and to accept title to the Real Property subject to such disapproved matters; or (b) to terminate this Agreement, which shall entitle Buyer to the refund and release provided herein. If Buyer does not terminate this Agreement as provided above, all of the title exceptions and matters relating to title to the Property disclosed on the Title Commitment and Survey, excepting only those matters which Seller has expressly agreed to remove in the Response, shall be “**Permitted Exceptions.**” Notwithstanding anything to the contrary contained in this Agreement, prior to the Closing, Seller shall be obligated to discharge all Monetary Liens (as defined below). “**Monetary Liens**” shall mean collectively, and “**Monetary Lien**” shall mean individually, delinquent property taxes, deeds of trust, security agreements, any other collateral assignments, claims for monetary amounts and mechanics’ liens, judgment or similar non-consensual liens that can be cured or removed by the payment of money and in each case evidencing indebtedness of Seller or any affiliate of Seller and not any other person, which affect all or any portion of the Property; but excluding current taxes and assessments, not delinquent, which shall be prorated between the parties at the Closing (as provided below).

In the event that the Survey or any subsequent update(s) of the Title Commitment or the Survey, if obtained by Buyer prior to ninety (90) days from the Effective Date, discloses any material adverse matters not set forth in the initial Title Commitment or the initial Survey, then no later than five (5) business days after Buyer’s receipt of an update to the Survey or an update to the Title Commitment, as applicable, Buyer shall give notice (the “**Additional Title Notice**”) to Seller (with a copy to Escrow Holder) of such disapproved matters. If Buyer does not deliver the Additional Title Notice to Seller within the time-period set forth above, then Buyer shall be deemed to have waived any objections to such matters disclosed in the updated Survey or updated Title Commitment, as applicable. If Buyer delivers the Additional Title Notice to Seller within the time-period set forth above, then Seller shall, no later than two (2) business days after receipt of the Additional Title Notice, give written notice to Buyer (the “**Additional Title Response**”) stating that Seller either (i) will not remove or remedy any of the disapproved matters specified in the Additional Title Notice, or (ii) will remove and remedy all of such disapproved matters specified in the Additional Title Notice, or (iii) will remove and/or remedy certain disapproved matters

specifically identified in the Additional Title Response, but not all of the disapproved matters specified in the Additional Title Notice. If Seller does not deliver an Additional Title Response within the time in which it is due as here stated, such non-delivery shall constitute the Additional Title Response and shall be deemed to have been delivered on the date on which the Additional Title Response is due and shall constitute Seller's notice that it does not intend to remove or remedy or take any action with respect to any matter referred to in Buyer's Additional Title Notice. If Seller elects (or is deemed to have elected) not to remove or remedy all of the disapproved matters specified in Buyer's Additional Title Notice, then no later than three (3) business days after Buyer's receipt or deemed receipt of the Additional Title Response, Buyer may elect: (a) to waive such disapproval(s) and to accept title to the Real Property subject to such disapproved matters; or (b) to terminate this Agreement, which shall entitle Buyer to the refund and release provided herein. If Buyer does not terminate this Agreement as provided in the immediately-preceding sentence, all of the title exceptions and matters relating to title to the Property disclosed in the updates to the Title Commitment and/or the Survey, excepting only those matters which Seller has expressly agreed to remove in the Additional Title Response, shall be included as part of the Permitted Exceptions.

4.2 Prior to the Effective Date, Seller has delivered to Buyer true and correct copies of those items, documents and matters listed or described on Exhibit D attached hereto and incorporated herein by this reference to the extent such documents are in the possession or control of Seller or its property manager (the "**Due Diligence Documents**"). With respect to any items, documents and matters listed or described on Exhibit D not in the possession or control of Seller or its property manager at the time of such delivery but thereafter coming into the possession or control of Seller or its property manager, Seller shall promptly deliver such additional Due Diligence Items to Buyer. **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR ANY DOCUMENT EXECUTED AT CLOSING, BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE EXCEPTIONS TO DISCLAIMER, ANY ENVIRONMENTAL REPORTS OR OTHER PROPERTY RELATED REPORTS OR OTHER DUE DILIGENCE DOCUMENTS DELIVERED OR TO BE DELIVERED BY SELLER OR ITS AGENTS OR CONSULTANTS TO BUYER ARE BEING MADE AVAILABLE SOLELY AS AN ACCOMMODATION TO BUYER AND MAY NOT BE RELIED UPON BY BUYER IN CONNECTION WITH THE PURCHASE OF THE PROPERTY (FOR AVOIDANCE OF DOUBT, BUYER SHALL BE ENTITLED TO RELY ON ANY NEW OR UPDATED REPORTS COMMISSIONED BY BUYER OR BUYER'S LENDER WITHOUT CLAIM OR RECOURSE TO SELLER OR ITS AGENTS). BUYER AGREES THAT, EXCEPT FOR THE EXCEPTIONS TO DISCLAIMER, SELLER SHALL HAVE NO LIABILITY OR OBLIGATION WHATSOEVER FOR ANY INACCURACY IN OR OMISSION FROM ANY SUCH REPORTS AND DOCUMENTS. BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO THE DUE DILIGENCE DEADLINE, ITS OWN INVESTIGATION OF THE ENVIRONMENTAL AND PHYSICAL CONDITION OF THE PROPERTY.**

As used in this Agreement, the "**Due Diligence Deadline**" means the date that is ten (10) business days after the conditions precedent to closing, as described in Section 2 of the Development Agreement, are satisfied or waived, as provided in the Development Agreement.

4.3 Access. Seller shall permit Buyer, its agents and assigns, to enter and access the Property upon the Effective Date as provided in Sections 1.8 and 1.9 of the Development Agreement.

## 5. DOCUMENTS AT CLOSING.

5.1 In time to permit the Close of Escrow, Seller shall deliver to Escrow Holder, for recording and/or delivery to Buyer upon Close of Escrow, the following documents (“**Seller’s Deliveries**”):

(a) A statutory warranty deed, in the form attached hereto as Exhibit B (the “**Warranty Deed**”), sufficient to convey the Real Property and appurtenant rights to Buyer, subject only to the following (collectively, but excluding Monetary Liens, the “**Permitted Exceptions**”):

(i) Non-delinquent real property taxes and all assessments and unpaid installments thereof which are not delinquent;

(ii) Any other lien, encumbrance, easement or other exception or matter voluntarily imposed or consented to in writing by Buyer prior to or as of the Closing;

(iii) All exceptions to title contained or disclosed in the Title Commitment other than Monetary Liens and those matters which Seller has expressly agreed in writing to cause to be removed and/or insured around as described in Section 4.1 above;

(iv) All matters set forth or disclosed on the Survey other than Monetary Liens and those matters which Seller has expressly agreed in writing to cause to be removed and/or insured around as described in Section 4.1 above;

(v) The encumbrance or effect of all documents to be recorded prior to or through the Escrow as expressly provided in this Agreement.

(b) An affidavit of Seller, in the form attached hereto as Exhibit C, sworn to under penalty of perjury, setting forth Seller’s United States Tax Identification Number, and stating that Seller is not a foreign person and is a “**United States person**” as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended.

(c) A Real Estate Excise Tax Affidavit in the form required for recording the Warranty Deed (the “**REETA**”).

(d) Such other documents as Seller is required to deliver pursuant to the terms of this Agreement.

(e) Such other documents and affidavits as may be reasonably required by Buyer, the Title Company, or Escrow Holder to complete the transaction pursuant to this Agreement.

5.2 In time to permit the Close of Escrow, Buyer shall deliver to Escrow Holder for recording and/or delivery to Seller upon Close of Escrow, the following (“**Buyer’s Deliveries**”):

- (a) Buyer’s executed counterpart of the REETA.
- (b) Immediately-available funds (the “**Funds**”) in the amount of the \$1.00 (subject to the credits, prorations and adjustments provided herein).
- (c) Such other documents as may be reasonably required by Seller, the Title Company or Escrow Holder to complete the transaction pursuant to this Agreement.

## 6. DEFAULT AND REMEDIES.

6.1 It shall be a “**Buyer Default**” if Buyer fails to perform any material act to be performed by Buyer, or to refrain from performing any material prohibited act, prior to the Close of Escrow under this Agreement, where such failure is not cured by Buyer within the cure period specified in this Agreement (or, if no cure period is specified within three (3) business days after Seller gives Buyer a written notice specifying the alleged failure; provided if the failure consists of failure to make the deliveries to Escrow Holder as set forth in Section 5.2 of this Agreement, for which the cure period shall be one (1) business day). Except as otherwise set forth in this Section 6.1, Seller expressly waives its rights to seek damages in the event of a Buyer Default hereunder, including, without limitation, actual or punitive damages or special or consequential damages or lost profits; *provided*, nothing in this Section 6.1 constitutes a waiver of Seller’s rights and remedies for any Buyer breach of its indemnity obligations under this Agreement, whether arising from any act or omission occurring before or after Close of Escrow or for any breach or failure to perform its obligations arising under this Agreement by Buyer occurring after Close of Escrow. If the sale of the Property is not consummated due to a Buyer Default hereunder, then, except as set forth in this Section 6.1, Seller’s sole and exclusive remedy shall be to terminate this Agreement. Notwithstanding anything contained herein to the contrary, the foregoing is not intended to limit Buyer’s liability to Seller under the Development Agreement or for attorneys’ fees and costs as provided in Section 20 below.

6.2 For purposes of this Agreement, “**Seller Default**” shall mean Seller’s failure to perform any material act to be performed by Seller, or to refrain from performing any material prohibited act, prior to the Close of Escrow under this Agreement, where such failure is not cured by Seller within the cure period specified in this Agreement (or, if no cure period is specified within three (3) business days after Buyer gives Seller a written notice specifying the alleged failure; provided, if the failure consists of failure to make the deliveries to Escrow Holder as set forth in Section 5.1 of this Agreement, the cure period shall be one (1) business day). In the event of a Seller Default, except as set forth below in this Section 6.2, Buyer shall have the right, as its sole and exclusive remedy to any one of the following: (a) to waive such default and to proceed with the Close of Escrow, or (b) to terminate this Agreement, whereupon neither party will have any further rights, obligations or liability hereunder except those which are expressly stated in this Agreement to survive such termination, or (c) to bring an action expressly seeking specific performance of Buyer’s rights and Seller’s obligations hereunder, provided that, as to any

action for specific performance as a remedy for any actual or alleged Seller's Default, any such action must be commenced by service and/or filing of the action, not later than sixty (60) calendar days after the date scheduled for Closing hereunder (or if no Closing date has been scheduled, within sixty (60) calendar days after the date of Seller's Default, actual or alleged). As to the remedy provided in the preceding clause (c), time is of the essence thereof, and if Buyer shall fail to commence an action expressly seeking specific performance as the remedy within the time stated in the immediately-preceding sentence, Buyer shall be deemed conclusively and irrevocably to have waived the right to seek specific performance and to seek instead the remedy provided under either part (a) or part (b) of this Section 6.2, and Buyer agrees any subsequently alleged or asserted claim for specific performance shall be conclusively, finally, and irrevocably time-barred. Except as otherwise set forth in this Section 6.2, Buyer expressly waives its rights to seek damages in the event of a Seller Default hereunder, including, without limitation, actual or punitive damages or special or consequential damages or lost profits; *provided*, nothing in this Section 6.2 constitutes a waiver of Buyer's rights and remedies for any Seller breach of its indemnity obligations under this Agreement, whether arising from any act or omission occurring before or after Close of Escrow or for any breach or failure to perform its obligations arising under this Agreement by Seller occurring after Close of Escrow. Notwithstanding anything contained herein to the contrary, the foregoing is not intended to limit Seller's liability to Buyer for attorneys' fees and costs as provided in Section 20 below.

6.3 Persons Liable. In the event of any claim by the Buyer against the Seller, the Buyer shall look for satisfaction thereof solely from the assets of the Seller and shall not look or seek redress against or from the Seller's members or managers. In the event of any claim by the Seller against the Buyer, the Seller shall look for satisfaction thereof solely from the assets of the Buyer and shall not look or seek redress against or from the Buyer's partners, members, or managers.

## 7. PRORATIONS; COSTS.

7.1 Escrow Holder, by charge or credit against the cash portion of the Purchase Price, shall prorate the following as of the Close of the Escrow:

(a) Taxes. All current and non-delinquent real and personal property taxes or assessments covering the Property for the applicable year. If appropriate tax and assessment figures are not available for the current year, then the proration of taxes and assessments shall be based on the corresponding figures for the prior year. Notwithstanding the foregoing, the parties hereto agree to re-prorate taxes as of the issuance of the tax and assessment figures for the year in which the Closing occurs and/or any prior years. Notwithstanding anything to the contrary contained in this Agreement, Buyer shall have the right following the Closing to control all real property tax contests and proceedings; *provided, however*, Seller shall retain all rights with respect to any refund of taxes and assessments (net of costs of recovery) applicable to any period prior to the Closing Date.

(b) Income and Expenses. Except as otherwise provided in this Section 7.1, all income and expenses for the Property shall be provided as of 11:59 p.m. on the date prior to the Closing Date (the "**Prorations Date**"). Seller shall be entitled to receive all

revenue (to the extent collected) and shall be charged with all expenses relating to the ownership and operation of the Property through the Prorations Date. Subject to the payment priorities set forth in Section 7.1(b), Buyer shall be entitled to receive all revenue relating to the ownership and operation of the Property following the Prorations Date, including, without limitation, all Rents received by Seller with respect to the period from and after the Closing Date.

(c) Utilities. Seller shall use its best effort to terminate utilities as of the Close of Escrow and to commence service in Buyer's account from and after the Close of Escrow. To the extent utility service cannot be so adjusted, utility charges shall be prorated as of the Prorations Date.

(d) Assessments. Seller shall pay at or before Closing all fees, assessments, contributions, and reserves to the extent attributable or allocable to amounts due for the period prior to the Closing Date or, if and to the extent Seller is not able to make such payments, shall provide a credit to Buyer at Closing for any of such pre-Closing obligations which Buyer will be obligated to pay after Closing (i.e., any amounts Buyer will be obligated to pay after Closing to the extent attributable to amounts due for the period prior to Closing). To the extent any of such amounts are or have been paid by Seller in advance and are attributable to the period from and after the Closing Date, Seller shall be entitled to a credit at Closing from Buyer for such amounts.

(e) Re-proration and Post-Closing Adjustments. In the event that any adjustments or prorations cannot be apportioned or adjusted at Closing by reason of the fact that final or liquidated amounts have not been ascertained, or are not available as of such date, the parties hereto agree to apportion or adjust such items on the basis of their best estimates of the amounts at Closing and to re-prorate any and all of such amounts promptly when the final or liquidated amounts are ascertained. In the event of any omission or mathematical error on the closing statement, or if the prorations, apportionments and computations shall prove to be incorrect for any reason, the same shall be promptly adjusted when determined and the appropriate party paid any monies owed.

(f) The provisions of this Section 7.1 shall survive the Closing.

## 7.2 Closing Costs.

(a) Seller shall pay the cost of the Title Commitment, the cost for an ALTA standard form of Owners Policy of Title Insurance (the "**Owner's Title Policy**"), the Real Estate Excise Tax based on the consideration paid for the Real Property, and all transfer fees and contributions, if any.

(b) Buyer shall solely be responsible for paying the cost of the Survey, all sales and/or use tax chargeable for sale of the Personal Property, and the premium and charges (and sales tax thereon) for any endorsements and extended or other additional coverage it chooses to obtain in connection with the Owner's Title Policy. All escrow and recording fees shall be equally shared by Buyer and Seller and any other closing costs shall be borne by Seller and/or Buyer in accordance with custom in the county in which the Property is located.

8. POSSESSION; RISK OF LOSS; CONDEMNATION.

8.1 Buyer shall be entitled to possession of the Property at the Close of Escrow free and clear of all occupancies and tenancies.

8.2 The parties hereto agree that the risk of loss with respect to the Property shall pass to Buyer on the Close of Escrow. In the event of damage to or destruction of the Property prior to the Close of Escrow where the cost of repair is reasonably expected to be more than or equal to Fifty Thousand Dollars (\$50,000) or any uninsured damages which Seller does not remedy or credit Buyer for at Closing (a “**Major Casualty**”), Buyer shall have the right, at its option, upon notice to Seller within fifteen (15) days of Seller’s notice to Buyer of such Major Casualty, to terminate this Agreement in accordance with the provisions hereof, or to proceed with the purchase in accordance with the terms of this Agreement. In the event Buyer elects to so proceed with the purchase contemplated hereby notwithstanding such Major Casualty, Seller agrees to pay over to Buyer any funds available from proceeds of insurance payable by reason of such damage or destruction and any deductible amount. In the event of damage or destruction of the Property prior to the Close of Escrow where the cost of repair is reasonably expected to be less than the Major Casualty amount stated above, the parties shall proceed with the purchase in accordance with the terms of this Agreement and Buyer shall receive a credit against the Purchase Price in the amount of the cost of repair, and Seller shall retain the right to collect the insurance proceeds therefor and shall pay any deductible. In the event of any material damage or destruction to the Property prior to the Close of Escrow, Seller agrees promptly to notify Buyer of such damage or destruction and such notice shall be accompanied by a description of the nature and extent of insurance coverage applicable to such damage or destruction. Seller shall maintain its present policies of insurance in effect until the Close of Escrow.

8.3 If, at any time prior to the Close of Escrow, the Property, or any material part thereof, is taken by eminent domain, or if any preliminary steps in any taking by eminent domain of the Property or any material part thereof occurs prior to the Close of Escrow, Buyer may, at its option, exercised within fifteen (15) days after written notice from Seller of such fact, terminate this Agreement in accordance with the provisions of hereof. Seller shall notify Buyer in writing of any such taking by eminent domain and all steps preliminary thereto as soon as the same shall occur. In the event Buyer does not elect to terminate this Agreement under such circumstances, Buyer shall be entitled to all proceeds received or to be received from any condemning authority, and Seller shall (i) pay to Buyer at Closing all such proceeds received by Seller, and (ii) assign to Buyer all such proceeds to be thereafter received from any condemning authority, by instrument of assignment in form reasonably acceptable to Seller and Buyer. As used in this Section 8.3, a “material part” of the Property means a part, the loss of which has a material impact on the utility, ingress, egress or economic value or income produced by the Property.

9. CONDITIONS TO CLOSING.

9.1 Conditions to Buyer’s Obligation to Purchase. The obligation of Buyer to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing of all of the following conditions, any or all of which may be waived by Buyer in its sole discretion. In the event any such conditions remain unfulfilled at Closing, Buyer may, as its sole remedy,

terminate this Agreement in accordance with the provisions hereof, or waive such conditions and proceed with the purchase in accordance with the terms of this Agreement (provided, that, if such failure also constitutes a default by Seller under this Agreement, Buyer shall have the rights and remedies provided in Section 6.2):

(a) Delivery by Seller of the Warranty Deed and all other of Seller's Deliveries.

(b) Title Company is unconditionally prepared to issue the Owner's Title Policy, with liability equal to the Purchase Price, and such other policies, endorsements and affirmative coverage as Buyer or Buyer's lender may request, showing fee simple title to the Real Property vested in Buyer, subject only to the Permitted Exceptions.

(c) Seller shall have delivered to Escrow Holder to be held in escrow for release to Buyer all of the items required to be delivered at Closing to Buyer pursuant to the terms of this Agreement, and Escrow Holder shall be in a position to irrevocably deliver such items to Buyer, unless Escrow Holder is not in a position to deliver same as a result of Buyer's default hereunder.

(d) Seller shall not be in default under any material agreement to be assigned to, or obligation to be assumed by, Buyer under this Agreement.

(e) No material proceeding for exercise of the power of eminent domain with respect to the Property or any part thereof shall then be pending.

(f) Disclosure by Seller of any proceeding to make a material change to the zoning or other land use regulations affecting the Property or any part thereof that shall then be pending. Any such disclosure of a material change to zoning or other land use regulation affecting the Property that would materially impact the Proposed Project, shall be an exception to Seller's and Buyer's obligation to consummate the transaction.

(g) Seller shall have satisfied all of its obligations under the terms of this Agreement.

(h) All of Seller's warranties and representation in this Agreement shall be true and correct in all material respects on the Closing Date.

(i) There shall exist no material adverse change in the condition of the Property after the Due Diligence Deadline, ordinary wear and tear excepted; provided that the termination of one or more residential leases of the Property or the termination of any Commercial Lease shall not constitute a material adverse change in the condition of the Property.

9.2 Conditions to Seller's Obligation to Sell. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion. In the event any such conditions remain unfulfilled at Closing, Seller may, as its sole remedy, terminate this Agreement or waive such conditions and proceed with the sale in accordance with

the terms of this Agreement (*provided, however*, that if such failure constitutes a default by Buyer under the terms of this Agreement, Seller shall have the rights and remedies provided in Section 6.1):

(a) Timely delivery by Buyer of the Funds and all other of Buyer's Deliveries.

(b) Buyer shall have satisfied all of its obligations under the terms of this Agreement.

(c) All of Buyer's warranties and representations in this Agreement shall be true and correct in all material respects on the Closing Date.

(d) Notwithstanding any other provision contained herein, the Puyallup City Council must approve any binding offer or agreement to sell Seller's property. This Agreement is subject to approval by the Puyallup City Council, whether obtained prior to execution or after execution of this Agreement. Any offer and/or this Agreement is only binding after such approval is obtained in the course of an open public meeting, as that term is defined in Washington State law.

#### 10. WARRANTIES AND REPRESENTATIONS OF SELLER.

10.1 Subject to the Exception Matters (defined below), Seller hereby warrants and represents to Buyer as of the Effective Date as follows:

(a) All items of Personal Property and Intangible Rights are owned by Seller, free and clear of any and all liens, encumbrances, security agreements, claims or other restrictions, and upon the Close of Escrow, Buyer will receive good, marketable and unencumbered title to the Personal Property and Intangible Rights.

(b) There are no leases, occupancy agreements, or service contracts between Seller and any third parties affecting the Property.

(c) The copies of all documents delivered by Seller to Buyer are delivered to Buyer in the condition in which maintained by Seller or its property manager in the ordinary course of business; provided, with respect to any such documents which have been prepared or provided by third parties, except as expressly stated otherwise in this Agreement, Seller makes no representation and gives no warranty, whether as to accuracy, completeness, currency, or otherwise, other than that such documents have been provided by Seller in the condition in which maintained by Seller or its property manager in the ordinary course of their business.

(d) All taxes and assessments against the Property due and payable on or before the Close of Escrow shall have been paid, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessments of any type of tax or deficiency against Seller as to the Property, nor to Seller's knowledge have any actions, suits,

proceedings, investigations or claims for additional taxes and assessments been asserted by any taxing authority.

(e) Seller has no knowledge, and Seller has not received any written notice alleging, that the Property, or any part thereof, is in violation of any legal requirements governing or regulating the use, construction and operation thereof or does not comply with any insurance requirements or recorded restrictions.

(f) There is no action, suit, litigation, proceeding (zoning, condemnation, environmental or otherwise) or governmental investigation, pending, or to the best of Seller's knowledge, threatened against or relating to the Seller, the Property, or the transaction contemplated by this Agreement.

(g) The Property is served by public utilities providing water, sewer, gas, electric, telephone and drainage facilities (the "**Utility Services**"). All connection fees and charges in connection with the existing Utility Services have been paid, and all taxes and assessments against the Property due and payable on or before the Close of Escrow in connection with such Utility Services shall have been paid.

(h) All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby. No further consent of any partner, shareholder, member, creditor, investor, judicial or administrative body, governmental authority or agency or other party is required. The individuals executing this Agreement and instruments referenced herein on behalf of Seller and the partners, members, officers or trustees of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not result in any breach of the terms, conditions or constitute a default under any instrument or obligation to which Seller is now a party, or by which Seller may be bound or affected, or violate any order writ, injunction or decree of any court in any litigation to which Seller is a party. Upon the execution of the Agreement on behalf of Seller by the person shown in Seller's signature block below, this Agreement constitutes the valid and binding agreement of Seller.

(i) Seller shall pay all fees and assessments which are due and payable by Seller and has made all payments, contributions and reserves which are due and payable by Seller under the terms of any covenants arising from the Property. There are no pending special assessments payable by Seller arising from the Property.

10.2 All of the representations and warranties of Seller set forth in this Agreement shall be true upon the execution of this Agreement and, as a condition to Closing, shall be true at and as of the Close of Escrow, and shall survive the Close of Escrow for a period of nine (9) months.

10.3 As used herein, the term "**Exception Matter**" shall refer to a matter which would make a representation or warranty of Seller contained in this Agreement untrue or incorrect and which is disclosed on the Due Diligence Materials (and of which Buyer has actual knowledge)

or is disclosed by Seller to Buyer in writing pursuant to the notice section of this Agreement, or is otherwise actually known by Buyer before the Closing Date. If Seller obtains actual knowledge of any facts that would result in the inaccuracy or breach of any of the representations or warranties made by Seller in this Agreement, then Seller shall promptly inform Buyer in writing of such inaccuracy or breach. If Buyer first obtains actual knowledge of any Exception Matter after the expiration of the Due Diligence Deadline and prior to the Closing, Buyer's sole remedy shall be to either (A) waive such misrepresentations and close this transaction, or (B) terminate this Agreement by written notice thereof to Seller and to Escrow Holder within the earlier of (i) fifteen (15) business days following Buyer's receipt of written notice from Seller or any other Person of such Exception Matter, or (ii) the Closing. In the event that Buyer elects to terminate the Agreement under the rights granted in this paragraph due to an Exception Matter, the terms of Section 4.2 shall be applicable and Seller shall, in addition, reimburse Buyer for the Reimbursement Amount. Buyer's failure to give a termination notice within fifteen (15) days after the Buyer has received written notice from Seller or any other Person of an Exception Matter shall be deemed a waiver by Buyer of such Exception Matter. If Buyer obtains actual knowledge of any Exception Matter before the Closing, but nonetheless elects to proceed with the acquisition of the Property, Seller shall have no liability with respect to such Exception Matter, notwithstanding any contrary provision, covenant, representation or warranty contained in this Agreement or in any other documents delivered pursuant hereto or in connection herewith. Notwithstanding anything contained herein to the contrary, in the event that an Exception Matter occurs that is the result of a breach of a specific covenant of Seller under this Agreement, then such Exception Matter shall constitute a Seller Default hereunder entitling Buyer to the remedies under Section 6.2 above.

