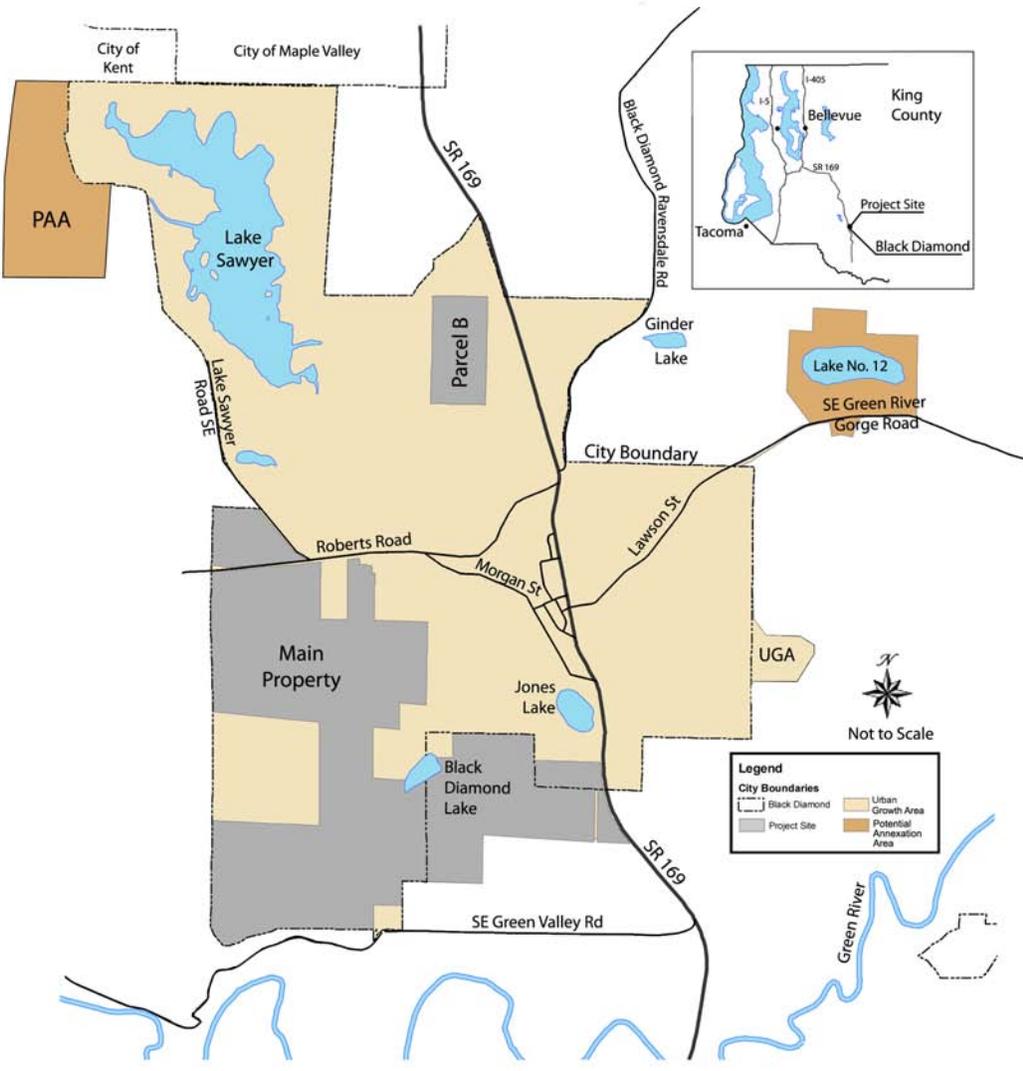


Chapter One

EXECUTIVE SUMMARY

**The Villages
Master Planned Development**



Vicinity Map Figure 1-1

PROPOSAL

The Villages site (consisting of the Main Property and Parcel B) will be developed as a Master Planned Development (MPD) and will provide a mix of uses including: residential, commercial, office, retail, educational, civic, recreational uses, trails, and open space. A maximum of 4,800 residential units (approximately 3,600 single family detached and approximately 1,200 attached dwelling units); 775,000 square feet of commercial/retail/office uses, public and civic uses; multiple school sites, a minimum of 481.4 acres of open space (including sensitive areas and their buffers and forest areas); and other recreational uses. The commercial/retail/office is anticipated to have the following approximate distribution: 325,000 square feet of destination and neighborhood retail uses; approximately 450,000 square feet of office, plus additional public and civic uses. Table 1.1 summarizes the proposed uses and approximate areas within the MPD property by land use categories. The overall average residential density of the site is proposed to be 4 dwellings per gross acre.

