



STAFF REPORT

Major Amendment to the Cascadia (a.k.a. Tehaleh) Employment-Based Planned Community (EBPC) Planned Unit Development (PUD): Phase 1 Revision/Expansion - Review of Tehaleh Development Agreement Application Numbers: 760298, 760302, 763634, 763635

Examiner's Hearing: February 25, 2015, at 9:00 a.m., at the Pierce County Public Services Building, South Entrance, Public Meeting Room 2401 South 35th Street, Tacoma, WA 98409

County Contact: Robert Jenkins, Senior Planner, 253-798-7016, rjenkin@co.pierce.wa.us

Proposal: Review and approval of the new Tehaleh Development Agreement by the Pierce County Hearing Examiner, as required per the April 7 and 23, 2014 decisions of the Pierce County Hearing Examiner approving the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD. The Tehaleh Development Agreement updates the 1999 Cascadia Development Agreement to include changes resulting from amendments and modifications to the original 1999 EBPC PUD approval of Cascadia, including the Phase 1 Major Amendment. The Tehaleh Development Agreement will implement the Cascadia-Tehaleh PUD approval, as amended, in Phase 1, excluding Parcel O.

Project Location: Southern end of the Bonney Lake Plateau, south of 128th Street East and accessed via 198th Avenue East, in Section 16, Section 17, Section 20, the N 1/2 of Section 21, Section 22, the NW 1/4 of Section 23, and the NE 1/4 of Section 27, T19N, R5E, W.M., in Council District No. 1.

Staff Recommendation: Approval of the Tehaleh Development Agreement, dated January 9, 2015, the Exhibits A through D, and E-2 through O, submitted to Planning and Land Services (PALS) on October 2, 2014, and Exhibit E-1, submitted to PALS on January 16, 2015, as the implementation mechanism for Phase 1 of the Tehaleh EBPC PUD, excluding Parcel O.

Pierce County Online Permit Information:

<http://palsonline.co.pierce.wa.us/palsonline/permitinfo?applPermitId=760298>



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Project Information:

Application Complete: August 16, 2013

Major Amendment
Staff Report Mailed: January 31, 2014

Development Agreement
Staff Report Mailed: February 18, 2015

Property Owners: NASH Cascadia Verde, LLC
16701 S.E. McGillivray Blvd, Suite 150
Vancouver, WA 98683-3462

Cascadia Resort Communities LLC
11747 N.E. 1st Street, Suite 320
Bellevue, WA 98005

Applicant: Newland Communities, Attn: Scott Jones
33490 9th Avenue S., Suite 206
Federal Way, WA 98003

Attorneys: William T. Lynn
Gordon, Thomas, Honeywell, et al
P.O. Box 1157
Tacoma, WA 98401

Nancy Bainbridge Rogers/Randall Olsen
Cairncross & Hempelmann
524 Second Avenue, Suite 500
Seattle, WA 98104-2323

Parcel Numbers:

Parcels or portions of parcels to be added to Phase 1 of the Cascadia-Tehaleh EBPC through the Major Amendment:

0519093009	0519172003	0519173010	0519201005	0519202002	0519203002
0519094033	0519172004	0519173006	0519201006	0519202003	0519203003
0519094034	0519172005	0519173007	0519201007	0519202005	0519204003
0519162001	0519173001	0519174004	0519201008	0519202006	0519204004
0519171007	0519173002	0519174006	0519202009	0519202007	0519173009
0519171008	0519173003	0519174007	0519202001	0519203001	

Parcels to be removed from Phase 1 of the Cascadia-Tehaleh EBPC through the Major Amendment:

0519213001	0519213005	0519214002	0519214004	0519214006
0519213002	0519214001	0519214003	0519214005	0519214007

Remaining parcels from original Phase 1 of the Cascadia-Tehaleh EBPC, except for the plats of Columbia Vista at Cascadia, Liberty Ridge at Cascadia, Whitman at Cascadia and Winthrop at Cascadia:

0519161018	0519221010	0519212012	0519222019	0519222030	0519224015
0519162010	0519221011	0519212013	0519222020	0519223034	0519232007
0519162011	0519221012	0519221010	0519222021	0519223035	0519161015
0519162013	0519221013	0519221011	0519222022	0519223036	0519162016
0519162014	0519221014	0519221012	0519222023	0519223037	0519163015
0519163011	0519221015	0519221013	0519222024	0519224009	0519164017
0519163012	0519221017	0519221014	0519222025	0519224010	0519164018
0519163013	0519211020	0519221015	0519222026	0519224011	0519164019
0519171009	0519211021	0519221016	0519222027	0519224012	0519164020
0519174009	0519212010	0519221017	0519222028	0519224013	0519161016
0519174011	0519212011	0519222016	0519222029	0519224014	

Executive Summary:

Staff finds that the Tehaleh Development Agreement adequately reflects the Planned Unit Development (PUD) approval for the Cascadia-Tehaleh Employment Based Planned Community (EBPC) PUD, as amended through the April 7 and 23, 2014 approvals of the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD. Staff also finds that the Tehaleh Development Agreement serves as an update and replacement to the 1999 Cascadia Development Agreement for Phase 1 of Tehaleh, excluding Parcel O.

Development of Parcel O will continue to be implemented through the 1999 Cascadia Development Agreement and amendments to the land use approvals from 2006 to 2013 unless the owners of Parcel O request that Parcel O be implemented through an amended Tehaleh Development Agreement.

Implementation of any approval of the Phase 2 Major Amendment to the Cascadia-Tehaleh EBPC PUD will require amendment of the Tehaleh Development Agreement or approval of a separate development agreement.

Findings of Fact:

Public and Legal Notice:

- *February 10, 2015*: Public Notice of the Examiner's hearing sent to parties of record to the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD.
- *February 11, 2015*: Legal notice published in the official County newspaper (Puyallup Herald), advertising the public meeting to be held by the Pierce County Hearing Examiner.

Background:

1. The original Cascadia-Tehaleh EBPC was approved by the Pierce County Hearing Examiner on June 18, 1999. The three phase, 4,719 acre Cascadia-Tehaleh EBPC project includes residential, employment, business park, golf course, school, park, and open space uses. The overall project will include 6,437 dwelling units, and approximately 3.9 million square feet of employment-related uses and will be developed over a 20+ year period. The overall development plan approved by the Pierce County Hearing Examiner is conceptual in nature, particularly in Phases 2 and 3.
2. The overall 1,689.8-acre Phase 1 of the Cascadia-Tehaleh EBPC is served by public roads, public water, and sanitary sewers and is located within the EBPC zone classification.
3. The original 1,689.8 acre Phase 1 of Cascadia-Tehaleh was located in the northeast portion of the overall project site and included 1,049,762 square feet/119.2 acres of employment uses, 1,719 residential dwelling units, and 697 acres of golf course, open space, school, and parks.
4. Phase 2 of Cascadia-Tehaleh is located in the northwestern portion of the overall project site.
5. Phase 3 of Cascadia-Tehaleh is located in the southern portion of the overall project site and would contain a development pattern similar to Phases 1 and 2.
6. The original Cascadia Development Agreement was entered into by Pierce County and the original Cascadia developer, i.e., Cascadia Development Corporation, on September 8, 1999. The 1999 Cascadia Development Agreement is the current implementation mechanism for Phase 1 for Cascadia-Tehaleh.
7. Since the original PUD approval and Development Agreement implementation in 1999, the following amendments have been made to the PUD approval by PALS and the Hearing Examiner:
 - a. First Minor Amendment to the Cascadia EBPC PUD (Written order issued by PALS on April 5, 2006);

