



CITY OF BLACK DIAMOND
July 25, 2013 Workstudy Agenda
25510 Lawson St., Black Diamond, Washington

Workstudies are meetings for Council to review upcoming and pertinent business of the City. Public testimony is only accepted at the discretion of the Council.

5:30 P.M. – CALL TO ORDER, ROLL CALL

- 1.) Community Facilities District – Mr. Bacha
- 2) 2014 – 2019 Capital Improvement Plan Top Five Priorities – Mayor Olness, Mr. Hoppen
- 3.) Adjournment

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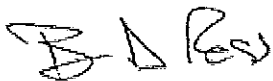
Dear City Councilmembers;

YarrowBay is pleased to present the Petition for Black Diamond Community Facilities District (CFD) No. 2011-1 to the City Council. We hope the City Council will take the following three points under consideration in its Black Diamond CFD No. 2011-1 review and deliberation process:

- **CFD Formation Is In The Best Interest Of The City.** The proposed Black Diamond CFD No. 2011-1 will finance a portion of ten infrastructure improvements that: improve public health, safety, and welfare by improving traffic circulation and thereby reducing accidents; improve pedestrian safety; provide street lights thereby deterring crime and improving vehicular and pedestrian safety; facilitate the safe transmission of wastewater; mitigate flooding; provide for the transmission of stormwater; deliver potable water; and provide recreation and park improvements. In addition, the infrastructure improvements have benefits for the City, its residents and those who visit, drive through or recreate in the City. Moreover, using a CFD to finance portions of these infrastructure improvements allows for YarrowBay to use other sources of funding for improvements not being financed by CFD but which are very important to the City, such as early construction of a new fire station that serves all of Black Diamond. In fact, YarrowBay will provide a commitment to the City for the early funding of a satellite fire station when the CFD bonds for the ten infrastructure improvements have been sold. Finally, the proposed CFD, through the application of assessments, will provide a secure, long-term financing source for portions of these ten infrastructure improvements thereby reducing the City's reliance on unsecured funds from a for-profit land developer.
- **The Proposed CFD Is Consistent With The GMA.** Black Diamond CFD. No. 2011-1, as proposed, is consistent with Washington's Growth Management Act. First and foremost, this proposed CFD is an excellent example of growth paying for infrastructure to support growth inside an urban growth area (UGA). Second, the infrastructure improvements are consistent with the GMA's planning goals as outlined in RCW 36.70A.020. Last, the infrastructure improvements are consistent with Black Diamond's 2009 Comprehensive Plan.
- **Petitioners Will Benefit.** If approved by the City Council, Black Diamond CFD No. 2011-1 will provide YarrowBay with a secure source of financing for ten infrastructure improvements necessary to move forward with The Villages and Lawson Hills planned communities. In addition, the properties in the CFD boundaries, all of which are owned by YarrowBay, will receive special benefits from the infrastructure improvements financed by the CFD.

YarrowBay is committed to getting The Villages and Lawson Hills off the ground and partnering with the City the whole way. We are excited about the opportunity to use CFDs as a new, innovative financing tool in Black Diamond in order to create jobs and facilitate economic development. YarrowBay strongly urges that the City Council approve Black Diamond CFD No. 2011-1.

Sincerely,



Brian Ross, CEO, YarrowBay



MEMORANDUM

To: Black Diamond City Council

From: Megan Nelson, Director of Legal Affairs, YarrowBay

cc: John Hempelmann, Legal Counsel for YarrowBay

Re: YarrowBay's Memorandum Supporting Black Diamond CFD No. 2011-1

Date: December 12, 2011

I. REQUEST FOR APPROVAL.

BD Village Partners, LP and Yarrow Bay Development LLC (collectively, "YarrowBay") asks that the City Council act to approve Black Diamond CFD No. 2011-1 as outlined in the petition dated October 19, 2011 (the "Petition" or "CFD Petition"). YarrowBay recommends the Council pass a resolution including findings of fact and conclusions of law, that approves Black Diamond CFD No. 2011-1 in conformance with the terms and conditions contained in the Petition, including the maximum amounts of special assessments set forth in the Petition, that designates the name and number of the community facility district being formed (i.e., "Black Diamond CFD No. 2011-1), and finds as required by RCW 36.145.060 that: (1) the formation of the district will be in the best of the City; (2) formation of the district is consistent with the requirements of Washington's Growth Management Act, Ch. 36.70A RCW (GMA); and (3) the petitioners (i.e., YarrowBay) will benefit from the proposed district.

II. DESCRIPTION OF CFDS GENERALLY.

On May 12, 2011, the Black Diamond City Council held a work study session on CFDS. A summary of the information presented during this session regarding CFDS is provided below for the Council's ease of reference.

A. What is a CFD?

Approved by the Washington State legislature in 2010 and codified at Chapter 36.145 RCW (the "CFD Statute"), a Community Facilities District or CFD is a special purpose district to finance and potentially construct, local and sub-regional improvements/infrastructure needed to support growth.¹ Inclusion in a CFD district is one hundred percent (100%) voluntary. CFD district property owners pay one hundred

¹ CFDS have also been described as "super" local improvement districts or LIDs.

percent (100%) of formation and operations costs associated with the CFD. A CFD is a financing tool. Bonds are secured only by the land inside the CFD's district. Infrastructure improvements may be financed by a CFD prior to, during or after completion of improvements.

B. What a CFD is not.

A CFD is not a separate government. All infrastructure improvements must be permitted, and approved, by the City or applicable governing jurisdiction, e.g. WSDOT. A CFD does not burden municipal finances or debt capacity; is not backed by the full faith and credit of the state or city; and is not funded, or paid for, by any property owner, resident or business outside the district.

C. How Does a CFD Work?

After approval of a CFD by the City, the CFD's Board of Supervisors hires, or contracts for, staff and/or consultants and counsel to conduct the business of the district. The Board of Supervisors completes infrastructure improvement plans (in accordance with the City's design and permitting process and requirements); finalizes project finances and special assessments; and obtains permits from the City. The Board of Supervisors constructs, leases or purchases improvements or contracts with others to construct improvements based on public works requirements, and then sells assessment or revenue bonds to pay for the infrastructure improvements and to establish a bond reserve account. Assessments are collected like property taxes to pay bond principal and interest and are split many times as property within the CFD district is divided over periods of development. When the bonds are paid off, assessments terminate.

III. SUMMARY OF BLACK DIAMOND CFD NO. 2011-1.

Proposed Black Diamond CFD No. 2011-1 encompasses certain parcels within The Villages Master Planned Development (MPD) site (the "CFD Property"). The CFD's boundaries are identified on Attachment 1 with a pink line. See also CFD Boundary Exhibit on page 11 of Attachment 2. No property outside these boundaries will be assessed by the CFD and all land within the CFD is owned by BD Village Partners, LP.

The objective of Black Diamond CFD No. 2011-1 is to fund the portions of ten specific infrastructure improvements that provide special benefits to property within the CFD's district through the application of assessments. The ten infrastructure improvements are discussed in detail in Section IV below.

Special benefit is defined as the particular and distinct benefit provided by the ten infrastructure improvements over and above the general benefits conferred on real property located within and outside the CFD. As a result of receiving this special benefit, the fair market value (FMV) of each parcel within the CFD will be greater than it was prior to the construction of the infrastructure improvements.

The level of special benefit received by a CFD parcel is reflected in the amount of special assessment assigned to that parcel.

As required by the CFD Statute, Ch. 36.145 RCW, the computation of a CFD's special assessments must follow the requirements of Ch. 35.44 RCW and Ch. 35.51 RCW in developing a method or combination of methods to compute special assessments. Moreover, the CFD Statute requires that all special assessments must "fairly reflect" the special benefits to the properties being assessed.

In conformance with Washington State law, the net amount proposed to be assessed on each parcel within Black Diamond CFD No. 2011-1 is proportional to the special benefit conferred on such parcel by the ten infrastructure improvements. In order to determine the assessments to be assessed against each parcel, YarrowBay asked David Taussig and Associates, Inc. (DTA) to prepare a special apportionment benefit analysis in support of its CFD Petition. DTA's special benefit analysis is attached hereto as Attachment 2. The analysis outlines the combination of methods for computing special assessments for each parcel within the proposed CFD based on the special benefit to assessed property from the use of the ten infrastructure improvements funded in part by the special assessments. The CFD's preliminary assessment roll prepared by DTA showing the special assessment proposed to be imposed on each parcel is below:

Community Facility District (CFD) No. 2011-1 Preliminary Assessment Roll		
Parcel		Total \$ per Parcel
Number	Acreage	incl C.O.I/Reserve/Cap. I/Incidental
1	8.28	\$1,575,836
2	34.44	\$2,716,776
3	11.26	\$0
4	52.87	\$7,828,999
5	2.51	\$82,706
6	3.79	\$0
7	10.01	\$580,886
8	5.96	\$499,913
9	37.71	\$2,134,417
10	12.30	\$0
11	41.40	\$1,794,292
TPN -9096	157.27	\$3,674,272
Total:	377.80	\$20,888,097

Per Washington State law, a CFD's special assessments may not exceed the special benefit to a particular property. The FMV of each parcel within the CFD will be greater than it was previously due to the impact of the infrastructure improvements. Generally, no assessment may be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel by the improvements. Section VI of Attachment 2 describes in detail the methodology used by DTA to calculate the net amount to be assessed on each parcel within Black Diamond CFD No. 2011-1 to assure that it is proportional to the special benefit conferred on each such parcel. In summary, however, the special benefit created by Projects 1, 3, 4, and 5 (road and street improvements) are calculated based on each CFD parcel's road usage and trip generation; the special benefits produced by Projects 2, 6, 7, and 8 (water, sewer, and stormwater facilities) are calculated using drainage coefficients associated with the type of use projected for each CFD parcel; and the special benefits generated by Projects 9 and 10 (park and recreational improvements) are calculated based on proximity of the improvements to development within a given CFD parcel as a proxy for such development's expected park usage.

