



Staff Report

Third Periodic Five Year Review: Response to Comments on the Third Periodic Five Year Review Status Update Report for the Cascadia (a.k.a. Tehaleh) Employment Based Planned Community Planned Unit Development (EBPC PUD)

Application No. 861967

Updated Parcel Numbers:

0519093007	0519184008	0519203010	0519222016	0519272005	0519291004
0519093008	0519184009	0519204002	0519222019	0519272006	0519291005
0519093017	0519184010	0519204003	0519222021	0519272007	0519291006
0519094035	0519184011	0519204004	0519222022	0519272008	0519291007
0519094036	0519191002	0519204005	0519222023	0519272009	0519291008
0519161019	0519191003	0519204006	0519222024	0519273016	0519291009
0519162010	0519191004	0519204007	0519222025	0519273017	0519292013
0519162018	0519191005	0519204008	0519222026	0519273018	0519292014
0519162019	0519191006	0519204009	0519222027	0519273019	0519292015
0519162020	0519191007	0519211017	0519222028	0519273020	0519292016
0519162021	0519191008	0519213001	0519222029	0519273021	0519292017
0519162022	0519194009	0519213002	0519222030	0519281067	0519292018
0519164017	0519194010	0519213003	0519222031	0519282003	0519294029
0519164018	0519194011	0519213004	0519222032	0519282004	0519294030
0519164019	0519194012	0519213005	0519223032	0519282005	0519294031
0519164020	0519194013	0519213006	0519223034	0519282006	0519294032
0519171001	0519202009	0519213007	0519223035	0519282007	0519331020
0519171002	0519202010	0519214001	0519223036	0519282008	0519331021
0519171003	0519202011	0519214002	0519223037	0519283023	0519331022
0519171004	0519202012	0519214003	0519224009	0519283024	0519331023
0519171007	0519202013	0519214004	0519224010	0519283025	0519331024
0519171010	0519202014	0519214005	0519224011	0519283026	0519332007
0519171011	0519202015	0519214006	0519224012	0519284003	0519332008
0519172006	0519202016	0519214007	0519224013	0519284004	0519332009
0519172007	0519202017	0519221010	0519224014	0519284005	0519332010
0519172008	0519202018	0519221011	0519224015	0519284006	
0519173012	0519203004	0519221012	0519232007	0519284007	
0519173013	0519203005	0519221013	0519271034	0519284008	
0519173014	0519203006	0519221014	0519271035	0519284009	
0519173015	0519203007	0519221015	0519272002	0519284010	
0519174014	0519203008	0519221016	0519272003	0519291002	
0519174015	0519203009	0519221017	0519272004	0519291003	

Parcel Numbers within Recorded Plats

Columbia Vista at Cascadia
Winthrop at Cascadia
Liberty Ridge at Cascadia
Whitman at Cascadia
Trilogy at Tehaleh
Inspiration Ridge at Tehaleh

Cathedral Ridge at Tehaleh
Pinnacle Ridge at Tehaleh
Trilogy West at Tehaleh
Berkeley Park at Tehaleh
Panorama Point at Tehaleh
Pyramid Ridge at Tehaleh

Examiner's Hearing: November 1, 2017, at 10:00 a.m., at the Pierce County Public Services Building (Annex), South Entrance, Public Meeting Room, 2401 South 35th Street, Tacoma, WA.

Proposal: The request is for the Third Periodic Review of the Cascadia, a.k.a., Tehaleh, Employment Based Planned Community (EBPC) Planned Unit Development (PUD), required per Condition No. 129 of the June 18, 1999, approval of the Cascadia EBPC PUD by the Pierce County Hearing Examiner and by Section 6.14 of the September 8, 1999, Cascadia Development Agreement between the applicant and Pierce County. The first and second periodic review decisions were issued in 2007 and 2012.

This report discusses comments received since the staff report on the First Periodic Five Year Review for the Cascadia EBPC, which was issued on September 20, 2017. The deadline for comments to be received and included in this report was October 19, 2017.

Project Location: The Cascadia, a.k.a. Tehaleh, EBPC is located at the southern end of the Bonney Lake Plateau, south of 128th Street East and accessed via 198th Avenue East, in Sec. 16, the E 1/2 of Sec. 17, the NE 1/4 of Sec. 20, Sec. 21 and 22, the NW 1/4 of Sec. 23, and the NE 1/4 of Sec. 27, T19N, R5E, W.M., in Council District No. 1.

Staff Recommendation: Staff finds that since the last Periodic Five Year Review in 2012, Phase 1 of the Cascadia, aka Tehaleh, EBPC PUD has continued to progress in a reasonable manner toward the community first approved in 1999, and as modified since. Specific recommended modifications to the August 6, 2015, Tehaleh Development Agreement are included at the end of this report, along with requests for clarification from the Hearing Examiner to issues raised by the applicant and other parties.