- b. Second Minor Amendment to the Cascadia EBPC PUD (Written order issued by PALS on July 11, 2007, and modified by the Hearing Examiner in an October 12, 2007 decision, following an appeal filed by the City of Bonney Lake);
 - c. First Periodic Five Year Review on the Cascadia EBPC PUD (Decision issued by the Hearing Examiner on August 14, 2007);
 - d. First Minor Modification to the Cascadia EBPC PUD (Written order issued on June 2, 2008);
 - e. Second Periodic Five Year Review on the Cascadia-Tehaleh EBPC PUD (Decision issued by the Hearing Examiner on April 12, 2014); and
 - f. Second Minor Modification to the Cascadia-Tehaleh EBPC PUD (Written order issued on September 12, 2013. June 2, 2008).
8. Since the original PUD approval and Development Agreement implementation in 1999, the following plats have received preliminary and/or final plat approval:
- a. Columbia Vista at Cascadia (199 lots);
 - b. Liberty Ridge at Cascadia (119 lots);
 - c. Winthrop at Cascadia (61 lots);
 - d. Whitman at Cascadia (121 lots);
 - e. Trilogy at Tehaleh (244 lots);
 - f. Inspiration Ridge at Tehaleh (285 lots); and
 - g. Cathedral Ridge at Tehaleh (134 lots);
9. The following plats are currently under review but have not received preliminary plat approval as of the date of this staff report:
- a. Pinnacle Ridge at Tehaleh (122 lots); and
 - b. Trilogy West at Tehaleh (341 lots).
10. In addition to platting, Donald Eismann Elementary School, the Tehaleh Marketing Center, i.e., The Post, and a series of parks, trails, roads and utility infrastructure have also been developed.
11. An application for a Major Amendment to the Cascadia-Tehaleh EBPC PUD for project level approval of Phase 2 (originally Phases 2 and 3) was submitted on August 14, 2014. The 2,808-acre Phase 2 of Tehaleh is proposed to include the following:
- a. 1,052 acres of residential uses;
 - b. 250 acres of employment uses;
 - c. 1,199 acres of open space/recreational uses; and
 - d. 307 acres of public facility uses, including four potential school sites.

A new westerly access into Tehaleh is proposed to be constructed from the northwest corner of the site to SR 162 in the Orting Valley. Access will also continue to be provided north from the site to SR 410, through an expanded and extended 198th Avenue East.

The applicant proposes to increase the total number of dwelling units allowed in Phases 1 and 2 from 6,437 to 9,700. The applicant has indicated that some of the 1,052 acres of residential development in Phase 2 will be devoted to additional age-restricted (senior) housing.

A Supplemental Environmental Impact Statement (EIS) is currently being prepared to address environmental impacts of Phase 2.

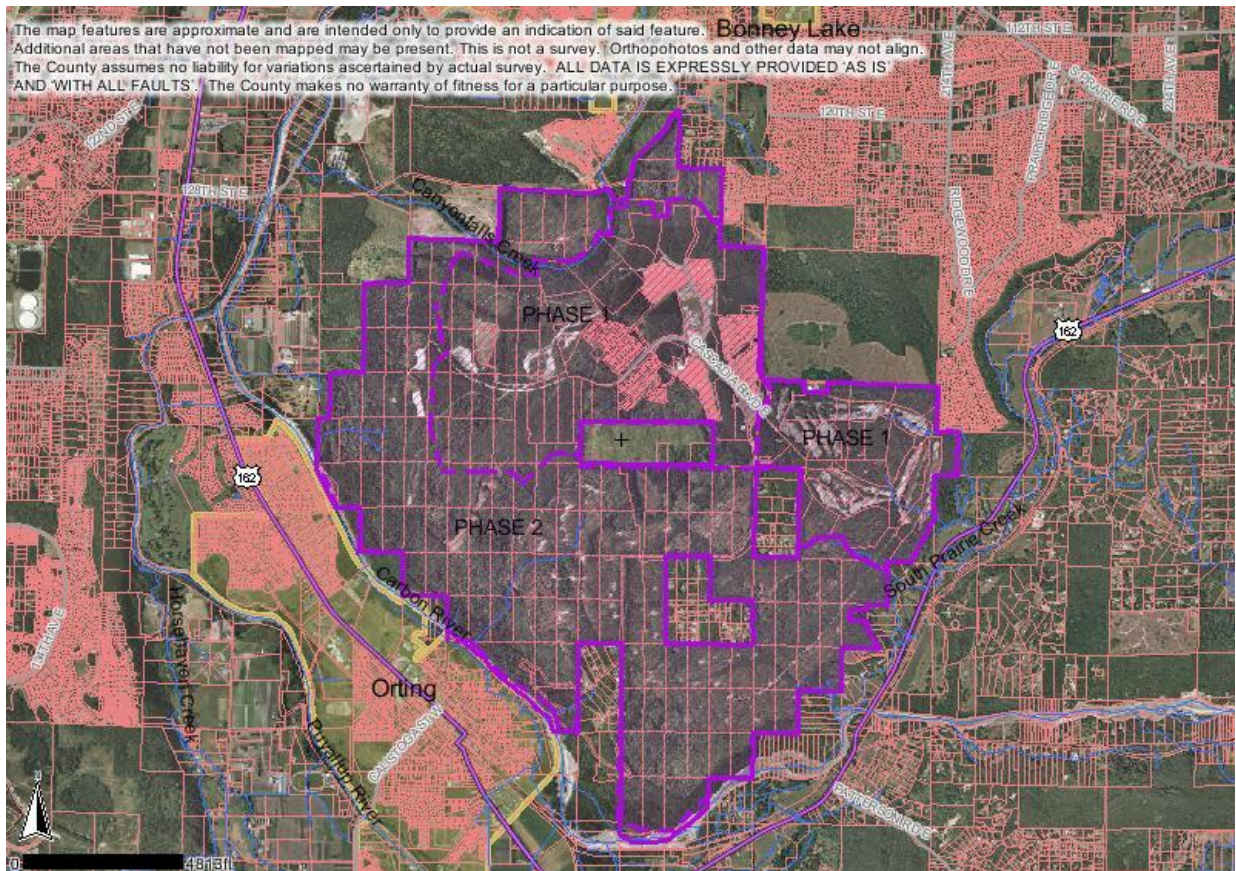
12. An application for a Major Amendment to the Cascadia-Tehaleh EBPC PUD for revisions to the 1999 project level approval of Phase 1 was submitted on August 16, 2013. An Addendum to the 1998 Final EIS was issued on January 22, 2014.
13. The Phase 1 Major Amendment proposed to make the following changes to the Phase 1 approval, as already amended between 2006 and 2013, as follows:
 - a. Transfer Parcel P from Phase 1 to Phase 2 and eliminate the equestrian center;
 - b. Add 25.4 and 461.1 acres of Phase 2 to the west and north, respectively, of the existing boundary of Phase 1 into Phase 1 to create a revised/expanded Phase 1 boundary totaling 1,947.6 acres. This is a net increase of 259.3 acres, after the removal of Parcel P;
 - c. Increase the number of non-age restricted single-family dwelling units from 1,433 to 1,600;
 - d. Add 700 single-family dwelling units to be restricted to senior (i.e., at least one resident age 55 or above and no children under 18) use only;
 - e. The 286 multi-family dwelling units continue to be part of Phase 1;
 - f. The golf resort and associated residential development in the eastern part of Phase 1 (on Parcels O, O1 and O2) do not change;
 - g. Modify the size, location and use of development parcels based on detailed topographic information, road and storm drainage designs, changes in the housing market and commercial and industrial employment development trends, desires and needs of school and fire districts and the water utility, and land use to match the vision of the current developers of Cascadia –Tehaleh; and
 - h. Make a number of revisions to the 1999 Cascadia Development Agreement that regulated Phase 1.