IV. INFRASTRUCTURE IMPROVEMENTS.

A. Description of Infrastructure Improvements.

The proposed Black Diamond CFD No. 2011-1 anticipates funding portions of the following ten specific facilities (the "Infrastructure Improvements"). The location of each Infrastructure Improvement is identified on Attachment 1 attached hereto:

- SR-169 / Roberts Drive / Black Diamond (Project 1) – This construction will reconfigure two intersections to increase their collective capacity to operate adequately through the completion of the CFD district's occupancies. Located within close proximity of each other, the two intersections are the connections of Roberts Drive to S.R. 169 and Black Diamond - Ravensdale Road to S.R. 169.
- Roberts Drive - 750 / 850 Zone Water Main Extension (Project 2) – This main line extension is necessary to provide water services and to satisfy fire flow requirements for development within the CFD. The construction consists of two lines, oriented vertically, one pipe over the other, configured as a looped system.
- Auburn – Black Diamond Road Frontage (Project 3) – The scope of the construction is to augment the current through traffic lanes with turning structures and intersections to facilitate ingress and egress into The Villages MPD. The current design includes two roundabouts, a center turn lane and frontage landscaping.
- Onsite Spine Road (Project 4) – The Onsite Spine Road is an in-tract road which intersects Auburn - Black Diamond Road and traverses the CFD district in a North-South orientation. While the

limits of construction are the CFD's boundaries, extensions of the road will eventually serve all of The Villages MPD when built out and occupied.

- Onsite Ring Road (Project 5) – The Onsite Ring Road connects to Auburn – Black Diamond Road and travels in a circular arc as it traverses the CFD district. This road provides additional traffic capacity within the internal road network and also provides an additional point of access to the CFD district for fire and safety equipment.
- Stormwater Detention Pond (Project 6) – The Stormwater Detention Pond is designed to detain, treat and infiltrate storm water runoff from large portions of the CFD district as well as other parts of The Villages MPD. In addition, the pond serves as the ultimate overflow route for all stormwater runoff from the CFD that is not infiltrated or detained in other facilities within the CFD Property.
- Sanitary Sewer Lift Station (Project 7) – The Sanitary Sewer Lift Station is being constructed to service the CFD district as well as other portions of The Villages MPD. At a later date, a higher capacity sewer lift station sized to service all of The Villages MPDs (including the CFD) may be constructed in a different location.
- Sanitary Sewer Storage Facility (Project 8) – This facility works in conjunction with the Sanitary Sewer Lift Station described above. The purpose of the Sanitary Sewer Storage Facility is to retain flows for transport during off-peak demand. This Sewer Storage Facility is sized to detain sewer flows from the CFD Property as well as other areas within The Villages MPD.
- Village Green Park Improvements (Project 9) – These improvements will provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Lawson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.
- Civic Park Improvements (Project 10) – These improvements will also provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Lawson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.

B. Cost of Infrastructure Improvements.

The estimated construction cost of each Infrastructure Improvement proposed to be funded by the proposed CFD is outlined in the table below:

[see table on following page]

Item Description	Cost Estimate
(1) SR-169 / Roberts Drive / Black Diamond	\$1,758,178
(2) Roberts Drive - 750 / 850 Zone Water Main Extension	\$2,261,657
(3) Auburn – Black Diamond Road Frontage	\$7,239,271
(4) Onsite Spine Road	\$4,877,075
(5) Onsite Ring Road	\$3,171,050
(6) Stormwater Detention Pond	\$1,762,200
(7) Sanitary Sewer Lift Station	\$1,492,912
(8) Sanitary Sewer Storage Facility	\$588,000
(9) Village Green Park Improvements	\$1,397,617
(10) Civic Park Improvements	\$2,156,167
Total	\$26,704,127

C. Percentage of Infrastructure Improvement Costs Allocated to CFD.

As noted above, Washington State law only authorizes a CFD to impose special assessments up to the value of the special benefit accrued by a particular property as a result of the improvements funded by the given CFD. Proposed Black Diamond CFD No. 2011-1, therefore, can only fund the Infrastructure Improvements up to the value of the special benefits apportioned to the CFD Property. As determined by the special benefits analysis produced by DTA (attached hereto as Attachment 2) and outlined in the table below, only 62.6% of the special benefits created by the Infrastructure Improvements accrue to the CFD Property:

[see table on following page]

Item Description	Cost Estimate	Special Benefit Apportioned	% of Improvement to CFD No. 2011-1
(1) SR-169 / Roberts Drive / Black Diamond	\$1,758,178	\$1,166,316	66.3%
(2) Roberts Drive - 750/850 Zone Water Main Ext.	\$2,261,657	\$2,261,657	100%
(3) Auburn – Black Diamond Road Frontage (three stages)	\$7,239,271	\$3,236,150	44.7%
(4) Onsite Spine Road	\$4,877,075	\$2,028,091	41.6%
(5) Onsite Ring Road	\$3,171,050	\$2,019,657	63.7%
(6) Stormwater Detention Pond	\$1,762,200	\$1,377,401	78.2%
(7) Sanitary Sewer Lift Station	\$1,492,912	\$1,109,893	74.3%
(8) Sanitary Sewer Storage Facility	\$588,000	\$437,144	74.3%
(9) Village Green Park Improvements	\$1,397,617	\$1,207,025	86.4%
(10) Civic Park Improvements	\$2,156,167	\$1,867,144	86.3%
Total	\$26,704,127	\$16,710,477	62.6%

Thus, only 62.6% of the cost of the Infrastructure Improvements can be borne by the CFD. The remaining special benefits accrue to the City of Black Diamond at large, including the remainder of The Villages and Lawson Hills MPDs. The portion of the Infrastructure Improvements not funded by Black Diamond CFD No. 2011-1 will be funded pursuant to the terms of The Villages and Lawson Hills Master

Planned Development Development Agreements between the City, BD Village Partners, LP, and BD Lawson Partners, LP dated December 12, 2011.

V. HOMEOWNER IMPACTS.

It is reasonable for the Black Diamond City Council to ask how the special assessments resulting from this proposed CFD will impact future Black Diamond home and business owners living and working within the boundaries of the CFD. Based on the proposed preliminary assessment roll contained in Section III above, homeowners and businesses within this CFD would owe approximately the following special assessments:

CFD PROJECTED TAX LEVY					
PRODUCT CATEGORY IN REPORT	FINANCIAL CALCULATION CATEGORY	CFD PRODUCT MIX		ANNUAL ASSESSMENT PER UNIT	
Single-Family Detached	Single-Family	858	Dwelling Units	\$ 988	per DU
Single-Family Attached	Townhome	460	Dwelling Units	\$ 912	per DU
Multi-Family	Multi-Family	334	Dwelling Units	\$ 756	per DU
Commercial	Commercial	186,400	Total Sq.Ft.	\$ 2.07	per Sq.Ft.
School	School	45,000	Total Sq.Ft.	\$ 0.76	per Sq.Ft.

For purposes of comparison, below are the 2011 rates per \$1000 assessed value for Black Diamond's neighboring cities:

- Maple Valley: \$1.29
- Covington: \$1.18
- Enumclaw: \$2.112
- Issaquah: \$1.380
- Auburn: \$1.934
- Kent: \$1.484

With the inclusion of the proposed Black Diamond CFD No. 2011-1 special assessments, homeowners within the CFD's district, assuming 2011 tax rates, would have approximately the following tax and assessment rate:

- Single Family Detached: \$1.43
- Single Family Attached: \$1.40
- Multi-Family: \$1.35

Therefore, even with the addition of the CFD's special assessment, tax and assessment rates within the boundaries of the CFD remain within the range of neighboring cities.

VI. CRITERIA FOR CFD APPROVAL.

Pursuant to RCW 36.145.060, a CFD may not be formed unless the Black Diamond City Council finds the following: (1) that the formation of the CFD district will be in the best interest of the City; (2) that formation of the CFD district is consistent with the requirements of Washington's Growth Management Act; and (3) that the petitioners will benefit from the proposed CFD district. YarrowBay's proposed Black Diamond CFD No. 2011-1 meets each of these three criteria as summarized below.