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

Pierce County Online Permit Information:

<https://palsonline.co.pierce.wa.us/palsonline/#/permitSearch/permit/departmentsStatus?applPermitId=861967>



Project Data

Application Complete: May 10, 2017
May 31, 2017 (supplemental information received)

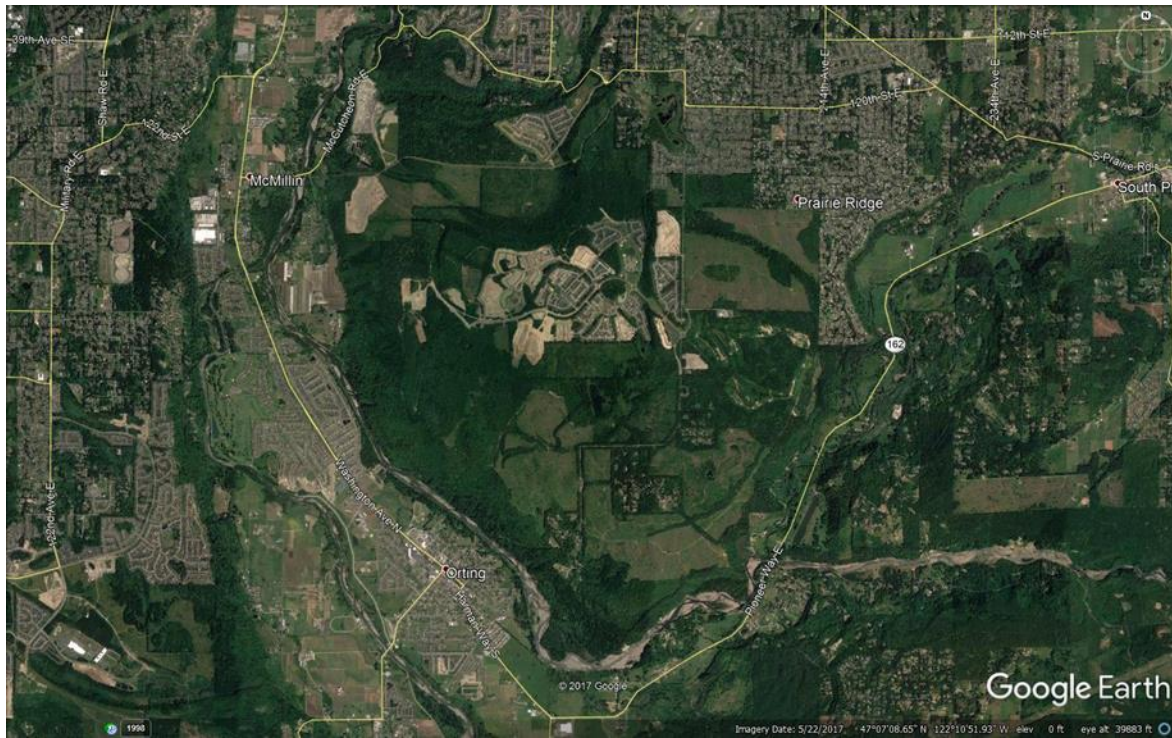
Staff Report Sent: October 25, 2017

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

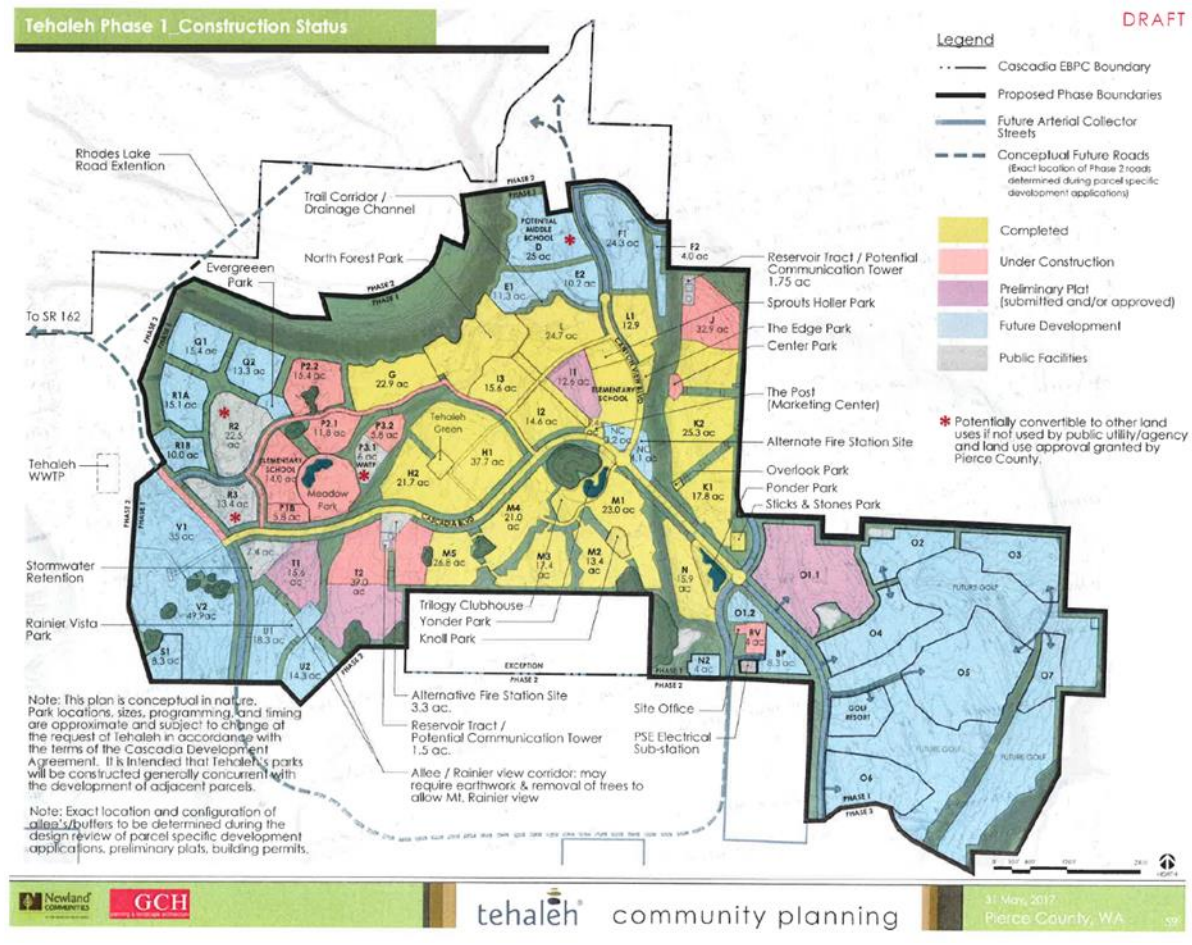
Applicant: NASH Cascadia Verde, LLC, a.k.a., Newland Communities
Attn: Scott Jones/Tom Uren
505 S. 336th Street, Suite 430
Federal, Way, WA 98003
sjones@newlandco.com
turen@newlandco.com