The Phase 1 Major Amendment to Cascadia-Tehaleh EBPC PUD was approved by the Pierce County Hearing Examiner on April 7, 2014. A decision on Requests for Reconsideration filed by the applicant and others was issued on April 23, 2014. The Reconsideration decision replaced the conditions of the April 7th decision in total with revised and expanded conditions of approval.

14. Condition No. 1 of both the April 7, 2014 original decisions on the Phase 1 Major Amendment and the April 23, 2014 reconsideration decision required the applicant to submit an updated Tehaleh Development Agreement to PALS within 90 days.
15. A draft Tehaleh Development Agreement was submitted to PALS for review on May 23, 2014.

16. A series of meetings were held between the applicant, their consultants and Pierce County staff in June, July, August, September and October 2014 to review and discuss changes to the draft Development Agreement and its exhibits.
17. A revised draft Development Agreement and exhibits that addressed Pierce County staff comments and concerns was submitted by the applicant on October 2, 2014.
18. Per Condition No. 40 of the April 23, 2014 reconsideration decision, the October 2014 Development Agreement and Exhibits was sent to the attorney representing the owners of the majority of Parcel O (i.e., Cascadia Resource Communities (CRC) LLC/Sumitomo Forestry America (SFA) Inc.) for their review.
19. Following a series of letters and emails between PALS, the Deputy Prosecuting Attorney, Sumitomo Forestry America's attorneys, the applicant and their attorneys in November and December 2014 and January 2015, a final draft Tehaleh Development Agreement was agreed upon.
20. The final draft Tehaleh Development Agreement, dated January 9, 2015, and revised Exhibit E-1, dated January 1, 2015, were submitted to PALS on January 16, 2015.

2011 Pierce County Aerial Photo:



2014 Phase 1 Major Amendment Land Use Map



Title 18A – Development Regulations – Zoning

18A.75.080 Planned Unit Development.

- A. Purpose.** A Planned Unit Development (PUD) is intended to be a flexible zoning concept. Depending on the type of PUD, it will provide the Examiner a chance to encourage development of a variety of housing types; allow for non-residential development; create and/or preserve usable open space; provide recreational opportunity and aesthetic enjoyment to residents; preserve, to the maximum extent possible, the natural characteristics of the land; encourage creativity in design; provide predictability for the development of a project; and provide for maximum efficiency in the layout of streets, utility networks, and other public improvements, as appropriate.
- B. Classifications of Planned Unit Development.** PUDs shall be classified as one of six types: Employment Based Planned Community, Master Planned Community, Master Planned Resort, New Fully Contained Community, Essential Public Facility-Rural Airport, or Essential Public Facility-State Corrections Overlay.
- C. Definitions.**
1. Employment Based Planned Community (EBPC). EBPC means a planned unit development within an established Urban Growth Area which contains a mix of jobs, services, recreation, housing types, and densities.

G. Uses Permitted within a PUD.

1. Minimum Project Area Required.

- a. **NFCC/EBPC/MPC.** 320 acres.

2. Uses Permitted.

- a. **NFCC/EBPC.** Any residential and non-residential use allowed in the following zones: MUC, CC, AC, UNC, MUD, HRD, MSF, and EC.

H. Land Use Standards.

1. Basic Residential Density.

- a. **NFCC/EBPC/MPC.** Residential densities may vary between two and twenty-five units per acre as long as the overall average residential density is between four and ten units per acre.

2. Employment Use Requirements - EBPC/NFCC. At a minimum, 10 percent of the total gross acreage of an EBPC or NFCC project shall be developed as an employment center. Such a center may be planned as one contiguous development or may be divided into several centers located in various portions of the PUD project site, and may include land dedicated to the commercial and civic components in the 10 percent calculation. Based on the approved EBPC or NFCC conceptual plan, the residential development shall be approved at a rate proportional to the area designated to employment.

I. Zoning Code Standards.

- 1. NFCC/EBPC/MPC/MPR/EPF-SC.** As part of the approval, the Examiner shall prescribe bulk requirements and landscaping including, but not limited to, required yards, height, parking, buffers and screens. As provided in the Pierce County Subdivision Code, Title 16, binding site plans in lieu of subdivisions may be utilized in a project for all commercial and industrial uses.

N. PUD Applications/Agreements. The applicant shall submit as part of the application, a proposed Project Development Agreement that shall at a minimum include:

1. NFCC/EBPC/MPC/MPR/EPF-SC Content.

- a. A plan for the property that includes overall development criteria and standards that establish the development policy for the total project. The criteria and standards will generally address land use types and densities; design features (land use, roads, stormwater, parks and open space); and concepts for affordable housing and phasing and financing of public services and infrastructure.
- b. Conceptual Plan. A land use plan designed to meet the criteria and standards established in 18A.75.080 N.1.a. The detailed land use plan will identify:
- (1) The location and density of residential development;
 - (2) The location and type of commercial component;
 - (3) The location and type of open space, recreational facilities, stormwater facilities, public facilities such as schools and libraries, and transportation systems including auto, pedestrian, bicycle, equestrian, transit;
 - (4) A phasing plan and the expected build-out period for the Project and its phases;
 - (5) The mechanisms to assure affordable housing is provided for a broad range of income levels;
 - (6) The acreage and range of uses authorized for any non-residential development within the PUD; and
 - (7) The minimum and maximum number of residential units for the PUD.

- O. **PUD Approval - Findings Required.** The action by the Examiner to approve a PUD application, with or without modifications, shall be based upon the following findings:
1. **General Findings.**
 - a. The proposal is consistent with the Pierce County Comprehensive Plan and the principles and standards set forth in any applicable Community Plan.
 - b. Exceptions from the standards are warranted by the design and amenities incorporated in the project development agreement. The system of ownership and means of developing, preserving, and maintaining open space is suitable.
 - c. SEPA has been complied with.
 - d. Proven ability to finance the needed capital facilities.
 - e. There are adequate provisions for the preservation of open space. The preservation of open space should be consistent with the Comprehensive Plan policies.
 - f. School impacts should be addressed.
 - g. An inventory of the critical areas on and adjacent to the PUD has been completed pursuant to Title 18E and development in environmentally constrained lands or required buffers are avoided wherever possible.
 2. **EBPC/MPC/NFCC Findings.**
 - a. Transit-oriented site planning and traffic demand management programs can be implemented.
 - b. Buffers will be provided between the project and adjacent urban development.
 - c. Affordable housing will be provided within the project for a broad range of income levels.
 - d. The Examiner shall review and evaluate each residential phase for consistency for the achieving overall density as approved in the conceptual plan.
 - e. The Examiner shall review and evaluate each employment phase for consistency for achieving overall intensity as approved in the conceptual plan.
 - f. EBPC and NFCC projects meet the requirements of RCW 36.70A.350.
- P. **Development Agreement Approval Procedures.**
1. **Procedure for Approval.** The following process shall apply to the review and approval of a PUD project development agreement pursuant to this subsection:
 - a. The review and approval of a proposed project development agreement (and subdivision proposal if submitted) by the Examiner after staff review, public notice, and public hearing. The Examiner shall use the guidelines set forth in this Section and other appropriate sections of the Code in the review and approval of the proposed development agreement.
 - b. The final development agreement shall be prepared by the applicant incorporating the changes and/or conditions to the proposed development agreement adopted by the Examiner. The final development agreement may be approved and adopted in stages/phases.
 - c. The final development agreement shall be approved after the Director finds it conforms with the guidelines included in the approved proposed development agreement. Approval of the final development agreement shall be pursuant to all concurrency and adequacy requirements.
 2. **Subdivisions.** When it is the intention of an applicant to subdivide or re-subdivide all or portions of property within a proposed PUD project, application for approval of a preliminary subdivision may be filed and considered concurrently with an application for approval of a proposed development agreement.