A. CFD Is In The Best Interest Of The City.

The Infrastructure Improvements proposed to be financed by Black Diamond CFD No. 2011-1 will improve public health, safety, and welfare within the City by improving traffic circulation and thereby reducing accidents; improving pedestrian safety; providing street lights thereby deterring crime and improving vehicular and pedestrian safety; facilitating the safe transmission of wastewater; mitigating flooding; providing for the transmission of stormwater; delivering potable water; and providing recreation and park improvements. In addition, the infrastructure improvements have benefits for the City, its residents and those who visit, drive through or recreate in the City, and the formation of the CFD will create jobs and facilitate economic development within Black Diamond. Moreover, using a CFD to finance portions of the Infrastructure Improvements allows YarrowBay to use the monies that would otherwise have been spent on such improvement for other improvements not being financed by CFD No. 2011-1, but which are very important to the City, such as early construction of a new satellite fire station as described in Section 13.4 of The Villages Master Planned Development Development Agreement dated December 12, 2011, that serves all of Black Diamond. YarrowBay's commitment to use the funds freed up by approval of this proposed CFD for other infrastructure improvements supporting development within the City, such as the new satellite fire station, is detailed in the Undertaking Agreement attached hereto as Attachment 3. By freeing up private capital, Black Diamond CFD No. 2011-1 will enable more funds to be spent earlier in the development timeline of The Villages and Lawson Hills MPDs. For example, commercial development in the MPDs may be started earlier; park improvements within the MPDs may be fully outfitted from the start instead of waiting for the installation of play structures and other amenities; and the SR-169 intersection improvements at Roberts Drive and Black Diamond-Ravensdale Road can be fully completed even before being triggered by trips generated by MPD development. Such outcomes benefit the entire Black Diamond community. Finally, the proposed CFD, through the application of special assessments, will provide a secure, long-term financing source for the Infrastructure Improvements thereby reducing the City's reliance on unsecured funds from a for-profit land developer.

B. Formation Of The CFD Is Consistent With The GMA.

Black Diamond CFD. No. 2011-1, as proposed, is consistent with Washington's Growth Management Act, Ch. 36.70A RCW. First, this proposed CFD is an excellent example of growth paying for infrastructure to support growth inside an urban growth area (UGA). All the Infrastructure Improvements are located within the UGA and the majority of the property specially benefitted by construction of the Infrastructure Improvements is within the UGA as well.

Second, the Infrastructure Improvements are consistent with the GMA's planning goals as outlined in RCW 36.70A.020. For example,

(1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner. The Villages and Lawson Hills MPDs are developments located within the Black Diamond UGA where the Infrastructure Improvements can be provided in an efficient manner.

(3) Transportation. Encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans. Projects 1, 3, 4, and 5 of the Infrastructure Improvements are "coordinated with" the City's 2009 Comprehensive Plan as engineering equivalents to specific transportation improvements outlined on Figure 7-4 of the plan itself.

(5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities. Proposed CFD No. 2011-1 creates jobs and facilitates economic development by providing funding for the construction of the Infrastructure Improvements. The Infrastructure Improvements will allow for the construction of new commercial square footage thereby recruiting new businesses and bring more people to Black Diamond thereby supporting the retention of existing businesses within the City.

(9) Open space and recreation. Retain open space, enhance recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities. Projects 9 and 10 of the Infrastructure Improvements specifically provide for the development of new parks and recreation facilities.

(12) Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards. Proposed Black Diamond CFD No. 2011-1 provides for the Infrastructure Improvements that are necessary to support The Villages and Lawson Hills MPDs while ensuring that the City's established LOS standards are met through MPD development.

Last, the Infrastructure Improvements are consistent with Black Diamond's 2009 Comprehensive Plan, which was never appealed and, thus, under RCW 36.70A.300, presumed compliant with the GMA.

Many of the Infrastructure Improvements, or their engineering equivalents, are specifically outlined in the Capital Facilities Chapter of the City's 2009 Comprehensive Plan: Project 2 (see page 8-36); Project 7 (see page 8-41); and Project 8 (see pages 8-42 and 8-43). Projects 1, 3, 4, and 5 are transportation improvements generally set forth on Figure 7-4 (page 7-25) of the Transportation Chapter of the Comprehensive Plan. Projects 9 and 10 are park improvements necessary to meet the City's park and recreation LOS standards set forth on pages 8-10 and 8-13 of the Comprehensive Plan. And, Project 6 is consistent with Policy CF-44 and Policy CF-46 by ensuring that storm drainage facilities necessary to serve MPD development are available for occupancy and use, by minimizing increases in total runoff quantity, and preventing water quality degradation (see pages 8-44, 8-45, and 8-48 of the Comprehensive Plan).

C. Petitioners Will Benefit From The CFD.

If approved by the City Council, Black Diamond CFD No. 2011-1 will provide YarrowBay with a secure source of financing for portions of the Infrastructure Improvements necessary to move forward with The Villages and Lawson Hills planned communities. These Infrastructure Improvements provide the following special benefits to the Petitioners and subsequent homeowners within the CFD boundaries as summarized below.

- Roads and Street Improvements (Projects 1, 3, 4, and 5). The primary benefits of the road and street improvements to properties included within the CFD are as follows:
 - a. Improvements to traffic circulation and reduction in accidents;
 - b. The improved ability of pedestrians to manage and navigate their surroundings, which helps pedestrians safely find their way;
 - c. Lighted ingress and egress to lots and parcels resulting from street lights; and
 - d. The enhancement to the value of the property which results from the foregoing benefits.

- Water Main Extension, Sewer Lift Station and Stormwater Drainage (Projects 2, 6, 7, and 8). The primary benefits of sewer, water and storm drain improvements to property owners included within the Black Diamond CFD No. 2011-1 are set forth below:
 - a. Extension of a water main from the current water facilities delivers required water service and fire flow to enable the construction and occupancy of residences and commercial facilities on previously vacant undeveloped land;
 - b. Sewer lift stations pump wastewater to regional gravity flow sanitary sewer systems and facilitate the safe transmission of wastewater to centralized wastewater treatment facilities;
 - c. Sewer storage facilities store wastewater for delayed transmission through the sanitary sewer system during off-peak hours;
 - d. Stormwater drainage and storage facilities mitigate flooding during peak rainfall storms by safely channeling and storing storm runoff for transmission to community storm drain systems during off-peak demand;
 - e. Health and safety benefits resulting from construction of the subject infrastructure are the delivery of potable water, the sanitary removal of wastewater and the protection of life and property from the damage incurred as a result of flooding; and
 - f. The enhancement to the value of the property which results from the foregoing benefits.

- Park and Recreational Improvements (Projects 9 and 10). The primary benefits of the parks and recreation improvements to properties within Black Diamond CFD No. 2011-1 are set forth below:
 - a. Improved aesthetic appeal of nearby parcels;
 - b. Green space within the urban environment; and
 - c. Opportunities for active and passive recreation.

The Special Benefit Apportionment Analysis, attached hereto as Attachment 2, calculates the total value of these special benefits to the underlying property owners within the CFD district to be greater than or equal to the portions of the costs of the Improvements that are assessed on the parcels within the CFD.

In summary, proposed Black Diamond CFD No. 2011-1 meets the three criteria for formation approval by the City Council set forth in the State's CFD statute, Ch. 36.145 RCW: it is in the best interest of the City; its formation is consistent with the GMA; and it benefits YarrowBay and subsequent property owners within the CFD.

VII. NEXT STEPS.

Pursuant to RCW 36.145.080, CFDs are governed by a Board of Supervisors. This Board must be appointed by the Black Diamond City Council within sixty (60) days after the formation of the CFD. See RCW 36.145.080(1). The Board consists of five (5) members – 2 members must be appointed from the

nominees provided by YarrowBay in its CFD Petition and the other 3 members must either be City Council members or qualified professionals with expertise in municipal finance. See RCW 36.145.080(2) and (5). Once appointed by the City Council, Board members may only be removed for cause; must serve without compensation; and are vested with the corporate authority to make local improvements by special assessment in accordance with Ch. 36.145 RCW. Such authority includes, but is not limited to, hiring bond counsel; adopting a charter and/or bylaws; enter into contracts; acquire and purchase real property; construct facilities; and levy and enforce the collection of special assessments. See RCW 36.145.090.

VIII. CONCLUSION.

In summary, YarrowBay respectfully requests that the City Council approve the formation of the Black Diamond CFD No. 2011-1 as outlined in its Petition. This proposed CFD meets the approval criteria set forth in the CFD Statute at RCW 36.145.060: (1) it is in the best interest of the City; (2) it is consistent with the GMA; and (3) it benefits the Petitioner YarrowBay.