Attorney for Applicant: William T. Lynn
Gordon, Thomas, Honeywell, et al
P.O. Box 1157
Tacoma, WA 98401
BLynn@gth-law.com

Aerial Photo – Google Earth, May 22, 2017



Tehaleh EBPC, Phase 1 – Construction Status Map, as of May 31, 2017



Findings of Fact

Refer to the September 20, 2017, status update report for a discussion of findings of fact related to land use permits, site development permits, wetland permits, forest practice permits, and permits concerning the Cascadia, aka Tehaleh, EBPC.

Tehaleh Development Agreement, August 6, 2016

8.2.1 Modifications and Amendments by NASH

Modifications and Amendments by NASH as to property it owns within the Project shall not require the consent or approval of the owners of other property within the Project, but notice shall be given as required by applicable Pierce County Code provisions.

8.2.2 Modifications and Amendments by Other Owners

No major or minor modifications or amendments proposed by owners other than NASH of property within the Project shall be processed or approved by Pierce County without the written approval of NASH submitted at the time of application.

8.2.3 Failure to Obtain NASH Approval

Any modification or amendment that is approved without NASH's consent under this paragraph, and that would diminish the development rights of NASH as to parcels it owns, diminish the mitigation rights or credits held by NASH, either directly or indirectly increase the cost of development for NASH, or directly or indirectly add obligations or restrictions to parcels owned by NASH, shall have no impact on the rights or obligations of NASH.

8.3 Revocation

Revocation of the Tehaleh Development Agreement, the Project Approval or any Subsequent Approval shall be processed pursuant to the Pierce County Code as it existed on the date of application for the PUD, June 23, 1997.

9.10 Five-year Review

The Project shall be reviewed by Pierce County 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 uses public facilities and services, and provides adequate open space.

9.10.1 Report

Within thirty (30) days following the five-year anniversary of the effective date of this Tehaleh Development Agreement, and provided NASH shall have paid the fee specified below, the County shall prepare a report summarizing the status of the project. The report shall be made available to the Planning Director, the Hearing Examiner, and NASH for review. Parties of record shall be notified of its availability for review. Contents of the report shall include, but not be limited to the following:

- A. Location and density of subsequently approved residential development.
- B. Location and type of subsequently approved non-residential development.
- C. Location and type of open space and recreation facilities.
- D. Location and type of on-site and off-site roads, utilities and infrastructure.
- E. An analysis of the effectiveness of currently employed public notification procedures.
- F. Recommended modifications to the Project or the Development Agreement pursuant to Section 8 of this Tehaleh Development Agreement, if any. Pierce County shall reserve the authority to recommend that the Hearing Examiner impose new or different regulations on the Project to the extent required by a serious threat to public health and safety after each five-year review.

9.10.2 Comment Period

Review and comment on the report shall take place within 30 days of its issuance. If no comments are received by the County within the review period, the five-year review shall be deemed to be complete. Comments received shall be referred to the Planning Director for appropriate action.

9.10.3 Review Fee

A review fee in the amount of \$2,500 shall be paid by the applicant at commencement of the five-year review.

Conclusions

A. Status of compliance with the conditions of approval.

Staff Comment: The applicant submitted an updated “Project Milestone Summary”, dated May 31, 2017. The summary indicates that the applicant has been complying with the conditions of approval of the 1999 original decision, and subsequent amendments and modifications, and the 1999 Cascadia Development Agreement and updated 2015 Tehaleh Development Agreement. However, there are issues discussed in detail below, requiring clarification by the Examiner at the public hearing on this periodic review, as to intent and how to administer certain aspects of the Phase 1 approval.