3. **Final Development Agreement - Time Limitation.** Within five years from the date of approval of a proposed development agreement by the Examiner, the applicant shall submit a final development plan (or a Binding Site Plan in the case of the RA-PUD) for the project or a stage/phase thereof for approval unless a different time frame is otherwise provided for in the proposed development agreement. When deemed reasonable and appropriate, the Examiner may grant an extension of one year for such submittal. If at the date of expiration of the time period provided herein, a final development agreement has not been filed for approval or at any time after a final plan has been approved it appears that the project or phase thereof is not progressing in a reasonable and consistent manner or the project has been abandoned, action may be initiated pursuant to Section 18A.85.060 of this Code to revoke the PUD project approval.
 4. **Final Development Agreement - Changes.** A final development agreement, including land use plan elements or conditions of approval, may be amended or modified at the request of the applicant or the applicant's successor in interest. The Director may administratively approve minor modifications to a Final Development Agreement. Minor modifications may include changes in density, provided the total number of dwelling units approved shall not exceed 10 percent of the maximum number approved in that approved final development agreement for the project (or the phase) and provided that the net residential density is not altered; and also provided such changes do not significantly increase impacts on transportation, significantly reduce buffers or open space, or significantly increase impacts on the environment. Modifications that do not qualify as minor shall be subject to applications, notices, hearings, and appeals in the same manner as the original application. The County may vary or specify additional criteria for determining whether proposed modifications are major or minor through the final development agreement.
 5. **Parties Bound by PUD Project Development Agreement.** Once the Final Development Agreement is approved by the Director and signed by the property owner, all persons and parties, their successors, and heirs who own or have any interest in the real property within the proposed PUD project are bound by the final development agreement.
- Q. **Procedures.** Procedures for application modification, review and amendment as well as permit extensions and relinquishment are outlined in Chapter 18A.85. For additional information about application requirements, see Chapter 18.40; for public hearing and appeal procedures, see Chapter 1.22; for the review process, see Chapter 18.60; for public notice, see Chapter 18.80; for fees, see Chapter 2.05; and for compliance, see Chapter 18.140.

Staff Comments: Per Section 18A.75.080.P.1., public notice and a public hearing are required before the Hearing Examiner may approve a proposed development agreement and before a final development agreement can be approved by the Pierce County Council.

Because a proposed development agreement was not submitted as an exhibit to the Major Amendment staff report and reviewed during the public hearing for the Major Amendment in February 2014, this second public notice and hearing is required. The original proposed Cascadia Development Agreement was reviewed as part of the staff report and public hearings for the EBPC PUD in 1998 and 1999.

Assuming this proposed development agreement is approved by the Pierce County Hearing Examiner, that decision and the final development agreement will be transmitted to the Pierce County Council by PALS for County Council approval by ordinance, per RCW 36.70B.200.

Request for Reconsideration Conditions of Approval related to Development Agreement:

1. An updated Development Agreement for implementation of the Planned Unit Development (PUD) approval of the Cascadia-Tehaleh Employment Based Planned Community (EBPC) shall be prepared for review and approval by the Director of Planning and Land Services (PALS) within 90 days of Hearing Examiner approval of this Major Amendment. The Development Agreement shall include the elements set forth in Subsections 18A.75.080.N. and P (found in Exhibit N of the current 1999 Development Agreement).
2. The Development Agreement shall be consistent with, and incorporates as an exhibit and by reference, all conditions contained in the Hearing Examiner approval of this Major Amendment and include revisions made to the current Development Agreement since 1999. The Development Agreement shall be approved after the Director finds that it conforms with the conditions in this Major Amendment decision. Changes to the wording of new and/or replacement Development Agreement language found in the conditions of this Major Amendment may be permitted when drafting the revised Development Agreement when such changes improve readability and clarity of intent. Any significant change to the intent of the wording in the approved conditions of approval will require input from the Hearing Examiner. Any disagreements regarding whether the Development Agreement conforms to the Major Amendment decision or the broader Cascadia-Tehaleh EBPC approvals may be brought to the Hearing Examiner for resolution.

Staff Comments: The Tehaleh Development Agreement was submitted for review on May 23, 2014, within the required 90 days from the April 23, 2014 reconsideration decision. The Tehaleh Development Agreement incorporates all revisions to conditions of PUD approval and revisions to the 1999 Cascadia Development Agreement from 2006 to 2013.

Exhibit A, Tehaleh Project Map, remains unchanged from the 1999 Cascadia Development Agreement map. Exhibit A-1, Legal Description, remains unchanged from the 1999 Cascadia Development Agreement, with the exception of striking the portion of the description that describes Parcel O.

A new Exhibit A-2, provides a legal description that describes only the NASH Cascadia Verde Phase 1 ownership, excluding the NASH owned portion of Parcel O. A new Exhibit A-3, Tehaleh Phase 1 Boundary Map (NASH Ownership), provides a map of the NASH ownership described in Exhibit A-2.

An Exhibit J was not included in the final version of the 1999 Development Agreement. A placeholder for Exhibit J has been included in this development agreement, with a note stating that the exhibit was purposely omitted.

Exhibit K, Water Quantity Monitoring, Exhibit K-1, Nitrate-Nitrogen Monitoring and Canyonfalls Creek, Exhibit K-2, Nitrate-Nitrogen Monitoring and Victor Falls Springs, and Exhibit K-3, Water Quality Monitoring at Orting Lake and Stormwater Facilities R4 and CC-9, were not changed in the current development agreement and are copied directly from the 1999 development agreement.

11. The Mitigation Agreement between East Pierce Fire & Rescue and NASH Cascadia Verde, LLC, as successor entities to Pierce County Fire Protection District-East and the Cascadia Development Corporation, shall remain in full force and effect, unless modified by the parties.
12. The current Dedication Agreement between East Pierce Fire & Rescue and Newland Communities, as successor entities to Pierce County Fire Protection District-East and the Cascadia Development Corporation, for a future fire station, currently proposed for the east side of Cascadia Blvd. E. and Canyon View Blvd. E., shall remain in full force and effect until a successor agreement between the parties is executed.