10.4 As used in this Agreement, the term "to Seller's knowledge", "knowledge of Seller" or similar terms (i) shall mean the statement to which such term applies is limited to the actual knowledge of Steve Kirkelie and not to any other parties, and (ii) shall mean the current actual knowledge of such individual, without any duty of investigation or inquiry of any kind, other than due inquiry of the property manager. As used in this Agreement, the term "to Buyer's knowledge" or "knowledge of Buyer" or similar terms shall mean the statement to which such term applies is limited to the current actual knowledge of Chad Rennaker (the "**Buyer Knowledge Parties**") and not to any other parties, without any duty of investigation or inquiry of any kind. The individuals named in this Section 10.4 shall not have any personal liability for any breach or inaccuracy of any of the Seller's or Buyer's representations and warranties herein stated.

10.5 The representations and warranties of Seller set forth in Section 10.1 above shall survive the Close of Escrow for a period of nine (9) months. In the event the Closing occurs, Buyer hereby expressly waives, relinquishes and releases any right or remedy available to it at law, in equity or under this Agreement to make a claim against Seller for damages that Buyer may incur, as the result of any of Seller's representations or warranties being untrue, inaccurate or incorrect if any of the Buyer Knowledge Parties had actual knowledge that such representation or warranty was untrue, inaccurate or incorrect at the time of the Closing and Buyer nevertheless closes hereunder. Following Closing, Seller shall have no liability to Buyer for a breach of any representation or warranty under Section 10.1 above.

11. SELLER'S COVENANTS. Seller covenants that from and after the Effective Date:

(a) If any mechanics' or materialmen's liens should be filed and/or claimed against or encumber the Property as a result of the activities on the Property prior to the Close of Escrow giving rise to such liens or claims, Seller shall indemnify, defend and hold Buyer harmless against any damages, costs, losses, expenses, including reasonable attorneys' fees, that it may incur in connection with or arising directly or indirectly out of any mechanics' or materialmen's lien or claims described above, or in any action to foreclose or enforce such liens.

(b) In the event (i) a demand is made by a governmental authority prior to the Close of Escrow to cure any violation of any applicable law, statute, code, ordinance, regulation, rule or restriction pertaining to or affecting the Property or Seller's use and operation thereof, or (ii) a defect shall arise in the Property prior to the Close of Escrow that would render the same unsuitable for the present use, to the extent commercially reasonable, Seller shall cure any such violation or defect prior to Closing.

(c) Except as Buyer may otherwise consent in writing, which consent shall not be unreasonably withheld, until the Closing, Seller shall: (i) operate, manage and maintain the Property in accordance with applicable laws, rules, regulations and ordinances; (ii) carry on the business of the Property in the ordinary course and in a manner consistent with Seller's prior practices; (iii) maintain the Property in its present condition and repair, ordinary wear and tear excepted; (iv) undertake repairs and replacements in accordance with its past practices, including, without limitation, day-to-day maintenance and repair of parking lot and related improvements, landscaping, gates and fences and other items requiring periodic maintenance and repair; (v) maintain the existing insurance policies for the Property and the operation thereof (and any replacements thereof) in full force and effect; (vi) not grant to any third party any interest in the Property or any part thereof, except pursuant to leases which Seller may enter into after the Effective Date as permitted under this Agreement; and (vii) not enter into any service or other new contract that cannot be terminated with thirty (30) days' notice without liability, including, without limitation, a termination fee or similar payment, on or after the Closing Date. Seller shall not, without first obtaining the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed, (1) make any material structural alterations or additions to the Property except as (w) in the ordinary course of operating the Property, (x) required for maintenance and repair, (y) reserved, or (z) required by this Agreement; (2) voluntarily sell, transfer, encumber or change the status of title of all or any portion of the Property; (3) change or attempt to change, directly or indirectly, the current zoning of the Real Property in a manner materially adverse to it, except as may be described in the Development Agreement; (4) cancel, amend or modify, in a manner materially adverse to the Property, any license or permit held by Seller with respect to the Property or any part thereof which would be binding upon Buyer after the Closing; or (5) take any action or permit any action to be taken which would invalidate, impair or limit the scope of any warranty. Seller shall use its commercially reasonable efforts to maintain in existence all licenses, permits and approvals that are now in existence with respect to, and are required for, the ownership, operation or improvement of the Property, and are of a continuing nature.

(d) Seller shall not enter into any new lease, license, easement, or other occupancy agreement related to the Property without Buyer's written consent, which consent shall not be unreasonably withheld.

(e) Seller shall be solely responsible for and shall pay the following items which accrue prior to the Close of Escrow:

(i) all trade obligations of the Property; and

(ii) all social security, payroll taxes, unemployment and workmen's compensation and all accrued vacation pay incident to any persons employed by Seller, if any, with respect to the Property.

(f) Seller acknowledges that Buyer will incur material expenses in connection with its inspections and other diligence relating to the potential purchase of the Property. Therefore, Seller will not negotiate with or market the Property to any other parties, conduct any property tours, respond to any offers to purchase, or apply for any financing relating to the Property until the termination of this Agreement.

(g) Seller shall not remove or replace any of the personal property at the Property other than as required due to breakage, malfunction, or obsolescence, or in the normal course of its ownership of the Property, in all of which cases such personal property shall be replaced with personal property or appliances of equal or greater utility, value and quality. In the case of replacement of personal property of material value (in excess of \$10,000 for any such replacement), Seller shall promptly notify Buyer of any such replacement and Buyer shall have the right to enter the Property to confirm the foregoing.

12. WARRANTIES AND REPRESENTATIONS OF BUYER. Buyer warrants and represents to Seller as of the Effective Date as follows:

(a) Buyer is a valid, legal and duly constituted entity, organized under the laws of its State of formation, and the persons executing this Agreement and the documents at the Close of Escrow on behalf of Buyer, are and will be duly authorized so as to fully and legally bind Buyer.

(b) All requisite action (municipal, corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby. No consent of any partner, shareholder, member, creditor, investor, judicial or administrative body, governmental authority or agency or other party is required. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not result in any breach of the terms, conditions or constitute a default under any instrument or obligation to which Buyer is now a party, or by which Buyer may be bound or affected, or violate any order writ, injunction or decree of any court in any litigation to which Buyer is a party.

(c) Buyer has the right, power, and authority to execute, deliver, and perform this Agreement without obtaining any consent or approval from, or the taking of any other

actions concerning, any other person or entity, judicial or administrative body, governmental authority or other party. Upon the execution of the Agreement on behalf of Buyer by the person shown in Buyer's signature block below, this Agreement constitutes the valid and binding agreement of Buyer.

(d) Neither the entry into nor the consummation of the transactions contemplated in this Agreement will constitute (or with the passage of time or the giving of notice will constitute) a violation or breach by Buyer of any agreement, contract or other instrument to which it is a party, or to which it is subject, or of any judgment, order, writ, injunction or decree issued against or imposed upon Buyer.

(e) No proceedings involving Buyer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the federal government or any state government, whether voluntary or involuntary, are currently pending and Buyer is not currently contemplating initiating or filing any such proceedings and is not in receivership or dissolution.

(f) (i) As of the Closing, (1) Buyer will not be an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), which is subject to Title I of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as "**Plan**"), and (2) the assets of the Buyer will not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor ("**DOL**") Regulation Section 2510.3-101.

(i) As of the Closing, if Buyer is a "governmental plan" as defined in Section 3(32) of ERISA, the closing of the sale of the Property will not constitute or result in a violation of state or local statutes regulating investments of and fiduciary obligations with respect to governmental plans.

(ii) As of the Closing, Buyer will be acting on its own behalf and not on account of or for the benefit of any Plan.

(iii) Buyer has no present intent to transfer the Property to any entity, person or Plan which will cause a violation of ERISA.

(iv) Buyer shall not assign its interest under this Agreement to any entity, person, or Plan which will cause a violation of ERISA.

(g) All of the representations and warranties of Buyer set forth in this Agreement shall be true upon the execution of this Agreement and, as a condition to Closing, shall be true at and as of the Close of Escrow and shall survive the Close of Escrow for a period of nine (9) months.

13. BROKER'S COMMISSION. Buyer and Seller each represent and warrant to the other that neither has had any dealing with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated

hereby. Except as set forth herein, Buyer and Seller each do hereby indemnify, defend and hold the other harmless from and against any costs, expenses or liabilities for compensation, commissions or charges which may be claimed by any other broker, finder or similar party by reason of any actions of the indemnifying party.

14. LIMITED LIABILITY. Buyer and Seller each agree to the following statements in this Section 14, agreement to each of which is a condition to entry into this Agreement:

14.1 No member or manager of Seller nor any officer, director or shareholder of any member or manager thereof, nor any principal, agent, officer, director or employee of Seller's manager shall have any personal liability directly or indirectly, under or in connection with this Agreement or any agreement made or entered into by Seller under or in connection with this Agreement, and Buyer and Buyer's successors and assigns shall look solely to the assets of Seller (and the proceeds thereof) for the payment of any claim or for any performance hereunder, and Buyer hereby waives any and all claims for personal liability against any and all members, managers, officers, directors, shareholders and principals of each of Seller, Seller's manager and any employee or agent of the foregoing under or in connection with this Agreement or the transactions contemplated by this Agreement.

14.2 No member, manager, partner, trustee or owner of Buyer, nor any officer, director or shareholder of Buyer, nor any employee or agent of Buyer, shall have any personal liability directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with this Agreement, and Seller and Seller's successors and assigns shall look solely to the assets of Buyer for the payment of any claim or for any performance hereunder, and Seller hereby waives any and all claims for personal liability against Buyer, any and all members, managers, partners, trustees or owners of Buyer, and any officer, director or shareholder of Buyer and/or any such member, manager, partner, trustee or owner comprising Buyer, and any employee or agent of the foregoing under or in connection with this Agreement or the transaction contemplated by this Agreement.

15. GOVERNING LAW; JURISDICTION AND VENUE. This Agreement will be governed by the laws of the state in which the Property is located, without giving effect to principles of conflicts of law. Jurisdiction and venue for any lawsuit or proceeding to enforce or otherwise arising from or with respect to this Agreement shall lie exclusively in the state or federal courts located in Pierce County, Washington. Each of Seller and Buyer consents to jurisdiction and venue in said courts and agrees venue for any such lawsuit or proceeding is proper therein.

16. WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING OR ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE DEED, ANY DOCUMENT OR INSTRUMENT DELIVERED BY EITHER PARTY AT CLOSING, OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTION (WHETHER SUCH CLAIM OR ACTION IS BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH OF BUYER AND SELLER FURTHER:

(a) CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER;

(b) ACKNOWLEDGES THAT THIS WAIVER AND THE PROVISIONS OF THIS SECTION WERE A MATERIAL INDUCEMENT FOR ITS ENTRY INTO THIS AGREEMENT;

(c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY MADE;

(d) AGREES AND UNDERSTANDS THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH PROCEEDING OR ACTION, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS OR ANY OTHER AGREEMENT, AND FURTHER AGREES THAT SUCH PARTY SHALL NOT SEEK TO CONSOLIDATE ANY SUCH PROCEEDING OR ACTION WITH ANY OTHER PROCEEDING OR ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED;

(e) AGREES THAT EITHER PARTY TO THIS AGREEMENT IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING OR ACTION AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL; AND

(f) REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL.

17. NOTICES.

17.1 All notices shall be given in writing by registered or certified mail, postage prepaid, by Federal Express or similar courier or via email, to the parties as follows:

To Buyer:                      Palindrome Puyallup, LLC  
  c/o Palindrome Properties Group  
  412 NW 5th Avenue, Suite  
  Portland, OR  
  Attn: Robert Gibson  
  Email: rgibson@palindromecreates.com

With a copy to:                Stoel Rives LLP  
  600 University St. Ste. 3600  
  Seattle, WA 98101  
  Attn: Sallie Lin  
  Email: sallie.lin@stoel.com

To Seller: City of Puyallup  
Attn. City Manager  
Steve Kirkelie  
333 South Meridian  
Puyallup, WA 98371  
Telephone: (253) 770-3324  
Email: skirkelie@puyallupwa.gov

With a copy to: City Attorney  
Joseph N. Beck  
333 South Meridian  
Puyallup, WA 98371  
Telephone: (253) 864-4196  
Email: jbeck@puyallupwa.gov

17.2 Notices shall be considered given on the earlier of:

- (a) receipt, if delivered by Federal Express or other courier to the addressee or to an officer of the addressee, or
- (b) forty-eight (48) hours following deposit in the United States mail, postage prepaid, certified, return receipt requested, or
- (c) transmission if via email.

Any party may change the address to which such notices shall be given by written notice to the other party as provided herein.

18. AMENDMENTS. This Agreement may be amended only by a writing signed by each of the parties hereto.

19. BINDING AGREEMENT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors or assigns.

20. ATTORNEYS' FEES; GOVERNING LAW. The prevailing party in any action or proceeding between the parties hereto with respect to this Agreement and the transactions contemplated hereby shall be entitled to have and recover all costs, expenses and reasonable attorneys' fees incurred in connection therewith, including any such fees and costs incurred upon any appeals. This Agreement shall be interpreted in accordance with the laws of the State of Washington.

21. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

22. MERGER AND INTERPRETATION. This Agreement supersedes any prior agreement, oral or written, and contains the entire agreement between the parties pertaining to the

subject matter hereof; provided, however, to the extent there is any conflict between the terms and conditions contained in this Agreement and in the Development Agreement, the Development Agreement shall control.

23. TIME OF ESSENCE. Seller and Buyer expressly agree that time is of the essence with respect to this Agreement. If the final day of any period or any date of performance or making any election under this Agreement falls on a date which is a weekend or holiday recognized by banks in the State of Washington, then the final day of the period or the date of performance or the date for making such election, as applicable, shall be extended to the next day which is not a weekend or holiday recognized by banks in the State of Washington.

24. EXCHANGE. Buyer and Seller acknowledge that each party may acquire or dispose of their respective interests in the Property pursuant to a tax-deferred exchange under Section 1031 and/or 1033 of the Internal Revenue Code of 1986, as amended (the “**Exchange**”). Each party agrees to reasonably cooperate with the other in order to effect such Exchange. This provision shall not materially impact the closing timeline, nor incur any additional cost of Seller.

25. TAX REPORTING. Escrow Holder, as the party responsible for closing the transaction contemplated hereby within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (“**the Code**”), shall file all necessary information, reports, returns, and statements (collectively, the “**Reports**”) regarding the transaction required by the Code including, but not limited to, the reports required to indemnify and hold Buyer, Seller, and their respective agents, attorneys and brokers harmless from and against any and all claims, costs, liabilities, penalties, or expenses resulting from Escrow Holder’s failure to file the reports Escrow Holder is required to file pursuant to this Section 25.

26. CONFIDENTIALITY. Buyer and Seller each hereby agree to reasonably endeavor to keep the terms and conditions of this Agreement confidential, provided that either party may reveal such information regarding the terms and provisions of this Agreement as may be necessary in their reasonable discretion to comply with the provisions of this Agreement (such as disclosure to attorneys, escrow companies, title insurance companies, lenders, investors, surveyors and other professional consultants), the reasonable operation and conduct of their respective business or any provision of any law, ordinance or governmental regulation. If the parties do not proceed with the Closing, Buyer, when requested by Seller, shall immediately destroy (confirmed in writing) the information provided by Seller to Buyer, including all notes, copies, reproductions, summaries, analyses, or extracts thereof, then in Buyer’s possession, either furnished by Seller hereunder or prepared by Buyer; provided, however, in no event shall Buyer be required to deliver any marketing or economic feasibility studies or any information covered by the attorney-client privilege or which constitutes attorney work product. Such destruction shall not abrogate Buyer’s continuing obligations under this Agreement. The provisions of this Section 26 shall survive the Closing. Notwithstanding the foregoing, this section is subject to Washington State public records and open public meetings laws and nothing herein shall be construed to require or allow a violation of such State law.

27. ASSIGNMENT. Buyer shall have the right without Seller’s consent to assign its right, title and interest in and to this Agreement to one or more entities in which Buyer or an

affiliate thereof is a direct or indirect partner, member, or shareholder or is owned partially or wholly or controlled directly or indirectly by Buyer or its affiliates, or to one or more tenant-in-common entities. Buyer shall not have the right to assign its right, title and interest in and to this Agreement to an unrelated or unaffiliated entity without Seller's consent. Such consent shall not be unreasonably withheld. Such assignment, if consented to by Seller, shall relieve the Buyer named in the opening paragraph of any and all terms of this Agreement and absolve Buyer of or from any duty or obligation of Buyer under this Agreement, including, but not limited to duties and obligations which survive termination or Closing.

28. ELECTRONIC SIGNATURES. In order to expedite the transaction contemplated herein, telecopied or internet transmission of PDF file signatures may be used in place of original signatures on this Agreement. Seller and Buyer intend to be bound by the signatures on the transmitted document, are aware that the other party will rely on the transmitted signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

*[remainder of page intentionally left blank]*

*[signature page next page]*

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the parties hereto as of the last day and year indicated below (the “**Effective Date**”).

**SELLER:**

**CITY OF PUYALLUP,**  
a state of Washington municipal corporation

---

By: Steve Kirelie  
Its: City Manager

Approved as to form:

---

By: Joseph N. Beck  
Its: City Attorney

**BUYER:**

**PALINDROME PUYALLUP, LLC,**  
a state of Washington limited liability company

---

By: Chad I. Rennaker  
Its: President

**CONSENT OF ESCROW HOLDER**

The undersigned Escrow Holder agrees to (i) accept the foregoing Agreement, (ii) be escrow agent under the Agreement for the fees therein specified, and (iii) be bound by the Agreement in the performance of its duties as escrow agent; however, the undersigned will have no obligations, liability or responsibility under (i) this consent or otherwise, unless and until the Agreement, fully signed by the parties and has been delivered to the undersigned, or (ii) any amendment to the Agreement unless and until the amendment is accepted by the undersigned in writing.

Date: \_\_\_\_\_

**LAWYERS TITLE COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION**

Parcels A, B and C of Boundary Line Revision, recorded September 12, 2000 under Recording No. 200009125003, in Pierce County, Washington.

**EXHIBIT B**  
**WARRANTY DEED**

AFTER RECORDING RETURN TO:

City of Puyallup  
City Clerk Division  
333 S. Meridian  
Puyallup WA 98371

(Space above this line for recorder's use only)

<b>DOCUMENT TITLE:</b>	Statutory Warranty Deed
<b>REFERENCE NUMBER(S) OF RELATED DOCUMENTS:</b>	
Additional reference numbers on page(s) ___ of document.	
<b>GRANTOR:</b>	City of Puyallup
<b>GRANTEE:</b>	Palindrome Puyallup, LLC
<b>ABBREVIATED LEGAL DESCRIPTION:</b>	Parcels A, B & C, BLR Rec. No. 200009125003
Additional legal on page <u>4</u> of document.	
<b>ASSESSOR'S TAX PARCEL NO(S).</b>	706000-0070, 706000-0020 and 706000-0030

**STATUTORY WARRANTY DEED**

THIS STATUTORY WARRANTY DEED is granted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by City of Puyallup, a municipal corporation of the State of Washington, hereinafter referred to as "Grantor," to Palindrome Puyallup, LLC, a state of Washington limited liability company, hereinafter referred to as "Grantee."

The Grantor, for and in consideration of the sum of ONE AND NO/100 (\$1.00) Dollar and other valuable consideration, hereby conveys and warrants to the Grantee the real property situated in Pierce County, in the State of Washington, described in attached **Exhibit A**.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

GRANTOR:

**City of Puyallup, a Municipal Corporation**

By: \_\_\_\_\_

Name: Steve Kerkelie

Its: City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_

Joseph N. Beck, City Attorney



**EXHIBIT A  
TO THE WARRANTY DEED**

Parcels A, B and C of Boundary Line Revision, recorded September 12, 2000 under Recording No. 200009125003, in Pierce County, Washington.

**EXHIBIT B  
TO WARRANTY DEED  
PERMITTED EXCEPTIONS**

**[TO BE DRAFTED AND INSERTED BY SELLER PRIOR TO CLOSING]**

**EXHIBIT C**

**CERTIFICATE OF NON-FOREIGN STATUS**

Section 1445 of the Internal Revenue Code of 1986, as amended, provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by the City of Puyallup (the “**Seller**”), the undersigned hereby certifies the following on behalf of the Seller:

1. The Seller is not a foreign corporation, foreign partnership, foreign trust, foreign estate, or disregarded entity (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. The Seller’s U.S. employer identification number is \_\_\_\_\_; and
4. The Seller’s office address is: \_\_\_\_\_.

The Seller and the undersigned understand that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both. Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Seller.

**SELLER:**

**CITY OF PUYALLUP,**  
a state of Washington municipal corporation

\_\_\_\_\_  
By:

Its:

**EXHIBIT D**

**DUE DILIGENCE ITEMS**

**DUE DILIGENCE DOCUMENTS TO BE DELIVERED BY SELLER  
TO BUYER'S OFFICE (OR MADE AVAILABLE TO BUYER AT  
THE REAL PROPERTY IF INDICATED BELOW)**

**LIST OF DUE DILIGENCE MATERIALS**

1. An Owner's title policy with respect to the Property, including copies of all exceptions.

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 1/17/2025 12:40:22 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://stoel.imanage.work/ACTIVE/127314891/3	
<b>Modified DMS:</b> iw://stoel.imanage.work/ACTIVE/127314891/4	
<b>Changes:</b>	
<u>Add</u>	15
<del>Delete</del>	7
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>22</b>



## City Council Agenda Item Report

Submitted by: Kendall Wals

Submitting Department: Development & Permitting Services

Meeting Date: January 28, 2025

### **Subject:**

**Pg. 122 - Puyallup 2044 - Comprehensive Plan Periodic Update**

### **Presenter:**

Kendall Wals, Senior Planner

### **Recommendation:**

Conduct a public hearing on the Puyallup 2044 Periodic Update of the Comprehensive Plan.

### **Background:**

The Comprehensive Plan is a long-term planning document that helps the City prepare for and manage expected population and employment growth and coordinate significant public investments. It is framed broadly and guides future implementation, including zoning, development regulations, infrastructure design, and city programs. The Washington State Growth Management Act (GMA) requires cities to complete a major update to their Comprehensive Plans a minimum of every 10 years to incorporate changes in state law.

The City of Puyallup has completed an extensive update, which resulted in a 2044 Comprehensive Plan Update package that includes a complete updated Comprehensive Plan document. Updates are proposed for all thirteen existing Elements: Foundations, Natural Environment, Land Use, Housing, Community Character, Economic Development, Transportation, Utilities, Capital Facilities, Parks, Recreation & Open Space, Downtown Neighborhood Plan, South Hill Neighborhood Plan, and River Road Corridor Plan; and associated amendments to the city's Draft Future Land Use Map for consistency with the anticipated Preferred Alternative and privately requested amendments. Detailed descriptions, analysis, and recommendations for all proposed amendments are provided in the attached Staff Report. The Draft Future Land Use Map is provided in two attachments: a City-wide map and a map series showing a closer view of different city sections.

To view the complete Draft Comprehensive Plan, please visit the project webpage: <https://compplan-puyallup.hub.arcgis.com/pages/draft-comp-plan>. Hardcopies have also been provided; the public may view the hardcopy versions at the Permit Center (2nd floor, City Hall) or the Puyallup Public Library.

### **City Strategic Plan Goal Category:**

Livable & Healthy Community

### **ATTACHMENT(S)**

- A) Staff Report
- B) Citywide Future Land Use Map
- C) Future Land Use Map Series
- D) Planning Commission Amendments
- E) December 11, 2024 Draft PC Minutes
- F) December 18, 2024 Draft PC Minutes

## G) Agency Comments

**TO:** Puyallup City Council  
**FROM:** Planning Staff  
**RE:** Puyallup 2044 Comprehensive Plan Periodic Update – Public Hearing  
**DATE:** January 21, 2025 (*Public Hearing Date: January 28, 2025*)

---

## **Introduction**

### **Background**

The Comprehensive Plan is a long-term planning document that helps the City prepare for and manage expected population and employment growth and coordinate major public investments. It is framed in broad terms and guides future implementation, such as zoning, development regulations, infrastructure design, and city programs.

The Washington State Growth Management Act (GMA), RCW 36.70A, requires cities to complete a major update to their Comprehensive Plans a minimum of every 10 years to incorporate changes in state law. The goals for this update were to streamline and simplify development policies and regulations, address city priorities such as increased housing options (Housing Action Plan implementation), and updates to the city's Centers (Downtown & South Hill) while also adhering to State-mandated GMA requirements.

City of Puyallup Planning staff, consultants, and Planning Commission have been working on this state-mandated update since January 2023. The work involved nearly 20 Planning Commission work sessions, 12 City Council briefings, and 6 Community Advisory Group meetings (a stakeholder group assembled for the periodic update); public outreach opportunities including open houses, pop-up booths, focus groups, and online surveys; and coordination with outside agencies. The draft environmental impact statement (EIS) for the requisite SEPA environmental review was issued in July 2024, and the final EIS is being prepared and will be issued prior to City Council adoption; a Preferred Alternative is anticipated, but substantial changes are not expected for the final EIS. Please see the Environmental Analysis section for more information on the recommended Preferred Alternative.

The Planning Commission held a noticed public hearing on December 11, 2024, and deliberated and made a recommendation to the City Council on this Comprehensive Plan Update on December 18, 2024. Staff and Planning Commission recommendations are provided following the descriptions and analysis for the two amendment sections (Comprehensive Plan Text and Map Amendments) in this staff report. A summary of the Planning Commission's recommended amendments is included in *Attachment D*. The Commission's recommended amendments have been incorporated into the final proposed Comprehensive Plan and Future Land Use Map for the Council's consideration.

### **Proposed Update Overview**

The 2044 Comprehensive Plan Update package before City Council for consideration at the January 28, 2025, public hearing includes:

- A complete updated Comprehensive Plan document. Updates are proposed for all thirteen existing Elements: Foundations, Natural Environment, Land Use, Housing, Community Character, Economic Development, Transportation, Utilities, Capital Facilities, Parks, Recreation & Open Space, Downtown Neighborhood Plan, South Hill Neighborhood Plan, and River Road Corridor Plan;
- Associated amendments to the city's Future Land Use Map (see *Attachments B and C*) for consistency with the anticipated Preferred Alternative and privately requested amendments.

Detailed descriptions and analysis of proposed amendments are provided on the following pages. Staff and Commission recommendations follow the analysis. The City Council is expected to hold a public hearing on January 28, 2025, but will hold the first reading of an ordinance at a future date.