B. Quality of Design.

Staff Comment: Staff from Planning and Public Works (PPW) meet on a monthly basis with the applicant and their various consultants. These meetings are held to ensure that the development of Phase 1 proceeds in a timely fashion and those issues affecting the development timeline are identified and addressed. Since 2014 the meetings have also addressed issues related to the Phase 2 proposal and the related Supplemental Environmental Impact Statements for both Tehaleh Phase 2 and the New Rhodes Lake Road projects.

The “Cascadia Phase One Design Handbook”, dated May 31, 2006, submitted by the original developer was approved by Planning and Land Services (PALS) on June 28, 2006. A second version of the Design Handbook, dated October 2008, was approved by PALS on October 14, 2008. A replacement Tehaleh Design Manual, submitted by the current developer/applicant was approved by PALS on June 18, 2013. A revised Tehaleh Design Manual was approved by PALS on August 24, 2016. The Design Manual includes general design direction for the overall community, with focused design standards only for detached single-family residential uses and streetscape and overall site planning topics. The Design Manual has reserved sections for residential development in the Neighborhood Center, and various forms of multi-family residential. The Design Manual also has reserved sections for non-residential uses in employment zones and civic uses throughout Phase 1. Although the non-residential and civic sections were not in place, PPW has allowed certain “civic” uses, i.e., the PSE Electric Substation, Donald Eismann Elementary School, The Post, Seven Summits Lodge, the second Tehaleh Elementary School, and a storage facility, to move forward without specific design standards in place after demonstrating that each project complied with the design vision and concepts identified in the version of the Design Manual in place at the time.

The applicant submitted a revised Design Manual for PPW review in July 2017 that incorporates non-residential and civic design standards and guidelines. The revised Design Manual is currently under review by PPW staff and is anticipated to be revised to incorporate multi-family design standards prior to its approval by PPW by the end of 2017.

The administration of the Design Manual has been delegated from Planning and Public Works to the Tehaleh Architectural Review Committee (ARC). Certificates of Approval signed by the ARC are required to be submitted with any regulated development application in conjunction with their submittal to the County for review and approval. This shared responsibility for implementation of the Tehaleh Design Manual has ensured consistent, reliable and prompt design review for development within Phase 1 of Tehaleh.

C. Balance of uses.

Staff Comment: In Finding Nos. 11 and 18 of the August 2007 First Periodic Review decision by the Hearing Examiner, staff was directed to evaluate on an on-going basis and at the periodic reviews whether the community was developed with the balance of uses required by the PUD approval for a fully functioning “community”. Per Condition No. 38 of the Reconsideration Decision for the 2014 Phase 1 Major Amendment, the applicant was required to submit an infrastructure schedule and timeline to Planning and Public Works for review and approval to ensure that major infrastructure can be timely provided when opportunities are available to sell or lease to individual employment users.

The Tehaleh Infrastructure Schedule includes the following improvement areas:

- 1) The 198th Avenue East road projects;*
- 2) The Cascadia Wastewater Treatment Plant at Tehaleh and related interceptor sewer;*
- 3) Completion of the Cascadia Boulevard East road and utility corridor, west to future Tehaleh Boulevard East;*
- 4) Utility and road improvements along a portion of the future Tehaleh Boulevard East fronting the Business Park and Community Center parcels on the west side of Tehaleh Boulevard East; and*
- 5) Initial clearing and grading within the Business Park and Community Center parcels and construction of a feeder road into those parcels.*

The previously unopened portion of 198th Avenue East, north of Rhodes Lake Road and the improvements to 198th Avenue East, between Rhodes Lake Road and 120th Streets East, have been completed. The design of the improvements to 198th Avenue East, south of 120th Street East is underway and right-of-way acquisition is substantially complete.

Construction of the permanent wastewater treatment plant began in May 2017. It is scheduled to be completed and in service by early 2019. The related interceptor sewer line was constructed in 2016.

Installation of utilities and construction of the western segment of the Cascadia Boulevard East corridor is essentially complete. Installation of utilities and construction of the segment of the Tehaleh Boulevard East, at the end of Cascadia Boulevard East, is partially constructed. Development within the western Business Park and Community Center parcels has not yet commenced.

The applicant has completed, or is on schedule to complete, all the elements on the Tehaleh Infrastructure Schedule by the end of 2019, as required.

Since the 2014 Major Amendment decision, the applicant has made progress on bringing initial employment uses to Phase 1 through the Trilogy at Tehaleh Seven Summits Lodge and the small business park taking shape in Parcel O. The applicant has met or exceeded the major infrastructure schedule deadlines and has been proactively seeking out commercial, industrial/office, and multi-family development partners.

In an October 17, 2017 letter from the City of Bonney Lake, and an October 19, 2017 letter from the City of Sumner, both cities express concern that since significant on-site employment opportunities have not yet materialized in Phase I of Tehaleh, they may require adjustments to off-site traffic improvements to address potential impacts of the current primarily residential development pattern in the Tehaleh EBPC.

Bonney Lake has also requested that Newland Communities describe the efforts it has made to encourage telecommuting and home occupations amongst current residents of Phase I, as required by Condition No. 46 of the original 1999 EBPC PUD decision. Newland maintains a business directory of in-home businesses on its website. As of May 2017, the directory showed 19 in-home businesses, plus the Caffé D-arte coffee shop at The Post and The Mantel Restaurant at the Trilogy at Tehaleh Seven Summits Lodge.