In addition to the MPD approval, the following other permits or approvals are requested or associated with this application:

- Annexation of the South Annexation Area
- Issuance of Final EIS
- Planned Action Ordinance adoption
- Development Agreement approval (between the City of Black Diamond and the applicant)

PLANNING AND DESIGN CONCEPT

The Villages MPD will provide a vibrant mixed-use community with a mix of housing, employment, civic, educational, open space, trails, and recreational opportunities in the City of Black Diamond. The MPD will create new neighborhoods in the City that are meant to support and enhance the existing community. The MPD will create an integrated community that provides a sense of neighborhood through coordinated building and landscape design. The community will include a variety of housing types, styles, sizes, and densities geared to a range of income levels. Commercial/office/retail uses will be provided that will contribute positively to the City's ability to achieve a net fiscal benefit for the community and to provide jobs. Development will be clustered to minimize impacts to environmentally sensitive areas (i.e., wetlands, streams, and steep slope areas and their buffers) and to promote efficient delivery of services. Passive and active open space (including parks and trail corridors) will be woven into the development in a coordinated, connected manner to incorporate, yet protect, environmentally sensitive areas, and provide visual separation, recreational opportunities, and an attractive setting for the community. Trails will be designed to provide connections to off-site locations.

DEVELOPMENT AGREEMENT

The drawings and associated descriptions contained within this MPD application illustrate the proposed overall distribution of development parcels, land uses, major roads, open space areas, and overall conceptual utility plans. Future subdivisions and development that is proposed within individual development parcels will be guided by the provisions in the MPD and standards contained in the Development Agreement. The Development Agreement will be separately approved.

LOCATION

The Villages MPD is comprised of two primary development areas totaling 1196 acres: the Main Property and Parcel B. Parcel B is approximately 82 acres in size and located approximately 2 miles to the north of the Main Property, west of Highway 169 and north of SE 312th street (if it were extended). The Main Property is approximately 1,114 acres and located west of SR 169 (also called Maple Valley Highway), south of SE Auburn-Black Diamond Road (an approximately 55-acre portion of the property lies to the north of this road) and north of SE Green Valley Road. The property consists of all or portions of 48 tax parcels ranging from approximately 17 acres to 155 acres in size. The Main Property lies almost entirely within the City of Black Diamond. An approximately 234-acre area in the southeast portion of the Main Property known as the South Annexation Area was recently annexed to the City. The South Annexation Area is proposed as part of The Villages MPD project.

LAND USE

A mix of uses within seven land use designations is proposed within the MPD. The designations are Low Density Residential, Medium Density Residential, High Density Residential, Commercial/Office/Retail, Mixed Use, School, and Open Space. Residential land uses comprise the largest area, approximately 45% of the site.

Table 1.1
Proposed MPD Land Use Summary

Land Use Type	Area (Estimated Acres)	% of Total Property
Residential		
MPD Low Density	285	24%
MPD Medium Density	178	15%
MPD High Density	72	6%
Commercial/Office/Retail and Mixed-use	67	6%
Schools	33	3%
Open Space ¹	505	42%
Streets (ROW)	56	4%
Total	1196	100%

¹ Includes neighborhood and community parks, stormwater ponds, sensitive areas and their buffers and natural areas; does not include school playfields, pocket parks, additional park & recreational facilities provided by parcel developers trailheads, trails, plazas or other open space within commercial areas.

RESIDENTIAL

The Villages MPD will feature a range of housing types, sizes, and densities geared to a range of income levels that will respond to dynamic market factors over time. Residential development will include: low-density (at 1 to 8 dwelling units per acre), medium-density (at 7 to 12 dwelling units per acre), and high-density (at 13 to 30 dwelling units per acre) housing and a limited amount of multi-family housing in Mixed-Use areas. Single-family units will be located on a variety of lot sizes, and will include traditional single-family homes, as well as duplexes and cottage units. Multi-family attached units will include townhouses, condominiums, and apartments.