*Copies of the 2044 Comprehensive Plan package are available for public viewing during regular business hours at the Development & Permitting Services Permit Counter (2<sup>nd</sup> floor of City Hall, 333 S Meridian), the Puyallup Public Library (324 S Meridian), or anytime online at <https://bit.ly/Puyallup2044>.*

## Environmental Analysis

### Draft EIS Alternatives

As part of the Comprehensive Plan update effort, the City completed an Environmental Impact Statement (EIS) to examine alternative ways to meet the City's required housing and employment growth targets. An EIS is an environmental analysis under the Washington State Environmental Protection Act (SEPA). The State requires jurisdictions to plan for housing and employment growth to meet targets by 2044; Puyallup must plan for 7,482 new housing units, 14,715 new jobs, and a total population of 61,468 within this timeframe. The City issued a Draft EIS (DEIS) in July 2024 for public review and comment. The DEIS analysis estimates the nature, severity, and duration of impacts that might occur and compares the impacts of the alternatives.

The DEIS evaluated three alternatives to guide future growth and development in Puyallup over the next 20 years. *Alternative 1: No Action* would maintain the City's existing land use designations without modifications, which means growth would occur within existing land use regulations and policies. *Alternative 2: Focused Growth* would concentrate residential and employment growth in Puyallup's designated regional growth centers (Downtown and South Hill) and along major commercial corridors. *Alternative 3: Distributed Growth* would target new jobs and housing growth at key locations throughout the city at important intersections and along transportation corridors while assuming somewhat less intense growth within the regional growth centers and other focus areas of Alternative 2.

### Draft EIS Findings

The DEIS found that all three alternatives would have significant impacts on some elements of the environment and less than significant impacts on other elements of the environment.

Notably, the DEIS found that the No Action Alternative would have significant adverse impacts on land use, population, employment, and housing because this alternative would not meet the City's adopted growth targets; would not fully align with countywide, regional, and statewide planning goals, policies, and regulations for land use; and would not include updated policies to mitigate or avoid potential impacts related to housing availability, affordability, and job growth.

Both Alternatives 2 and 3 would have less than significant impacts in these areas because they would update the Comprehensive Plan consistent with state and regional laws and would include the implementation of additional policies and programs to address housing availability, affordability, and job growth.

As for transportation impacts, the DEIS also found that with mitigation, Alternatives 2 and 3 would result in less than significant impacts on vehicle traffic, whereas the No Action Alternative would be expected to result in a significant impact on traffic.

*The full DEIS analysis is available here: <https://compplan-puyallup.hub.arcgis.com/pages/draft-environmental-impact-statement>.*

### **Recommended Preferred Alternative**

Based on the outcomes of the DEIS, discussions with the Puyallup City Council, Planning Commission, and Community Advisory Group, and input from the community, City staff recommends a hybrid of Alternatives 2 and 3. Staff heard general support from the Community Advisory Group, Planning Commission, and City Council for the "distributed growth" approach included in Alternative 3. In particular, there is support for the identification of small-scale neighborhood-serving commercial areas or "nodes" that would bring retail uses and services closer to residents. There is also support for enabling more mixed-use opportunities in areas like the Shaw/Pioneer intersection and the S Meridian corridor. However, City staff recommends a scaled-back approach that narrows down some of the areas considered for future growth in Alternative 3, making the recommended Preferred Alternative more of a hybrid between Alternatives 2 and 3.

The proposed Future Land Use Map will implement the recommended Preferred Alternative and descriptions of the changes are included in the Comprehensive Plan Map Amendments section of this staff report. Policy changes to the Comp Plan text are also proposed to support the recommended Preferred Alternative. The Final EIS is anticipated to be issued prior to City Council adoption and will respond to public comments received on the DEIS and analyze the Preferred Alternative; however, substantial changes are not anticipated.

## Comprehensive Plan Text Amendments

### Element Update Descriptions

- **Foundations:** The Foundations Element was updated to recognize the current regulatory framework and incorporate a new section regarding the historical context, which includes Indigenous peoples' history in Puyallup; the purpose of the comprehensive plan; an overview of public engagement; an updated vision statement and guiding principles. This element provides the foundation and policy direction for how the city will grow and develop over the next 20 years.
- **Natural Environment:** Updates are proposed to consolidate and streamline existing goals and policies in this Element. The city's wetland and stream data has also been updated with more current information. Following the Periodic Update, the city's critical area ordinance will also be amended to comply with state law.
- **Land Use:** This element received a major update to streamline and simplify the text, goals, and policies, to make it more user-friendly. Future Land Use Map and policy amendments include changes for consistency with the city's recommended Preferred Alternative to advance a modified growth pattern distributed across Regional Growth Centers and other commercial and residential nodes (*see the Comp Plan Map Amendments section of this staff report and Attachments B and C for more detail on the proposed Future Land Use Map*). Policy updates were also made to accommodate the city's 2044 growth targets (~61,500 population), allow for a wider range of residential densities, and support environmental justice, improving health outcomes and reducing health disparities for marginalized communities.
- **Housing:** Housing policy updates were a major focus of the periodic update, as required by GMA, but also as implementation of the city's Housing Action Plan adopted in 2021. Many policy changes were made to promote affordable and attainable housing:
  - Addressing housing needs for all income segments, specifically moderate, low and extremely low-income households;
  - Ensuring adequate land capacity to accommodate housing for different income bands, emergency housing and shelters, permanent supportive housing, and transitional housing;
  - Strengthening policies to support the development of affordable housing and other housing types to meet the needs of lower-income residents;
  - Policy updates, as needed, to remove any potential for neighborhood inequality and barriers to access;
  - Expand existing policy for moderate-density housing, middle housing and accessory dwelling units, and greater housing choices; and,
  - Additional policy support to expand opportunities for more affordable homeownership.
- **Community Character:** This element is not required but touches on topics required to be addressed in GMA. This element provides design guidance for new development and addresses neighborhood attributes, natural features, and historic preservation. Updates

were made to terms such as “character” to use less subjective terms and promote neighborhood inclusion and housing choices and variety. Strengthening of public outreach policy to ensure engagement is inclusive and representative of all community members and their needs. Lastly, policy updates were made to better support the preservation of cultural and archaeological sites, in addition to historical sites. Policy regarding tribal coordination for cultural preservation was also strengthened.

- Economic Development: The existing policies were largely retained and reorganized to focus on workforce development, infrastructure investments, and the city’s centers and business districts. Updates were made to reflect changes to the Future Land Use Map and Land Use Element to ensure compliance with PSRC’s Centers guidance for job growth in Downtown and South Hill (see the Downtown Neighborhood Plan bullet below for more information). Policy support for improvements to the city’s permitting process was also expanded in response to stakeholder input.
- Transportation: This element received a major update to the text, goals, and policies. Many policy concepts were carried forward, but reorganized, simplified, and updated to reflect current language, practices, and standards. Some required changes that were implemented in the update include:
  - Providing a larger policy focus on multimodal methodologies that consider all users of the system (i.e., walk, bike, roll, transit, drive) and support the build-out of a safe and equitable transportation system;
  - Strengthening grid connectivity planning to minimize transportation impacts and advance environmental goals; and,
  - Prioritizing a state of good repair and consideration of lifecycle costs and funding needs to support the current system.
- Utilities: No major policy changes were proposed for this element. Utility details were updated, and other minor policy updates were made to align with Land Use and other Elements, address coordination with private utility providers, and ensure consistency with regional planning policies.
- Capital Facilities: Major policy changes were not proposed for this element. Capital Facility details were updated, and other minor policy updates were made for consistency with regional planning policies.
- Parks, Recreation, & Open Space: The Element was updated to reference the Parks, Recreation, & Open Space (PROS) Plan adopted in 2020, with minor updates to terms (e.g. character, citizens, etc.) in a few policies for consistency with the rest of the Comprehensive Plan. No major policy changes are proposed. The PROS Plan will be updated on its regular update cycle in 2026.
- Downtown Neighborhood Plan: The Downtown Neighborhood is designated by Puget Sound Regional Council (PSRC) as a Regional Growth Center (RGC). Cities are required to plan for a certain amount of job and housing growth to meet residential density targets and comply with other regulatory standards within the RGCs. Cities are also required to adopt a sub-area or neighborhood plan that identifies how the Center will develop, accommodate growth, and be improved over time. Since the last adoption

of the Downtown Neighborhood Plan, new requirements were imposed on RGCs, such as:

- Ensuring Tribal coordination;
- Prioritizing services and access to opportunities for historically underserved communities;
- Minimizing gaps in equitable access to parks and open spaces;
- Supporting achievement of greenhouse gas emissions goals; and,
- Reducing the risk of residential and commercial displacement through a variety of anti-displacement strategies.

In addition, land use-related changes are proposed to create opportunities for infill and increased residential density, complementary to the bulk and scale of the surrounding neighborhoods, and improve the process for achieving the maximum height allowances Downtown.

- South Hill Neighborhood Plan: The South Hill Neighborhood is the city's other Regional Growth Center, designated by PSRC. Like Downtown, updates to the neighborhood plan were also required; please refer to the Downtown Neighborhood Plan summary above regarding new requirements. In addition, policy adjustments are proposed to facilitate a gradual transition to the more walkable mixed-use district envisioned by the plan and allow some standalone residential development in areas that are lower priority for retail frontages or mixed uses to address community and stakeholder input.
- River Road Corridor Plan: River Road is a gateway corridor into the city and this element provides the framework for making the area more walkable and livable, not only for the development north of River Road but also for the residents to the south. It also focuses on integrating the Puyallup River and Riverwalk Trail as part of development in the area. The City is considering designating the corridor area as a Countywide Growth Center following the Periodic Update to increase grant funding opportunities. As a result, adjustments to the plan were incorporated to set the stage for a future application. A new action item was also included to reevaluate the plan and its vision for mixed-use, given current and future development prospects. This action item would occur after the Periodic Update is completed.

*The full Draft Comprehensive Plan text can be reviewed by the public during business hours at Puyallup City Hall (Permit Center - Floor 2), the Puyallup Public Library, or online at <https://bit.ly/Puyallup2044> (see Draft Comp Plan subpage on the top menu bar).*

## Analysis

Puyallup Municipal Code Title 18, which governs Comprehensive Plan procedures, does not contain specific findings for approval of major state-mandated updates but states that the comprehensive plan shall receive a major reassessment at least every 10 years, or as required by the Washington State Department of Commerce (PMC 18.40.075(2)). Therefore, the findings of approval for this update are based on compliance with the Washington State Growth Management Act (GMA), RCW 36.70A.070. The City is also required to comply with Puget Sound Regional Council's (PSRC) VISION 2050 regional planning policies.

The Department of Commerce and PSRC have outlined the required changes in a checklist format, which was used for the city's Periodic Update to ensure compliance with the required updates. The checklists were finalized and sent to the respective entities for their compliance review on December 20, 2024.

Since the Planning Commission recommendation, the city received comment letters and preliminary feedback from agencies, which staff has considered and has put forth additional amendments for Council consideration. The additional amendments are shown in track changes in the final recommended Comprehensive Plan and are outlined in the Staff Alternative section on Page 14 of the staff report.

## Comprehensive Plan Map Amendments

### Descriptions of Recommended FLUM Changes

The changes proposed in the recommended Future Land Use Map (FLUM) can be divided into six general categories, described in detail below. The proposed changes include both city-initiated and privately requested map changes. Typically, the City accepts private applications for land use map amendments once a year and processes the request with the comprehensive plan amendment cycle. However, the City Council suspended the annual process for 2023-2024 to focus on the city's Periodic Update to the Comprehensive Plan.

To allow for private property owner input, the City advertised an opportunity for suggested areas of study for consideration as part of the Periodic Update in early 2024. Several property owners responded, and select requests are included in the recommended FLUM changes and are symbolized in an orange outline on the maps in *Attachments B and C*. Numbered labeling on the maps in *Attachment C* aligns with the numbering in the staff report below.

#### 1. General Designation Changes

The following land use designations (1a-c) are proposed to be combined or renamed to better reflect the desired purpose and function of these districts. These changes are not labeled on the maps in *Attachments B and C* but are reflected in the designation labeling and the map legend.

- a. **Auto Oriented Commercial (AOC) – Rename as General Commercial (GC)** to place less focus on vehicle-dependent uses and make this a more general-purpose commercial designation.
- b. **Limited Commercial (LC) – Rename as Neighborhood Commercial (NC)** to emphasize that this designation is intended primarily for neighborhood-serving commercial uses, with some allowances for small-scale mixed use development.
- c. **Business/Industrial Park (B/IP) and Light Manufacturing/Warehousing (LM/W) – Merge into a single Mixed Employment (ME) designation.** This designation would allow a wide range of employment uses, including all uses that are currently allowed in the B/IP and LM/W designation – such as business and office parks, industrial parks, manufacturing, warehousing, and distribution operations.

In addition to the name changes described above, the recommended map includes removal of the Public Facilities land use designation:

- d. **Public Facilities (PF) Land Use Designation – Remove PF** from the Future Land Use Map but retain the Public Facilities (PF) Zoning Designation on the city's Zoning Map. The PF designation is used for many publicly owned properties, including public schools, city facilities, police stations, fire stations, and state transportation properties. Properties are acquired or surplus, creating opportunities for resale and redevelopment. However, the City's once-per-year map amendment process (Comprehensive Plan Map Amendment) can hinder the reuse of these properties. Redesignating the existing PF properties to match the surrounding land use

designations streamlines the map amendment process but retains the PF zoning where appropriate for the site's current use or ownership.

By allowing the PF zone to be implemented by any of the city's Future Land Use designations, a Rezone Application, analysis of required findings, and a noticed public hearing with the City's Hearing Examiner will be required to change the zoning of a property. However, a Rezone Application may be requested and processed at any time during the year, unlike the annual Comprehensive Plan map amendment process.

Table 1 outlines the proposed Land Use Designation changes. Zoning map and regulation changes will be implemented following the Comprehensive Plan Update.

**Table 1:** Proposed Land Use Designation Changes

Existing Land Use Designation	Proposed Land Use Designation / Change
Auto-Oriented Commercial (AOC)	General Commercial (GC)
Mixed Use Commercial (MUC)	No change
Pedestrian Oriented Commercial (POC)	No change
Limited Commercial (LC)	Neighborhood Commercial (NC)
Business/Industrial Park (B/IP)	Mixed Employment (ME)
Light Manufacturing/ Warehousing (LM/W)	Mixed Employment (ME)
Rural Buffer Residential (RBR)	No change
Low Density Residential (LDR)	No change
Moderate Density Residential (MDR)	No change
High Density Residential (HDR)	No change
Fair (FAIR)	No change
Medical Facilities (MED)	No change
Open Space/Public Parks (OS/PP)	No change
Public Facilities (PF)	<i>(Remove designation)*</i>

*\*Public Facilities (PF) zoning designation is proposed to be retained and implemented by any of the city's Future Land Use Designations.*

**2. Neighborhood Commercial Nodes**

Several properties were redesignated to Neighborhood Commercial (NC) as a result of the name change from Limited Commercial (LC) discussed in section 1b of the staff report. In addition, several areas that were previously designated as Low Density Residential (LDR) are recommended to be changed to Neighborhood Commercial (NC) for two main reasons: the

2015 Land Use Element included policy support for neighborhood-serving commercial nodes and are now being implemented with the recommended FLUM; and these “nodes” align with the recommended Preferred Alternative from the environmental analysis completed for the periodic update.

The new areas proposed for this change include several properties along W Stewart Ave and W Pioneer Ave, mainly where there are existing nonconforming businesses; some areas include additional parcels adjacent to existing nonconforming properties (see *Maps 3-6, Attachment C*). Nonconforming uses are typically not allowed to expand or undergo significant modifications under the current city code. Redesignating these areas as Neighborhood Commercial would allow them to expand or redevelop over time, and potentially form new small-scale mixed use nodes that better serve surrounding residential areas. Zoning map and code updates will occur following the periodic update to address the allowable uses within these NC areas.

### 3. Mixed Use Centers and Corridors

A couple of key areas in the city are proposed to be redesignated to allow for both commercial and residential development:

- a. **Shaw-Pioneer** (*Map 6, Attachment C*): the Auto Oriented Commercial (AOC) designation on the north side of E Pioneer is proposed to be changed to Mixed Use Commercial (MUC). MUC provides opportunities for a mix of uses, including retail, commercial, office, and residential uses at a range of densities, scales, and intensities. The eastern portion of the AOC area is already zoned for mixed-use development (CMX), but the area to the west of Shaw Road is zoned General Commercial (CG). This land use change would be consistent with the City’s existing vision for this area and would enable more growth in terms of both housing and employment.

In addition, the city received a private request to convert four parcels (TPN 042026-4039, -4040, -4047, -4048) on the west end of the proposed MUC changes from Rural Buffer Residential (RBR) to AOC land use. Two of the subject parcels are split-designated with RBR and AOC land use designations, and the AOC portions were already proposed to be converted to MUC, as noted above. The request is due to access constraints to the site (i.e. Shaw Road overpass and abutting railways) and increased demand for commercial development in the area and is consistent with the other proposed land use changes in this area.

- b. **S Meridian** (*Maps 5 & 7, Attachment C*): the MUC designation is also proposed in areas that currently have a range of land use designations, including AOC, Limited Commercial (LC), and High Density Residential (HDR). Converting AOC and LC areas to MUC would enable higher-intensity mixed use development in the area to the west of the Good Samaritan Hospital, which could better respond to demands for more housing and services in this area. As for the HDR areas proposed for the MUC designation further south along S Meridian, these areas have existing commercial uses and/or contain vacant or underutilized land that could support more mixed-use development along this key commercial corridor.

#### 4. Regional Growth Centers

The city's two Regional Growth Centers (RGC) – Downtown and South Hill – are already designated to allow a range of uses and fairly high intensities and can accommodate a significant amount of growth. The City intends to consider some adjustments to zoning allowances (e.g., allowed uses, building heights, etc.) within the RGCs to better meet Puyallup's growth targets following the Periodic Update, but major land use map changes are not proposed. However, a few key changes are recommended:

- a. **Downtown** (*Map 3 & 5, Attachment C*): All areas currently designated as Low Density Residential (LDR) within the Downtown RGC boundary are recommended to be re-designated to Moderate Density Residential (MDR). The city's RGCs are expected to accommodate the most growth in the city, making low-density residential land use inconsistent with the intent of the Center. The proposed change to MDR would enable a wider range of housing choices – including multiplexes, townhomes, and other forms of middle housing – if properties were to be redeveloped or developed with infill housing over time.
- b. **South Hill** (*Maps 9 & 10, Attachment C*): All areas currently designated as Limited Commercial (LC) within the RGC boundary are recommended to be re-designated to MUC. As mentioned earlier in this staff report, the LC designation is being converted to the Neighborhood Commercial (NC) designation, which is more appropriate for smaller-scale commercial areas rather than regional growth centers. The proposed change will also be consistent with the MUC designation that predominates the South Hill Center and will allow for increased density within the center.

#### 5. Residential Areas

There are several areas currently designated as LDR that are recommended to be re-designated to either MDR or HDR. The proposed changes are detailed below.

- a. **W Stewart Ave** (*Map 3, Attachment C*) – Changes along this road include properties with existing multifamily development that are currently nonconforming to the density standards of their existing single-family residential zone districts, as well as properties that are underutilized and could support moderate-density housing if they were redeveloped.
- b. **West of 5<sup>th</sup> Street SW** (*Maps 3 & 5, Attachment C*) – This area is adjacent to the Downtown RGC and could serve as a moderate-density transition between the Downtown center and low-density areas to the west.
- c. **South of E Pioneer** (*Map 6, Attachment C*) – The proposed changes are located along a key transportation corridor, with employment uses located north of E Pioneer, and commercial uses to the east near Shaw/Pioneer. In addition, the city received a private request from a property owner of seven parcels (042026-7001, -7003, -7008 -7013, -7027, -7028, -8010) west of the Pioneer Crossing shopping center and north of the Cascade Christian private school campus. The property owner requested the city consider redesignation from LDR to HDR to support future redevelopment. These parcels and the surrounding area are recommended to be redesignated for moderate- or high-density residential to enable more housing growth along this corridor in the future.

- d. **Southeast of SR-512** – *This was a proposal to convert an area adjacent to the MultiCare Good Samaritan Hospital campus (generally bounded by 15<sup>th</sup> Ave SE, 7<sup>th</sup> St SE, 23<sup>rd</sup> Ave SE, and S Meridian) from LDR to MDR for increased housing options near the Hospital. The Planning Commission did not recommend including this map change. As a result, the Planning Commission recommendation has been reflected on the Draft Future Land Use Map, leaving this area as LDR; Map Change 5d is not called out on the draft map.*
- e. **Fruitland Ave E and 31st Ave SW** (Maps 7 & 9, Attachment C) – This area was identified early on as a potential “neighborhood node,” as it lies at a key intersection in southwest Puyallup and includes several large, underutilized parcels. The area is currently underserved by utilities, which may limit redevelopment into a neighborhood commercial node, therefore, the proposed redesignation to MDR will allow for gradual increased density and support of a future neighborhood node.

## 6. Miscellaneous Map Changes – Private Requests

In addition to the changes outlined above, the city received two additional private requests that are being recommended for approval as part of the recommended Future Land Use Map:

- a. **Washington State Fair - modified** (Map 5, Attachment C): The Washington State Fair (WSF) requested several map changes be considered with the city’s periodic update as “clean up” actions. The request included converting several properties from LDR, HDR, and POC land use to the FAIR land use designation as they are under WSF ownership. It was also brought to the city’s attention that five parcels south of 9<sup>th</sup> Ave SW are currently designated as FAIR land use but are not owned by the WSF; those parcels are proposed to convert to Low Density Residential (LDR).

*The Planning Commission recommended the WSF’s main request not move forward due to concerns with existing Fair zoning code allowances and impacts with the proposed expansion of the FAIR boundary, lack of clarity regarding the WSF’s long-term plan, and lack of a Master Plan requirement or allowance. As a result, only the Planning Commission-recommended changes, the clean-up of five non-WSF-owned parcels to LDR, are reflected on the recommended Future Land Use Map for Map Change 6a. However, staff is providing an alternative for Council consideration, which is explained in the Staff Alternative section (see additional amendment 7 on page 16).*

- b. **South Hill Business and Technology Center** (Map 10, Attachment C): Benaroya Company, owner of the South Hill Business and Technology Center located north of 39<sup>th</sup> Ave SE between Bradley Lake Park and Pierce College, initially applied for a Comprehensive Plan map amendment during the 2022 annual Comp Plan amendment cycle but canceled their application mid-review. The property owner then commented on the City’s Draft Environmental Impact Statement (EIS) for the Periodic Update, requesting the Final EIS consider an alternative land use designation to maximize the potential future growth of their campus. They seek a wide mix of use allowances to support changing market demands and facilitate the city’s goals to add housing and jobs in the South Hill Regional Growth Center.

Staff initially recommended the southern portion of the property (approximately 47 acres) be converted to the Mixed Use Center (MUC) land use designation in response to Benaroya Company's DEIS comment letter. However, following additional communication, the property owner requested that the boundary be reduced to approximately 11 acres (i.e. 300 feet from the southern property line), which the Planning Commission recommended approval and is reflected on the Draft Future Land Use Map. *Staff is providing a slightly modified boundary for Council's consideration in the Staff Alternative section (see additional amendment 8 on page 17).*

## Analysis

Map Changes 1-5 are necessary for implementing the policy direction outlined in the 2044 Comprehensive Plan and the anticipated Preferred Alternative of the City's Environment Impact Statement. The private map requests under Map Change 6 are also found to be consistent with the city's 2044 Comprehensive Plan goals and policies and the recommended Preferred Alternative. In addition, city staff is providing two map alternatives for Council consideration, which are outlined in the staff recommendation below.

Overall, staff finds the amendments are consistent with applicable RCWs, and guidance from the Department of Commerce and Puget Sound Regional Council, and are internally consistent with the balance of other proposed amendments to the Comprehensive Plan.

## Recommendations

### Parks Board Recommendation

The Parks & Recreation Board has purview over changes proposed to the Parks, Recreation & Open Space Plan and Element. The Board held a noticed public hearing on November 4, 2024, on the Draft Parks, Recreation, and Open Space Element and **unanimously (4-0) recommended approval** to City Council.

### Planning Commission Recommendation

The Planning Commission has purview over the amendments to the rest of the Comprehensive Plan and Future Land Use Map and makes recommendations to the City Council. The Commission held a Public Hearing on December 11, 2024, and deliberated on December 18, 2024.

The Planning Commission found the Draft Plan to be consistent with the Washington State Growth Management Act requirements (RCW 36.70A) for a Comprehensive Plan and the Puget Sound Regional Council VISION 2050 and **recommended (4-1), including 15 amendments, the City Council approve the 2044 Comprehensive Plan package.**

The Planning Commission recommendation includes four (4) amendments to the Future Land Use Map and eleven (11) policy amendments to 8 of the 13 Elements, which are outlined in *Attachment D*. The draft meeting minutes from the Planning Commission's public hearing and deliberation are also provided in *Attachments E and F*. The Planning Commission's recommended amendments have been incorporated into the final Draft Plan presented to the City Council for consideration.

*While four of the Planning Commissioners voted for approval, with amendments, some Commissioners discussed that they agreed with the work that was completed by the Commission but did not agree with the basis by which the work had to be completed, which was for compliance with the state mandates, noting concern and disagreement with the state-mandated changes.*

### Staff Alternative

In addition to the recommended 2044 Comprehensive Plan package, City staff has outlined eight (8) additional amendments for Council consideration, which are described below.

### Additional Comprehensive Plan Text Amendments

#### *Washington Department of Commerce*

There were a few areas where staff proposed minor edits to three elements of the Final Comp Plan to closer align with the requirements of the Department of Commerce checklist. Those areas are shown in track changes within three Elements, which are further described below:

1. Foundations Element (page 1-5): Minor update to mention the existing memorandum of understanding between the City of Puyallup and the Puyallup Tribe of Indians, which is

associated with the Land Claims Settlement Agreement passed by Congress in March 1990.

2. Natural Environment (page 2-4): Minor update to the text to reference the city's 2023 Shoreline Master Program (SMP).
3. Transportation Element (page 7-34): Updated text to include a new section to recognize the city's 2018 Americans with Disabilities Act (ADA) Transition Plan, and reference it as an appendix of the Comprehensive Plan.