Bonney Lake is also concerned about how PPW will ensure that the 700 unit Trilogy at Tehaleh subneighborhood, continues to be focused on residents 55 years of age and older since those individuals are determined to be out driving at PM peak hour at a lower rate than younger drivers. As a condition to preliminary and final plat approval of the Trilogy plats, PPW staff requires that a note be placed on the final plat requiring that at least one resident of a home in a Trilogy plat be 55 years or older and no person under 18, per the 1995 Housing for Older Persons Act (HOPA) (42 U.S.C. 3607).

In 2007, the Examiner chose not to establish a bright line for development of the business park, village core, or multi-family areas, but instead to require staff to evaluate compliance with the overall conceptual plan as each new land use piece is proposed. PPW staff requests guidance from the Examiner as to whether to require Newland Communities to reanalyze traffic impacts as requested by the Cities of Bonney Lake and Sumner prior to approval of any additional dwelling units beyond the 2,121 that have currently received at least preliminary plat approval.

D. Efficient use of public facilities and services.

Staff Comment: *There has been no indication that the road, sanitary sewer, or storm drainage systems have been designed to operate in an inefficient manner.*

E. Provision of adequate open space.

Staff Comment: *Based on the locations identified in the 2006 Minor Amendment, the original developer submitted a Cascadia Phase I Master Park and Trail Schedule and Phasing Plan, dated December 15, 2006. The original park plan in the Development Agreement was replaced by this park and trail plan by the Hearing Examiner in the 2007 decision on the First Periodic Review. Detailed design plans and phasing for the parks in the central portion of Phase I were approved by Planning and Public Works in August 2007.*

As part of the Phase 1 Major Amendment, Newland Communities proposed replacement plans for parks and trails in Tehaleh. The Tehaleh Phase 1 Master Park Plan is found in Exhibits E-1 through E-3 to the 2015 Tehaleh Development Agreement. The Tehaleh Phase 1 Master Trail Plan is found in Exhibit E-4 to the 2015 Tehaleh Development Agreement. To date, Newland Communities has designed and constructed durable, quality parks and trail improvements for the benefit of the residents of Tehaleh. The timelines for implementation of the park and trail plans have been complied with. Planning and Public Works reviews and approves all park and trail improvements prior to their construction to ensure compliance with the park and trail plans and the PUD approval.

F. Location and density of subsequently approved residential development.

Staff Comment: In Finding No. 11 of the August 2007 First Periodic Review decision, the Hearing Examiner stated that "...as the community matures, Cascadia must provide a wide range of pricing choices and must expand the mix of housing to include multi-family residential, duplexes, zero lot line single-family, and mixed uses such as residential over commercial. Staff and the Examiner will monitor Cascadia's provision of a mix of more dense housing choices in future reviews." Finding No. 18 has a similar statement.

Per the 2014 Phase 1 Major Amendment and 2015 Tehaleh Development Agreement, the number of non-age restricted single-family dwelling units was increased from 1,433 to 1,600, 700 single-family dwelling units restricted to senior (i.e., at least one resident age 55 or above and no children under 18) use only were allowed, and the original 286 multi-family dwelling unit requirement remained. The total number of dwelling units increased from 1,719 to 2,586.

All residential development in Tehaleh to date has been developed as single-family detached on individual lots of record. A variety of sizes and price points have been provided by the various builders. Newland Communities has submitted annual affordability reports to PPW as per the Affordability Program in Exhibit G to the 2015 Tehaleh Development Agreement.

The applicant is requesting to modify Table I.10.030, the Tehaleh Phase I Use Table, in Exhibit I-2 to the 2015 Tehaleh Development Agreement to allow the Single-Family Detached Use Type in the Multi-Family zone in Tehaleh. The Multi-Family zone currently allows all levels of the Multi-Family Use Type, out-right, the Two-Family Housing, Nursing Home, and Senior Housing Use Types subject to Administrative Use Permit approval, and the Group Home Use Type subject to obtaining a Conditional Use Permit approval. Allowed densities in the Multi-Family zone are between 10-25 dwelling units per gross acre in Phase 1.

Phase 1 of Tehaleh is required to provide a minimum of 286 multi-family dwelling units. When the 1999 use table in the Cascadia Development Agreement was revised per the 2014 Major Amendment decision, single-family detached housing was specifically eliminated to ensure that affordable housing for a broad range of income levels would be available and to preserve the integrity of the limited amount of land and dwelling units devoted to multi-family housing in Phase 1. Duplexes are allowed only by Administrative Use Permit to ensure that, if allowed, they are developed at a density equivalent to multi-family housing types. The definition of multi-family housing in Section 18.25.030 means structures with three or more dwelling units.

The applicant argues that a project consisting of multiple single-family homes on a single lot of record provides individuals and smaller families an alternative to a traditional single-family home on its own lot of record that they may not be able to afford or do not wish to maintain. The applicant's intention is that single-family homes placed on a single-lot of record would be rented and not converted into condominium ownerships. Pierce County does not regulate ownership, only use type and density, and cannot guarantee that these dwellings would not be owner-occupied.