COMMERCIAL/OFFICE/RETAIL

Commercial, office and retail uses will be provided in the proposed MPD on both the Main Property and Parcel B. These uses will contribute positively to the City's ability to achieve a net fiscal benefit for the community, as required by the City's MPD standards (BDMC 18.98.1 20). Master Planned Development on Parcel B will feature destination commercial and office uses. Some housing may also be provided on this parcel. This development will provide a mixture of professional office space, along with destination retail space, and will represent an extension of the proposed commercial and office uses on the Lawson Hills MPD North Triangle Property to the north.

Civic uses have been anticipated for in the commercial/office/retail designation on the northern portion of the Main Property. The civic uses have not been defined to date, but possible uses could include public and quasi-public facilities such as a YMCA, boys and girls club, and/or public offices or services.

MIXED-USE

A Mixed-Use area comprised of commercial uses and housing will be provided in the northern portion of the Main Property in a “Town Center”, at the intersection of SE Auburn Black Diamond Road and the north/south arterial on site. Mixed-Use development will consist of neighborhood retail uses, small businesses, office and higher density housing.

PARKS, OPEN SPACE AND TRAILS

The Villages MPD will include a coordinated network of open space, parks and trail corridors. Open space will provide recreational opportunities and protection of environmentally sensitive areas and their buffers. It will also provide relief from the built environment by providing physical and visual buffers. The Villages open space will provide connectivity to existing and planned city and regional open space, trail corridors and wildlife corridors on and adjacent to the site. A coordinated trail system is proposed to provide links between parks and other uses within the proposed MPD. Joint use of school facilities will provide for major recreational opportunities.

The Villages MPD will provide a minimum of 481.4 acres of open space including neighborhood and community parks planned at the master developer level, environmentally sensitive areas and their buffers, and natural areas. Additional open space will be provided in pocket parks, trailheads, trails, school playfields, plazas and other open space in commercial areas as land areas develop.