List of Attachments

1. Black Diamond CFD No. 2011-1 Project Map
2. Special Benefit Apportionment Analysis by David Taussig & Associates, Inc. dated November 28, 2011
3. Undertaking Agreement

ATTACHMENT 3

UNDERTAKING AGREEMENT

WHEREAS, BD Village Partners, LP, a Washington limited partnership ("YarrowBay") is preparing to develop a Master Planned Development in the City of Black Diamond, Washington ("City") known as The Villages ("The Villages"); and

WHEREAS, the costs of on-site and off-site infrastructure, such as roads, parks, water, stormwater and wastewater facilities and similar facilities, to support development in The Villages and to serve existing and future City and regional growth will cost tens of millions of dollars; and

WHEREAS, funding for such infrastructure is seriously constrained at both the public and private levels; - and

WHEREAS, YarrowBay has petitioned the City of Black Diamond (the "City"), pursuant to Ch. 36.145 RCW ("Petition"), to form Black Diamond Community Facilities District No. 2011-1 ("CFD") to finance a part of the on-site and off-site infrastructure described above which is more fully described in the Petition ("CFD Improvements"); and

WHEREAS, if the CFD funding is invested in the CFD Improvements, YarrowBay is willing and able to commit private funding to advance the portions of the costs of the CFD Improvements that directly benefit the City and the region and are not covered by the CFD funding; and

WHEREAS, if the CFD funding is invested in the CFD Improvements, YarrowBay is also willing and able to commit private funding to support early construction of a new City fire station (the "Satellite Fire Station") as defined in The Villages Master Planned Development Development Agreement between YarrowBay and the City dated December 12, 2011 (the "Development Agreement") that otherwise might not be funded and constructed until some years in the future;

NOW, THEREFORE:

YarrowBay commits to the City:

1. When the CFD contracts for the CFD Improvements and sells CFD bonds to finance the CFD Improvements, YarrowBay will invest private funds consistent with the terms of the Development Agreement to finance portions of the CFD Improvements that provide a direct benefit to the City and the region and which are not properly charged to the properties within the CFD.
2. When the CFD contracts for the CFD Improvements and sells CFD bonds to finance the CFD Improvements, YarrowBay will provide private financing to facilitate construction of the new Satellite Fire Station in the City prior to the threshold triggers set forth in Section 13.4(D) of the Development Agreement. The new fire station is generally described as a satellite fires station consisting of two bays and not exceeding 4,915 square feet and is further described in the "Impact Fees for Fire Protection Facilities" study dated January 13, 2011. YarrowBay funds shall be available so that the Satellite Fire

Station design phase can be commenced when the City issues the first (1st) dwelling unit building permit in The Villages with construction to immediately follow thereafter.

BD VILLAGE PARTNERS, L.P., a Washington limited partnership

By: Yarrow Bay Development, LLC, a
Washington limited liability company, its
General Partner

By: BRNW, Inc., a Washington corporation,
its Member

By: _____
Brian Ross, President

Approved as to Form:

_____, Black Diamond City Attorney

DECEMBER 15, 2011

**INTRODUCTION OF CFD NO. 2011-1 PETITION
CITY OF BLACK DIAMOND**

1. INTRODUCTION

Before the Council tonight is a public hearing regarding a petition to form Community Facilities District No. 2011-1. The petition was filed by Petitioners BD Village Partners, LP and YarrowBay Development LLC, owners of 100% of the property located within the proposed District Boundaries.

If the council were to take action to approve formation of CFD No. 2011-1, this CFD would be the first authorized in Washington State under new legislation adopted in 2010. Because this is a new process under Washington Law and a new type of special taxing district, the purpose of my remarks are primarily to provide an overview of the formation process and the role of the City Council. My remarks are not intended to focus upon the merits of the petition or upon the specific proposal contained in the petition; however, I will review with the Council the content of the petition as it relates to the completeness of the application.

It should be noted that I have prepared an informational memorandum that should be a part of the council packet which provides a detailed overview of the formation process. The Petitioner has also provided similar information to the City Council in its December 12, 2011 memorandum submitted to the City.

Unless there are questions, I will begin my remarks.

2. THE LEGISLATION - BACKGROUND

In 2010, the State Legislature enacted engrossed substitute senate bill 6241, codified at RCW Ch. 36.145, authorizing cities to form independently governed special purpose districts known as community facilities districts (hereinafter referred to as "CFD"). The legislature found that this new taxing authority was needed because cities did not have adequate or flexible enough financing options to fund infrastructure improvements needed over the next 20 years to accommodate anticipated growth. This legislation focused upon authorizing the formation of taxing districts with consent of 100% of the property owners within the district to essentially allow the property owners, through the CFD, to impose assessments upon their property to fund public improvements benefitting the property within the district. Thus, property owners would fund a portion of these improvements resulting in growth paying for growth.

Special purpose districts do not have a single unified definition but can generally be thought of as quasi-municipal corporations. The scope of its authority is defined by statute. In this case, although a CFD is independently governed, its purpose is to undertake to finance through special assessment those public improvement projects set forth in the petition. It does not have power of eminent domain nor does it have any regulatory or police power authority. Thus, for example, the CFD must comply with all regulatory and land use permitting requirements of the City of Black Diamond.

3. FILING AND TRANSMITTAL OF A PETITION

The formation of a CFD can only begin by the filing of a petition with the County Auditor, or in this case, with the County Executive's Records and Licensing Division. On October 26, 2011, the Petitioner filed with the County their petition for formation of CFD No. 2011-1. The sole purpose of filing with the County is for the County to review the petition to verify that the petition has been validly executed by 100% of all owners of the property located within the proposed district. RCW 36.145.020(2). Upon such determination, the County must transmit the petition to the City together with the certificate of sufficiency.

On October 31, 2011, the County issued its certificate of sufficiency finding that the petitioner met the signature requirements. The petition and certificate of sufficiency were transmitted to the City and they are on file with the office of the City Clerk.

4. COMPLETENESS

The CFD statute does not include a process for determining if the petition complies with all the statutory requirements. I have provided a list of those requirements in the procedures memorandum. The determination of whether or not the petition complies with those requirements does not require a judgment as to the merits of the petition; rather it requires only a determination of whether or not the petition meets the minimum requirements under law. For example, one of those requirements is that the petition must declare that formation of the CFD will benefit the property within the district. Whether or not this requirement has been met does not require a value judgment as to whether or not such benefit exists, but requires only a determination regarding whether or not the petition asserts that there is such a benefit.

I have reviewed the contents of the petition for compliance with those requirements and have concluded that the petition meets those requirements. A detailed list of those requirements can be found at pages 2-3 of the procedures memorandum.

5. COSTS OF FORMATION

The CFD statute requires that the petition include an obligation that petitioner will pay for the costs of the process for formation of the CFD. The Petitioner has included this obligation in the petition and has forwarded to the City a cost reimbursement agreement that makes provision for reimbursement to the City of these costs. I have reviewed the agreement and recommend its approval.

In addition, if formation of the CFD is approved, the petitioners have represented that they will initially fund the operational costs that the CFD will incur prior to bond issuance.

6. PUBLIC HEARING NOTICE REQUIRED

The CFD statute requires that the City Council hold a public hearing regarding the formation of the District. The hearing must be held no less than 30 and no more than 60 days from the date that the county certificate of sufficiency is issued. Public notice of the hearing was provided under the direction of the City Clerk, Brenda Martinez, and she is available to answer questions from the City Council regarding that notice.

7. COUNCIL RULES

This is a legislative and not a quasi-judicial hearing and thus is governed by City Council Rule of Procedure 11.2.

This rule provides for a departmental presentation of the issue to the Council and for questions and answers. When the hearing is opened, a person may speak for five (5) minutes and a person may speak for ten (10) minutes if representing a group of two or more. Under this rule, the Mayor as presiding officer may, when warranted, make exceptions to the time restrictions. Further the Mayor may, in her discretion, change or modify the procedures; provided that, City Council may overrule such a change or modification by a majority vote of the council.

The City Council rules do not contemplate a legislative hearing initiated by petition of a third party. However, it appears that the rules have the flexibility to be modified for the present circumstances if the Mayor or City Council should find that necessary. For example, the Council may wish to consider whether or not the petitioner should be allowed to make a presentation at or before the opening of the public hearing, and if so for how long. Further, the City has retained a financial consultant, Randy Young, to analyze the methodology used by petitioner's consultant to determine special benefit. It may be helpful for the public to hear his remarks prior to commencement of the public testimony as well. Presenting this information at or prior to the commencement of the hearing would ensure that the public is informed of the content of the petition, the petitioner's representations regarding the merit of the petition, and the results of Mr. Young's examination.

8. THE HEARING

The CFD statute provides that the City Council "must" consider the petition at the time and place of the hearing. The meaning of this statutory obligation is not clear; however, it appears that the legislature intended that the Council commence its consideration of the petition at the time of the hearing. The statute also provides that the City Council may act on the petition at the public hearing, but is not required to. Thus, although the City Council must commence its consideration of the petition at the time of the hearing, it need not complete its consideration of the petition on the date of the hearing.

In the event that the City Council determines that it will take action to approve formation of the petition at the council meeting tonight, I have prepared a resolution meeting the statutory requirements for formation. The findings contained in the resolution reflect placeholder language taken from the petition in the absence of any other information in the record upon which to include as findings in the draft resolution. The City Council may, of course, modify, remove, edit, disagree or agree with these findings at its discretion.

The CFD statute provides that the City Council may not issue a decision later than thirty (30) days after the day of the public hearing. Thus, if the City Council chooses to approve formation of the District, it must do so by resolution of the City Council within 30 days of this date.