Staff's concerns with allowing the Single-Family Use Type as an option in the Multi-family zone is as follows:

- 1) Unless multi-family housing is provided as a standalone project or part of a mixed use development in the Neighborhood Center or Community Center zones, the amount of land available for multi-family housing is limited to a 7.49-acre lot in the plat of Berkeley Park at Tehaleh. The Sumner School District purchased the remaining 14.2-acre multi-family zoned lot for a new elementary school; and*
- 2) A single-family detached housing project on a single lot would not provide for a range in housing types envisioned by the PUD approval and such a project is currently allowed in the Single-Family zone at up to 10 dwelling units per acre;*

Staff disagrees with the applicant that a higher density single-family detached condominium style development is equivalent to providing actual multi-family housing types. The applicant argues that the current market at Tehaleh does not support the development of traditional multi-family housing products.

Recognizing that providing affordable housing and a mix of housing types in the early phases of Tehaleh's development may require some flexibility, staff would support allowing the Single-Family Detached Use Type in the Multi-family zone under the following conditions:

- 1) An Administrative Use Permit would be required;*
- 2) No more than 50% of the dwelling units in an individual project may be Single-Family Detached and a minimum of 33% of the dwelling units in an individual project must be from the Multi-Family Use Type; and*
- 3) Single-family and Two-Family Use Types in the Multi-family zone would not be allowed to be placed on individual lots of record but conversion to condominium ownership would remain an option.*

G. Location and type of subsequently approved non-residential development.

Staff Comment: Non-residential development in Phase 1 to date consists of the following projects:

Completed:

- Donald Eismann Elementary School;*
- Trilog at Tehaleh's Seven Summits Lodge and Restaurant; and*
- The Post.*

Under Development:

- A mini-storage facility; and
- A second elementary school.

In addition, there is a cellular telecommunications tower and electricity substation. The permanent Cascadia Wastewater Treatment Plant at Tehaleh is under construction.

The applicant has given no indication that they intend to downplay the employment, commercial/retail, and multi-family elements of the overall community. Since the 2014 Major Amendment decision, the applicant has made progress on bringing initial employment uses to Phase I through the Trilogy at Tehaleh Seven Summits Lodge and the small business park taking shape in Parcel O. The applicant has met or exceeded the major infrastructure schedule deadlines and has been proactively seeking out commercial, industrial/office, and multi-family development partners.

The 2014 requirement for an infrastructure with clear and aggressive timelines for completion will ensure that the infrastructure is ready to accommodate more intensive and wide-spread employment uses as the Tehaleh community matures. The acreage set-aside for employment uses in Phase I has not changed.

H. Location and type of open space and recreation facilities.

Staff Comment: *A major component of the 1999 PUD approval of the Cascadia EBPC, and in particular Phase I, was the preservation of wide (150-foot) wooded, lineal open spaces, i.e., allees. Allees were designed to serve multiple purposes, i.e., habitat corridors between natural areas of the site, to separate large residential developments into smaller components, create an off-street pedestrian network and served to separate the large residential blocks into smaller components, and provided for pedestrian, bicycle, and/or equestrian movement within the community. As logging has occurred within the boundaries of Cascadia, care was taken by the applicant and Pierce County to preserve the tree canopy within these corridors, and along the perimeter of the overall development.*

The wildlife function of the allees and 120-foot wide forest buffers along arterial roadways is discussed in detail in the Plants and Animal Assessment, Technical Appendix D of the EIS. The summary of proposed mitigation in the Final EIS includes the following under Plants and Animals (p.1-36): “A series of allees and forested strips on either side of proposed arterial roads would be established among the various development parcels, providing habitat linkages among the larger natural open space retained on the site, and between smaller wetlands and their associated buffers. Subsequent to more specific definition of the Phase II and Phase III site plans, allees would be surveyed and staked in the field, to ensure their protection during future timber harvesting in these areas.” Condition No. 117 of the June 18, 1999, decision of the Hearing Examiner specifies that: “Allees and forested strips between sensitive areas shall be established, surveyed, and clearly marked prior to any clearing or vegetation removal. These shall be designed for the purpose of providing habitat linkages among the larger natural open spaces retained on the site, including but not limited to wetlands and buffers.”

In the 2007 First Periodic Review decision, the Examiner in Finding No. 12 and Condition E stressed the importance of the allees as wildlife corridors as well as recreational trail corridors and land use buffers. Condition E also allowed staff and the applicant to consider alternative locations for portions of the allees as development as long as they retain their habitat and recreational/circulation potential and interconnectivity with the remainder of the allee system. As new residential plats have been proposed, allees and other wildlife corridors have been adjusted but the function and quality of those spaces has not been reduced. The language from the 2007 Periodic Review decision was incorporated into Section 4.2.6, Open Space Development, in the 2015 Tehaleh Development Agreement.

Since the 2007 decision, PPW staff and the applicant's biologists and engineers have adjusted the location of allees to better fit topography, while maintaining the required habitat value and wildlife corridor function. The issue of reducing the 100-foot forest buffers along the arterials, i.e., 198th Avenue, Cascadia Boulevard, and Canyon View Boulevard East, has not been raised by the applicant before now. Per the original 1999 approval (Findings 21b. and 27), 2006 Minor Amendment, and 2014 Phase I Major Amendment, the 100-foot wide forested aerial buffers have not been required only along the frontages of the two commercial centers (Neighborhood and Community), schools, parks, and the fire station. The forested buffers are currently required along arterial frontages for all other uses and zones, including the Business Park and Residential zones.