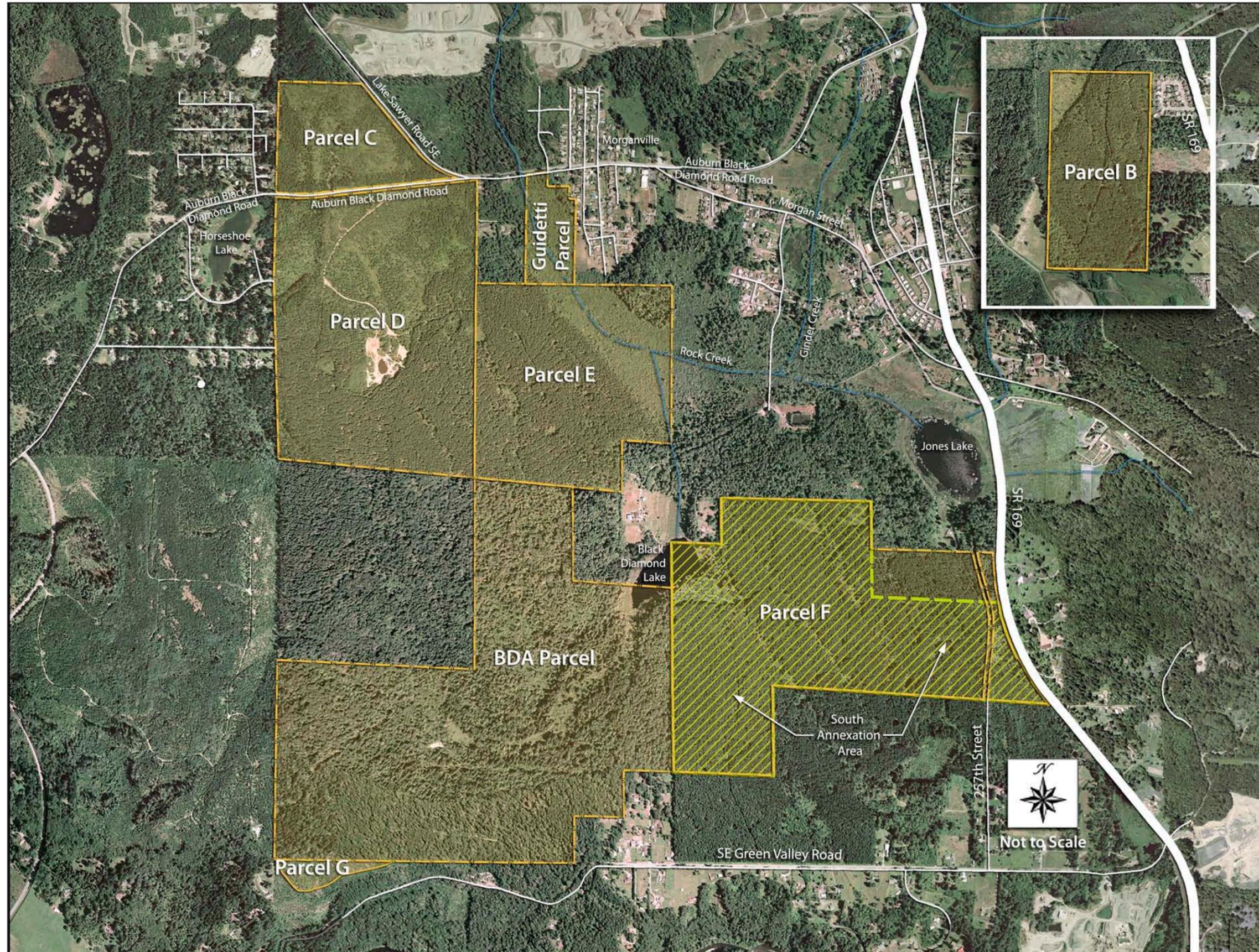
ACCESS AND CIRCULATION SYSTEM

An internal street system will be constructed in phases to serve the Main Property. Primary access to this property will be provided from SE Auburn-Black Diamond Road with a secondary access point to SR 169. An internal street system will also be constructed to serve Parcel B. This street system will connect to Lawson Hills MPD and will generally be located in the alignment of the City’s planned North Connector Road (as shown in the City’s Comprehensive Plan Update, June 2009).

WATER AND SEWER

WATER

The Villages Main Property and Parcel B are within the City of Black Diamond’s water service area. The project is proposed to be served by a combination of water main extensions, upgrades, and a new looped water system. The closest existing water lines to the Main Property are 6-inch and 12-inch mains in Auburn-Black Diamond Road that terminate near the Lake Sawyer Road/Auburn-Black Diamond Road intersection. The closest existing water mains to Parcel B are within the SR 169 right-of-way. Upgrades to and extensions of these existing water mains are proposed to bring service to the project site based on specific water demand, fire flow requirements, and project timing. In addition to upgrades and extensions, a looped system of new on-site and off-site water mains, pressure reducing valves, and a reservoir or loop are proposed to provide service for future phases.



SEWER

The Villages project site is located within the City of Black Diamond's sewer planning area. It is proposed to be served by a system of gravity lines, force mains, storage facilities and up to three pump stations. The closest City sewer facility to the Main Property is a King County METRO sewer trunk connecting the City's Black Diamond Pump Station to the Soos Creek Water and Sewer District. This sewer trunk is located in Auburn-Black Diamond Road and Lake Sawyer Road. The proposed on-site sewer system will pump wastewater to a connection to the King County METRO sewer trunk in Lake Sawyer Road.

The closest City sewer system to Parcel B is the City's main in SR 169. Parcel B is proposed to be served by a pump station and main connecting to the existing City sewer main in SR 169. Alternatively, it could be served by a gravity main to the Black Diamond Pump Station located in the old railroad grade to the south of the site.

According to the City of Black Diamond Sewer Plan (1999), the existing sewer system, together with improvements proposed in this plan, will be adequate to serve the proposal. Sewer treatment is provided by King County METRO under an agreement with the City of Black Diamond. King County METRO has committed to providing sewer service to The City of Black Diamond and associated unincorporated Urban Growth Area.