Staff Comments: The above two fire protection conditions are included as Condition Nos. 171 and 172 of Tehaleh Development Agreement Exhibit H, Conditions of Approval.

The following changes are made to conditions of approval of the PUD decision and the Development Agreement as follows:

- A. Language in the Recitals and Sections 1 through 9 of the Development Agreement shall replace references to previous ownership groups with the ownership groups in place at the time the updated Development Agreement is prepared.
- B. Sections 1.2 (Phase 1 Conceptual Plan), 1.2.1 (Location and Density of Residential Development), 1.2.2 (Location and Type of Employment), and Section 1.2.3 (Open Space and Recreational Facilities) shall be updated to reflect the land use changes approved through this Major Amendment and reflected in the applicable updated Exhibits to the Development Agreement.
- C. The language of Section 1.3.1 (Sewer Facilities) of the Development Agreement is hereby replaced to read as follows:

[Refer to Condition C of the April 23, 2014 Request for Reconsideration condition of approval for text.]

- D. Section 1.3.2 (Stormwater Facilities) of the Development Agreement shall be revised to refer to the original master drainage plan as well as the 2013 amendments to the Cascadia-Tehaleh Master Drainage Plan.
- E. Section 1.3.3 (Domestic Water Facilities) of the Development Agreement shall be revised to refer only to a permanent on-site WWTP and shall clarify how Class “A” treated effluent will be used in Tehaleh.
- F. Section 1.3.4 (Schools) of the Development Agreement is hereby replaced to read as follows:
- [Refer to Condition F of the April 23, 2014 Request for Reconsideration condition of approval for text.]*
- G. Section 1.3.4 (Fire Protection) of the Development Agreement is hereby replaced to read as follows:
- [Refer to Condition G of the April 23, 2014 Request for Reconsideration condition of approval for text.]*
- H. Section 1.3.6 (Other Public Facilities and Infrastructure) of the Development Agreement is hereby replaced to read as follows:
- [Refer to Condition H of the April 23, 2014 Request for Reconsideration condition of approval for text.]*
- I. Section 1.4 (Transportation System) of the Development Agreement is hereby replaced to read as follows:
- [Refer to Condition I of the April 23, 2014 Request for Reconsideration condition of approval for text.]*
- J. Sections 1.6.2 (Phase 1), 1.6.3 (Phase II) and Section 1.6.4 (Phase III) of the Development Agreement shall be updated to reflect the land use changes approved through this Major Amendment and reflected in the applicable updated Exhibits to the Development Agreement.
- K. The language of Section 3.0 (Allowed Uses), Section 3.6 (Exempted, Temporary and Accessory Uses), Sections 3.7 to 3.74 (In-Home Businesses), Section 3.9 (Accessory Dwelling Unit) and Section 3.12 (Telecommunication Towers and Wireless Facilities) of the Development Agreement will be revised to reflect the content of the revised Exhibits “I - Z” approved through this Major Amendment approval.
- L. Section 4.1.1.A (Public Roads) and Section 4.1.1.B (Private Roads) of the Development Agreement is hereby replaced to read as follows with a new Section 4.1.1.A. (Roads and Non-Motorized Facilities):

[Refer to Condition L of the April 23, 2014 Request for Reconsideration condition of approval for text.]

M. Section 4.1.1.B. (Private Roads) of the Development Agreement is hereby replaced to read as follows:

[Refer to Condition M of the April 23, 2014 Request for Reconsideration condition of approval for text.]

N. Sections 4.1.2.A. through 4.1.2.C (Stormwater Design and Construction Standards) of the Development Agreement is hereby replaced to read as follows:

[Refer to Condition L of the April 23, 2014 Request for Reconsideration condition of approval for text.]

15. Section 4.1.3 (Sewer Service) of the Development Agreement is hereby replaced to read as follows:

[Refer to Condition 15 of the April 23, 2014 Request for Reconsideration condition of approval for text.]

16. Sections 4.1.5 (Parks and Recreation Facilities) of the Development Agreement shall be updated to reflect the land use changes, particularly the elimination of the 16-acre equestrian center, approved through this Major Amendment and reflected in the new Exhibits E-1 through E-4 to the Development Agreement the detailed overall park plan required per this Major Amendment approval.

17. Section 4.2.1 (Density and Dimension) of the Development Agreement shall be updated to refer to the revised Phase 1 acreage and residential cap reflected in the revised Exhibits to the Development Agreement and otherwise approved through this Major Amendment approval.

18. To ensure a unified development approach, Section 4.2.2 (Design Guidelines) and 4.2.3 (Landscape Standards) of the Development Agreement shall be updated to reflect the role of the Tehaleh Design Manual in the implementation of the Tehaleh vision and overall conceptual plan described in Section 1.1 of the Agreement. Sections 4.2.2 and 4.2.3 shall include language that implements the following concepts:

[Refer to Condition 18 of the April 23, 2014 Request for Reconsideration condition of approval for text.]

19. Section 4.3 to 4.3.4 (Critical Areas) of the Development Agreement shall be revised to include the following elements:

A. **Wetlands (Section 4.3.1)** – Provisions of PCC Chapter 18E.30 in effect as of the effective date of the original Development Agreement in September 1999 shall continue to apply;

- B. **Geologically Hazard Areas (Section 4.3.2)** – Chapter 18E.80 (effective July 16, 2012) shall apply, except that the 40% slope criteria shall continue to apply;
- C. **Aquifer Recharge Areas (Section 4.3.3)** – The provisions of PCC Section 18E.50 shall not apply to the Cascadia EBPC because none of the three aquifer recharge area defining criteria have applicability to the Cascadia site;
- D. **Fish and Wildlife Habitat Areas (Section 4.3.4)** – Provisions of PCC Chapter 18E.60 in effect as of the effective date of the original Development Agreement in September 1999 shall continue to apply;
- E. **Volcanic Hazard Areas (New Section)** – New Chapter 18E.60 (effective July 16, 2012) shall apply (in the 2012 version of title 18E, fish and wildlife habitat is regulated in Chapter 18E.40.);
- F. **Flood Hazard Areas (New Section)** – New Chapter 18E.70 (effective July 16, 2012) shall apply. Onsite potholes/closed depressions can be regulated as indicated in Section 4.2.1, Stormwater Design and Construction Standards, of the revised Development Agreement;
- G. **Seismic (Earthquake) Hazard Areas (New Section)** – New Chapter 18E.90 (effective July 16, 2012) shall apply;
- H. **Mine Hazard Areas (New Section)** – New Chapter 18E.100 (effective July 16, 2012) shall apply;
- I. **Erosion Hazard Areas (New Section)** – New Chapter 18E.110 (effective July 16, 2012) shall apply.

20. Section 5.5 (Subdivisions) of the Development Agreement shall be revised and replaced as follows:

[Refer to Condition 20 of the April 23, 2014 Request for Reconsideration condition of approval for text.]

21. Section 5.6 (Binding Site Plans) of the Development Agreement shall be revised and replaced as follows:

[Refer to Condition 21 of the April 23, 2014 Request for Reconsideration condition of approval for text.]

22. Section 6 to 6.1.4 (General Provisions and Applicable Law) of the Development Agreement shall be updated to reflect the re-vesting changes approved through this Major Amendment and reflected in the applicable updated Exhibits to the Development Agreement.