- a. What evidence may be presented? Any evidence, written or oral, may be presented that the City Council deems material to formation of the district. The Council may, if it chooses, establish rules governing the scope of what may be considered evidence material to formation of the District.
- b. Who may give evidence? The statute contains no limitations upon who may give evidence. Thus, anyone opposing or supporting the petition may provide testimony or provide written evidence.
- c. What Evidence is Material? The statute does not define “materiality” but does describe the relevant decision criteria of the City Council. Evidence that relates to these decision criteria is clearly material to formation of the District.

9. CRITERIA

A petition for formation of the district may not be approved unless the City Council, IN ITS SOLE DISCRETION, makes the following findings:

- i. The petitioners will benefit from the proposed district.
- ii. The formation of the district will be in the best interest of the City; and
- iii. The formation of the District is consistent with the requirements of Washington’s growth management act.

When acting in its legislative capacity, the City Council has broad discretion. However, the City Council is constitutionally mandated to act in a reasonable manner and cannot act arbitrarily or capriciously in arriving at its decision. Thus, the City Council is required to make a reasoned decision upon due consideration of the contents of the petition and the evidence submitted to the City Council. However, the City Council is not obligated to grant the petition and has sole discretion to determine whether or not each of the criteria is met. Substantial deference is given to the City Council to determine how best to serve the public interest.

If the City Council determines that one or more criteria are or are not met, the fact that the applicant or speaker may have a different opinion does not matter, as long as the City Council did not act arbitrarily or capriciously in making this determination or was unreasoning in its determination.

It should be noted that the CFD Statute provides no authority for the City Council to unilaterally amend or alter a petition. Further, it provides that the resolution approving the petition must conform to the terms and conditions contained in the petition. Thus, the City Council can only approve, deny or take no action upon the petition as presented by the petitioner. For example, the City Council cannot remove or modify any of the proposed projects listed in the petition.

10. RIGHT OF APPEAL

The statute includes a right to appeal. However, this right is limited to any person who objects to formation of the district. Further, the statute only provides for a right to appeal a decision of the City Council to approve formation of the district. Thus, failure to take action to approve the district or action denying approval is not subject to appeal.

An appeal must be filed in the Superior Court of the county in which the property is located within 30 days of the effective date of the resolution approving the petition. If an appeal is not timely filed, the district will be deemed validly constituted and its formation cannot thereafter be challenged.

11. CONCLUSION

This concludes my remarks. I am happy to answer any questions the Mayor or Council may have.

COMMUNITY FACILITIES DISTRICT PROCEDURES FOR FORMATION

The following is a description of the statutory procedures governing the formation of a community facilities District that is located entirely within the incorporated boundaries of a City. These procedures were enacted in 2010 and are codified at RCW Ch. 36.145.

I. PURPOSE:

Community Facilities Districts are special taxing districts that may be created by cities and counties to provide financing for local improvements. The legislature found that inadequate community facilities and infrastructure exist to support growth that the legislature anticipates to occur over the next 20 years. It further found that current financing options were not adequate or flexible enough to fund these needed facilities and that voluntary landowner financing of such facilities should be authorized. Thus, the legislature enacted the CFD legislation with the specific purpose of creating a financing mechanism allowing property owners to finance needed public improvements.¹

II. FILING AND TRANSMITTAL OF A PETITION.

1. A petition is a request to form a CFD that,
 - a. Statutory Requirements. Meets the requirements of RCW 36.145.020 (requirements for formation of the CFD by petition);
 - b. Property Owners. Is made by 100% of the persons owning land within the District Boundaries; and
 - c. Voluntary Agreement. Includes agreement for the landowners to voluntarily submit their land to assessments authorized under Ch. 36.145 RCW;
2. The petition must be filed with the County Auditor.² The petition must first be filed with the County Auditor by the applicant.

The County Auditor must confirm that the petition has been validly executed by 100% of the landowners within the proposed district boundaries.

¹ RCW 36.145.005.

² RCW 36.145.020(2)

The County Auditor has 30 days to determine compliance or non-compliance. Upon a determination of compliance, the County Auditor will have 10 days to transmit the petition with a certificate of sufficiency to the City.

The County Auditor has no statutory duty to determine if the petition is complete, i.e., if it meets the requirements of RCW 36.145.020.

3. Completeness of Petition. Ch 36.145 RCW does not include a specific process for determining whether or not a petition is complete. However, The CFD statute does include a hearing requirement and a right of appeal. Thus, issues related to the completeness of the petition can be raised at the time of the hearing and may be considered by the City Council in determining whether or not to approve the petition.

In determining the Completeness of the petition, the City Council may consider whether or not the Petition includes the following mandatory criteria:

Boundary Description. Does the petition designate and describe the boundaries of the district by metes and bounds or reference to United States townships, ranges, and legal subdivisions;

100% of all Property Owners. Is the petition executed by one hundred percent of all owners of private property located within the boundaries of the proposed district.

Authorize Assessments. Does the petition include a request by the property owners to subject their property to the assessments;

Assessments Stated in the Petition. Does the request to subject the property to assessments include a maximum amount the property owners may be subject to;

Authorized Assessments. Are the assessments described in the petition authorized under Chapter 36.145 RCW;

Certification. Does the petition include a certification by the petitioners that they want to voluntarily submit their property to the authority of the district under Chapter 36.145 RCW to approve the petitioner's request to submit their property to the assessments, up to the amount included in the petition and authorized under this chapter;

Explanation of Objective and Plan. Does the petition include a general explanation of the objective and plan of the district;

Description of Special Facilities. Does the petition describe the specific facilities that the district anticipates financing;

Declaration of Public Health, Welfare and Safety. Does the petition declare that the district will be conducive to public health, safety, and welfare;

Declaration of Benefit. Does the petition assert that the purpose for forming the district will be a benefit to the land located in the district;

Reimbursement Obligation. Is the petition accompanied by an "obligation" signed by at least two petitioners who agree to pay the costs of the formation process;

List of Representatives. Does the petition include a list of petitioners or representatives thereof who are willing and able to serve on the board of supervisors;

Property Information for Assessment. If the petition proposes a special assessment, does it include:

- i. A diagram showing each separate lot, tract, parcel of land, or other property in the district;
- ii. the acreage of the property;
- iii. the name and address of the owner or reputed owner of each lot, tract, parcel of land, or other property as shown on the tax rolls of the county assessor;
- iv. a preliminary assessment roll showing the special assessment proposed to be imposed on each lot, tract, parcel of land, or other property; and
- v. a proposed method or combination of methods for computing special assessments, determining the benefit to assessed property or use from facilities or improvements funded directly or indirectly by special assessments under this chapter; and

Security. Does the petition include an explanation of what security will be provided to ensure the timely payment of assessments and the timely payment of bonds issued by the district?

4. Cost Reimbursement. The statute provides at RCW 36.145.020(1)(g) that at least two of the petitioners must sign an obligation to agree to pay the costs of the formation process. These costs are different from and not included in the costs that may be funded by district revenue. Thus, these costs must be paid by the petitioners and not the district.

The statute does not delineate or categorize the costs that may be included as part of this obligation nor does it provide whether or not such costs must be advanced and paid up front or

are subject to reimbursement. However, because the statute uses the present tense and does not speak to this obligation as an obligation to reimburse those costs, it appears to be within the legislative intent to allow the City to require payment either through reimbursement of the City's costs or through an advance deposit and draw upon the deposit.

The Statute also does not specify any limit upon costs other than that they must be "costs of the formation process". Thus, Costs reasonably incurred by the City related to formation of the district appear to be within the scope of the payment obligation of the petitioners.

III. PUBLIC HEARING.³

1. Public Hearing Obligation. The City Council is required to hold a public hearing regarding the formation of the District.

2. Timing of Hearing. The hearing must be held no less than 30 and no more than 60 days from the date that the county certificate of sufficiency is issued.*

* The time begins from date of issuance and not receipt by the City.

* The following question may arise: “may the hearing be continued beyond the 60th day?” This is an open question; however, the statute uses the term “held” in reference to the hearing requirement. Held” is the past tense of “hold”; therefore, the reference to when the hearing must be conducted is in the past tense. By providing in the statute that the hearing must be “held” no later than 60 days after the certificate of sufficiency, the legislature appears to have intended that the hearing shall be commenced and completed prior to that time.

3. Hearing Notice⁴. The City is required to give public notice of the hearing. Notice must comply with the following:

- a. Description of Proposal. Notice of all public hearings must include a description of the proposal;
- b. Mailing. Notice must be mailed to all petitioners.
- c. Publication. Notice must be published once a week for three consecutive weeks in the official paper of the City, prior to the date set for the hearing.
- d. Posting Within the District. The notice must be posted for not less than fifteen days prior to the date of the hearing in each of three (3) public places within the boundaries of the proposed district;
- e. Posting in Public Places. The notice must be posted for not less than fifteen days prior to the date of the hearing in three (3) public places of the City.
- f. Time, Date and Location. All notices must contain the time, date, and place of the public hearing.

4. Hearing and Decision Making Process. The hearing and decision making process may generally be described as follows:

³ For purposes of this procedural outline, it is presumed that the formation of a community facilities district is a legislative process rather than a quasi-judicial process.

⁴ RCW 36.145.040.