STORMWATER CONTROL

Stormwater for The Villages MPD is managed through collection, treatment and release into groundwater or surface water bodies. The stormwater control system for the Villages MPD will be designed and constructed in accordance with the 2005 Ecology manual that is expected to be adopted by the City of Black Diamond. Based on this manual, post development stormwater recharge rates will match pre-development rates ranging from 50 percent of the 2 year peak flow up to the full 50-year peak flow.

MAIN PROPERTY

Large areas of The Villages site are suitable for infiltration of stormwater to groundwater (aquifers) using Low Impact Development (LID) techniques, so infiltration is a key component of the stormwater management plan. Where feasible, stormwater is proposed to be infiltrated to shallow outwash soils (Qvr) that form a shallow aquifer or to deeper outwash deposits (Qpog) that form a deep aquifer underlying the site. Since some areas are sensitive to changes in water volumes or are not suitable for infiltration, more traditional stormwater management techniques are also necessary. Thus, the components of the stormwater management plan for the site include infiltration of stormwater into the shallow aquifer (Qvr) through LID, infiltration into the deep aquifer (Qpog) through infiltration facilities, conventional ponds, wetland recharge, water quality treatment facilities and two regional stormwater management facilities.

PARCEL B

Conventional stormwater collection and treatment ponds are proposed on Parcel B.

LOW IMPACT DEVELOPMENT

The design and development of the MPD will incorporate Low Impact Development (LID) methods and best management practices in order to reduce the potential impacts of development on water resources, where practical, and enhance the overall environment and character of the community and reduce long term maintenance costs. LID measures will be incorporated into the site planning, stormwater controls, roadways, and utility systems.

The proposed clustering of development will retain a minimum of 481.4 acres of the total MPD site area in open space. LID measures that may be used in the design of individual lots include reduced front yard setbacks to decrease driveway lengths and associated impervious surface area on lot infiltration systems, and decreased lot sizes to minimize the overall development footprint.

The proposed stormwater control system will maintain wetland recharge for wetlands located on the Main Property in order to protect wetland hydrology and function. Runoff from rooftops and detention facilities will be used to recharge on-site wetlands. LID techniques that may be incorporated include infiltration, rain gardens, bioswales, media filter strips, and other technologies.

LID techniques may be incorporated into the street and circulation network on both properties to reduce the amount of impervious surface area. These techniques include narrower street widths, sidewalks on one side of the street, street trees and landscape medians, narrower lot frontages to reduce the overall road length per home, pedestrian paths in open space areas to increase connectivity, and clustering lots to reduce road lengths.

The MPD will include a water conservation plan with strategies to reduce the amount of water consumed by each residential unit, as needed to meet the requirements specified in the Black Diamond Municipal Code (BDMC 18.98.190 B).

CLEARING AND GRADING

The unique landforms and open space areas within the MPD are strong elements of the design plan. While development of the MPD will require clearing and grading within the site and in certain offsite areas, care has been taken to work with the topography to maintain the general landforms of the site. These landforms help to define the neighborhoods within the community and reinforce the rural character of Black Diamond.

A detailed grading plan has not yet been formulated to reflect how the development works with the topography. It is estimated that approximately 4,753,000 cubic yards of cut and 1,685,000 cubic yards of fill would be required for the Main Property. The fill would come from material excavated on site, so no imported fill would be necessary. For parcel B it is estimated that 81,000 cubic yards of cut and 81,000 cubic yards of fill would be required. It appears that native materials on Parcel B will be suitable for reuse as fill requiring no net

import. Balancing the amounts of cut and fill material on the site will reduce the quantity of material to be removed from or imported to the site, thus lessening impacts on surrounding neighborhoods.

DEVELOPMENT APPROVAL PROCESS

Issuance of an MPD permit by the City Council and subsequent execution and recording of a development agreement is the first step in the development process. In addition, a Planned Action ordinance will be adopted that establishes the level of development and thresholds within the MPD that can occur without additional SEPA review. These documents provide the standards and procedures for which all future implementing development actions within the MPD boundaries, such as preliminary plats, commercial site plans, grading permits, and others, will be reviewed against. Each future implementing development will submit the appropriate permits for review and approval by City. Following preliminary land use approval (e.g. preliminary plat), detailed engineering and construction documents would be developed and approved by the City prior to infrastructure and/or building construction.