The applicant is requesting that the 120-foot wide arterial forest buffers be allowed to be modified, reduced, or eliminated for uses in the Business Park zone and non-residential uses in the Public Facilities and Residential zones. The applicant is considering these buffers to have only an aesthetic or land use compatibility function. However, the arterial buffers were part of the integrated plan for wildlife habitat movement corridors within Tehaleh, as identified in the 1998 FEIS.

Arterial buffers are not required along frontages of commercial retail and service areas, schools, parks, and fire stations to address the need for visibility to attract customers to commercial businesses and the need for visibility for safety and access to schools, fire stations, and parks and to maximize the recreational area in park tracts.

Businesses located in the Business Park zone and non-residential uses allowed in the Residential zone are destination uses and not are dependent on drive-by customers for their success. Staff is supportive of revising Section 4.2.6 to allow for some latitude in thinning and modifying the arterial forest buffers to provide filtered visibility to uses, and to address site constraints, so long as the habitat function of the arterial buffers continues.

I. Location and type of on-site and off-site roads, utilities and infrastructure.

Staff Comment: On October 11 and 16, 2017, the applicant submitted an updated version of Exhibit L, Timing of Required Offsite Road Mitigation, found in the 2015 Tehaleh Development Agreement. The October 2017 version has been updated to show that all but three off-site road improvement projects have been completed. The projects that have been completed since the 2015 Tehaleh Development Agreement are three projects within the City of Bonney Lake and four projects on the 198th Avenue East corridor, north of 120th Street East. The remaining three projects relate to the improvements of 198th Avenue East from 120th Street East to Cascadia Boulevard East. Since 2015, PPW has agreed to break the projects south of 120th Street East into three road projects, rather than two.

From the original Exhibit L in the 1999 Cascadia Development Agreement, there have been two traffic mitigation triggers – one based on the number of single-family building permits and one based on total PM peak hour trips. The applicant is requesting to eliminate the trigger that the last three 198th Avenue East projects be completed prior to issuance of the 1,130th single-family building permit and replace it with 1,937 total PM peak hour trips for the improvements to 198th Avenue, north of the Cascadia Boulevard East roundabout, and 2,083 total PM peak hour trips before the revised roundabout must be completed. The applicant has had a traffic monitoring program in place since 2016. The program is showing that the Tehaleh development is generating traffic at lower rates than projected. The applicant argues that continuing to use single-family building permits as the mitigation trigger is too conservative and that their data shows that the mitigation will be required at a later date than the 1,130th single-family building permit and using the PM peak hour trigger is more appropriate. Without the revision in the mitigation trigger, Tehaleh will exceed the building permit cap in the next few months. As of October 1, 2017, there were 995 finalized single-family building permits.

As of this time Planning and Public Works (PPW) has not approved of the Monitoring Program proposed by Tehaleh. While PPW are amenable to looking at the concept of a monitoring program, additional review is required. PPW will provide additional discussion regarding the potential use of PM Peak Hr trigger at the Public Hearing.

Should the decision be to allow the use of the PM Peak Hr as the mitigation trigger for the remaining 198th Avenue East improvement it should be noted that all Mitigation, as required for Cascadia Phase 1, must be completed prior to any development in Phase 2, should it get approved.

- J. An analysis of the effectiveness of currently employed public notification procedures.

Staff Comment: Projects internal to Tehaleh are notified to surrounding property owners within 300 feet or two parcels away. Minor Modifications and Minor Amendments are noticed to surrounding property owners and parties of record to Tehaleh. Major Amendments and Development Agreements are noticed to property owners surrounding the boundary of Tehaleh, as well as parties of record. On-site posting is required for all of the above. In addition, affected agencies are sent notice, as well.

Recommended Modifications

Location and density of subsequently approved residential development.

1. Staff recommends that Table I.10.030, the Tehaleh Phase I Use Table, in Exhibit I-2 to the 2015 Tehaleh Development Agreement be modified as follows:
 - a. Allow the Single-Family Detached Use Type in the Multi-Family zone subject to obtaining an Administrative Use Permit approval;
 - b. Add a note stating that no more than 50% of the dwelling units in an individual project in the Multi-family zone may be Single-Family Detached and a minimum of 33% of the dwelling units in an individual project must be from the Multi-Family Use Type; and
 - c. Add a note prohibiting Single-Family Detached and Two-Family dwelling units in the Multi-family to be placed on individual lots of record.

Location and type of open space and recreation facilities.

2. Staff recommends that Section 4.2.6 of the 2015 Tehaleh Development Agreement be modified as follows:

4.2.6 Open Space Development

Open Space development is allowed under PCC Section 18A.35.050 in effect on June 23, 1997. Other land uses are permitted within designated open space, except critical areas, as provided in Exhibit "I." Where PCC Section 18A.35.050 and Exhibit "I" to this Tehaleh Development Agreement conflict, Exhibit "I" will govern.