In addition, the city received initial feedback from the Department of Commerce regarding updates required for some elements, which have been incorporated into the Housing and Foundations Elements and are shown in track changes within the Final Comp Plan. The necessary information noted by the Department of Commerce was originally included in appendices in the December 5, 2024, Draft Plan; however, it's been noted as a requirement of GMA to include some discussion within the Element and rely on the Appendices for additional information. As a result, the following updates have been included in the Final Plan:

4. Housing Element:
  - New section added to include discussion on potential disparate impacts and displacement risk in Puyallup (see pages 4-5 – 4-6)
  - New section added to address identified barriers to housing in Puyallup and measures the city intends to address the barriers (see pages 4-6 and 4-7).
  - Additional text to address code amendments anticipated to mitigate the city's capacity for emergency housing and emergency shelter needs (see the Planning for Future Housing Needs section on page 4-7).
5. Foundations Element:
  - Updates are proposed to the community engagement section on page 1-10 to include a discussion on efforts made to engage vulnerable populations as part of the periodic update.

*Alternative amendments 1-3 were found to be minor updates that were not included originally as to an oversight by staff in preparing the updates to the plan. Alternative amendments 4 and 5 were included in the Planning Commission draft by reference to appendices, however, staff was advised that more discussion was needed for compliance. As a result, the changes are found to be minor in nature and are recommended for Council consideration.*

### **Washington Department of Natural Resources**

On December 26, 2024, following the Planning Commission's recommendation, the City received a comment letter from the Department of Natural Resources (DNR) with recommended changes. Staff considered DNR's comments and have incorporated the following, all of which are shown in track changes in the recommended Comprehensive Plan:

6. Natural Environment Element:
  - Recommend providing more specificity as to which geological hazards are found in Puyallup, specifically adding a volcanic/lahar inundation paragraph, reference to hazard mitigation plan and climate plan, as well as reference to USGS maps

for landslide hazard areas. Amendments are proposed in the Environmentally Critical Areas Section, Pages 2-5 and 2-6.

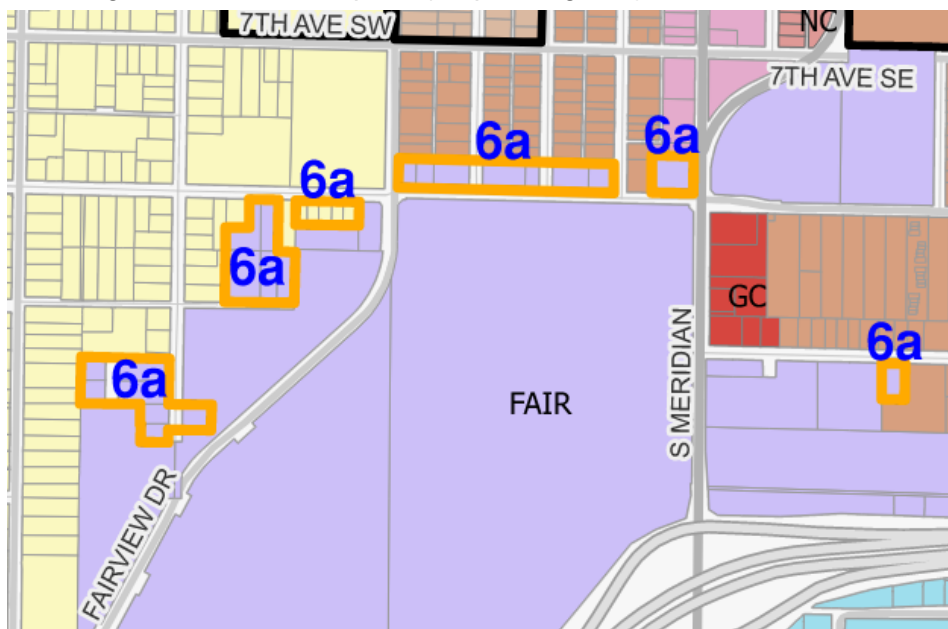
- Minor labeling and map references have also been incorporated for consistency.

*Some of DNR’s comments were not incorporated because they did not align with the city’s periodic update goal of streamlining the document. Of the comments that have been incorporated, city staff finds the changes to be minor in nature and recommends them for Council consideration.*

**Additional Future Land Use Map Amendments**

Staff alternatives mentioned in the private map change requests section of the staff report (map changes 6a and 6b) are further described below:

7. Washington State Fair Request (Map change 6a):



As noted earlier, the Washington State Fair (WSF) requested several map changes be considered with the city’s periodic update, which are depicted on the map provided above. Many of these map changes are considered cleanup items to change the designations of properties under the WSF’s ownership (many of which have been for many years) to the FAIR designation.

The Planning Commission discussed concerns regarding current zoning code allowances for off-street parking, uses, master planning, and the general process of the map and zoning code changes. The Commission preferred that the zoning code be amended first, followed by amendments to the Future Land Use Map and Zoning Maps.

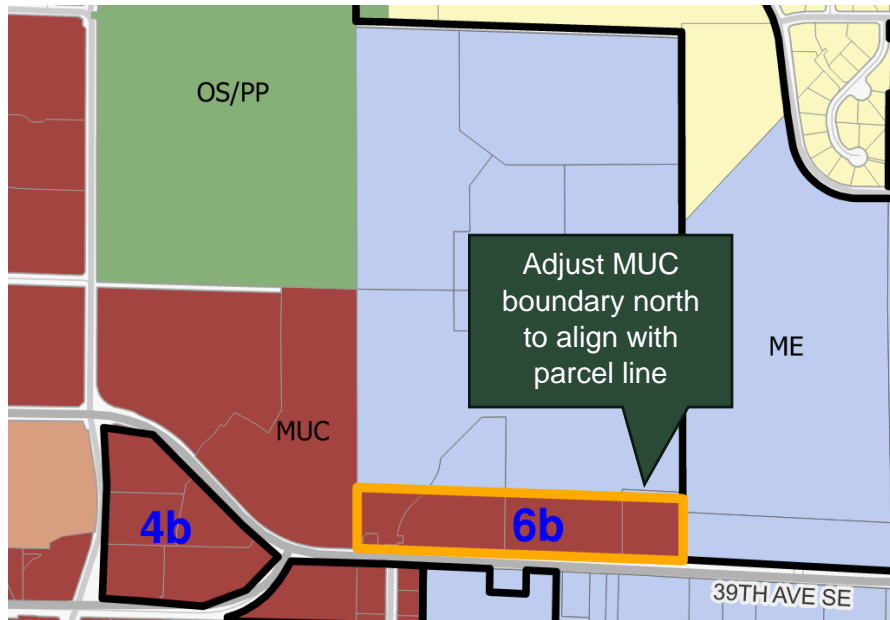
Due to the delay in the adoption of the City’s Periodic Update to the Comprehensive Plan and the Planning Division’s substantial work plan for subsequent zoning code and map updates, city staff has concerns about postponing the WSF’s map request. The city may only amend its Comprehensive Plan once a year. Due to the delay in the adoption

of the periodic update, the city most likely cannot process privately initiated comprehensive plan amendment applications until 2026.

On July 11, 2024, city staff received a letter from WSF representatives indicating their willingness to consider revisions to the Fair Zone chapter to provide separate standards for WSF properties located outside the main fairgrounds (main fairgrounds being the properties bordered by S Meridian, 9<sup>th</sup> Ave SW, Fairview Dr, and 15<sup>th</sup> Ave SW). Staff intends to include these types of code amendments in the zoning code updates immediately following the Periodic Update and is committed to working with the WSF in good faith. Additionally, the City Council retains the authority to deny future Zoning Map amendments for the subject parcels, should the Fair Zoning code section require further work.

*Staff finds the WSF's request to be "clean up" in nature and is confident the Planning Commission's concerns can be addressed during the Zoning code and map amendments following the periodic update and therefore recommends the WSF's map amendment request be reinstated and approved by the City Council as part of the 2044 Comprehensive Plan Update package.*

8. South Hill Business and Technology Center Request (map change 6b):



In general, it is good planning practice to reduce split designated parcels as much as possible. In the case of map request 6b, the Mixed Use Commercial (MUC) designation is requested to only apply to the southern portion of the lot where it abuts 39<sup>th</sup> Ave SE to allow for new mixed use development in that area, but also allow the existing development to the north to remain and conform to existing zoning standards. Due to existing parcel boundaries, the request creates three split-designated parcels.

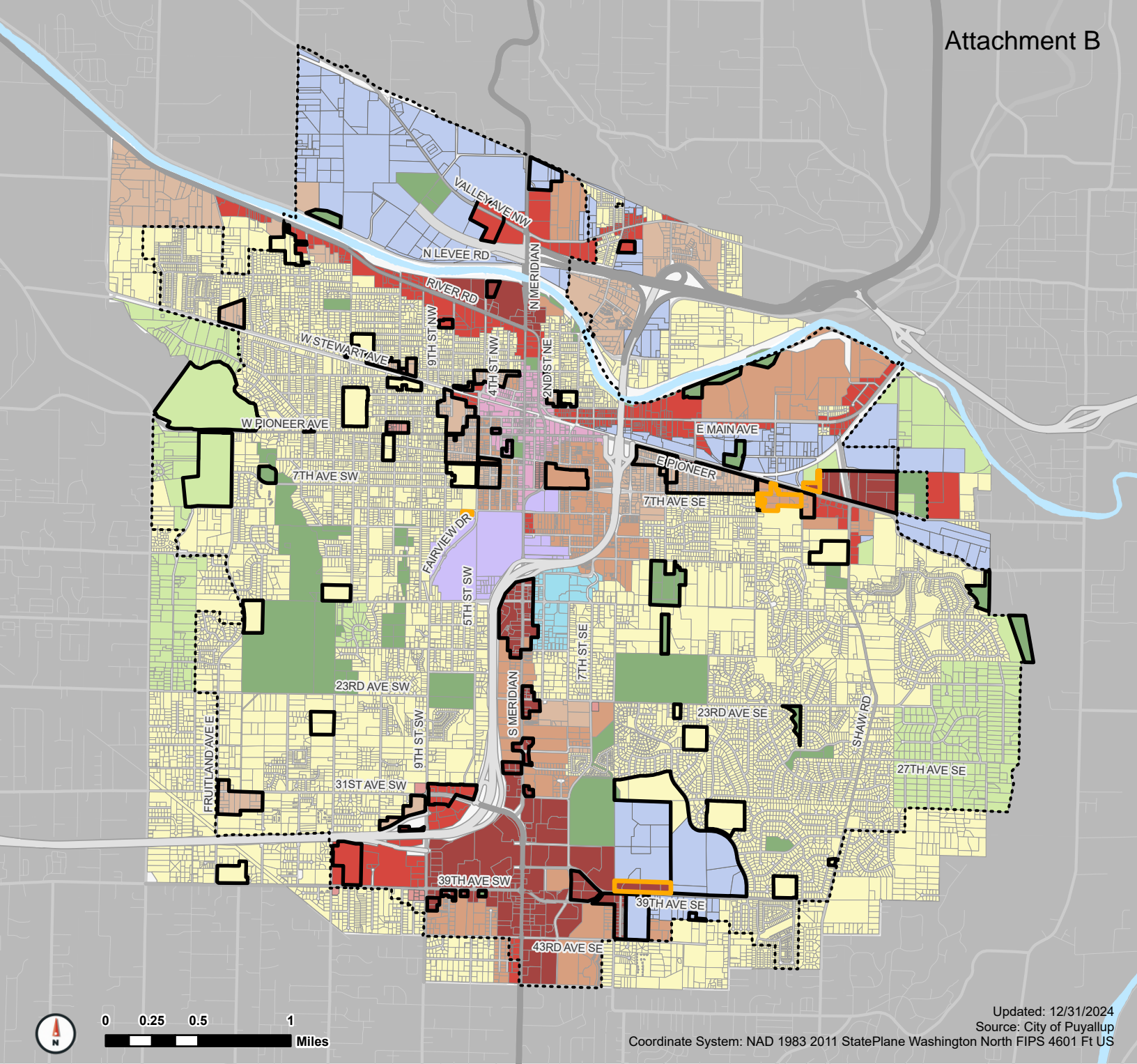
Following the Planning Commission public hearing and deliberation, staff discovered that the proposed boundary is offset from an existing parcel line by about 35 feet, which, if extended to align with the existing parcel, would reduce the split designation for one of

the three parcels. Staff discussed this with the requestor, who indicated that they would support moving the boundary to align with the existing parcel line.

*Staff finds this map consideration to be a minor adjustment to the proposed map change and therefore recommends approval to City Council.*

**City staff reviewed the requirements and preliminarily determined that the 2044 Comprehensive Plan package, with the alternative amendments outlined above, complies with state requirements and regional planning policies. Therefore, City Staff recommends the City Council approve the 2044 Comprehensive Plan package, with the 8 additional amendments outlined above. \***

*\*Please note: a formal response is still pending from the Department of Commerce and PSRC; therefore, additional amendments may be necessary to address agency comments.*

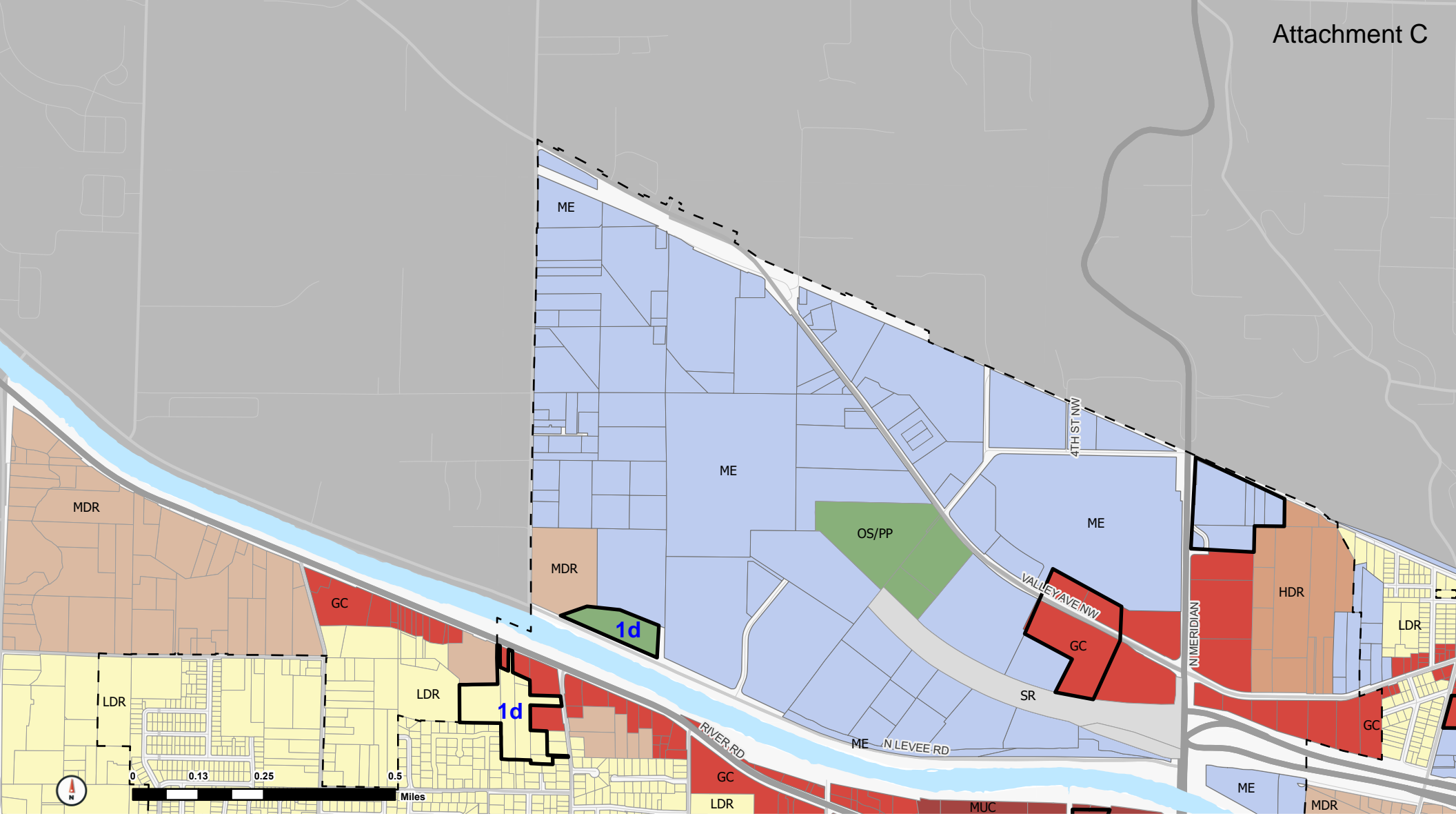


PRELIMINARY FUTURE LAND USE MAP

# Draft Future Land Use Map

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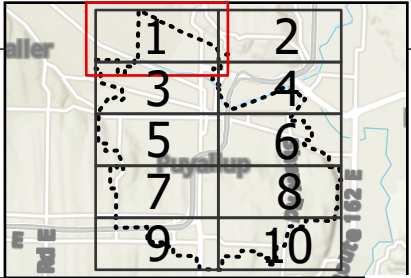
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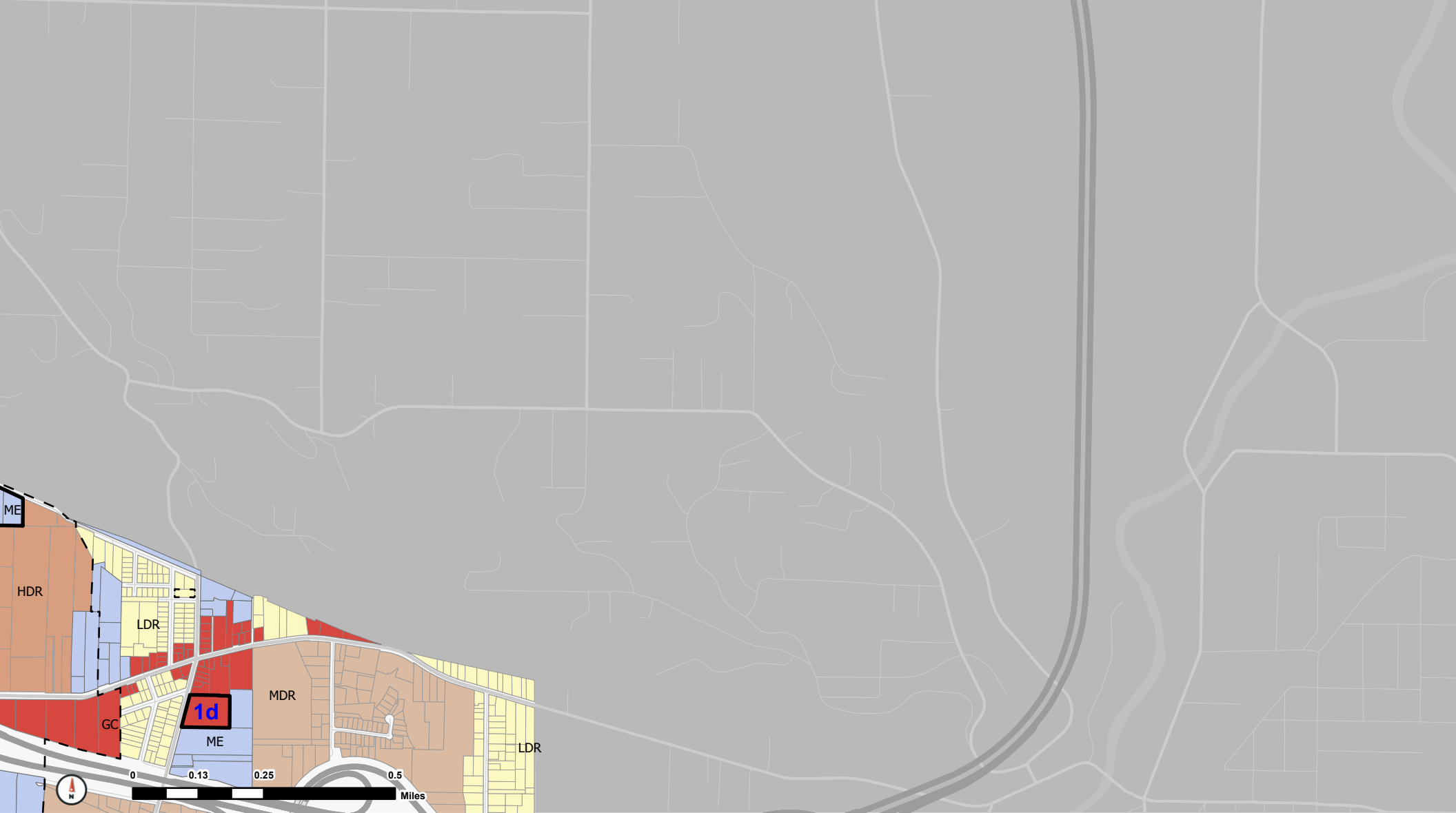


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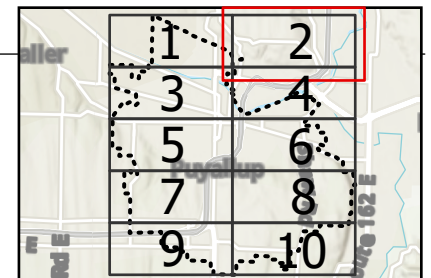


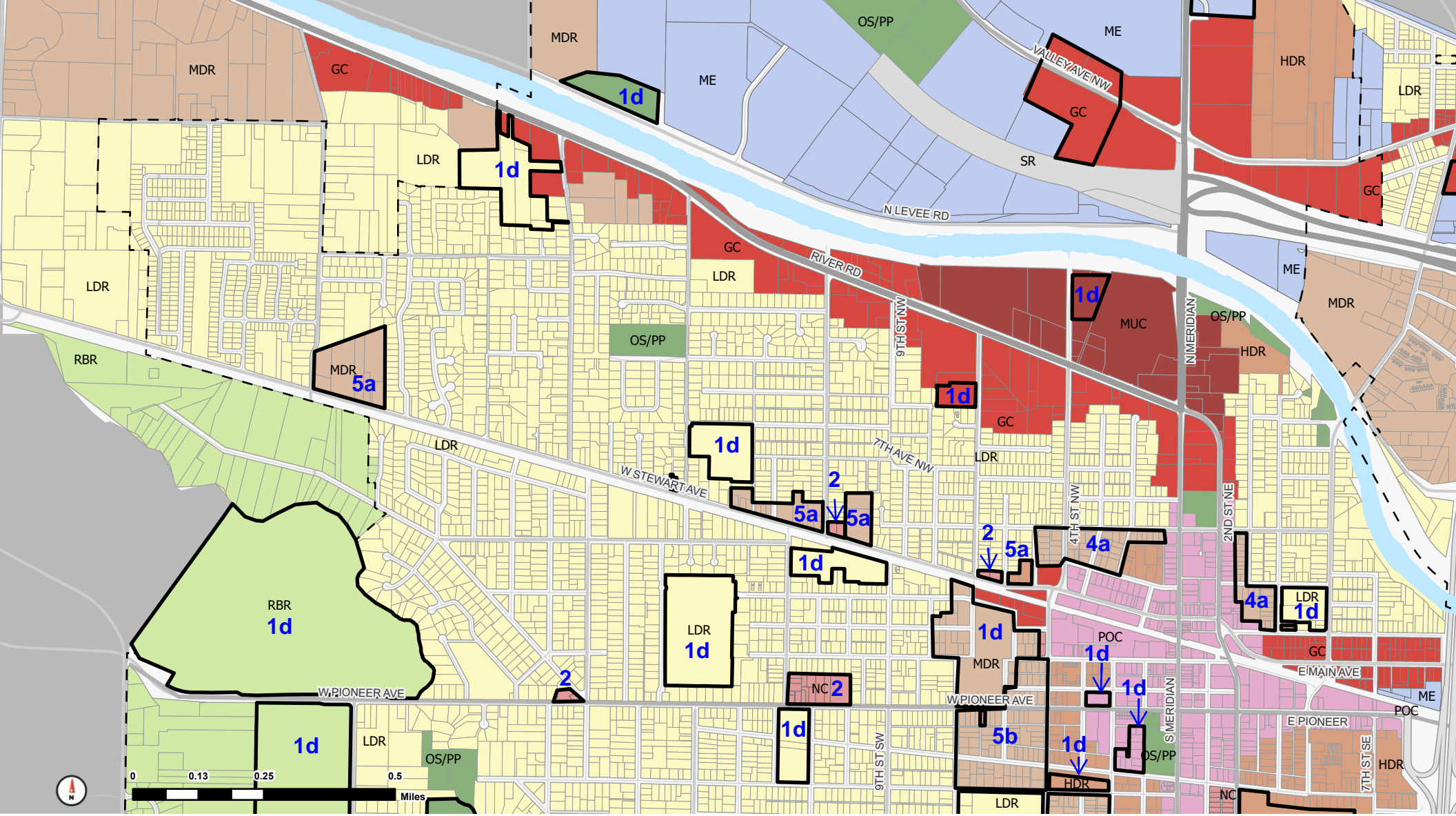


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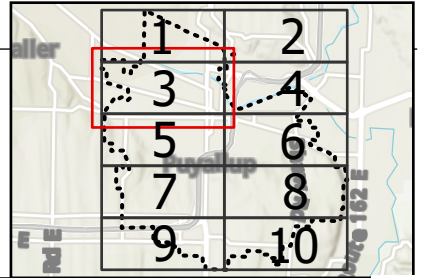