CONSTRUCTION SCHEDULE

Development of The Villages MPD is expected to commence in 2010. Full buildout is anticipated to occur by 2025. Phasing of residential development will largely depend upon market condition. Development of the commercial and office areas will also depend upon market conditions. It is contemplated that the area south of SE Auburn-Black Diamond Road and the Lawson Hills North Triangle will develop first, with development radiating out from those points in subsequent phases. The timing of development of the school sites will be coordinated with the school districts.

PROJECT HISTORY

The City of Black Diamond, including the historic downtown, Morganville, Lawson Hills and various additional properties, was incorporated in 1959. The City completed its first Comprehensive Plan in 1980. This plan proposed future annexation of lands to the northwest, east and southwest to the City. Subsequent annexations in 1985 and 1994 added lands to the northwest and southwest to the City. The City of Black Diamond completed its first Comprehensive Plan in compliance with the Growth Management Act (GMA) in 1996. That same year, the City negotiated a “Potential Annexation Area” (PAA) agreement with King County and nearby property owners. This agreement was formalized as the Black Diamond Urban Growth Area Agreement (BDUGAA) (see below for details). Following execution of the BDUGAA, the City annexed an area around Lake Sawyer and the West Annexation Area to the City in 1998 and 2005, respectively (the North Triangle Property and a portion of the proposed Villages MPD site are in the West Annexation Area) In 2009, the City annexed the South Annexation Area (Parcel F is in the South Annexation area). The Covington Creek area and the Lake 12 Annexation Areas are the remaining PAA’s.

PRIOR PLANNING AND AGREEMENTS

Following are further descriptions of key planning actions and agreements and their relationship to The Villages site and its proposed development.

BLACK DIAMOND URBAN GROWTH AREA AGREEMENT

In December 1996, the City of Black Diamond, King County, Plum Creek Timber Company, L.P., and Palmer Coking Coal Company entered into the Black Diamond Urban Growth Area Agreement (BDUGAA) (adopted as Ordinance No. 12534). This joint planning effort and agreement provides the foundation for the annexation and development of properties within the City of Black Diamond's Urban Growth Area (UGA). Through the agreement, an approximately 782-acre Potential Annexation Area (PAA) was identified that coincides with the City's UGA and includes: the West, South, East, and Lake 12 Annexation Areas. The PAA includes lands that, upon annexation to the City, are intended for urban development and lands that are to be set aside as permanent open space. Implementation of the BDUGAA will result in the protection of over 2,500 acres of open space in the City, unincorporated County, and the City's UGA. The agreement sets forth the conditions for and potential timing of the annexations. Conditions include availability of sewer and water service and major road access. The agreement includes provisions establishing appropriate land uses, zoning, and residential density and development standards for urban development in the PAAs. The BDUGAA also directs the City to establish a Transfer of Development Rights Program for Open Space (TDR). Since 1996, approximately 329 acres within the PAA have been annexed to the City (in the Lake Sawyer and West Annexation Areas, as noted above), and associated open space required by the BDUGAA was protected/conserved.

As indicated previously, portions of The Villages Main Property are located in the West Annexation Area. Portions of the Main Property are also located in the South Annexation Area. Therefore, these properties/portions of properties are subject to the provisions of the BDUGAA. The West Annexation Area was annexed to the City in 2005. The South Annexation Area is expected to be annexed to the City as well.

BLACK DIAMOND TRANSFERABLE DEVELOPMENT RIGHTS PROGRAM

In December 2003, the City of Black Diamond adopted the Black Diamond Transferable Development Rights (TDR) Program via Ordinance No. 752 (the ordinance was subsequently codified as Chapter 19.24 of the Black Diamond Municipal Code). This program is being used, in conjunction with other measures, to protect property rights while allowing development rights to be transferred from properties that have been determined to be of greater public benefit as open space, parks, or community facilities, in accordance with the BDUGAA.