The alleés **and arterial forest buffers** serve several functions including providing habitat linkages among the larger natural open spaces retained on the site. The exact location and configuration of alleés **and arterial forest buffers** shall be determined during the design review of parcel specific development applications, preliminary plats, and building permits. No site development permits or vegetation removal shall be permitted on parcels abutting alleés **and arterial forest buffers** until the location and configuration of the permanent alleé **and/or the width and character of the arterial forest buffer** has been determined by Pierce County Planning and ~~Land Services~~ **Public Works (PPW)**, unless such site development activity is deemed by Pierce County ~~Planning and Land Services~~ **PPW** to not preclude reconfiguring the alleé **or arterial forest buffer** outside the location determined by the Project EIS.

Prior to site development approval adjacent to any identified alleé **or arterial forest buffer**, the site development plans shall be reviewed by ~~PALS~~ **PPW** Current Planning and Resource Management to ensure that the impacts within the adjacent alleés or arterial forest buffers are minimized and that, where deemed reasonably unavoidable in order to provide access or to avoid excessively high walls, impacted portions of the alleés **and arterial forest buffers** are restored with native vegetation, to include ground cover, understory, shrubs and trees. Where the applicant and ~~PALS~~ **PPW** cannot agree as to what impacts are either minimal or reasonably unavoidable, the matter will be directed to the Hearing Examiner for resolution.

Nothing in this condition is intended to preclude the use of alleés **and arterial forest buffers** for trail and other purposes described in the Project EIS or to require that areas set aside for such uses be planted as described above.

List of Exhibits provided to the Pierce County Hearing Examiner

1. STAFF REPORT
2. APPLICATION:
 - A. Cover letter, dated April 27, 2017
 - B. Master Application, dated May 1, 2017
 - C. Complete Land Use Action Application, #861967, dated May 10, 2017
 - D. Supplemental Application Materials, submitted May 31, 2017:
 - a. Exhibit 1: Status of Residential Home Construction, dated May 1, 2017
 - b. Exhibit 2: Entitlement, Permit and Occupancy Tracking Graph, dated April 1, 2017
 - c. Exhibit 3: Phase 1 Construction Status Map
 - d. Exhibit 4: Tehaleh Infrastructure Schedule, dated May 1, 2017
 - e. Exhibit 5: Tehaleh Business Directory
 - f. Exhibit 6: Exhibit L to 2015 Tehaleh Development Agreement, Timing of Required Off-Site Road Mitigation Improvements (updated April 11, 2017)
 - g. Exhibit 7: Monthly Report, dated May 22, 2017
 - h. Exhibit 8: Vision Statement for Phase 1 Employment
 - i. Exhibit 9: Building Permit Projections/Off-Site Road Mitigation Triggers Graph, dated May 1, 2017
 - j. Exhibit 10: Development Tracking/Off-Site Road Mitigation Triggers, dated May 1, 2017
 - k. Arterial Buffer Clarification Request
 - l. Development Agreement Exhibit L Clarification Request
 - m. Project Milestone Summary – Project Update, dated May 31, 2017
3. AGENCY COMMENTS:
 - A. Request for Review and Response, emailed June 7, 2017
 - B. Memorandum from Paul Barber, Development Engineer, PPW, dated August 18, 2017
 - C. Status Update Report, from Robert Jenkins, Planning, PPW, dated September 20, 2017
 - D. Letter from the City of Bonney Lake, emailed October 17, 2017
 - E. Letter from the City of Sumner, dated October 19, 2017
4. AGENT CORRESPONDENCE:
 - A. Email from Tom Uren, Newland Communities, dated October 11, 2017 and attachments:
 - a. Arterial Buffer Clarification Request
 - b. Single-Site Single-Family Rentals in Multi-Family Zone Request
 - c. Development Agreement Exhibit L Project List and Trip Threshold Modification/ Clarification Request and Exhibit L, revised date October 11, 2017
 - B. Email from Tom Uren, Newland Communities, dated October 16, 2017 and attachment:
 - a. Exhibit L, revised date October 16, 2017
5. PUBLIC COMMENTS:
 - A. Party of Record List
6. NOTICE AND ROUTING DOCUMENTS:
 - A. Hearing Scheduling Letter, dated August 21, 2017
 - B. Hearing Public Notice, Agenda, mailing list, map, and legal notice
7. REPORTS AND STUDIES:
 - A. Tehaleh Design Manual, revised, PPW approved on August 24, 2016
 - B. Tehaleh Housing Affordability Report – 2015

Exhibits – continued:

8. HEARING EXAMINER DECISIONS:

- A. First Periodic Five Year Review decision, dated August 14, 2007
- B. Second Periodic Five Year Review decision, dated May 10, 2012
- C. Phase 1 Major Amendment decision, Dated April 7, 2014
- D. Decision on Request for Reconsideration, dated April 23, 2014

9. COUNTY COUNCIL DECISIONS:

- A. Tehaleh Development Agreement and Exhibits, approved June 2, 2015 per Ord. 2015-31s, and recorded on August 6, 2015 (this may be found in PALS+ at the link listed below)

10. SITE INFORMATION

- A. Aerial Photo, Google Earth, May 22, 2017

Please note: A complete set of exhibits may be found at the following link:

<https://palsonline.co.pierce.wa.us/palsonline/#/permitSearch/permit/documents?applPermitId=861967>

Tehaleh Third Periodic 5 Year Review SR-RJ.docx