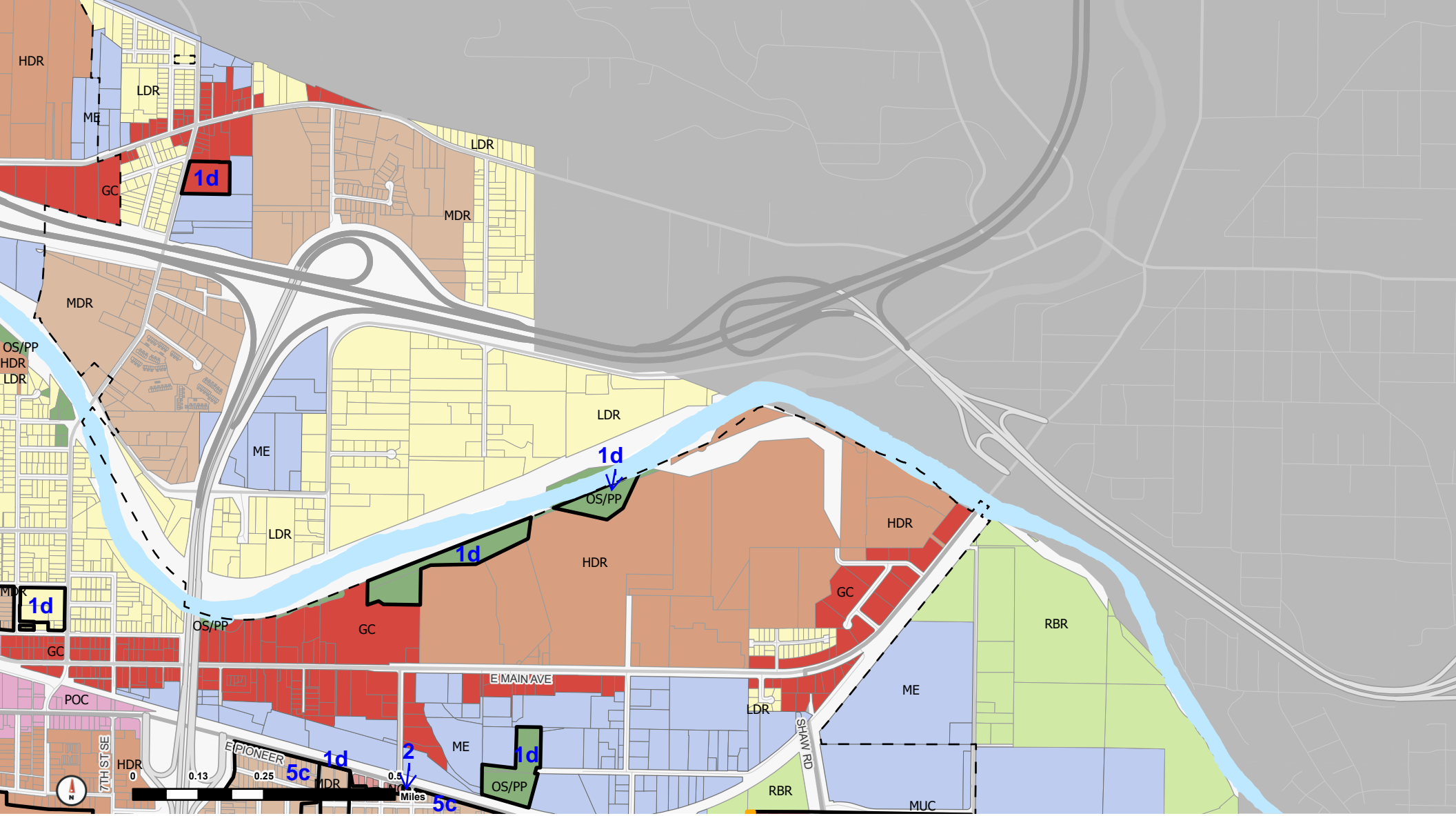
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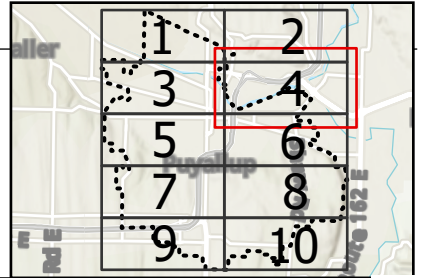


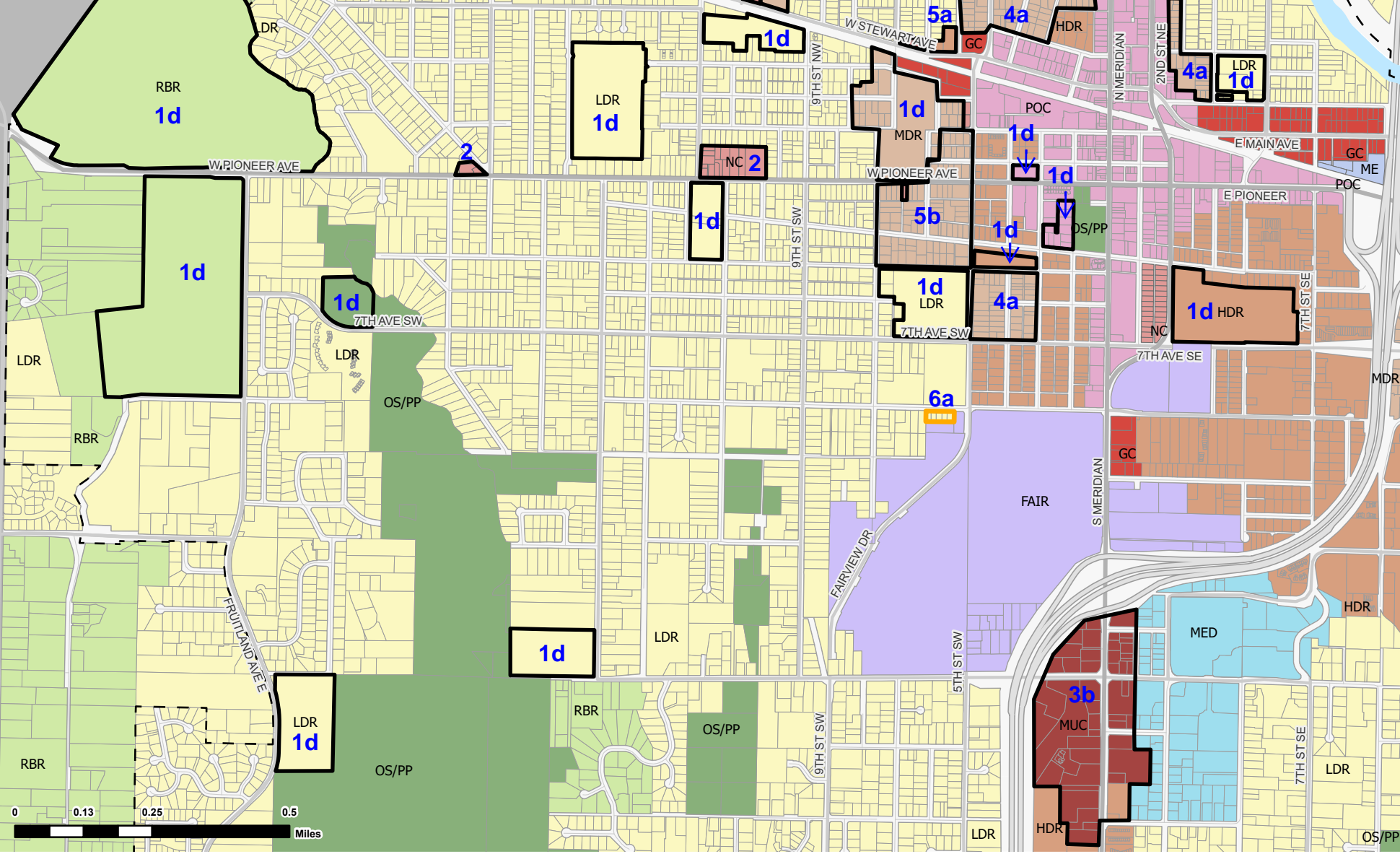


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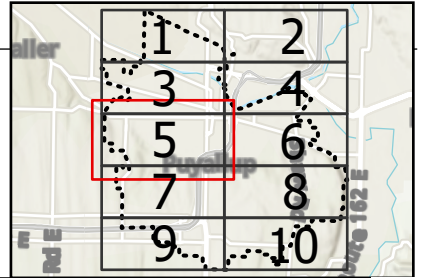


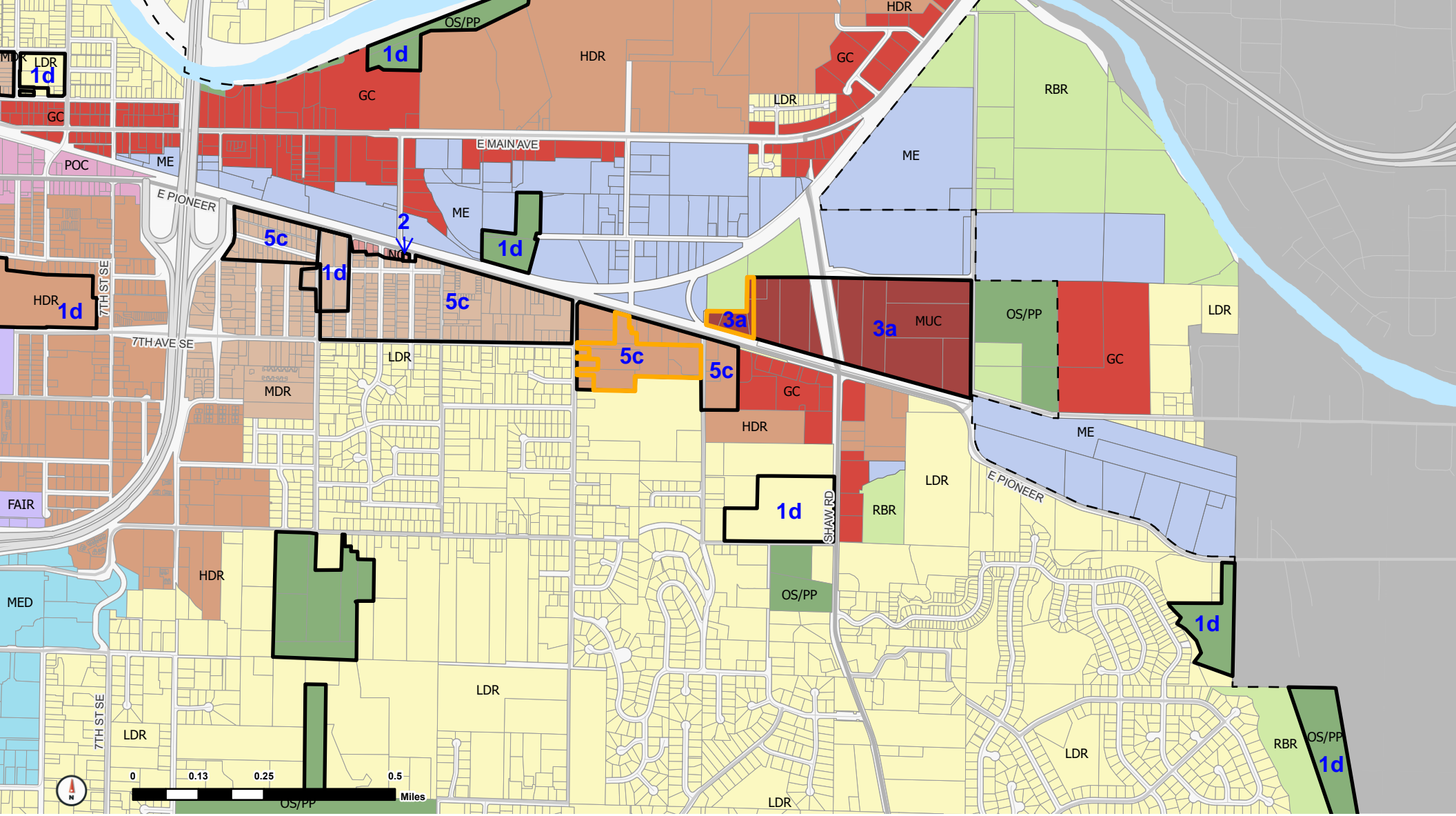


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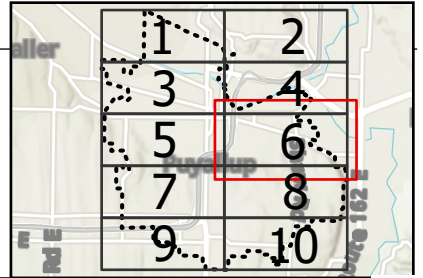


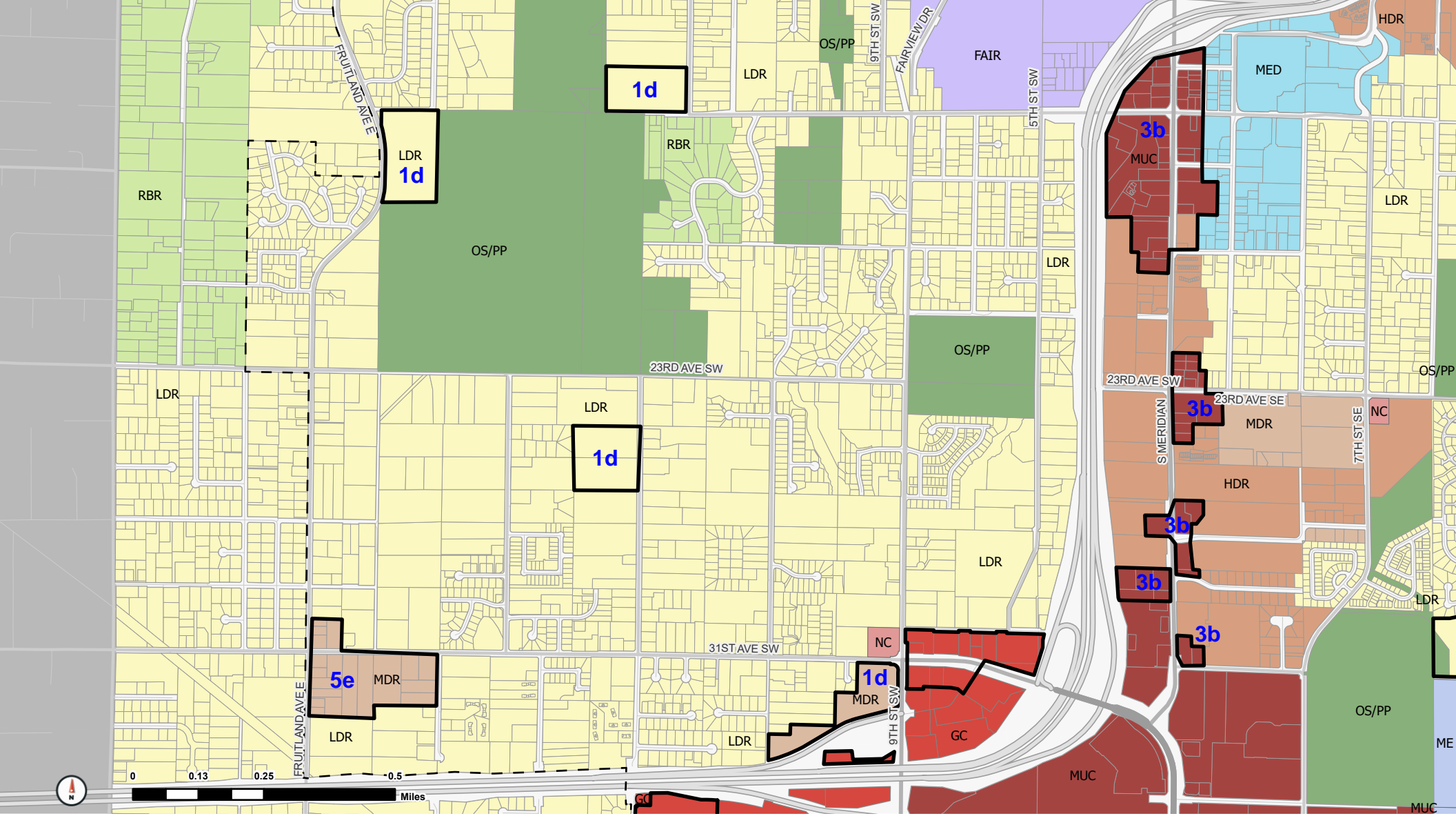


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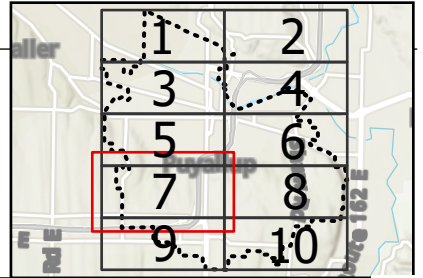


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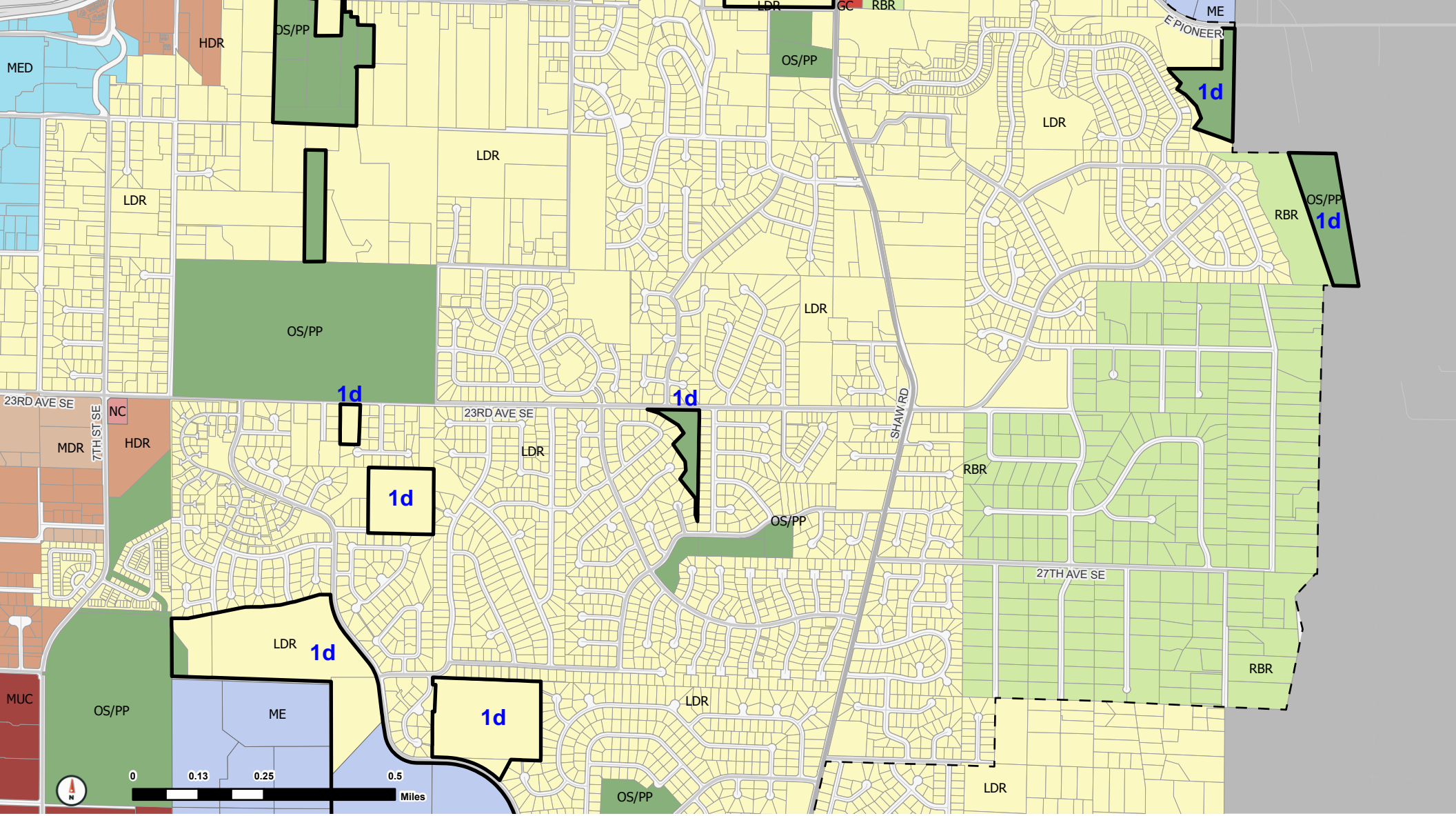
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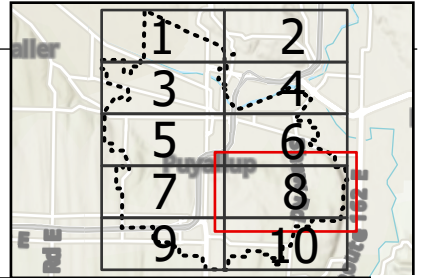
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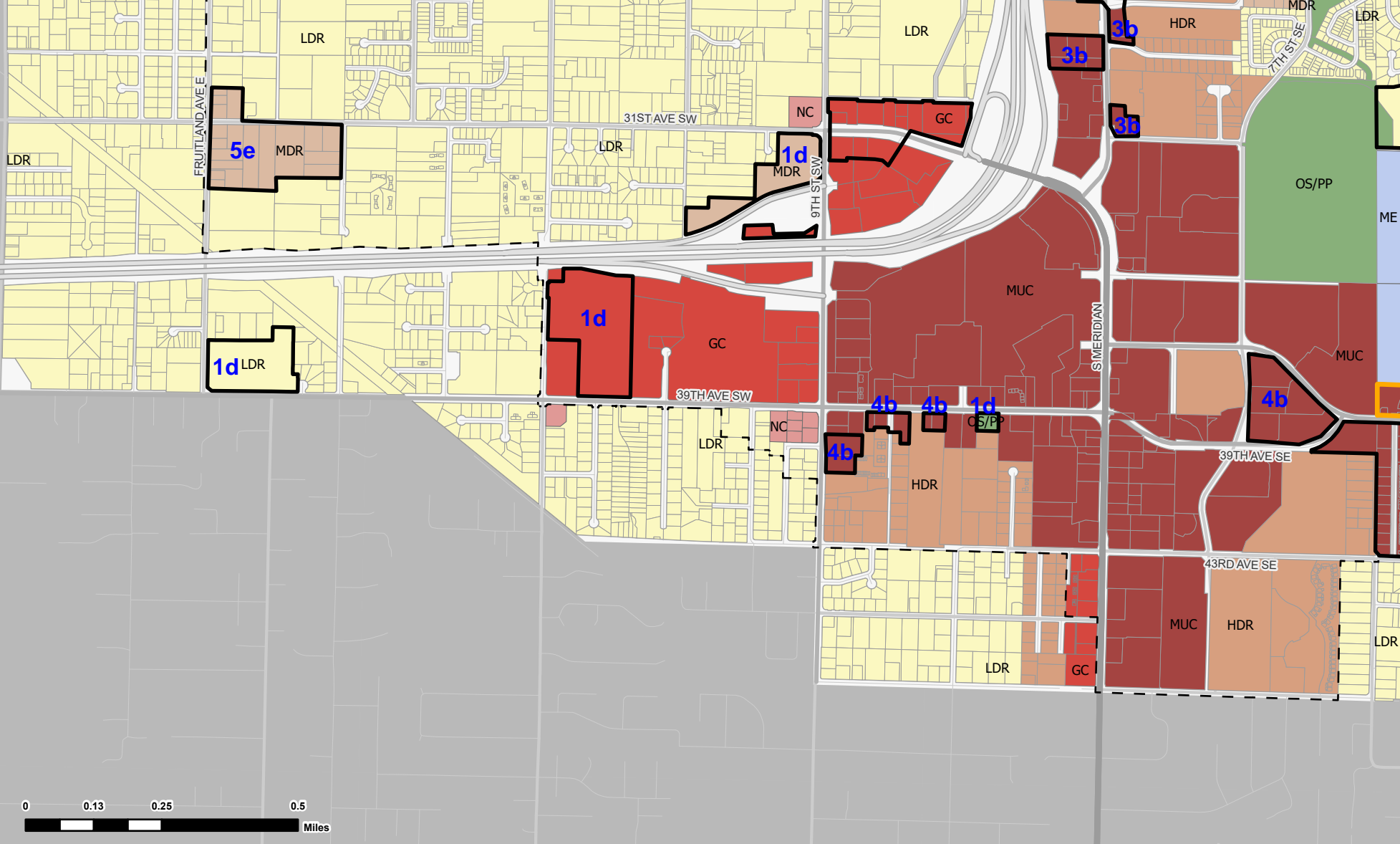


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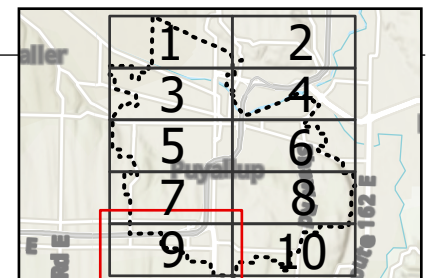


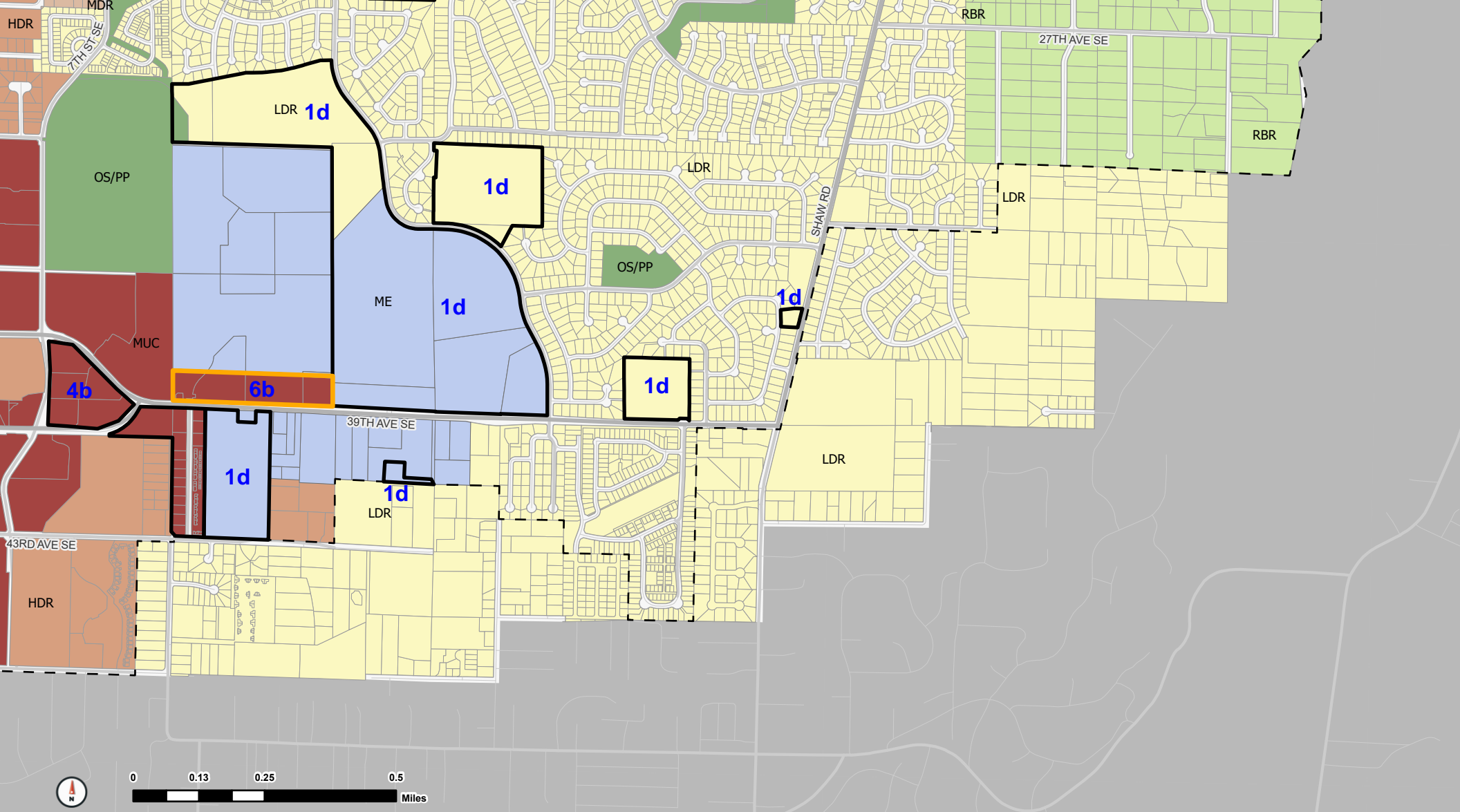


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- |                            |                                    |                                   |                                      |
|----------------------------|------------------------------------|-----------------------------------|--------------------------------------|
| City Limits                | FAIR - Fair                        | ME - Mixed Employment             | POC - Pedestrian Oriented Commercial |
| Tax Lots                   | GC - General Commercial            | MED - Medical Facilities          | RBR - Rural Buffer Residential       |
| City Initiated FLU Changes | HDR - High Density Residential     | MUC - Mixed Use Commercial        | SR - State Roads                     |
| Private Requests           | LDR - Low Density Residential      | NC - Neighborhood Commercial      |                                      |
|                            | MDR - Moderate Density Residential | OS/PP - Open Space / Public Parks |                                      |