23. Sections 6.2.1, 6.3, 6.3.1 and 6.3.2 of the Development Agreement shall be replaced as follows with a new Section 8 (Modifications, Amendments and Revocations) as follows:

[Refer to Condition 23 of the April 23, 2014 Request for Reconsideration condition of approval for text.]

Staff Comments: The above revisions to the 1999 Cascadia Development Agreement have been included within the January 9, 2015, dated Tehaleh Development Agreement.

24. The original Exhibit "B" (Overall Conceptual Plan) to the September 8, 1999, Cascadia Development Agreement, last revised through the 2007 Second Minor Amendment, has been replaced with a revised Exhibit "B" – Tehaleh Overall Conceptual Master Plan, dated December 20, 2013.
25. The original Exhibit "C" (Phase 1 Conceptual Plan), last revised through the 2008 First Minor Modification, has been replaced with a revised Exhibit "C" – Tehaleh Phase 1 Conceptual Plan, dated January 14, 2014.

Staff Comments: Exhibits B and C, both dated July 24, 2014, reflect the land use designations approved through the Phase 1 Major Amendment. The description in Exhibit B of the land use designations and layout for Phases 2 and 3 represent the layout as shown on the original 1999 Exhibit B, as revised through the 2006 First Minor Amendment. Exhibit B will need to be amended after the Phase 2 Major Amendment is approved to reflect the layout changes currently under review as part of the Phase 2 Major Amendment application. The land use designation and layout for Parcel O continue to reflect the layout approved through the 2006 Minor Amendment and 2008 First Modification approvals.

26. The original Exhibit "D" (Phase 1 Land Use Table), last revised through the 2006 First Minor Amendment, has been replaced with a revised Exhibit "D" – Tehaleh Phase 1 Land Use Table, dated December 20, 2013.

Staff Comments: Exhibit D, dated July 24, 2014, reflects the land use designations and acreages approved through the Phase 1 Major Amendment. The land use designations and acreages for Parcel O continue to reflect the layout approved through the 2006 Minor Amendment and 2008 First Modification approvals.

27. Exhibit "E" (Trails and Open Space Map), revised through the 2006 First Minor Amendment, and Attachment A to the "Infrastructure and Public Facilities Plan" found in Exhibit "M" relating to parks and recreation, which was replaced with the "Cascadia Phase 1 Master Park and Trail Schedule" and phasing plan dated December 15, 2006, per the 2007 First Periodic Review, were both revised through a July 9, 2012, PALS approval of a revised park and trail plan and improvement schedule known as the "Tehaleh Park, Trail and Landscape Improvements Schedule – Phase 1A", "Tehaleh Trails Phase 1A", and "Tehaleh Phase I Master Park and Trails Schedule", all dated March 19, 2012. All of the above previous changes to parks, trails and open space have been replaced with: a new Exhibit "E-1" – Tehaleh Phase 1 Master Park Plan; a new Exhibit "E-2" – Tehaleh Phase 1 Master Park Plan; a new Exhibit "E-3" – Tehaleh Phase 1 Master Park Plan; and a new Exhibit "E-4" – Tehaleh Phase 1 Master Trail Plan.

28. Prior to submittal of construction level design for a park or trail facilities identified in Exhibits E-1 through E-4, the applicant shall submit a more detailed overall park plan, similar in detail to that approved in 2012, that will guide the review of the park, trail and open space system in Phase 1 at the construction design level.

Staff Comments: Exhibit E-1, dated January 1, 2015 and Exhibits E-2, E-3 and E-4, all dated July 24, 2014, reflect the revised park and trail system and construction schedule discussed during the Phase 1 Major Amendment. At the request of CRC/SFA, Exhibit E-1 has been revised to not refer to specific open space acreage in Parcel O. In addition, language was added to Section 1.2.3 of the Tehaleh Development Agreement to state that open space and trail development in Parcel O is governed by the park and trail plan and schedule adopted as part of the 2007 First Periodic Five Year Review, not the park and trail system proposed as part of the Phase 1 Major amendment.

29. The original Exhibit “F” (Water Availability Letter) is revised to replace the March 8, 1999, water availability letter from Tacoma Water with an updated August 21, 2013, water availability letter from Tacoma Water.

Staff Comments: The above revisions to the 1999 Cascadia Development Agreement have been included within the new Exhibit F.

30. Within 60 days after the approval of this Major Amendment, the applicant shall submit a replacement for the original Exhibit “G” (Cascadia Employment Based Planned Community Affordable Housing Plan) for review and approval by PALS. Amended Exhibit “G” shall meet the requirements of PCC 18.A.75.075.N.1b(5) (“The mechanisms to assure affordable housing are provided for a broad range of income levels”). Any disputes as to Exhibit “G” shall be resolved by the Hearing Examiner.

Staff Comments: Exhibit G, Tehaleh Phase 1 Housing Affordability Program, replaces in total the 1999 Exhibit G, Cascadia Employment Based Planned Community Affordable Housing Plan. Staff finds that, although the new affordable housing plan is more market based than the approach in the 1999 plan, the new plan will result in proactive measures to assure that affordable housing will be available to a broad range of incomes and those efforts will be documented and tracked to ensure that progress is being made toward the affordable housing goal.

31. The original Exhibit “H” (Conditions of Approval) shall be replaced in the updated Cascadia-Tehaleh Development Agreement with a list of all formal land use approvals that implement the Cascadia-Tehaleh Employment Based Planned Community Planned Unit Development, beginning with the original June 18, 1998, decision of the Pierce County Hearing Examiner though this Major Amendment approval.

Staff Comments: Exhibit H, Conditions of Approval, includes the original 1999 PUD conditions, with documented amendments made to those conditions from 2006 to 2013. In addition, Exhibit H includes new conditions of approval from the 2006 First Minor Amendment, the first four preliminary plats, the First Periodic Five Year Review, the Second Minor Amendment, the First Minor Modification, the Second Periodic Five Year Review, the Second Minor Modification, and the Phase 1 Major Amendment. Exhibit H provides a complete and updated list of conditions that implement the Cascadia-EBPC PUD and Phase 1, in particular.

32. The original Exhibit “I” (Phase 1 Use Description, Table and Map) shall be replaced in its entirety with a new Exhibit “I-1” (Tehaleh Phase 1 Land Use Classifications) and, Exhibit “I-2” (Phase 1 Zone Classification Tables, Use Descriptions and Accessory and Temporary Uses) to bring Exhibit “I” of the Development Agreement into consistency with the format, use types and levels contained in P.C.C. 18A.33. Within 60 days after the approval of this Major Amendment, the applicant shall submit a replacement for the original Exhibit “I” for review and approval by PALS. The language of Section 3.0 (Allowed Uses) of the Development Agreement will be revised through agreement between the Applicant and PALS. Any dispute as to this matter shall be resolved by the Hearing Examiner.

Staff Comments: Exhibit I, Tehaleh Phase 1 Use Descriptions, Table and Map, updated the 1999 Exhibit I to reflect the changes approved through the Phase 1 Major Amendment. Exhibit I is split into two pieces: the Land Use Classification map, Exhibit I-1, and Zone Classification Tables, Use Descriptions and Accessory and Temporary Uses, Exhibit I-2.

Zone classifications in Phase I, excluding Parcel O, will now use types and levels and accessory and temporary uses that are consistent with the 2012 version of Title 18A, Development Regulations-Zoning, not the 1997 version. The zone classifications shown on the Exhibit I-1 map are now consistent with the classification descriptions and tables in Exhibit I-2. This was not the case with the 1999 version of Exhibit I.