- a. Who may give evidence? The statute contains no limitations upon who may give evidence. Thus, anyone opposing or supporting the petition may provide testimony or provide written evidence. The Council should establish time limits, as are customary, for other public legislative hearings.
- b. What evidence may be presented? Any evidence, written or oral, may be presented that the City Council deems material to formation of the district. The Council may establish rules governing the scope of what may be considered evidence material to formation of the District.
- c. What Evidence is Material? The statute does not define “materiality” but does describe the relevant decision criteria of the City Council. Evidence that relates to these decision criteria is clearly material to formation of the District. Further, as noted previously, evidence relating to the completeness of the petition would also be material.
- d. City Council Consideration of the Petition? The statute provides that the City Council “must” consider the petition at the time and place of the hearing. The meaning of this statutory obligation is not clear; however, it appears that the legislature intended that the Council commence its consideration of the petition at that time.

The statute also provides that the City Council may act on the petition at the public hearing, but is not required to. Thus, although the City Council must commence its consideration of the petition at the time of the hearing, it need not complete its consideration of the petition on the date of the hearing.

- e. Is there a time limit upon when the City Council Must Take Action? The statute provides that the City Council may not issue a decision later than thirty (30) days after the day of the public hearing.⁵ Thus, if the City Council takes action, it must do so within that time period.

The statute also provides that a district may not be formed unless the City Council makes the required findings set forth in RCW 36.145.060(1). Thus, it is clear that, if the City Council does not approve a resolution containing the required findings within the 30 day time period, the district cannot be lawfully formed.

- f. What Criteria Must the Council Consider? A petition for formation of the district may not be approved by the City Council unless it makes the following findings:
 - i. The petitioners will benefit from the proposed district. The statute does not specify or give context to what benefit must be conferred. However, if the

⁵ RCW 36.145.060

petition specifies that special assessments will be imposed, such assessments are required to provide special benefit to the District;

- ii. The formation of the district will be in the best interest of the City; and
 - iii. The formation of the District is consistent with the requirements of Washington's growth management act.
- g. What Standard Applies? The creation of a special purpose districts is a legislative act. When acting in its legislative capacity, the City Council has broad discretion. However, the City Council is constitutionally mandated to act in a reasonable manner and cannot act arbitrarily or capriciously.

The statute provides that the Council may approve the petition by resolution if it finds, in its "sole discretion" that the petition meets the foregoing criteria (see f above). Thus, the City Council is obligated to make a reasoned decision upon due consideration of the contents of the petition and the evidence submitted to the City Council. However, it is not obligated to grant the petition and has sole discretion to determine whether or not each of the criteria is met. Substantial deference is given to the City Council to determine how best to serve the public interest. If the City Council determines that one or more criteria are not met, the fact that the applicant or speaker may have a different opinion does not matter, as long as the City Council did not act arbitrarily or capriciously in making this determination or was unreasoning in its determination.

- h. What is the Process for Approval? The Council must adopt a resolution approving the petition within 30 days following the day of the public hearing.⁶ The resolution must meet the following requirements:
- i. Findings. It must include findings for each one of the mandatory elements set forth in (f) above (See, RCW 36.145.060(1));
 - ii. Content of Petition. The resolution must, conform to the terms and conditions contained in the petition, including the maximum amounts of special assessments set forth in the petition, and must designate the name and number of the community facilities district being formed.
 - iii. Filing with Auditor. Certified copies of the resolution must be filed with the County Auditor (or equivalent).
- i. Can the City Council Alter the Petition? The Statute provides no authority for the City Council to unilaterally amend or alter a petition. Further, it provides that the resolution approving the petition must conform to the terms and conditions

⁶ Presumably this means the day the public hearing closes if the hearing last more than one day.

contained in the petition.⁷ Thus, unless the petition is amended in accordance with the statutory process, the City Council can only approve, deny or take no action upon the petition as presented by the applicant.

The statute provides that a petition may be amended for any reason but only if it is signed by one hundred percent of the owners of the property within the district.⁸

- j. Is there a Right of Appeal? Yes.
- k. Who May Appeal? Any person who objects to formation of the district may appeal the final decision of the City Council to approve the petition. The statute does not provide that the appellant must be a person who objected at the time of the hearing. Thus, it appears that anyone may appeal.
- l. What Decision may be Appealed? The statute only provides for a right to appeal a decision of the City Council to approve formation of the district. Thus, failure to take action to approve the district or action denying approval is not subject to appeal. This limitation upon the right to appeal seems consistent with the fact that action to approve a petition is a legislative decision.
- m. What is the Time Period for Filing Appeal? An appeal must be filed in the Superior Court of the county in which the property is located within 30 days of the effective date of the resolution approving the petition. If an appeal is not timely filed, the district will be deemed validly constituted and its formation cannot thereafter be challenged.

⁷ RCW 36.145.060(3).

⁸ RCW 36.145.020(3).

IV. APPOINTMENT OF SUPERVISORS.

1. Formation of the District. The District is likely formed upon passage of the resolution approving formation. However, because there is a requirement for filing a certified copy of the resolution with the County Auditor, it may be that the District is not created unless and until this filing occurs. Because the statute is silent on this issue and does not explicitly state that this is a jurisdictional requirement, it is not absolutely clear at what point the district is formed.

2. Creation of Board of Supervisors. The District cannot take action until the five (5) member "Board of Supervisors" is duly constituted by the City Council.

3. Timing of Appointments. The statute provides that the board members must be appointed within sixty (60) days of the formation of the district.

4. How Appointed. Each of the five members must be natural persons and shall be appointed by the City Council. Three (3) of the members shall be appointed from among the members of the City Council and two (2) of the members shall be appointed from among the petitioner members or nominees identified in the petition.

The statute also provides that the City may, in the alternative, appoint qualified professionals with expertise in "municipal finance in lieu of one or more authorized appointments from among the members of the City Council. However, the statute appears to require that at least one City Council member remain on the Board. Note that only persons with expertise in municipal finance are qualified to serve on the Board in lieu of appointment of a City Council Member.

5. Term of Office. The term of each supervisor is three (3) years, and until a successor is appointed. Initial terms are limited to one (1) and two (2) year appointments respectively. Thus, for example, two council members and one petitioner member will have a one-year initial term and one council member one petition member will have a two-year initial term.

6. Vacancies in Office. Upon expiration of each term, the appointee may continue to serve as a supervisor until the new term is filled. Persons may only be appointed to a vacant position from those persons eligible to fill that position. In other words, the two petitioner appointments must be filled by petitioner nominees from the petition or successor property owners. The three council positions must be filled by council members or a qualified professional.

Please publish in the next three (3) consecutive editions of the Covington/Maple Valley Reporter.

**CITY OF BLACK DIAMOND
NOTICE OF PUBLIC HEARING
REGARDING THE PETITION FOR FORMATION OF BLACK DIAMOND
COMMUNITY FACILITIES DISTRICT NO. 2011-1**

NOTICE IS HEREBY GIVEN that the Black Diamond City Council will be holding a public hearing on Thursday, December 15, 2011 at 7:00 p.m. at the Black Diamond Council Chambers, 25510 Lawson Street, Black Diamond, WA.

APPLICANT: BD Village Partners, LP and YarrowBay Development LLC, 10220 NE Points Drive Suite 310, Kirkland, WA 98033

ISSUE UNDER CONSIDERATION: The City of Black Diamond has received a petition from the applicant for the formation of Community Facility District No. 2011-1 (hereinafter the "District") pursuant to Chapter 36.145 RCW. The petition proposes over \$20 Million of assessments upon the property located within the boundaries of the proposed District, which consists of 377.8 acres. The purpose of the hearing is for the Black Diamond City Council to receive public comments and evidence in support of, or in opposition to, formation of the District. The City Council is required by law to take action approving or denying the petition within 30 days after the hearing.

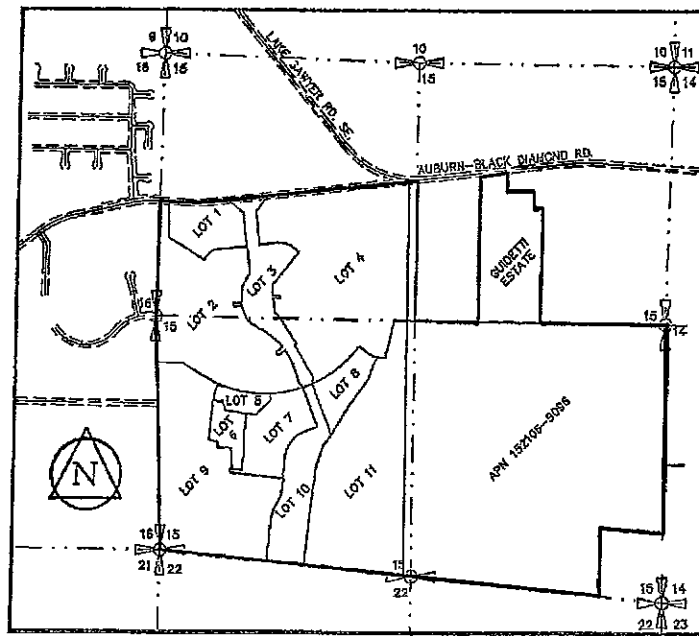
OBJECTIVE: The proposed District's objective is to finance portions of ten specific improvements that provide special benefits to property located within the District through the application of assessments. The applicant states in its petition that the net amount proposed to be assessed on each parcel within the District is proportional to the special benefit conferred on such parcel by the ten improvements. The applicant has proposed financing the following ten specific facilities:

- SR-169/Roberts Drive/Black Diamond - This construction is intended to reconfigure two intersections to increase their collective capacity to operate adequately through the completion of the proposed District's occupancies. Located within close proximity of each other, the two intersections are the connections of Roberts Drive to S. R. 169 and Black Diamond – Ravensdale Road to S.R. 169.
- Roberts Drive – 750/850 Zone Water Main Extension – This main line extension is intended to provide water services and satisfy fire flow requirements for the District. The construction consists of two lines, oriented vertically, one pipe over the other, configured as a looped system.
- Auburn – Black Diamond Road Frontage – The proposed scope of the construction is to augment the current through traffic lanes with turning structures and intersections to facilitate ingress and egress into The Villages MPD. The current design includes two roundabouts, a center turn lane and frontage landscaping. The Improvements are grouped into three construction phases.