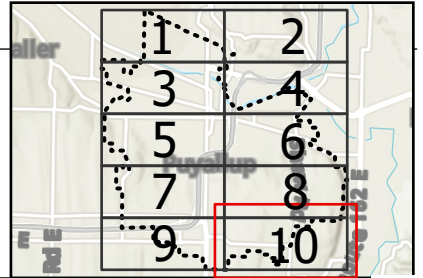




PRELIMINARY FUTURE LAND USE MAP  
**Draft Future Land Use Map**

Updated: 1/6/2025  
 Source: City of Puyallup  
 Coordinate System: NAD 1983 2011 StatePlane Washington North FIPS 4601 Ft US

- |                            |                                    |                                   |                                      |
|----------------------------|------------------------------------|-----------------------------------|--------------------------------------|
| City Limits                | FAIR - Fair                        | ME - Mixed Employment             | POC - Pedestrian Oriented Commercial |
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| Private Requests           | LDR - Low Density Residential      | NC - Neighborhood Commercial      |                                      |
|                            | MDR - Moderate Density Residential | OS/PP - Open Space / Public Parks |                                      |



## Planning Commission Recommended Amendments

### Comprehensive Plan Text Amendments

#### Natural Environment

1. Washington Department of Fish & Wildlife Comment Letter dated Dec. 11, 2024 – Planning Commission recommends adoption of minor comments (numbers 1,3,6,8,10,12); Comment 7 – adopt with staff recommended modifications; Comment 9 – adopt with staff recommended modifications. The amendment text is outlined below.
  - a. Comment 1: Fish and Wildlife Habitat Conservation Areas; Under the GMA, Fish and Wildlife Habitat Conservation Areas include:
    - State Priority Habitat and areas associated with State Priority Species as indicated by WDFW’s Priority Habitat and Species (PHS) program;
    - State priority plants and ecosystems as indicated by WDNR’s Natural Heritage Program (WNHP);
  - b. Comment 3: Policy NE-1.3: Remove regulatory barriers and create incentives to encourage use of sustainable building methods and materials such as Leadership in Energy and Environmental Design (LEED), Pierce County Built Green, and low impact development and retrofitting to strive towards becoming a sustainable community.
  - c. Comment 6: Policy NE-8.8: Encourage improvements such as removal of fish barriers for priority habitat, which included fisheries habitat, to the fisheries habitat of watercourses when abutting properties are developed. Use bridges as the preferred method of crossing a watercourse. Design bridges to allow for small animal migration under the bridge. Restore natural drainage channels that have been placed within culverts and have had their capacity or habitat value reduced as development or where redevelopment occurs.
  - d. Comment 7 (staff recommendation): Policy NE – 9.3: Maintain regulations and programs, such as the City’s critical areas ordinance and alike, to protect fish and wildlife conservation areas, shorelines of the state, and native growth protection areas, including riparian areas.
  - e. Comment 8: Policy NE-9.6: Protect salmon, steelhead and other fish, plants, and wildlife that rely on the aquatic environment by protecting and improving water quality and habitat. Give special consideration to conservation and restoration to preserve and enhance fish and wildlife habitat critical areas, including anadromous fisheries habitat.
  - f. Comment 9 (staff recommendation): Policy NE-9.7: Consider Support development regulations which would promote, protect, and set aside habitat corridors during site development. Minimize habitat fragmentation by linking wildlife habitats via corridors within the city and the greater region. Wildlife corridors include but are not limited to, parklands usable by wildlife, protected or reserved (Native Growth Protection Easements/Tracts) open space, utility rights-of-way, riparian corridors, wetland buffers, and protected sensitive areas.
  - g. Comment 10: Policy NE-9.8: Coordinate land use planning and management of fish and wildlife habitat with other local governments, state, and federal agencies,

including Tribes. These efforts should foster fish and wildlife connectivity and open space corridors, locally and regionally, to reduce habitat fragmentation.

- h. Comment 12: Policy NE-10.6: Recognize trees as a green infrastructure. Design city capital improvement projects to preserve existing trees and integrate new diverse tree plantings and other vegetation to the maximum extent possible. Priority will be placed on preserving existing trees and planting trees that would serve as habitat corridors through connectivity, riparian areas, and designated open spaces.

## Land Use

2. New Policy LU-2.3 – Periodically review the permitting process with affected groups to ensure the process is effective, streamlined, provides flexibility for decision making, and incorporates incentives that aid the city in meeting its goals and objectives.
3. New Implementation item related to Policy LU-1.11 – Explore a methodology to allow those areas of the City that are currently limited from their highest and best use by lack of infrastructure to have a future use zone as an underlying zone and once the lack of infrastructure is remedied the restriction is removed automatically and the future use zone will apply.
4. Policy LU-8.2 – Allow for neighborhood-serving commercial uses in defined commercial nodes that serve the needs of the surrounding community and that enable residents to walk or bicycle to meet their daily needs.

## Housing

5. Policy H-3.9 – Encourage the availability of attainable housing options for college students, including returning students, especially in proximity to Pierce College housing affordability and special needs.

## Economic Development

6. New Policy ED-1.10 – Through the city's economic growth initiatives, help Pierce College identify and create programs that identify the missing educational skills that current and prospective businesses need in potential employees.

## Transportation

7. Pierce Transit comments – adopt minor edits; goal T 1.2 – leave as-is; page T-80 – direct staff to modify per PT comments:
  - a. Page T-17: Correct the Pierce Transit Vanpool program reference to its new name, “RideShare”.
  - b. Page T-19: Update route descriptions that serve Puyallup to include Pierce Transit’s Route 4 from Lakewood to South Hill. Please add it to the map on page T-20 too.
  - c. Page T-19: Regarding Route 425 that was discontinued in March 2024, we would add, “...due to very low average daily ridership.”
  - d. Page T-53: Table 7-12: Programmatic Projects – Could you please explain the bottom 10 (out of 11) rows that specifically call out transit-related improvements? While page T-50 states that locations and cost estimates are not provided and/or

are not yet known, have the more specific project recommendations already been identified by the City?

- e. Page T-76: Note that the FHWA's STP Program changed its name a few years ago to the Surface Transportation Block Grant (STBG) Program. (I think it was under the FAST Act of 2016.)
- f. T-80: Under the TDM Strategies, Transit Service paragraph, please revise to:  
As part of Pierce Transit's Destination 2045 Long Range Plan, transit options could expand [or: ...transit options are proposed to expand...] to include more geographic coverage within the city, especially those areas targeted for high growth and infill development.

*Additional comments: We'd even suggest splitting Sound Transit's information into another, separate sentence, before ours. Especially since ST3 is a given (i.e., it's funded and already in either the planning or construction stages). But note that our LRP is only illustrative at this point, meaning there's no funding behind anything we are proposing regarding existing, shorter-term bus route improvements or any new bus routes being introduced in the mid- to long-term. The only exception is the \$1.2 million in the State budget for TSP in the S. Meridian/SR 161 corridor from South Hill north to the Puyallup Sounder Station (a ~6.5-mile section).*

#### Utilities

- 8. U 5.6 (new policy) – Explore the possibility of sewer partnerships or participation in a regional sanitary sewer system to provide cost efficiencies for users when new sanitary regulations are enacted, treatment plant expansion is required, or major expansion of the sanitary distribution system is needed.

#### Downtown Neighborhood Plan

- 9. DT 2.3 – Encourage a walkable Downtown with the use of street-level store frontages for retail commercial uses that serve pedestrian foot traffic and, when possible, residential housing options on upper levels. ~~a walkable Downtown environment.~~
- 10. DT 15.1 – Coordinate with Sound Transit to promote the use and frequency of rail transportation and commuting, including evening and weekend service, and explore opportunities for reverse commuting, pedestrian connections, and bolstering local businesses.

#### South Hill Neighborhood Plan

- 11. SH 2.9 (new policy) – Encourage the acquisition of property for additional park space in the southwest portion of the neighborhood plan area, south of 39<sup>th</sup> Ave SW and west of Meridian.

## Comprehensive Plan Map Amendments

12. Remove proposed map amendment 5d (Moderate Density Residential near the MultiCare Good Samaritan Hospital) to keep the area designated as Low Density Residential.
  - a. PC Discussion: *Changing this area back to LDR would not affect the city's housing targets and the community is largely not in favor of this change. Infrastructure and topography in the area also do not support this change to MDR. Change is coming to this area with the improvements planned on the Hospital's campus, which will impact this neighborhood in other ways, so the Commission recommends leaving it as LDR.*
13. Remove the portions of map amendment 6A (Washington State Fair request) that would change properties to the FAIR land use designation from consideration on the Draft FLUM, but retain the proposed amendment to 5 parcels proposed to change to Low Density Residential. The properties removed from consideration, will maintain their existing land use designations (LDR, HDR, or POC).
  - a. PC Discussion: *Commissioners did not agree with the order of the proposed changes, which would include changing the Future Land Use Map, followed by updates to the city's zoning map and zoning code to address concerns. The Commission strongly prefers zoning code changes be considered before map amendments. The Commission also noted that there has been discussion as to whether this type of development should be required to do a Master Plan to better understand the WSF's future development plans. Some of the parcels are currently designated as residential, which should also be considered.*
14. Correct Neighborhood Commercial map errors identified by city staff on South Hill (PPT NC Map Change 1-3).
15. Modify the proposed Mixed Use Commercial boundary for Map Change 6b (South Hill Business and Technology Center) to be approximately 300' from the southern property line per the Benaroya Company's request.

**City of Puyallup  
Planning Commission Minutes  
December 11, 2024**

**COMMISSIONERS PRESENT:** Chair Heather Schiller, Vice-Chair Kenya Jones-Lowell, Commissioners: David De Groot, Art Seeley, Marty Kiilsgaard

**STAFF MEMBERS PRESENT:** Planning Manager Katie Baker, Senior Planner Kendall Wals, Administrative Assistant Michelle Hannah

**APPROVAL OF THE AGENDA:**

A motion was made by Vice-Chair (VC) Kenya Jones-Lowell, and seconded by Commissioner Kiilsgaard, to pass the agenda. The motion passed 5-0.

**PUBLIC HEARING**

Senior Planner Kendall Wals presented the draft comprehensive plan titled "Puyallup 2044," highlighting the city's obligation to update its plans every decade per the Growth Management Act. Puyallup aims to accommodate a population of 61,500, create 8,000 new housing units, and generate approximately 14,700 new jobs by 2044. The planning process included extensive public and stakeholder engagement through interviews, in-person events, online surveys, and a community advisory group to ensure diverse perspectives were incorporated.

The draft plan introduces significant updates in critical areas, focusing on ecological sustainability, preserving community character, and enhancing economic development strategies. Transportation plans have been revised to offer an inclusive transit network for all users, and updates to utilities and parks aim to align infrastructure with future community needs. The plan also emphasizes strategic growth in designated regional centers to channel development effectively.

Key changes in the Future Land Use Map were proposed, outlining how the city will manage land use and development. This includes accommodating some private property requests and adjusting zoning designations. SP Wals noted that commissioners received preliminary survey results to support their discussions and expressed her openness to discussing these findings further at the upcoming deliberation meeting.

Chair Schiller opened the public hearing for citizen comments.

Doc Hansen expressed his approval of the comprehensive plan and recommended the removal of buffer zones on the east side of the city. He also proposed creating bicycle transportation nodes and prioritizing a bike route loop.

Steve Alldridge voiced concerns about the draft plan's omission of the Urban Growth Area (UGA). He argued that the plan should include future zoning considerations for the UGA rather than focusing solely on areas within the city. Additionally, Alldridge highlighted the challenges property owners in the UGA face regarding development or land sales due to high utility costs.

Kathy Turner criticized the state housing legislation for threatening to erase the small-town identity of the city. Also, she emphasized the need to include the lahar zone among exemption areas like floods and mudslides. She recommended limiting downtown building heights to the height of City Hall and voiced concerns over the plan's lack of traffic analysis.

Washington State Fair representative Tom Utterback detailed four map amendment requests concerning Fair-owned properties outside the main fairgrounds, mentioning that staff categorized many as "cleanup items." He also emphasized the Fair's intent to engage in upcoming zoning code reviews actively.

Charlie Vollmer raised concerns about state laws permitting multifamily housing in single-family zones and inquired who decides if comprehensive plan amendment applications meet the requisite criteria. He suggested implementing a mechanism to halt applications that fail to meet these criteria earlier in the process.

Steve Shores supported Kathy Turner's remarks and expressed disappointment over state laws overriding city autonomy. He criticized the vague use of terms like "affordable housing" and suggested that efforts should be concentrated on enhancing the economy to make housing more financially accessible.

Chris Chisholm from District 2 expressed gratitude for the commissioners' volunteer service and voiced support for the state's initiatives to address the housing crisis by increasing housing capacity, particularly near transit. He also highlighted the importance of incorporating equity and diversity into the planning process.

Christine Rutherford thanked the commissioners for their volunteer service and voiced concerns about the state usurping local power from cities. She also offered the community's assistance in opposing future state mandates at earlier stages.

Dwight Haynie expressed concerns over traffic issues from recent hospital expansions and cautioned against further density increases due to inadequate street capacity. He urged the commission to consider the traffic impacts carefully when approving future developments.

Chair Schiller closed the public hearing for citizen comments with no further comments.

Commissioners requested additional information regarding the Benaroya parcel proposal in the South Hill Business and Technology Park. SP Wals noted property owners proposed a designation change for a broader range of uses, including residential developments. In response, city staff recommended part of the property be designated for mixed-use commercial purposes. The owners later suggested limiting this to an area 300 feet from the south property line.

Commissioners inquired about a proposed change near the hospital that faced community opposition, but SP Wals confirmed that removing this change would not impact housing targets. Additionally, there were worries about sewer infrastructure limitations for development in southwest Puyallup, and a request was made for information on plans to extend sewer services to

that area. Lastly, it was mentioned that late comments from agencies like Pierce Transit would be analyzed and addressed in the next meeting.

**ADJOURNMENT:** 7:51 p.m.

DRAFT

**City of Puyallup  
Planning Commission Minutes  
December 18, 2024**

**COMMISSIONERS PRESENT:** Chair Heather Schiller, Vice-Chair Kenya Jones-Lowell, Commissioner David De Groot, Commissioner Art Seeley, Commissioner Marty Kiilsgaard

**STAFF MEMBERS PRESENT:** Planning Manager Katie Baker, Senior Planner Chris Beale, Senior Planner Kendall Wals, Administrative Assistant Michelle Hannah

**CALL TO ORDER:** Chair Schiller called the meeting to order at 6:33pm.

**APPROVAL OF THE AGENDA**

A motion was made by Vice Chair Jones- Lowell, and seconded by Commissioner Seeley, to approve the agenda. The motion passed 5-0.

**PUBLIC HEARING**

**Good Samaritan Hospital (GSH) Master Plan – Deliberation**

Senior Planner Chris Beale provided an overview of the Good Samaritan Hospital's 20-year master plan, which aims to guide the hospital's future expansion and renovation. The plan includes four phases, with Phase 1 focusing on building a new patient care tower that will add 160 new beds and relocate 30 existing ones. Most developments will occur in the central campus area, with plans to construct medical office buildings and parking structures and expand existing facilities to meet future demands. Revisions have been made to this plan based on feedback from a public hearing, specifically addressing parking ratio changes and map corrections. Recommended conditions for approval include adhering to city standards, improving ambulance bays, and reviewing building exits to ensure safety compliance. The plan also updates the medical offices' parking ratio to 3.58 stalls per 1,000 square feet.

Commissioners raised concerns about the lack of funding for infrastructure improvements needed to support the first development phase. It was clarified that the draft Environmental Impact Statement outlines a plan requiring the applicant to make necessary road and intersection improvements. Questions about the building height allowances were addressed by noting that a code amendment would uphold a maximum height restriction of 165 feet.

**Commission Action:** A motion was made by Commissioner Seeley, and seconded by Commissioner Shiller, to recommend approval of the Good Samaritan Hospital Master Plan. The motion passed 4-1 (Kiilsgaard).

**Puyallup 2044 Draft Comprehensive Plan – Deliberation**

Senior Planner (SP) Kendall Wals presented an overview of various questions and considerations associated with the draft Comprehensive Plan in response to the December 11 public hearing. Key

highlights included clarifications on sewer planning for the southwest and southeast areas, clarification of the Shaw Road project descriptions, and a summary of the agency comments submitted by Pierce Transit and the Washington Department of Fish & Wildlife.

**Commission Action:** 1. A motion was made by Commissioner DeGroot, and seconded by Commissioner Seeley, to modify the historical section of the Foundations Element of the comprehensive plan per the provided language. The motion failed 1-3 with 1 abstention (Schiller, Jones-Lowell, Seeley, Kiilsgaard).

2. A motion was made by Commissioner Kiilsgaard, and seconded by Commissioner DeGroot, to provide both versions to Council for their consideration to either modify the language or remove the historical section in the foundations of the comprehensive plan. The motion failed 2-3 (Schiller, Jones-Lowell, Seeley).

3. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner Seeley, to approve all minor comments to WDFW (1-6, 8, 10, and 12). The motion passed 5-0.

4. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner Seeley, to approve staff's recommendations to comment 7 of the WDFW. The motion passed 5-0.

5. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner DeGroot, to approve staff's recommendations to comment 9 of the WDFW. The motion passed 5-0.

6. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to add a new policy to the Land Use Element to periodically review the permitting process with affected groups to ensure the process is effective, streamlined, provides flexibility for decision making, and incorporates incentives that aid the city in meeting its goals and objectives. The motion passed 5-0.

7. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to update Land Use 1.11 to explore a methodology to allow those areas of the City that are currently limited from their highest and best use by lack of infrastructure to have a future use removed automatically and the future use zone will apply. The motion passed 5-0.

8. A motion was made by Commissioner Kiilsgaard, and seconded by Commissioner Seeley, to update the Future Land Use map to change amendment 5d from moderate density residential to low density residential. The motion passed 5-0.

9. A motion was made by Commissioner DeGroot, and seconded by Commissioner Seeley, to update Land Use 8.2 and add "in defined commercial nodes." The motion passed 5-0.

10. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner Seeley, to remove 6a under the Fair designation for consideration of the future Land Use map from the comprehensive plan. The motion passed 5-0.

11. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to approve the recommended corrections to three map errors on Neighborhood Commercial. The motion passed 5-0.

12. A motion was made by Commissioner Vice Chair Jones-Lowell, and seconded by Commissioner Kiilsgaard, to approve the map amendments related to 6b Benaroya property. The motion passed 5-0.

13. A motion was made by Commissioner Seeley, and seconded by Vice Chair Jones-Lowell, to update Housing 3.9 to read “Encourage the availability of attainable housing options for college students, including returning students, especially in proximity to Pierce College ~~housing affordability and special needs.~~” The motion passed 5-0.

14. A motion was made by Commissioner DeGroot, and seconded by Commissioner Seeley, to update Housing 6.1 to read “Engage and partner with individuals and households most disproportionately impacted by housing challenges to inform strategies, actions, regulations, and resource allocation decisions that ensure affordable housing is available to all income levels.” The motion failed 1-4 (Schiller, Jones-Lowell, Kiilsgaard, Seeley).

15. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to update and add Economic Development 1.10 to read “Through the city’s economic growth initiatives, help Pierce College identify and create programs that identify the missing educational skills that current and prospective businesses need in potential employees.” The motion passed 5-0.

16. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner Kiilsgaard, to accept Pierce Transit’s minor edits into the comprehensive plan as noted in their comments. The motion passed 5-0.

17. A motion was made by Commissioner Seeley, and seconded by Vice Chair Jones-Lowell, to leave Transportation 1.2 as written and to direct staff to modify per Pierce Transit comments on T-80. The motion passed 5-0.

18. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to update and add Utilities 5.6 to read “Explore the possibility of sewer partnerships or participation in a regional sanitary sewer system to provide cost efficiencies for users when new NPDES or State sanitary regulations are enacted, treatment plant expansion is required, or major expansion of the sanitary distribution system is needed.” The motion passed 5-0.

19. A motion was made by Commissioner Seeley, and seconded by Commissioner Kiilsgaard, to update Downtown Neighborhood Plan 2.3 to read “Encourage a walkable Downtown with the use of street-level store frontages for retail commercial uses that serve pedestrian foot traffic and, whenever possible, residential housing options on upper levels ~~a walkable Downtown environment.~~” The motion passed 5-0.

20. A motion was made by Commissioner DeGroot, and seconded by Commissioner Seeley, to update Downtown Neighborhood Plan 15.1 to read “Coordinate with Sound Transit to promote the use and frequency of rail transportation and commuting, including establishing evening and weekend rail a, and explore opportunities for reverse commuting pedestrian connections and bolstering local business.” The motion passed 5-0.

21. A motion was made by Commissioner DeGroot, and seconded by Commissioner Seeley, to add a new policy to South Hill Neighborhood Plan 2.9 to read “Encourage the acquisition of property for additional park space in the southwest portion of the neighborhood plan area, south of 39<sup>th</sup> Ave SW and west of Meridian.” The motion passed 5-0.

22. A motion was made by Vice Chair Jones-Lowell, and seconded by Commissioner Seeley, to approve the comprehensive plan to include all passed recommended amendments. The motion passed 4-1 (DeGroot).

### **OTHER COMMISSION BUSINESS**

Planning Manager (PM) Katie Baker and SP Wals noted that the next meeting is scheduled for January 8<sup>th</sup>, 2025, during which a focus will be placed on updating code. Additionally, PM Baker noted that the terms for some Commissioners are nearing expiration. The appointment process for those interested in reapplying for these positions is currently open. PM Baker emphasized the importance of this process and assured the commission that the staff would follow up with notifications regarding reapplication to ensure all interested members can continue their service.

**ADJOURNMENT** – 9:46 p.m.



State of Washington  
**DEPARTMENT OF FISH AND WILDLIFE**

Coastal Region • Region 6 • 48 Devonshire Road, Montesano, WA 98563-9618  
 Telephone: (360) 249-4628 • Fax: (360) 249-1229

December 11, 2024

City of Puyallup  
 ATTN: Katie Baker, Planning Manager  
 333 S Meridian  
 Puyallup, WA 98371

**Subject: WDFW Comments on the City of Puyallup 2024 Draft Comprehensive Plan, Planview 2022-C-294**

Dear Ms. Baker,

On behalf of the Washington Department of Fish and Wildlife (WDFW), we offer our comments on the 2024 draft Natural Environment chapter of the City of Puyallup Comprehensive Plan as part of the current periodic update under the Growth Management Act (GMA).

WDFW is dedicated to preserving, protecting, and perpetuating the state’s fish, wildlife, and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities. In recognition of our responsibilities, we submit the following comments for the City of Puyallup’s 2024 draft comprehensive plan updates; acknowledging other comments may be offered in the future. We strive to maintain contact throughout this update process and look forward to engagement opportunities in the future.