33. Within 60 days after the approval of this Major Amendment, the applicant shall submit a schedule for the timing of required offsite road mitigation improvements that will replace the original Exhibit “L” (Timing of Proposed Mitigation Improvement –Revised), Exhibit “L-1” (Locations of Proposed Mitigation, Phase 1), Exhibit “L-2” (Bonney Lake Proposed Traffic System Improvements), Exhibit “L-3” (Pierce County - Traffic Engineering Design Year Proportionate Shares for Cascadia Phase 1 Rhodes Lake road/McCutcheon Road Corridor 112th St. E./214th Ave. E. Intersection), and Exhibit “L-4” (Pierce County – Traffic Engineering Design Year Proportionate Shares for Cascadia Phase 1 199th/199th Avenue E. Corridor). Any dispute regarding the replacement schedule shall be resolved by the Hearing Examiner.

Staff Comments: The new Exhibit L, Timing of Traffic Mitigation Improvements, updates and revises Table 30 from the 1998 Cascadia EBPC Final EIS to reflect projects that have been completed and by whom, and projects left for the Cascadia-Tehaleh developer to construct. Also included is a single-family dwelling unit conversion table for residential uses other than non-age restricted single-family homes to use in determining when a vehicle trip threshold has been triggered. The dwelling unit and PM peak hour trip mitigation triggers include all of Phase 1, including the currently undeveloped Parcel O.

Exhibit L-1, Locations of Proposed Traffic Mitigation, Phase 1, was transferred unchanged from the 1999 development agreement since the mitigation locations and numbers have not changed.

Exhibit L-2, Bonney Lake Proposed Traffic System Improvements, Exhibit L-3, Pierce County Traffic Engineering Design Year Proportionate Shares for Cascadia Phase 1 Rhodes Lake Road/McCutcheon road Corridor 112th St. E./214th Ave. E. Intersection, and Exhibit L-4, Pierce County Traffic Engineering Design Year Proportionate Shares for Cascadia Phase 1 198th/199th Avenue E. Corridor, were not included in the current development agreement since Exhibits L-2, L-3 & L-4 were tables listing Cascadia's percentage share of offsite road improvements for purposes of determining Cascadia's cost obligations to Bonney Lake (Exhibit L-2) and Pierce County (Exhibit L-3 & L-4). Their purpose was to document the cost shares and obligations in the event of a potential future transfer of those obligations to other projects. These tables have been superseded by additional agreements that occurred after the 1999 Development Agreement. The 2015 Amended Development Agreement is being revised, in part, to incorporate, and be consistent with, the agreements that have been executed 1999 – present.

Exhibit L-2 has been superseded by Mitigation Agreements executed with Bonney Lake in 1998, 2006 and most recently in 2014.

Exhibits L-3 & L-4 have been superseded by the provisions of the 2005 198th agreement between Cascadia and Pierce County, by the fact that the 198th corridor plans have been approved by Pierce County and the road is under construction and costs are known, and that Tehaleh is currently negotiating a separate agreement with Pierce County regarding the Rhodes Lake Road corridor.

34. The language of Section 4.4 to 4.4.6 (Traffic Mitigation Plan) shall be revised to reflect the contents of revised Exhibit "L" and provision of transit services shall be changed to earliest time feasible rather than a specific phase approval.

Staff Comments: The traffic mitigation plan section of the development agreement has been updated to correspond with the new Exhibit L.

35. The original Exhibit “M” (Infrastructure and Public Facilities and Services Plan Elements) shall be revised to reflect infrastructure and public facilities and services mitigation obligations identified in the FEIS and/or the original PUD conditions of approval that are not otherwise specifically discussed in the revised Development Agreement or its other exhibits.

Staff Comments: The new Exhibit M has been pared down to only include discussions regarding how the applicant intends to finance the infrastructure, public facilities and public services necessary to serve the Tehaleh EBPC. The previous Exhibit M was a restatement of mitigation measures found in the 1998 Final EIS for the Cascadia EBPC. A cross reference to that document is included in the new exhibit in lieu of repeating the language.

36. With the exception of Section 18A.25.200 through 18A.25.280 (Description of Use Categories), Section 18A.25.300 (Accessory Uses) and Section 18A.25.400 (Temporary Uses/Temporary Housing Units), the original Exhibit “N” (Pierce County Code – 18A) shall continue to apply.

Staff Comments: With the exception of the sections discussed above which have been replaced with 2012 versions in Exhibit I-2, the 1997 version of the Development Regulations-Zoning, Title 18A, continues to regulate development activity in Phase 1 of Tehaleh, except for Parcel O.

37. Within 60 days after the approval of this Major Amendment, the applicant shall submit a set of sign regulations and/or sign design guidelines for review and approval by PALS. Any dispute as to these sign regulations and/or design guidelines shall be resolved by the Hearing Examiner.

Staff Comments: New Exhibit O more closely reflects how Pierce County currently regulates signs than the 1999 version of Exhibit O. The new exhibit references the zone classifications identified in Exhibits I-1 and I-2.

38. Condition No. 129 of the original 1998 PUD decision shall be replaced as follows:

The EBPC shall be reviewed and evaluated by the Examiner and the Director of the Planning and Land Services Department at least every five years until buildout. The review shall address compliance with the conditions of approval. The review may also assess whether the development is well designed, contains a balance of uses, efficiently used public facilities and services, and provides adequate open space.

Required employment areas within any phase of development shall be dedicated prior to any non-infrastructure development occurring within the next phase of development. The requirement for dedication means that each area would:

- a) *be set aside by notation on the Overall Conceptual Plan and conceptual plans for specific phases;*
- b) *be limited to County-approved employment uses by covenant; and*
- c) *have a County-approved schedule for timely construction of major infrastructure such as wastewater treatment facilities, regional storm ponds, water, power, and arterials with capacity to serve the dedicated areas.*

The purpose of this requirement is to assure that the major infrastructure can be timely provided when opportunities are available to sell or lease land to individual employment users.

The County-approved schedule shall be completed within 90 days of the effective date of the Examiner's decision on the major amendment and include a timeline for completion of major infrastructure consistent with this requirement. Any dispute regarding the schedule shall be resolved by the Hearing Examiner.

Staff Comments: *The Tehaleh Phase 1 Conceptual Plan, Exhibit C, and the Phase 1 zone classification map and use tables, Exhibits I-1 and I-2, identify employment areas within Phase 1. Employment in Phase 1 will be located in the Business Park, Community Center and Neighborhood Center zone classifications and also in mixed use developments in the Multi-Family zone classification. Schools, fire stations, etc, located in the Civic zone classification will also generate employment. The golf resort located in Parcel O will also be a significant employment generator.*

The Tehaleh Phase 1 Employment Infrastructure Schedule, Exhibit 20DD to this staff report, identifies when transportation, general utility and sanitary sewer infrastructure components necessary to serve employment activity in Phase 1 of Tehaleh have been or will be developed between the fourth quarter of 2011 and the end of 2019. The schedule also establishes the initial site clearing and grading of the Business Park and Community Center zoned parcels (V1 and V2) will take place starting in the second half of 2017. The Neighborhood Center zoned parcels (NC) have already been cleared and graded.