- Onsite Spine Road – The Onsite Spine Road is an in-tract road which intersects Auburn-Black Diamond Road and traverses the District in a North-South orientation. While the limits of construction are the District's boundaries, extensions of the road will eventually serve all of The Villages Master Plan Development (MPD) when built out and occupied.
- Onsite Ring Road – The proposed onsite Ring Road connects to Auburn – Black Diamond Road and will travel in a circular arc as it traverses the District. This road is intended to provide additional traffic capacity within the internal road network and also provides an additional point of access to the District for fire and safety equipment.
- Stormwater Detention Pond – The Stormwater Detention Pond will be designed to detain, treat and infiltrate stormwater runoff from large portions of the District as well as other parts of The Villages MPD. In addition, the pond will serve as the ultimate overflow route for all stormwater runoff from the District that is not infiltrated or detained in other facilities within the District.
- Sanitary Sewer Lift Station – The Sanitary Sewer Lift Station will be constructed to service the District as well as other portions of The Villages MPD. At a later date, a higher capacity sewer lift station sized to service all of The Villages MPD (including the District) may be constructed in a different location.
- Sanitary Sewer Storage Facility – This facility will work in conjunction with the Sanitary Sewer Lift Station described above. The Sanitary Sewer Storage Facility will be sized to detain sewer flows from the full District as well as other areas within The Villages MPD.
- Village Green Park Improvements - These improvements will provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Lawson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.
- Civic Park Improvements – These improvements will also provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Larson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.

PURPOSE: The purpose for forming the District is to finance portions of the Improvements as they provide special benefits to the property located within the District.

DESCRIPTION OF PROPERTY: See the below diagram showing each separate lot, tract, parcel of land, or other property in the District. The District boundary legal descriptions by metes and bounds is available for review in the Petition.



Written comments may be submitted to the Clerk's office located at 24301 Roberts Drive, Black Diamond, WA until 5:00 p.m. on December 15, 2011, or otherwise they must be submitted at the hearing. The applicant's petition for formation of the District and all documents related to the petition and the hearing are available for inspection or purchase at City Hall, 24301 Roberts Drive, or on the City's website at <http://www.ci.blackdiamond.wa.us> under "In the Spotlight".

Dated this 18th day of November, 2011
Brenda L. Martinez
Assistant City Administrator/City Clerk

BLACK DIAMOND CFD No. 2011-1
Community Facilities District ("CFD") Petition pursuant to Chapter 36.145 RCW

BD Village Partners, LP and YarrowBay Development LLC (hereinafter "Petitioners") respectfully submit this Community Facilities District Petition (the "Petition") to the City of Black Diamond pursuant to Chapter 36.145 RCW. This Petition requests the formation of Black Diamond CFD No. 2011-1 (the "District" or "CFD No. 2011-1"), which shall include the Black Diamond CFD No. 2011-1 Property, as defined below, that is both located within the Black Diamond Urban Growth Area ("UGA") and within the city limits of Black Diamond as required by RCW 36.145.020. The requirements for a CFD petition are set forth in RCW 36.145.020(1). Each of these requirements is addressed subsection-by-subsection below.

RCW 36.145.020(1)(b): See the metes and bounds description of the boundaries of the District attached to this Petition as Attachment 1 (hereinafter the "Black Diamond CFD No. 2011-1 Property").

RCW 36.145.020(1)(b): The undersigned property owner hereby requests that the Black Diamond CFD No. 2011-1 Property be subject to assessments up to the amount outlined in RCW 36.145.020(1)(i)(iv) as authorized by Chapter 36.145 RCW.

RCW 36.145.020(1)(c): See the certification attached to this Petition as Attachment 2.

RCW 36.145.020(1)(d): The District's objective is to finance portions of ten specific improvements that provide special benefits to the Black Diamond CFD No. 2011-1 Property through the application of assessments. The net amount to be assessed on each parcel within the District is proportional to the special benefit conferred on such parcel by the ten improvements. The District anticipates financing the following ten specific facilities (the "Improvements"):

- SR-169 / Roberts Drive / Black Diamond – This construction will reconfigure two intersections to increase their collective capacity to operate adequately through the completion of District's occupancies. Located within close proximity of each other, the two intersections are the connections of Roberts Drive to S.R. 169 and Black Diamond - Ravensdale Road to S.R. 169.
- Roberts Drive - 750 / 850 Zone Water Main Extension – This main line extension is necessary to provide water services and to satisfy fire flow requirements for the District. The construction consists of two lines, oriented vertically, one pipe over the other, configured as a looped system.
- Auburn – Black Diamond Road Frontage – The scope of the construction is to augment the current through traffic lanes with turning structures and intersections to facilitate ingress and egress into The Villages MPD. The current design includes two roundabouts, a center turn lane and frontage landscaping. The Improvements are grouped into three construction phases.

- Onsite Spine Road – The Onsite Spine Road is an in-tract road which intersects Auburn - Black Diamond Road and traverses the District in a North-South orientation. While the limits of construction are the District's boundaries, extensions of the road will eventually serve all of The Villages MPD when built out and occupied.
- Onsite Ring Road – The Onsite Ring Road connects to Auburn – Black Diamond Road and travels in a circular arc as it traverses the District. This road provides additional traffic capacity within the internal road network and also provides an additional point of access to the District for fire and safety equipment.
- Stormwater Detention Pond – The Stormwater Detention Pond is designed to detain, treat and infiltrate storm water runoff from large portions of the District as well as other parts of The Villages MPD. In addition, the pond serves as the ultimate overflow route for all stormwater runoff from the District that is not infiltrated or detained in other facilities within the District.
- Sanitary Sewer Lift Station – The Sanitary Sewer Lift Station is being constructed to service the District as well as other portions of The Villages MPD. At a later date, a higher capacity sewer lift station sized to service all of The Villages MPDs (including the District) may be constructed in a different location.
- Sanitary Sewer Storage Facility – This facility works in conjunction with the Sanitary Sewer Lift Station described above. The purpose of the Sanitary Sewer Storage Facility is to retain flows for transport during off-peak demand. This Sewer Storage Facility is sized to detain sewer flows from the full District as well as other areas within the Villages MPD.
- Village Green Park Improvements – These improvements will provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Lawson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.
- Civic Park Improvements – These improvements will also provide park space, recreational facilities, and open-space facilities for the use of The Villages MPD residents, the Lawson Hills MPDs residents, and the public at large for entertainment, assembly, and recreation.

RCW 36.145.020(1)(e): The undersigned property owner declares that CFD No. 2011-1 will be conducive to public health, safety, and welfare for the following reasons. First, the proposed District will finance Improvements (as defined above) that improve public health, safety, and welfare by improving traffic circulation and thereby reducing accidents; improving pedestrian safety; providing street lights thereby deterring crime and improving vehicular and pedestrian safety; facilitating the safe transmission of wastewater; mitigating flooding; providing for the transmission of stormwater; delivering potable water; and providing recreation and park improvements. The Improvements are in the best interest of the City for several reasons. Many

of the Improvements have benefits for the City, its residents and those who visit, drive through or recreate in the City. Moreover, using the District to finance these Improvements allows the property owner to use other sources of funding for improvements not being financed by the District but which are very important to the City, such as early construction of a new main fire station in the City. Second, the proposed District, through the application of assessments, provides a secure financing source for the Improvements that provide public health, safety, and welfare benefits to the Black Diamond CFD No. 2011-1 Property and its future residents.

RCW 36.145.020(1)(f): The purpose for forming the District is to finance portions of the Improvements. The Improvements provide special benefits to the Black Diamond CFD No. 2011-11 as summarized below.