**Natural Environment Element**

<b>Natural Environment Element Write-Up</b> (with WDFW suggestions in red)	<b>WDFW comment</b>
<p><b>Fish and Wildlife Habitat Conservation Areas</b>  <i>Under the GMA, Fish and Wildlife Habitat Conservation Areas include:</i></p> <ul style="list-style-type: none"> <li>• <i>State Priority Habitat and areas associated with State Priority Species as indicated by WDFW’s <a href="#">Priority Habitat and Species (PHS) program</a>;</i></li> <li>• <i>State priority plants and ecosystems as indicated by WDNR’s <a href="#">Natural Heritage Program (WNHP)</a>;</i></li> </ul>	<p>WDFW requests inclusion of our Priority Habitat and Species (PHS) program in this section. Our PHS program is the agency’s primary means of transferring fish and wildlife information from our resource experts to local governments, landowners and others to protect habitat. This information should be used during land use planning and development regulation updates under the <a href="#">Growth Management Act</a> and <a href="#">Shoreline Management Act</a>.</p>

	<p>In addition to our resources, WDFW suggests that the City include a reference to the Department of Natural Resources Natural Heritage Program for additional priority state plant species lists.</p>
<p><b>Fish and Wildlife Habitat Conservation Areas</b>  <i>“Native Growth Protection Areas,” as defined in the city’s critical areas ordinance (PMC 21.06), form the backbone of the habitat areas within the city. These areas are already protected through other regulatory mechanisms. They include Native Growth Protection Easements and Tracts as well as fish bearing and non-fish bearing streams and their buffers. The Native Growth Protection Areas includes wetlands and streams and their associated buffers as they become identified at a site-specific level.</i></p>	<p>“Native growth protection areas (NGPA)” is a term specific to Puyallup and WDFW suggests that the City consider adding a statement that riparian management zones (RMZ) are included in the definition of NGPA in <a href="#">PMC 21.06.210</a>(87). Ensuring that NGPAs include RMZ will ensure that the City is in line with the terms that WDFW and best available science use.</p>

**Natural Environment Element**

<p><b>Draft Policy Number and Language</b>                      (with WDFW suggestions in red)</p>	<p><b>WDFW comment</b></p>
<p><b>NE-1.3:</b> Remove regulatory barriers and create incentives to encourage use of sustainable building methods and materials such as Leadership in Energy and Environmental Design (LEED), Pierce County Built Green, and low impact development and retrofitting to strive towards becoming a sustainable community.</p>	<p>WDFW suggests adding retrofitting to this policy to align with policies LU-3.1, SH-13.1, and RR-6.8. Please see the Department of Commerce’s <a href="#">Clean Building Performance Standards</a> and the Sustainable Development Code <a href="#">website</a> for removing code barriers, creating incentives, and filling regulatory gaps to support the pursuit of this policy.</p> <p>For examples on how other jurisdictions are pursuing green development efforts, please see the City of Shoreline’s <a href="#">Deep Green Incentive Program</a>, and the <a href="#">City of Issaquah’s</a> and the <a href="#">City of Bellevue’s</a> clean building incentive programs.</p>
<p><b>NE – 3:</b> Protect, integrate, and restore critical areas and their functions and values through conservation, enhancement, and stewardship of the natural environment.</p>	<p>WDFW strongly supports this goal from the City since it aligns with our agency’s mission. We appreciate that Puyallup is protecting and restoring the functions and values of critical areas through various methods.</p>

<p><b>NE 8-4:</b> Cooperate with Pierce County, and other local governments, regional and state agencies, and Tribes in developing and implementing Watershed Management Plans, Water Quality Management Plans, and other types of basin plans for basins which include or are upstream or downstream from Puyallup.</p>	<p>WDFW supports the City working with partners basin-wide to plan for the watershed’s health. This policy builds on NE-8.2 and highlights Puyallup’s effort to cooperate with others for the benefit of the basin.</p> <p>To support this effort, please see the following WDFW resources for large-scale planning: <a href="#">Landscape Planning for Washington’s Wildlife: Managing for Biodiversity in Developing Areas</a> and <a href="#">Land Use Planning for salmon, steelhead and trout: A land use planner’s guide to salmonid habitat protection and recovery.</a></p>
<p><b>NE – 8.8:</b> Encourage improvements such as removal of fish barriers <i>for priority habitat, which included fisheries habitat, to the fisheries habitat</i> of watercourses when abutting properties are developed. Use bridges as the preferred method of crossing a watercourse. Design bridges to allow for small animal migration under the bridge. Restore natural drainage channels that have been placed within culverts and have had their capacity or habitat value reduced as development or where redevelopment occurs.</p>	<p>WDFW strongly supports this policy and encourage the City to pursue multi-use culverts for wildlife movement across the landscape.</p> <p>WDFW resources regarding fish barriers can be found on our <a href="#">Fish Passage website</a>. It is important to collaborate with WSDOT and neighboring jurisdictions to plan and prioritize culvert upgrades to ensure not only fish passage benefits, but adequate projected flood flows and stormwater passage. WDFW also suggests culvert upgrades include other design considerations, especially where terrestrial species and pedestrian connectivity can be restored simultaneously (i.e., with wider bridges or culverts). Please see <a href="#">WDFW’s climate-change-resilient culvert</a> webpage and <a href="#">Incorporating Climate Change into the Design of Water Crossing Structures: Final Project Report</a> for resources on how to incorporate climate-resiliency into culvert designs.</p>
<p><b>NE – 9.3:</b> Maintain regulations and programs, <i>such as the City’s critical areas ordinance and alike, to protect fish and wildlife conservation areas, shorelines of the state, and native growth protection areas, including riparian management zones.</i></p>	<p>WDFW encourages the City to name specific regulations and programs in this policy to clearly connect this policy to the City’s efforts to protect fish and wildlife conservation areas.</p> <p>Additionally, “Native growth protection areas (NGPA)” is a term specific to Puyallup and WDFW suggests that the City consider adding a statement that riparian management zones (RMZ) are included in the definition of NGPA. Adding RMZs to</p>

	<p>this definition will better align the definition of NGPA to WDFW standards.</p>
<p><b>NE – 9.6:</b> <i>Protect salmon, steelhead and other fish, plants, and wildlife that rely on the aquatic environment by protecting and improving water quality and habitat. Give special consideration to conservation and restoration to preserve and enhance fish and wildlife habitat critical areas, including anadromous fisheries habitat.</i></p>	<p>In this policy, WDFW suggests that fish and wildlife habitat of critical areas is included so there is not a singular focus on anadromous fisheries habitat. The best available science emphasizes the importance of protecting all streams and their adjacent riparian areas to support full riparian ecosystem function. Both fish bearing and non-fish bearing streams contribute to aquatic and riparian functions. Non-fish bearing streams support fish bearing streams by contributing organic matter and energy, by providing cool water sources for regulating temperatures of downstream reaches, as well as providing movement corridors for both aquatic and terrestrial wildlife.</p> <p>Please see WDFW’s Riparian Ecosystems, <a href="#">Volume 1: Science Synthesis and Management Implications</a>, and Riparian Ecosystems, <a href="#">Volume 2: Management Recommendations</a> for further details regarding why and how all streams should be sufficiently protected.</p> <p>Protecting and enhancing fish and wildlife critical habitats, including anadromous fish habitat, can support climate resiliency as stated in Puyallup’s “Air Quality and Climate Impacts” section under NE-11 and NE-11.2. Wetlands, frequently flooded areas, riparian, and estuary habitat improvements can support carbon sequestration goals and resiliency to storms, sea level rise, and flooding.</p> <p>Please see the Department of Commerce’s <a href="#">Climate Policy Explorer</a> for model climate measures and planning resources along with WDFW’s <a href="#">Brief for Policy Makers</a> regarding climate changes and designing climate resilient culverts <a href="#">here</a>.</p>
<p><b>NE – 9.7:</b> <i>Consider Adopt and support development regulations which would promote, protect, and set aside habitat corridors during site development. Minimize habitat fragmentation by linking wildlife habitats via corridors within the city and the greater region. Wildlife corridors include but are not limited</i></p>	<p>WDFW strongly supports this policy but encourages the City to use stronger language than “consider” for protecting and establishing habitat corridors. The public benefits of integrating open space and corridor planning include increased opportunity for positive human-wildlife interactions, better</p>

<p><i>to, parklands usable by wildlife, protected or reserved (Native Growth Protection Easements/Tracts) open space, utility rights-of-way, riparian corridors, wetland buffers, and protected sensitive areas.</i></p>	<p>management of stormwater, and more certainty for developers and landowners about where habitats will be protected over the long term. The goal of open space corridors may be habitat protection alone or a combination of recreational access and habitat protection.</p> <p>For resources for developing wildlife and open space corridors, please see: <a href="#">Landscape Planning for Washington’s Wildlife: Managing for Biodiversity in Developing Areas</a>, <a href="#">Land Use Planning for salmon, steelhead and trout: A land use planner’s guide to salmonid habitat protection and recovery</a>, <a href="#">Washington Wildlife Habitat Connectivity Working Group</a>, WDFW’s <a href="#">Habitat at Home</a>, and WDFW’s Habitat connectivity <a href="#">website</a>.</p>
<p><b>NE – 9.8:</b> <i>Coordinate land use planning and management of fish and wildlife habitat with other local governments, state, and federal agencies, including Tribes. <b>These efforts should foster fish and wildlife connectivity and open space corridors, locally and regionally, to reduce habitat fragmentation.</b></i></p>	<p>WDFW recommends that the City add to this policy to enable fish and wildlife habitat connectivity across and beyond the City. Including this additional statement would highlight how the City is supporting policy NE – 9.7, meeting the requirements of open space outlined in <a href="#">WAC 365-196-335</a>, and fostering climate resilience using open space corridors based on the Department of Commerce’s <a href="#">Climate Policy Explorer</a>. Improvements to habitat connectivity networks reduce habitat fragmentation and can reduce wildlife conflicts since wildlife have a movement corridor to avoid humans. WDFW supports jurisdictions working with intergovernmental and local partners to ensure that corridors within cities connect to corridors outside the City to support habitat connectivity across jurisdictional boundaries.</p> <p>For resources for developing wildlife and open space corridors, please see: <a href="#">Landscape Planning for Washington’s Wildlife: Managing for Biodiversity in Developing Areas</a>, <a href="#">Land Use Planning for salmon, steelhead and trout: A land use planner’s guide to salmonid habitat protection and recovery</a>, <a href="#">Washington Wildlife Habitat Connectivity Working Group</a> and WDFW’s Habitat connectivity <a href="#">website</a></p>

<p><b>NE – 9.9:</b> Consistent with RCW 36.70A.160, develop and keep up to date a city-wide map that shows open space corridors to identify lands useful for recreation, wildlife habitat, trails, and connection of critical areas.</p>	<p>WDFW supports this policy and suggests that the City consider options to implement this policy and connect it to NE-9.4 and NE-9.7. One possible suggestion would be to encourage or require development site plans to show planned open spaces that maintain connectivity between critical area habitats. This is especially encouraged if unavoidable impacts occur due to development. While this is likely a critical areas ordinance suggestion, it would assist the City to meeting the policies called out in this comment and contribute to the City meeting <a href="#">WAC 365-196-335</a> requirements.</p>
<p><b>NE – 10.6:</b> Recognize trees as a green infrastructure. Design city capital improvement projects to preserve existing trees and integrate new diverse tree plantings and other vegetation to the maximum extent possible. <i>Priority will be placed on preserving existing trees and planting trees that would serve as habitat corridors through connectivity, riparian areas, and designated open spaces.</i></p>	<p>WDFW fully supports this policy and applauds the City’s willingness to incorporate nature based green infrastructure. WDFW suggests prioritizing habitat connectivity, riparian areas, and designated open spaces in consideration for preserving existing trees and tree plantings under this section. Protecting and restoring native vegetation can improve climate mitigation capacity and resilience benefits, which include carbon sequestration, cooling of air temperatures, providing shade that cools water temperatures, filters pollutants, and other goals that align with NE-11. Local governments can employ many strategies for conserving natural lands for this purpose, including zoning and acquisition. See the <a href="#">Trees for Resilience</a> toolkit for resources related to mapping, policy and planning, funding, and more in pursuit of this goal. To quantify tree ecosystem service benefits, see the <a href="#">USDA Forest Service website</a>. One specific example is incorporating snags into the landscape by keeping old and damaged trees when possible and turning them into trees for wildlife. See <a href="#">WDFW guidance</a> on protecting snags.</p>

**Land Use Element**

<p><b>Draft Policy Number and Language</b> (with WDFW suggestions in red)</p>	<p><b>WDFW comment</b></p>
<p><b>LU – 3.1:</b> Encourage new building construction to incorporate green building, encourage retrofitting</p>	<p>While WDFW supports policy LU – 3.1 as it is, it is important to call out the specific green building</p>

<p>of current buildings, and consider incentives or subsidies for climate friendly improvements. <i>Efforts should include the use of sustainable building methods and materials such as Leadership in Energy and Environmental Design (LEED), Pierce County Built Green, and low impact development.</i></p>	<p>efforts that are mentioned in NE – 1.3. This encourages consistency across the comprehensive plan and promotes the City to pursue these building efforts.</p>
<p><b><i>New Policy LU – 5.4: Avoid adding and consider removing urban growth areas with more than 15 percent of the area designed as critical areas (RCW 35.70a.110).</i></b></p>	<p>WDFW strongly suggests adding a new policy that aligns with <a href="#">RCW 35.70a.110</a>. This new policy would prevent the creation of urban growth areas that are encumbered with critical areas and may avoid conflicts with future developments in urban growth areas.</p>
<p><b><i>LU – 16.1: Allow siting of essential public facilities consistent with the Growth Management Act, Pierce County Comprehensive Plan, and the Countywide Planning Policies. Consider the development’s compatibility with surrounding land uses, analysis of climate change and resiliency impacts, and other relevant criteria.</i></b></p>	<p>Public facilities represent significant investments. Therefore, it is prudent to ensure that facilities are designed and sited to be resilient to climate impacts. It’s suggested that local governments review their capital facilities plans in the context of climate change projections to ensure that planned facilities will be resilient throughout their intended lifespan. For assessing future climate-related conditions, see <a href="#">Climate Mapping for a Resilient Washington</a>, as well as FEMA’s <a href="#">Resilience Analysis and Planning Tool (RAPT)</a>.</p>
<p><b><i>LU – 17.1: Utilize certified floodplain information as identified on Flood Insurance Rate Maps (FIRM) as prepared by FEMA (Federal Emergency Management Agency) and other sources of best available science to identify flood-hazard areas.</i></b></p>	<p>As FEMA’s Flood Insurance Rate Map (FIRM) modeling does not take climate change projections into consideration, WDFW suggests the City supplement FIRM maps with regulations that take BAS into consideration, including future climate-related conditions. For assessing future conditions, see <a href="#">Climate Mapping for a Resilient Washington</a>, as well as FEMA’s <a href="#">Resilience Analysis and Planning Tool (RAPT)</a> for resources in visualizing these hazard areas.</p>

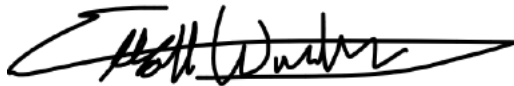
**Parks, Recreation, and Open Space Element**

<p><b>Draft Policy Number and Language (with WDFW suggestions in red)</b></p>	<p><b>WDFW comment</b></p>
<p><b><i>P – 3.3: Promote the acquisition of public open space areas.</i></b></p>	<p>To support these efforts, WDFW recommends that the City use WDFW’s <a href="#">Priority Habitats and Species</a> mapping resources as a base for these planning</p>

<i>a. Promote acquisition of environmentally sensitive areas significant to the community and that provide key ecosystem services.</i>	efforts. Protecting critical areas that provide key ecosystem services aids habitat recovery and protection efforts and aligns with WDFW's <a href="#">Land Use Conservation and Policy</a> efforts.
<i>b. Promote interpretive and educational use of open space when appropriate.</i>	

Thank you for taking the time to consider our recommendations for your comprehensive plan to better reflect the best available science for fish and wildlife habitat and ecosystems. We value the relationship we have with your jurisdiction and the opportunity to work collaboratively with you throughout this periodic update cycle. If you have any questions, need our technical assistance or resources at any time during this process, please don't hesitate to contact me at 360-280-6622 or [Elliott.Winter@dfw.wa.gov](mailto:Elliott.Winter@dfw.wa.gov).

Sincerely,



Elliott Winter  
Assistant Regional Habitat Program Manager  
1111 Washington St. SE  
Olympia, WA 98501

Cc: Gwen Lentes, Regional Habitat Program Manager ([Gwendolen.Lentes@dfw.wa.gov](mailto:Gwendolen.Lentes@dfw.wa.gov))  
Jessica Bryant, Regional Land Use Lead ([Jessica.Bryant@dfw.wa.gov](mailto:Jessica.Bryant@dfw.wa.gov))  
Kara Whittaker, LUCP Section Manager ([Kara.Whittaker@dfw.wa.gov](mailto:Kara.Whittaker@dfw.wa.gov))  
Marian Berejikian, Environmental Planner ([Marian.Berejikian@dfw.wa.gov](mailto:Marian.Berejikian@dfw.wa.gov))  
Miles Penk, Areas Habitat Biologist ([Miles.Penk@dfw.wa.gov](mailto:Miles.Penk@dfw.wa.gov))  
Jennifer Eberly, Habitat Biologist ([Jennifer.Eberly@dfw.wa.gov](mailto:Jennifer.Eberly@dfw.wa.gov))

11 December 2024

Kendall Wals, Senior Planner  
City of Puyallup  
333 S. Meridian  
Puyallup, WA 98371-5904

Dear Kendall,

On behalf of Pierce Transit, thank you for the opportunity to review and comment on the Draft *Puyallup2044* Comprehensive Plan. As you know, I have been representing Pierce Transit as part of the *Puyallup2044* Comprehensive Plan Update's Community Advisory Group since its inception in November 2023 and completion this month. In addition to contributing to the Community Advisory Group discussion, Pierce Transit has thoroughly reviewed the Draft Comprehensive Plan's Transportation Section (No. 7) and would like to offer the following comments and suggested revisions:

Page T-4: The paragraph preceding Map 7-1 is great and includes everything one needs to know about transportation planning in a nutshell!

Page T-17: Please note that our Vanpool program officially changed its name to *RideShare* a couple of years ago. Especially since the newest fleet vehicles are no longer strictly vans but a gradual shift to SUVs, four-door sedans, and even Tesla EVs.

Page T-19: The routes described that serve Puyallup are missing Pierce Transit's Route 4 from Lakewood to South Hill. Please add it to the map on page T-20 too.

Page T-19: Regarding the Route 425 that was discontinued in March 2024, we would add, "...due to very low average daily ridership."

Page T-36: Goal T-12 sounds nice. But what defines a "meaningful" transit connection or stop improvement, exactly?

Page T-53: Table 7-12: Programmatic Projects – Could you please explain the bottom 10 (out of 11) rows that specifically call out transit-related improvements? While page T-50 states that locations and cost estimates are not provided and/or are not yet known, have the more specific project recommendations already been identified by the City?

Page T-76: Note that the FHWA's STP Program changed its name a few years ago to the Surface Transportation *Block Grant* (STBG) Program. (I think it was under the FAST Act of 2016.)

T-80: Under the *TDM Strategies, Transit Service* paragraph, please revise to:

*As part of Pierce Transit's Destination 2045 Long Range Plan, transit options could expand<sup>1</sup> to include more geographic coverage within the city, especially those areas targeted for high growth and infill development.*

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<sup>1</sup> Or ...transit options are proposed to expand...

We'd even suggest splitting Sound Transit's information into another, separate sentence, before ours. Especially since ST3 is a given (i.e., it's funded and already in either the planning or construction stages). But note that our LRP is only illustrative at this point, meaning there's no funding behind anything we are proposing regarding existing, shorter-term bus route improvements or any new bus routes being introduced in the mid- to long-term. The only exception is the \$1.2 million in the State budget for TSP in the S. Meridian/SR 161 corridor from South Hill north to the Puyallup Sounder Station (a ~6.5-mile section).

Again, thank you for allowing Pierce Transit to continuously participate as a member of your *Puyallup2044* Comprehensive Plan Update team and to provide comments.

Kindest regards,



Darin L. Stavish, Principal Planner

Cc: Katie Baker, Planning Manager



## Katie Baker

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**From:** Katie Baker  
**Sent:** Monday, January 20, 2025 11:52 AM  
**To:** Katie Baker  
**Subject:** FW: Puyallup's Comprehensive Plan Amendment (2024-S-7923): WGS comments

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**From:** Sears, Tricia (DNR) <[Tricia.Sears@dnr.wa.gov](mailto:Tricia.Sears@dnr.wa.gov)>  
**Sent:** Thursday, December 26, 2024 11:50 AM  
**To:** Kendall Wals <[KWals@PuyallupWA.gov](mailto:KWals@PuyallupWA.gov)>  
**Cc:** Sears, Tricia (DNR) <[Tricia.Sears@dnr.wa.gov](mailto:Tricia.Sears@dnr.wa.gov)>; Guida, Eric (COM) <[eric.guida@commerce.wa.gov](mailto:eric.guida@commerce.wa.gov)>  
**Subject:** Puyallup's Comprehensive Plan Amendment (2024-S-7923): WGS comments

You don't often get email from [tricia.sears@dnr.wa.gov](mailto:tricia.sears@dnr.wa.gov). [Learn why this is important](#)

**CAUTION:** This is an External Email. Do not click links or open attachments unless you are expecting them.

12/26/24

Hello Kendall,

In keeping with the interagency correspondence principles, I am providing you with comments on Puyallup's Comprehensive Plan Amendment (2024-S-7923).

For this proposal submitted via Planview, I looked at the proposal and focused on areas related to WGS work. Of note, but not limited to, I look for language around the geologically hazardous areas, mineral resource lands, mining, climate change, and natural hazards mitigation plans.

Specifically in this proposal, I reviewed the 01\_Foundations\_Draft 12-04-24, the 02\_Natural Environment\_Draft 12-04-24, and the 03\_Land Use\_Draft 12-04-24. Overall, nice work!

### 01 Foundations Draft 12-04-24

It's good to see the Geologic Context included. On page F-10, under Implementation Tools, consider adding a list of supporting plans like a climate plan, a hazard mitigation plan etc. In the Foundations section, it might also be helpful to provide an overview which lists the elements in the comp plan that will be described in detail in separate elements or chapters. In addition, it might be good to mention critical areas and natural resource lands, which are described in more detail in the Natural Environment.

### 02 Natural Environment Draft 12-04-24

On page NE-4, it's good to see the Geologically Hazardous Areas paragraph. Suggest noting very clearly which of the hazards are found in Puyallup. The paragraph describes lahar inundation, earthquake, sliding, erosion, and other geologic events. Thank you for including a reference to WAC 365-190-120. On page NE-5 includes paragraphs on seismic, landslide, and erosion hazard areas. Suggest adding a volcanic/lahar inundation paragraph to this page to correspond to page NE-4. Suggest specifically referring to Map 2-1 and Map 2-2 in the respective paragraphs for each hazard. Noting the reference to USGS maps in the Landslide Hazard Areas paragraph, do you also use/refer to DNR maps?

Map 2-1 Topographic Features includes the erosion and landslide hazards. Suggest including the two hazard names in the map title. Map 2-2 Seismic Hazard Areas includes seismic and volcanic information. Suggest re-titling the map to reflect that.

On page NE-16, it's good to see the Air Quality and Climate Impact information. Good to see the Geologically Hazardous Areas goal and policies. Suggest including language in a policy or elsewhere to link to the hazard mitigation plan and climate plan to the information in this section.

### 03 Land Use Draft 12-04-24

On page LU-3, suggest adding additional references to the critical areas, natural resource lands, climate resilience, hazard mitigation plan in this paragraph "These requirements are met in this Element within the background information, goals and policies, and/or the Land Use map. More specific policies for various topics are found in other chapters of the Comprehensive Plan..."

Below, I include our usual language for this and future endeavors.

Recognizing the limitations of the current proposals, I want to mention that it would be great for you to consider these in current or future work, be it in your comprehensive plan, development code, and SMP updates, and in your work in general:

- Consider adding a reference to WAC 365-190-120 geologically hazardous areas for definitions in other areas besides the CAO. In addition, consider adding a reference to WAC 365-196-480 for natural resource lands.
- Consider adding a reference to the WGS Geologic Information Portal in other areas besides the CAO. If you have not checked our interactive database, the WGS Geologic Information Portal, lately, you may wish to do so. [Geologic Information Portal | WA - DNR](#)
- Consider adding language that the qualified professional geologists and engineers are licensed in Washington.
- If you have not checked out our Geologic Planning page, you may wish to do so. [Geologic Planning | WA - DNR](#)

Thank you for considering our comments. If you have any questions or need additional information, please contact me. For your convenience, if there are no concerns or follow-up discussion, you may consider these comments to be final as of the 60-day comment deadline of 2/18/25.

Cheerio,  
Tricia

Tricia R. Sears (she/her/hers)

**Geologic Planning Liaison**

Washington Geological Survey (WGS)

Washington Department of Natural Resources (DNR)

Cell: 360-628-2867 | Email: [tricia.sears@dnr.wa.gov](mailto:tricia.sears@dnr.wa.gov)

## EXPANDED HOUSING CHECKLIST

### Periodic Update Checklist for Fully-Planning Cities and Counties<sup>1</sup> with additional checklist items for housing element review.<sup>2</sup>

This checklist provides the framework Commerce regional planners will use to review periodic update submissions. **This checklist is NOT required to be completed by each jurisdiction;** it is an additional tool to help local planners meet the intent of the statute.

- Jurisdictions may submit draft housing elements to [Laura Hodgson](#) for initial review prior to 60-day review. Jurisdictions in the PSRC region are encouraged to submit draft housing elements to Commerce when it is submitted to PSRC and/or King County, as the requirements from the state are slightly different from the local or regional requirements.
- **Housing element submissions should include a land capacity analysis (LCA) reflecting updated policies.** This LCA may be included as a supporting document such as a Housing Needs Assessment (HNA) or simply a separate land capacity analysis document. If the LCA is missing from the submission, it will be requested by Commerce staff.
- Regional planners will review draft comprehensive plans and development regulations for the items **IN BOLD CAPITALIZED TEXT BELOW EACH ITEM**. If these materials are not included in the housing submission, Commerce staff will request them. More information on these requirements are included in parenthesis if additional information is needed. (Land use element review items are included for reference to ensure consistency between elements.)
- Commerce will also be tracking that zoning changes are consistent with comprehensive plan changes and the LCA ([RCW 36.70A.115](#)). These zoning changes implement the policies in the comprehensive plan to plan for and accommodate housing affordable to all income brackets.
- **Questions?** Contact Laura Hodgson at [Laura.Hodgson@commerce.wa.gov](mailto:Laura.Hodgson@commerce.wa.gov) or 360-764-3143.

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<sup>1</sup> The checklist items in this document are applicable to cities and counties, unless otherwise noted, but the headings in the checklist may be slightly different from the county checklist.

<sup>2</sup> The May 2024 checklist includes the following updates: (1) Under Section I: Comprehensive Plan Elements, Housing Element, item (e) – clarified that a land capacity analysis is needed for emergency housing. (2) Under Section II: Development Regulations, item (b) and (c) – corrected state statute references which were incorrect.