Generally, the program allows the City to transfer development rights from properties it wants to protect from development (TDR Sending Areas) to other areas within the City that the City has determined are better suited to urban development (TDR Receiving Areas). Eligible sending areas are shown on the TDR Sending Area Map, attached to Ordinance

No. 747 as Exhibit 2. Eligible TDR Receiving Areas are identified on the TDR Program Map, also attached to Ordinance No.747 as Exhibit 2. Property owners who sell their development rights must establish conservation easements on their land permanently restricting future development and protecting/preserving the environmental/resource values of the TDR Sending Area. Developers, who purchase the development rights from properties to be conserved, can transfer those rights to eligible receiving sites and increase the residential densities on their property, the TDR Receiving Area, beyond levels that would otherwise be allowed.

Currently, most property within The Villages site is identified on the TDR Program Map as a TDR receiving area. There are several TDR sending areas on the Main Property identified on the City's TDR Sending Area Map. Application of the City's TDR Program will be necessary to achieve the number of units proposed within the receiving areas onsite; however, the exact application of the TDR Program will be determined at the final plat stage. The development agreement will provide clarification of this issue.

TRANSFER OF DEVELOPMENT RIGHTS

To achieve the proposed densities on the site, up to 2,871 TDRs will be purchased and transferred to the site. The use of TDR's will be phased through the full build-out of the project.

BLACK DIAMOND AREA OPEN SPACE AGREEMENT

In June 2005, the City of Black Diamond, King County, Plum Creek Timber Company, and Cascade Land Conservancy entered into the Black Diamond Open Space Agreement. The purpose of the agreement was to more specifically identify lands that qualify as In-City Open Space required to be protected or conserved under Section 7 of the Black Diamond Urban Growth Area Agreement. It further sets forth the steps that must be carried out to meet these BDUGAA requirements prior to Annexation of the South and West Annexation Areas into the City. The agreement included conservation easements, deeds, and dedication documents that protected or conserved a substantial portion of the In-City Open Space areas. The remaining In-City open space is required to be protected or conserved prior to annexation of the South Annexation Area to the City. The In-City Open Space required for the annexation of the South Annexation Area is intended to be provided in the southern portion of the Villages MPD.

WEST ANNEXATION AREA PRE-ANNEXATION AND DEVELOPMENT AGREEMENT

In December 2005, the conditions of the Black Diamond Area Open Space Agreement relative to the West Annexation Area were met and the area was annexed into the City. The BDUGAA required that the City and Plum Creek Land Company enter into an agreement to establish land uses, zoning, and development standards for urban development in the West Annexation Area. The West Annexation Area Pre-Annexation and Development Agreement between these parties address these requirements.

The agreement establishes that zoning of the West Annexation Area, including portions of The Villages Main property, will be MPD Overlay. The land uses in these areas allowed by the agreement on the Main Property are: residential, commercial, mixed-use, and open space, as shown in Appendix A, Map 7 of the BDUGAA. The allowed residential density, as well as the requirements for open space, sewer and water service, roads and development phasing, stipulated in the agreement will be met by MPD development on the Main Property.

BLACK DIAMOND MASTER PLANNED DEVELOPMENT ORDINANCES

In 2005, the City adopted Master Planned Development Ordinance No. 05-779 and No. 05-796 (these ordinances were subsequently codified as Chapter 18.98 of the Black Diamond Municipal Code). In April 2009, the City adopted Ordinance No. 09-897 which significantly revised Chapter 18.98. These ordinances describe the development standards, requirements, and permit process for MPDs. The ordinances indicate that MPDs are required for parcels/groups of parcels in the City of Black Diamond that are designated in an MPD Overlay zone or are contained in a single ownership and at least 80 acres in size. A key purpose of MPDs is to create mixed-use neighborhoods with a balance of housing, employment, and recreational opportunities. MPDs are intended to preserve passive open space (including critical areas) and provide active open space in a coordinated manner. They are meant to provide greater certainty about the character and timing of development and population growth in the City. They are also meant to provide needed services and facilities in an orderly, fiscally responsible manner. A specific objective of MPDs is to provide public benefits not typically available through conventional development.

The Villages site, including the Main Property and Parcel B, is contained within a single ownership and in total is 1196 acres in size; it is also almost entirely within the City’s MPD Overlay zone. Therefore, the provisions of the MPD ordinances will pertain to development of the site.