39. The intent of this Report and Decision and Conditions of Approval is to maintain the status quo for the owner of Parcel O until the bankruptcy proceeding is resolved. Because the applicant for the Major Amendment, NASH Cascadia Verde, LLC, does not control Parcel O, and because the owners of Parcel O could not fully participate in this Amendment for the PUD, the Examiner's approval of the Major Amendment:

- (a) shall not be interpreted or applied to Parcel O; and
- (b) shall not be interpreted or applied in any way that would diminish the existing vesting, zoning, and land use rights associated with Parcel O under the existing County approvals and Development Agreement.

40. As described elsewhere in these Conditions, the Examiner's approval of the Major Amendment will be further revised in an amended Development Agreement. CRC and SFA shall have a 20-day opportunity to review the proposed amended Development Agreement prior to final approval and execution to assure that it includes provisions that expressly provide that the Major Amendment and amended terms of the Development Agreement shall not be interpreted or applied to Parcel O, and shall not be interpreted or applied in any way that would diminish the existing vesting, zoning, and land use rights associated with Parcel O under the existing County approvals and Development Agreement. The owner of Parcel O shall notify the Hearing Examiner and NASH, in writing, with either approval of the terms of the proposed Development Agreement that meet this paragraph or a request to revise the proposed Development Agreement to meet this paragraph. If the owner of Parcel O and NASH cannot reach an agreement, then the Hearing Examiner shall consider the objections from the owner of Parcel O and a response from NASH and shall render a final decision on the proposed Development Agreement, including exhibits. This condition is purposefully drafted in broad terms so that the owner of Parcel O has a full opportunity to argue to the Examiner that the amended Development Agreement adversely affects its vesting, zoning and land use rights under the existing County approvals and Development Agreement, including any indirect effects on those rights.
41. Without limitation of the prior provisions, the terms of Condition 23 of this Major Amendment, including the proposed deletion of Development Agreement Sections 6.2.1, 6.3, and 6.3.2 and replacement with a new Section 8 including Sections 8.2.1, 8.2.2, and 8.2.3, do not apply as between the owners of Parcel O and NASH.
42. The owner of Parcel O may cause Parcel O to become subject to all, or portions of, this Major Amendment and to all, or portions of, the updated Development Agreement by submitting a letter to the County within three years of the date of approval of this Major Amendment. If no such letter is presented, then Parcel O shall remain subject to the EBPC Approvals and Development Agreement as described herein, meaning that the Major Amendment and amended terms of the Development Agreement shall not be interpreted or applied to Parcel O, and shall not be interpreted or applied in any way that would diminish the existing vesting, zoning, and land use rights associated with Parcel O under the existing County approvals and Development Agreement.

Staff Comments: Per Condition No. 40 of the April 23, 2014 reconsideration decision, the October 2014 Development Agreement and Exhibits were sent to the attorney representing the owners of the majority of Parcel O (i.e., Cascadia Resource Communities (CRC) LLC/Sumitomo Forestry America (SFA) Inc.) for their review. Following discussions between Pierce County, NASH Cascadia representatives, and SFA representatives, changes were made to Sections 1.1, 1.2.3, 1.6.2, 8.1, 9.2.1 of the Tehaleh Development Agreement and Exhibit E-1.

Staff Recommendations:

Staff finds that the Tehaleh Development Agreement adequately reflects the PUD approval for the Cascadia-Tehaleh Employment Based Planned Community (EBPC) Planned Unit Development, as amended through the April 7 and 23, 2014 approvals of the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD. Staff also finds that the Tehaleh Development Agreement also serves as an update and replacement to the 1999 Cascadia Development Agreement for Phase 1 of Tehaleh, excluding Parcel O.

Development of Parcel O will continue to be implemented through the 1999 Cascadia Development Agreement and amendments to the land use approvals from 2006 to 2013 unless the owners of Parcel O request that Parcel O be implemented through an amended Tehaleh Development Agreement.

Staff recommends approval of the Tehaleh Development Agreement, dated January 9, 2015, the Exhibits A through D, and E-2 through O, submitted to PALS on October 2, 2014 and Exhibit E-1, submitted to PALS on January 16, 2015, as the implementation mechanism for Phase of the Tehaleh EBPC PUD, excluding Parcel O.

Implementation of any approval of the Phase 2 Major Amendment to the Cascadia-Tehaleh EBPC PUD will require amendment of the Tehaleh Development Agreement or approval of a separate development agreement.

Exhibits:

- 20 - Staff Report
- 20A - April 7, 2014, Hearing Examiner decision on the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD
- 20B - April 23, 2014, Hearing Examiner decision on request for reconsideration on the Phase 1 Major Amendment to the Cascadia-Tehaleh EBPC PUD, including Reconsideration Conditions for Tehaleh
- 20C - Tehaleh Development Agreement (TDA), dated January 9, 2015
- 20D - TDA Exhibit A - Tehaleh Project Map
- 20E - TDA Exhibit A-1 – Overall Tehaleh Legal Description
- 20F - TDA Exhibit A-2 – Tehaleh Phase 1 Legal Description (NASH Ownership)
- 20G - TDA Exhibit A-3 – Tehaleh Phase 1 Boundary Map (NASH Ownership)
- 20H - TDA Exhibit B – Tehaleh Overall Conceptual Plan
- 20I - TDA Exhibit C – Tehaleh Phase 1 Conceptual Plan
- 20J - TDA Exhibit D – Tehaleh Phase 1 Land Use Table
- 20K - TDA Exhibit E-1 – Tehaleh Phase 1 Master Park Plan
- 20L - TDA Exhibit E-2 – Tehaleh Phase 1 Master Park Plan
- 20M - TDA Exhibit E-3 – Tehaleh Phase 1 Master Park Plan
- 20N - TDA Exhibit E-4 – Tehaleh Phase 1 Master Trail Plan
- 20O - TDA Exhibit F – Water Availability Letter
- 20P - TDA Exhibit G – Tehaleh Phase 1 Housing Affordability Program
- 20Q - TDA Exhibit H – Conditions of Approval
- 20R - TDA Exhibit I-1 – Tehaleh Phase 1 Land Use Classifications
- 20S - TDA Exhibit I-2 - Zone Classification Tables, Use Descriptions and Accessory and Temporary Uses
- 20T - TDA Exhibit J – Purposely Omitted
- 20U - TDA Exhibit K Water Quantity Monitoring
- 20V - TDA Exhibit K-1 Nitrate-Nitrogen Monitoring and Canyonfalls Creek
- 20W - TDA Exhibit K-2 Nitrate-Nitrogen Monitoring and Victor Falls Springs
- 20X - TDA Exhibit K-3 Water Quality Monitoring at Orting Lake and Stormwater Facilities R4 and CC-9
- 20Y - TDA Exhibit L – Timing of Traffic Mitigation Improvements
- 20Z - TDA Exhibit L-1 – Locations of Proposed Traffic Mitigation, Phase 1
- 20AA - TDA Exhibit M – Infrastructure and Public Facilities and Services Plan Elements
- 20BB - TDA Exhibit N – Pierce County Code 18A
- 20CC - TDA Exhibit O – Tehaleh Sign Regulations
- 20DD - Tehaleh Phase 1 Employment Infrastructure Schedule
- 20EE - Parcel O correspondence related to Development Agreement
- 20FF - Hearing Notice, Agenda, Mailing Labels, Map, and Legal Notice