# Section I: Comprehensive Plan Elements

## Land Use Element

Consistent with countywide planning policies (CWPPs) and RCW 36.70A.070(1)

	Consistent? Yes/No	Changes needed?
<p>b. A future land use map showing land uses, city limits and UGA boundaries. <a href="#">RCW 36.70A.070(1)</a> and <a href="#">RCW 36.70A.110(6)</a>, <a href="#">WAC 365-196-400(2)(d)</a>, <a href="#">WAC 365-196-405(2)(i)(ii)</a></p> <p><b>THE LAND USES MUST REFLECT PROJECTED GROWTH INCLUDING FUTURE HOUSING NEEDS.</b></p>	Yes	
<p>d. A consistent population projection throughout the plan which should be consistent with the jurisdiction’s allocation of projected countywide population and housing needs. <a href="#">RCW 36.70A.115</a>, <a href="#">RCW 43.62.035</a> and <a href="#">WAC 365-196-405(f)</a></p> <p><b>TABLE OR OTHER DOCUMENTATION OF LOCAL ALLOCATION OF POPULATION AND HOUSING NEEDS BY INCOME BRACKET FROM THE COUNTYWIDE PROCESS.</b></p>	Yes	
<p>e. Estimates of population densities and building intensities based on future land uses and housing needs. <a href="#">RCW 36.70A.070(1)</a>, <a href="#">WAC 365-196-405(2)(i)</a></p> <p><b>ESTIMATES SHOULD INCLUDE ASSUMED DENSITIES TO ACCOMMODATE HOUSING NEEDS. (See <a href="#">WAC 365-196-210(6)</a>, and <a href="#">Housing Element Book 2: Step C and footnote 30 on page 24.</a>)</b></p>	Yes	

# Housing Element

In the 2021 legislative session, HB 1220 substantially amended the housing-related provisions of the Growth Management Act (GMA), RCW 36.70A.070(2). Local governments should review local comprehensive plan policies and countywide planning policies to be consistent with the updated requirements. Please refer to Commerce’s housing webpages for further information about the new requirements:

## Updating GMA Housing Elements and Planning for Housing.

	Consistent? Yes/No	Changes needed?
<p>a. Goals, policies and objectives for:</p> <ul style="list-style-type: none"> <li>the preservation, improvement and development of housing, <a href="#">RCW 36.70A.070(2)(b)</a>, and</li> <li>moderate density housing options including, but not limited to, duplexes, triplexes, and townhomes, within an urban growth area boundary. <a href="#">RCW 36.70A.070(2)(b)</a> amended in 2021, and <a href="#">WAC 365-196-410(2)(a)</a></li> </ul> <p><b>ENSURE THERE ARE POLICY(IES) ON A VARIETY OF MODERATE DENSITY HOUSING TYPES, SUCH AS DUPLEXES, TRIPLEXES, AND TOWNHOMES IN URBAN GROWTH AREAS.</b></p>	Yes	
<p>b. Consideration of housing locations in relation to employment locations. <a href="#">RCW 36.70A.070(2)(d)</a> amended in 2021</p> <p><b>LAND USE MAP SHOULD SHOW HIGHER DENSITY HOUSING LOCATED NEAR EMPLOYMENT (COMMERCIAL) AND/OR ADJACENT TO HIGH QUALITY TRANSIT IF APPLICABLE. (<a href="#">Housing Element Book 2</a>: see pages 67-68.)</b></p>	Yes	
<p>c. Consideration of the role of accessory dwelling units (ADUs) in meeting housing needs. <a href="#">RCW 36.70A.070(2)(d)</a> amended in 2021</p> <p><b>TO SHOW CONSIDERATION OF ADUS, DO ONE OR BOTH OF THE FOLLOWING:</b></p> <p><b>(1) THE HOUSING NEEDS ASSESSMENT OR HOUSING ELEMENT MUST INCLUDE TEXT AND/OR POLICIES THAT ADDRESSES THE POTENTIAL FOR ADUS TO MEET HOUSING NEEDS, OR</b></p> <p><b>(2) INCLUDE ADU CAPACITY IN LAND CAPACITY ANALYSIS. 20-year ADU capacity should not exceed 10% of eligible lots.</b></p> <p><b>(See <a href="#">Housing Element Book 2</a> - ADU narrative guidance: pages 68-69; ADU capacity: see Step 1.6 on pages 27-28.)</b></p>	Yes	

## Housing Element

In the 2021 legislative session, HB 1220 substantially amended the housing-related provisions of the Growth Management Act (GMA), RCW 36.70A.070(2). Local governments should review local comprehensive plan policies and countywide planning policies to be consistent with the updated requirements. Please refer to Commerce’s housing webpages for further information about the new requirements:

**[Updating GMA Housing Elements](#) and [Planning for Housing](#).**

	Consistent? Yes/No	Changes needed?
<p>d. An inventory and analysis of existing and projected housing needs over the planning period, by income band, consistent with the jurisdiction’s share of countywide housing need, as provided by Commerce. <a href="#">RCW 36.70A.070(2)(a)</a> amended in 2021, <a href="#">WAC 365-196-410(2)(b)</a> and <a href="#">(c)</a></p> <p><b>TABLE OR OTHER DOCUMENTATION OF LOCAL ALLOCATION OF HOUSING NEEDS BY INCOME BRACKET.</b> (<a href="#">Housing Element Book 1</a>: see #6 of “Minimum standards for identifying and allocating projected housing needs” on page 60.)</p>	Yes	
<p>e. Identification of capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing. <a href="#">RCW 36.70A.070(2)(c)</a> amended in 2021, <a href="#">WAC 365-196-410(e)</a> and <a href="#">(f)</a></p> <p><b>STATEMENT SHOWING THERE IS SUFFICIENT CAPACITY OF LAND FOR ALL INCOME HOUSING NEEDS, INCLUDING EMERGENCY HOUSING. INCLUDE A TABLE SHOWING THE BREAKDOWN OF CAPACITY IN ZONES WHICH ADDS UP TO HOUSING NEEDS FOR ALL INCOME LEVELS, INCLUDING EMERGENCY HOUSING.</b> (Supporting documentation of land capacity analysis is encouraged.) (<a href="#">Housing Element Book 2</a>: see bottom table of Exhibit 17 on page 40 and Exhibit 20 on page 48.)</p> <p><b>ANY LIMITATIONS ON SUPPORTIVE HOUSING TYPES (EMERGENCY HOUSING (EH), EMERGENCY SHELTER (ES), PERMANENT SUPPORTIVE HOUSING (PSH), AND TRANSITIONAL HOUSING (TH)) MUST ALLOW THE SITING OF A SUFFICIENT NUMBER OF UNITS AND BEDS NECESSARY TO MEET PROJECTED NEEDS.</b> (<a href="#">Housing Element Book 2</a>: see pages 41-48.)</p> <p><b>THE ZONING MAP MUST BE CONSISTENT WITH AND IMPLEMENT THE LAND USE MAP AND LAND CAPACITY FINDINGS.</b> (See <a href="#">RCW 36.70A.115(1)</a>, <a href="#">WAC 365-196-800</a>)</p>	No	<p>The city identified a lack of capacity to meet its emergency housing and emergency shelter needs. We recommend identifying and evaluating zoning changes to demonstrate how it allow sufficient capacity for emergency housing and emergency shelter needs, and adopt these development regulation changes concurrently with the housing element to be consistent with RCW 36.70A.070(2)(c).</p> <p>The city’s preferred alternative identifies proposals to increase housing capacity to meet permanent housing needs. Please identify what these zoning changes will be in the land capacity analysis and adopt the zoning changes needed to create sufficient capacity as soon as possible.</p>

	Consistent? Yes/No	Changes needed?
<p>f. Adequate provisions for existing and projected housing needs for all economic segments of the community. <a href="#">RCW 36.70A.070(2)(d)</a> amended in 2021, <a href="#">WAC 365-196-010(g)(ii)</a>, <a href="#">WAC 365-196-300(f)</a>, <a href="#">WAC 365-196-410</a> and see Commerce’s Housing Action Plan (HAP) guidance: <a href="#">Guidance for Developing a Housing Action Plan</a></p> <p><b>INCLUDE A LIST OF BARRIERS TO AFFORDABLE HOUSING NEEDS, INCLUDING BARRIERS TO EMERGENCY HOUSING AND PERMANENT SUPPORTIVE HOUSING.</b> (<a href="#">Housing Element Book 2</a>: see page 50 and Appendix B.)</p> <p><b>INCLUDE A LIST OF ACTIONS NEEDED TO REMOVE BARRIERS TO AFFORDABLE HOUSING.</b> (<a href="#">Housing Element Book 2</a>: see page 61 and Appendix B.)</p> <p><b>Note: Identification of barriers to affordable housing and actions to remove barriers do not need to be in table format, but both items need to be present in the housing element.</b></p>	No	MISSING: We recommend including a discussion in the Housing Element of barriers to developing affordable housing (e.g. infrastructure limitations, development regulations, process obstacles), and referring to Appendix 4-A for more details on these barriers and proposed actions to remove the barriers.
<p>g. Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:</p> <ul style="list-style-type: none"> <li>• Zoning that may have a discriminatory effect;</li> <li>• Disinvestment; and</li> <li>• Infrastructure availability</li> </ul> <p><a href="#">RCW 36.70A.070(e)</a> new in 2021</p> <p><b>INCLUDE A STATEMENT OF WHETHER DATA SHOWS IF THERE ARE DISPARATE IMPACTS. NOTE: COMMERCE HAS DATA AVAILABLE FOR ALL JURISDICTIONS ON OUR <a href="#">EZVIEW SITE</a>.</b> (<a href="#">Housing Element Book 3</a>: see pages 19-20.)</p> <p><b>REVIEW OF HOUSING ELEMENT POLICIES AND REGULATIONS THAT HAVE LED TO THESE IMPACTS. This may be in the housing element, housing needs assessment or the staff report.</b> (<a href="#">Housing Element Book 3</a>: see pages 33-36; this specific evaluation framework is not required.)</p>	Yes	We recommend including a statement in the Housing Element as to whether data shows if there is evidence of racially disparate impacts in Puyallup when you refer to the Housing Equity Analysis Report in Appendix 4-C.

	Consistent? Yes/No	Changes needed?
<p>h. Establish policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions.  <a href="#">RCW 36.70A.070(2)(f)</a> new in 2021</p> <p><b>INCLUDE POLICIES TO ADDRESS THESE IMPACTS, OR THAT ADDRESS DEVELOPMENT OF MORE AFFORDABLE HOUSING, PRESERVATION OF EXISTING AFFORDABLE HOUSING, AND PROTECTION OF EXISTING HOUSEHOLDS.</b> (Policies: <a href="#">Housing Element Book 3</a>, see pages 36-39 and Appendix C of <a href="#">Housing Element Book 2</a>; Regulations: <a href="#">Housing Element Book 3</a>, pages 43-44.)</p>	Yes	
<p>i. Identification of areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments.  <a href="#">RCW 36.70A.070(2)(g)</a> new in 2021</p> <p><b>DISCUSSION AND/OR MAP OF AREAS THAT MAY BE AT RISK OF DISPLACEMENT. (COMMERCE AND PSRC HAVE MAPS AVAILABLE, AND INCLUSION OF ONE WOULD MEET THIS REQUIREMENT.)</b> (<a href="#">Housing Element Book 3</a>: see pages 27-31.)</p> <p>Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing. <a href="#">RCW 36.70A.070(2)(h)</a> new in 2021</p> <p><b>SEE H ABOVE.</b></p>	No	MISSING: We recommend including a discussion of the city's displacement risk in the Housing Element, as required by <a href="#">RCW 36.70A.070(2)(g)</a> , and referring to Appendix 4-C for more details.

## Consistency is required by the GMA

	Consistent? Yes/No	Changes needed?
<p>b. All plan elements must be consistent with each other. <a href="#">RCW 36.70A.070 (preamble)</a> and <a href="#">WAC 365-196-500</a></p> <p><b>ENSURE CAPITAL FACILITIES, TRANSPORTATION AND UTILITIES ELEMENTS INCLUDE IMPROVEMENTS TO SUPPORT ADDED HOUSING DENSITY AND CONSIDER UNDERSERVED AREAS. LIKELY CONSIDERATIONS WILL INCLUDE SYSTEM IMPROVEMENTS AND PRIORITIZING AND FUNDING THIS WORK. (<a href="#">Housing Element Book 2</a>: see LCA Step 1.3 “Identify gaps in utility infrastructure and services” on page 22, and “Identify related infrastructure and service needs” on page 77.)</b></p>	TBD	Please ensure the city is planning for capital facilities, utilities, and transportation to support the zoning changes needed to provide sufficient land capacity for housing needs at all income levels. (Currently, it appears that more planning and capacity may be needed for water systems by 2044.)
Public Participation		
<p>a. Plan ensures public participation in the comprehensive planning process. <a href="#">RCW 36.70A.020(11)</a>, <a href="#">.035</a>, and <a href="#">.140</a>, <a href="#">WAC 365-196-600(3)</a> provide possible public participation choices.</p> <p><b>THE PUBLIC PARTICIPATION PLAN SHOULD SHOW EFFORTS TO ENGAGE VULNERABLE POPULATIONS, OVERBURDEDED COMMUNITIES, AND THOSE WHO MAY HAVE BEEN DISPARATELY IMPACTED BY HOUSING POLICIES. (<a href="#">Housing Element Book 3</a>: see pages 15-19.)</b></p>	Unclear	The material on public engagement in the Foundations chapter did not describe how efforts were made to engage vulnerable populations.

## Section II: Development Regulations

Must be consistent with and implement the comprehensive plan. [RCW 36.70A.040](#), [WAC 365-196-800](#) and [810](#)

### Zoning Code

	Consistent? Yes/No	Changes needed?
<p>a. Zoning designations are consistent and implement land use designations that accommodate future housing needs by income bracket as allocated through the countywide planning process. <a href="#">(RCW 36.70A.070(2)(c) - Amended in 2021 with HB 1220)</a></p> <p>If subject to middle housing requirements in RCW 36.70A.635, see material on Commerce’s <a href="#">Middle Housing webpage</a>.</p> <p><b>ZONING MAP AND TEXT ALLOW FOR THE HOUSING TYPES AND DENSITIES IN THE LAND CAPACITY ANALYSIS.</b></p> <p><b>THESE ZONING CHANGES MUST BE COMPLETE BY THE END OF THE PERIODIC UPDATE PERIOD.</b></p>	No	<p>Pending required emergency housing and emergency shelter code updates below.</p> <p>In addition, the proposed zoning changes evaluated in the land capacity analysis appendix (4-E) should be adopted by the end of the periodic update period to be consistent with RCW 36.70A.070(2)(c).</p>
<p>b. [FOR CITIES] Permanent supportive housing or transitional housing must be allowed where residences and hotels are allowed. <a href="#">RCW 35A.21.430</a> amended in 2021, <a href="#">RCW 35.21.683</a>, amended in 2021, (HB 1220 sections 3-5)</p> <p>“permanent supportive housing” is defined in <a href="#">RCW 36.70A.030</a>; “transitional housing” is defined in <a href="#">RCW 84.36.043(3)(c)</a></p> <p><b>[FOR CITIES AND COUNTIES] ANY LIMITATIONS ON PERMANENT SUPPORTIVE HOUSING AND TRANSITIONAL HOUSING MUST BE CONNECTED TO PUBLIC HEALTH AND SAFETY AND ALLOW THE SITING OF A SUFFICIENT NUMBER OF UNITS AND BEDS NECESSARY TO MEET PROJECTED NEEDS. (<a href="#">Housing Element Book 2</a>: see pages 41-48.)</b></p>	No	<p>We recommend updating PMC Chapter 20.74 to make it clear that PSH and TH are allowed in all zones that allow dwelling units <b>and hotels</b> (currently, the code only says “dwelling units”), to be consistent with RCW 35A.21.430 / RCW 35.21.683.</p>
<p>c. [FOR CITIES] Indoor emergency shelters and indoor emergency housing shall be allowed in any zones in which hotels are allowed, except in cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within one-mile of transit. Indoor emergency housing must be allowed in areas with hotels. <a href="#">RCW 35A.21.430</a> amended in 2021, <a href="#">RCW 35.21.683</a>, amended in 2021, (HB 1220 sections 3-5)</p> <p>“emergency housing” is defined in <a href="#">RCW 36.70A.030</a></p> <p><b>[FOR CITIES AND COUNTIES] ANY LIMITATIONS ON EMERGENCY HOUSING AND EMERGENCY SHELTER MUST BE CONNECTED TO PUBLIC HEALTH AND SAFETY AND ALLOW THE SITING OF A SUFFICIENT NUMBER OF UNITS AND BEDS NECESSARY TO MEET PROJECTED NEEDS. (<a href="#">Housing Element Book 2</a>: see pages 41-48.)</b></p>	No	<p>The city has not demonstrated that the occupancy and spacing restrictions for emergency housing and emergency shelter in PMC 20.72 allow for siting of sufficient units to meet the allocated growth target of 458 beds (<a href="#">RCW 35A.21.430</a>).</p>



## City Council Agenda Item Report

Submitted by: Barbara Lopez  
Submitting Department: Finance  
Meeting Date: January 28, 2025

### **Subject:**

**Pg. 184** - Second reading of an ordinance amending the Puyallup Municipal Code pertaining to sewer usage charges

### **Presenter:**

Barbara Lopez, Finance Director

### **Recommendation:**

Consider second reading of an ordinance amending Section 14.01.030 of the Puyallup Municipal Code pertaining to sewer usage charges.

### **Background:**

Section 14.01.030(2)(b) of the Puyallup Municipal Code (PMC) provides the methodology for computing sewer rates. It states that the wastewater flow used to calculate sewer usage charges is based on water consumption. However, several high-water usage activities such as irrigation, pressure washing, and filling swimming pools, ponds, and hot tubs increase water consumption but do not contribute to sewer usage. These activities typically occur from May through October, during late spring, summer, and early fall. To mitigate the effects of these activities on the amount customers are charged for sewer usage, an average of winter months water consumption (winter averaging) is calculated and used to estimate wastewater flow for high water use months.

This ordinance adjusts winter bill dates to November 16th to May 15th (previously, November 1st to May 31st). Sewer usage charges for bill dates during these winter months are based on actual water consumption. This ordinance also adjusts non-winter bill dates to between May 16th and November 15th (previously, June 1st to October 31st). Sewer usage charges for bill dates during these non-winter, high-water usage months are based on the consumption average for the winter bill dates. Modifying the date range better matches customer water usage patterns and provides a more uniform sewer usage charge.

No significant fiscal impacts are anticipated as a result of this change.

### **City Strategic Plan Goal Category:**

Livable & Healthy Community

### **ATTACHMENT(S)**

[Ordinance](#)

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE** of the City of Puyallup, Washington, amending Section 14.01.030 of the Puyallup Municipal Code pertaining to the estimated wastewater flow used to calculate sewer usage charges.

**Whereas**, the City Code states that the wastewater flow used to calculate sewer usage charges is based on water consumption; and

**Whereas**, high water usage activities such as irrigation, pressure washing, and the filling of swimming pools, ponds and hot tubs increase water consumption, but do not contribute to sewer usage; and

**Whereas**, an average of winter months water consumption (winter averaging) is calculated to estimate wastewater flow for high water use months; and

**Whereas**, the current municipal code pertaining to the bill dates used to calculate the winter average and the bill dates where the winter average is used to calculate sewer usage charges need to be updated to better match customer usage patterns; and

**Whereas**, the City Council has determined it is necessary to amend the City Code as it pertains to the estimated wastewater flow used to calculate sewer usage charges;

**NOW THEREFORE**, the City Council of the City of Puyallup do ordain as follows:

**Section 1.** Section 14.01.030 of the Puyallup Municipal Code is hereby amended as follows.

**14.01.030 Methodology for utility rates.**

(1) The director of finance and administrator of development services shall conduct an annual review of the utility system contributions by users and user classes and the total costs of operation and maintenance of the city utilities.

(2) The following is a description of the methodology used to determine rates for utility facilities and services furnished by, through or for the use of the city. These rates are found to be reasonable and just, taking into account the cost and value of the system, the cost of maintaining and operating the system, the necessary allowances for depreciation and the amount necessary for the retirement of all bonds payable from the revenues of the system.

...

(b) Sewer Rates. Monthly rates for all customers shall be computed according to the schedule of rates documented in the most recently adopted utility rate study. Sewer rates include service charges, usage charges and strength of waste charges.

(i) Monthly service charges are fees for being connected to the sewer utility and do not vary with wastewater flow or strength and therefore all customer classes are billed the same monthly rate.

(A) Single-family customers are billed a uniform monthly rate for each sewer service connection.

(B) Multifamily service charge rates will be based on 75 percent of the single-family residential rate multiplied by the number of units (regardless of occupancy rates). This change reflects the fact that multifamily customers' wastewater service is residential, not commercial, in nature. The 75 percent multiplier is based on the ratio of occupancy density of each multifamily unit to that of a single-family residence according to the 2000 United States Census.

(C) Commercial customers are billed a uniform monthly rate for each sewer service connection.

(ii) Usage charges are based on wastewater flow and a uniform rate for all customer classes.

(A) Single-family residential customers are billed for usage based on a uniform rate and wastewater flow ~~estimate-calculated~~ based on water consumption (see subsections (2)(b)(iii) and (2)(b)(iv) of this section).

(B) Multifamily customers are billed for usage based on a uniform rate and wastewater flow ~~estimate-calculated~~ based on water consumption (see subsections (2)(b)(iii) and (2)(b)(iv) of this section).

(C) Commercial/industrial customers are billed for usage based on a uniform rate and wastewater flow ~~estimate-calculated~~ based on water consumption (see subsections (2)(b)(iii) and (2)(b)(iv) of this section) or measured wastewater flow.

(iii) ~~Estimated-Calculated~~ wastewater flow (winter averaging) for customers receiving water service from the city:

(A) Bills with bill dates between ~~June 1st~~ May 16th and ~~October 31st~~ November 15th of each year shall have the sewer portion of the bill based on a consumption average or actual consumption, whichever is less. Bills with bill dates between November ~~1st~~ 16th and May ~~31st~~ 15th shall have the sewer portion of the bill based on actual water usage.

(B) If a customer relocates to a new service address inside the city sewer service area, the previously established consumption average will be applied to the new address until the new average is calculated. A customer who does not have four complete, consecutive bills at the time of recalculation of the consumption

average will be assigned the residential or commercial system average, depending on account type. Closing or partial bill will not be included in the calculation of the consumption average.

(C) There will be no adjustments to the sewer portion of utility bills for the intentional use of water for irrigation, the filling of swimming pools, ponds, hot tubs, pressure washing or similar activities on bills dated between November ~~1st~~ 16th and May ~~31st~~ 15th.

(D) Any customer not residing in the residence ~~for four full billing cycles for bills dated between January 1st and April 30th~~ during the evaluation period will be assigned the system average.

(E) The following types of commercial customers will be billed on actual water usage for sanitary sewer service and will not be eligible for the consumption average: food processing operations where the water usage increases by 50 percent on a seasonal basis. This does not include accounts where water usage increases as a result of irrigation.

(iv) ~~Estimated~~ Calculated wastewater flow for customers on other water systems:

(A) Where a customer is connected to a water system not operated by the city of Puyallup, the water system official shall deliver a copy of billings showing water consumption and consumption period to the utilities division to allow proper and timely billing of sewer charges.

(B) Where a customer is not connected to a public water system, the system average for the account type will be used for sanitary sewer billing. Such customers shall also pay the monthly service charges.

...

**Section 2.** If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance unless the whole purpose and intent of this ordinance is destroyed. If the provisions of this ordinance are found to be inconsistent with the other provisions of the Puyallup Municipal Code, this ordinance is deemed to control.

**Section 3.** The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

**Section 4.** This ordinance shall become effective five days after publication in the official newspaper of the City of Puyallup.

**PASSED** at a regularly scheduled open public meeting by the City Council for the City of Puyallup on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Jim Kastama  
Mayor

Approved as to form:

Attest:

\_\_\_\_\_  
Joseph N. Beck  
City Attorney

\_\_\_\_\_  
Dan Vessels Jr.  
City Clerk

Published: \_\_\_\_\_

Effective: \_\_\_\_\_



## City Council Agenda Item Report

Submitted by: Michelle Gehring  
Submitting Department: Engineering  
Meeting Date: January 28, 2025

**Subject:**

**Pg. 189 -** Resolution approving the Federal Better Utilizing Investments to Leverage Development Grant Program application

**Presenter:**

Hans Hunger, City Engineer

**Recommendation:**

Adopt a resolution approving the Federal Better Utilizing Investments to Leverage Development (BUILD) Grants for the Shaw Road Corridor Improvements, between 12th Avenue SE and 23rd Avenue SE Project.

**Background:**

The city has been invited to submit a complete Federal BUILD Grant Program application. This grant application requests funds for the next design stages of the Shaw Road Corridor Improvements Project between 12th Avenue SE and 23rd Avenue SE. This grant would be for 80 percent of funds with an expected 20 percent of local matching funds.

The complete application requires a resolution from the City Council designating a city agent and authorizing the city to apply for the grant and commit to project implementation. Securing the funds will assist the Shaw Road Corridor Improvement project in moving forward into the design phase.

This application is due no later than January 30, 2025.

**City Strategic Plan Goal Category:**

Organizational Excellence

**ATTACHMENT(S)**

[Resolution](#)

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PUYALLUP, WASHINGTON TO APPLY FOR FEDERAL FUNDING THROUGH THE FEDERAL BUILD GRANT PROGRAM AND DEDICATE LOCAL MATCHING FUNDS FOR THE SHAW ROAD CORRIDOR IMPROVEMENT PROJECT

---

WHEREAS, the City of Puyallup recognizes the importance of maintaining and improving infrastructure to support economic vitality, environmental sustainability and community resilience;

WHEREAS, the Shaw Road Corridor Improvement Project, located between 12<sup>th</sup> Avenue SE and 23<sup>rd</sup> Avenue SE, has been identified as a critical infrastructure project necessary to address capacity, safety, and connectivity challenges in the region;

WHEREAS, the Shaw Road Corridor Improvement Project includes features such as a 10-foot-wide shared-use path, a 7-foot-wide sidewalk, up to five travel lanes, enhanced stormwater management and treatment, improved surrounding habitat, and modern safety elements;

WHEREAS, the City is committed to providing safe, accessible multimodal transportation options that support long-term livability, community health, and economic vibrancy;

WHEREAS, the Better Utilizing Investments to Leverage Development (BUILD) Grant Program offers a significant opportunity to secure up to 80% of the project costs in federal funding, thereby reducing the financial burden on the City;

WHEREAS, to demonstrate readiness and reliable project delivery, the BUILD Grant Program requires a 20% local funding match, which the City Council of Puyallup commits to providing over a 1-3-year period following the grant's acceptance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PUYALLUP, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City of Puyallup commits to applying to the United States Department of Transportation for the BUILD Grant Program to secure federal funding for the Shaw Road Corridor Improvement Project.

Section 2. The City Council hereby commits to appropriating the required 20% local funding match of the total project costs over 1-3 years after the grant is awarded.

Section 3. The City Clerk is authorized to make necessary corrections to this resolution, including, but not limited to, the correction of scrivener's/clerkal errors, references, resolution numbering, section/subsection numbers, and any references thereto.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

APPROVED:

\_\_\_\_\_  
JIM KASTAMA  
MAYOR

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
DAN VESSELS, JR.  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
JOSEPH N. BECK  
CITY ATTORNEY

FILED WITH THE CITY CLERK: \_\_\_\_\_  
PASSED BY THE CITY COUNCIL: \_\_\_\_\_  
RESOLUTION NO.: \_\_\_\_\_