- Roads and Street Improvements. The primary benefits of road and street improvements are as follows:
 - a. Improvement to traffic circulation and reduction in accidents.
 - b. The improved ability of pedestrians to manage and navigate their surroundings, which helps pedestrians safely find their way.
 - c. Lighted ingress and egress to lots and parcels resulting from street lights.
 - d. The enhancement to the value of the property which results from the foregoing benefits.
- Water Main Extension, Sewer Lift Station and Stormwater Drainage. The primary benefits of sewer, water and storm drain improvements are set forth below:
 - a. Extension of a water main from the current water facilities delivers required water service and fire flow to enable the construction and occupancy of residences and commercial facilities on previously vacant undeveloped land.
 - b. Sewer Lift Stations pump wastewater to regional gravity flow sanitary sewer systems and facilitating the safe transmission of wastewater to centralized wastewater treatment facilities.
 - c. Sewer Storage facilities store wastewater for delayed transmission through the sanitary sewer system during off-peak hours.
 - d. Stormwater Drainage and Storage Facilities mitigate flooding during peak rainfall storms by safely channeling and storing storm runoff for transmission to community storm drain systems during off-peak demand.
 - e. Health and safety benefits resulting from construction of the subject infrastructure are the delivery of potable water, the sanitary removal of

wastewater and the protection of life and property from the damage incurred as a result of flooding.

f. The enhancement to the value of the property which results from the foregoing benefits.

- Park and Recreational Improvements. The primary benefits of parks and recreation improvements are set forth below:

- a. Improved aesthetic appeal of nearby parcels.
- b. Green space within the urban environment.
- c. Enhanced wind breaks.
- d. Improved erosion resistance.
- e. Improved dust control.

RCW 36.145.020(1)(g): See the “obligation” attached to this Petition as Attachment 3.

RCW 36.145.020(1)(h): The Petitioners nominate the following two individuals as eligible supervisors for the District: (1) Alan Boeker, as a representative of the Petitioners; and (2) Alan Fure, as a qualified professional. Both Mr. Boeker and Mr. Fure are willing and able to serve on the District’s board of supervisors. Curriculum vitae for Mr. Boeker and Mr. Fure, as well as documentation of their consent to serve, are attached hereto as Attachment 4.

RCW 36.145.020(1)(i): Subsections (i)-(v) of this section are each addressed separately below.

(i) See the diagram showing each separate lot, tract, parcel of land, or other property in the District attached hereto as Attachment 5.

(ii) The acreage of the Black Diamond CFD No. 2011-1 Property is 377.8 acres.

(iii) The name and address of the owner of each lot, parcel as shown on the tax rolls of the King County assessor:

[see table of property owners on following page]

Lot/Parcel	Property Owner	Property Owner Address
Lot 1 (APN 152106-9098)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 2 (APN 152106-9101)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 3 (APN 152106-9099)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 4 (APN 152106-9100)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 5 (APN 152106-9104)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 6 (APN 152106-9105)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 7 (APN 152106-9103)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 8 (APN 152106-9102)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 9 (APN 152106-9109)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 10 (APN 152106-9106)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
Lot 11 (APN 152106-9108)	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033
APN 152106-9096	BD Village Partners, LP	c/o Yarrow Bay Holdings, LLC 10220 NE Points Drive, Ste 120 Kirkland, WA 98033

(iv) See Preliminary Assessment Roll on following page:

Community Facility District (CFD) No. 2011-1 Preliminary Assessment Roll		
Parcel		Total \$ per Parcel
Number	Acreage	incl C.O.J/Reserve/Cap. I/Incidental
1	8.28	\$1,575,836
2	34.44	\$2,716,776
3	11.26	\$0
4	52.87	\$7,828,999
5	2.51	\$82,706
6	3.79	\$0
7	10.01	\$580,886
8	5.96	\$499,913
9	37.71	\$2,134,417
10	12.30	\$0
11	41.40	\$1,794,292
TPN -9096	157.27	\$3,674,272
Total:	377.80	\$20,888,097

(v) The proposed combination of methods for computing special assessments and determining the benefit to the assessed property from the planned facilities and improvements include the zone method and the alternative and additional methods of assessment authorized by RCW 35.51.030.

RCW 36.145.020(1)(j): The security to ensure the timely payment of assessments and the timely payment of bonds issued by the District will be the Black Diamond CFD No. 2011-1 Property.

[see signature of property owner on following page]

PROPERTY OWNER:

BD VILLAGE PARTNERS, LP, a Washington limited partnership

By: YarrowBay Development LLC, a Washington limited liability company
Its: General Partner

By: BRNW, Inc., a Washington corporation
Its: Member

By: B. Ross
Brian Ross
Its: President

Mailing Address: 10220 NE POINTS DRIVE, Suite 310, Kirkland, WA 98033

Telephone No.: 425-898-2100

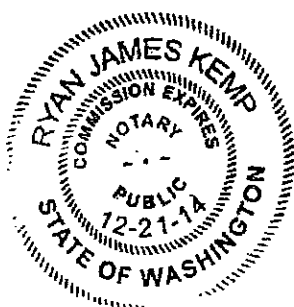
Date: 10/19/2011

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of Yarrow Bay Development LLC, a Washington limited liability company, the General Partner of BD Village Partners, LP, a Washington limited partnership to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

My appointment expires: 12/21/14

ATTACHMENT 1

BLACK DIAMOND CFD NO. 2011-1 PROPERTY

THE VILLAGES
CFD NO. 2011-1 BOUNDARY
LEGAL DESCRIPTIONS BY METES AND BOUNDS

SEPTEMBER 12, 2011
TRIAD PROJECT NO. 10-001

THAT PORTION OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 15;

THENCE NORTH 01°32'55" WEST ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 2365.58 FEET;

THENCE NORTH 01°24'33" EAST ALONG THE WEST LINE OF NORTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 1150.30 FEET TO THE CENTERLINE OF THE AUBURN-BLACK DIAMOND ROAD;

THENCE SOUTH 86°16'49" EAST ALONG SAID CENTERLINE, 257.90 FEET TO A POINT OF CURVE;

THENCE EASTERLY ALONG SAID CENTERLINE AND ON SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1432.39 FEET, THROUGH A CENTRAL ANGLE OF 10°00'00", AN ARC DISTANCE OF 250.00 FEET;

THENCE NORTH 83°43'11" EAST ALONG SAID CENTERLINE, 2185.81 TO THE EAST LINE THE NORTHWEST QUARTER OF SAID SECTION 15;

THENCE SOUTH 00°27'27" WEST, ALONG SAID EAST LINE, 1407.90 FEET TO THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 15;

THENCE SOUTH 89°21'50" EAST ALONG SAID NORTH LINE, 652.22 FEET TO THE WEST LINE OF PARCEL 1, ACCORDING TO A COMMON BOUNDARY LINE AGREEMENT RECORDED UNDER KING COUNTY RECORDING NUMBER 20030917900009;

THENCE NORTH 00°47'08" EAST ALONG SAID WEST LINE OF PARCEL 1, A DISTANCE OF 1457.79 FEET TO THE SOUTH MARGIN OF SAID AUBURN-BLACK DIAMOND ROAD;

THENCE NORTH 83°43'11" EAST, ALONG SAID SOUTH MARGIN, 281.92 FEET TO THE COMMON NORTH-SOUTH LINE OF SAID PARCEL 1 AND PARCEL 2 OF SAID COMMON BOUNDARY LINE AGREEMENT;

THENCE SOUTH 01°05'23" WEST ALONG SAID COMMON LINE, 188.86 FEET TO THE COMMON EAST-WEST LINE OF SAID PARCELS 1 AND 2;

THENCE SOUTH 89°21'21" EAST ALONG SAID COMMON LINE AND THE COMMON EAST-WEST LINE OF SAID PARCEL 2 AND PARCEL 3 OF SAID COMMON BOUNDARY LINE AGREEMENT, 291.43 FEET TO THE COMMON NORTH-SOUTH LINE OF SAID PARCEL 1 AND PARCEL 4 OF SAID COMMON BOUNDARY LINE AGREEMENT;



S:\PROJECTS\05336\CORRESPOND\TRIAD LEGALS\11-0906 10-001 Legal Description
CFD No 2011 METES AND BOUNDS.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.6418 • 800.488.0756 • Fax 425.821.3481
www.triadassociates.net

Page 1 of 2

Land Development Consultants

THENCE SOUTH 01°05'23" WEST ALONG SAID COMMON NORTH-SOUTH LINE, 165.70 FEET TO THE COMMON EAST-WEST LINE OF SAID PARCELS 1 AND 4;

THENCE SOUTH 89°21'21" EAST ALONG SAID COMMON EAST-WEST LINE, 89.40 FEET TO THE EAST LINE OF SAID PARCEL 1;

THENCE SOUTH 01°06'50" WEST ALONG SAID EAST LINE, 1137.17 FEET TO THE NORTH LINE OF SAID SOUTHEAST QUARTER;

THENCE SOUTH 89°21'50" EAST ALONG SAID NORTH LINE, 1304.43 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE SOUTH 00°21'04" WEST ALONG SAID EAST LINE, 2104.13 FEET TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE NORTH 85°44'16" WEST ALONG SAID NORTH LINE, 654.63 FEET TO THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER QUARTER;

THENCE SOUTH 00°22'34" WEST ALONG SAID WEST LINE, 687.57 FEET TO THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 15;

THENCE NORTH 84°32'13" WEST ALONG SAID SOUTH LINE, 1968.05 FEET;

THENCE NORTH 84°32'13" WEST ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 15, A DISTANCE OF 2624.07 FEET TO THE POINT OF BEGINNING.

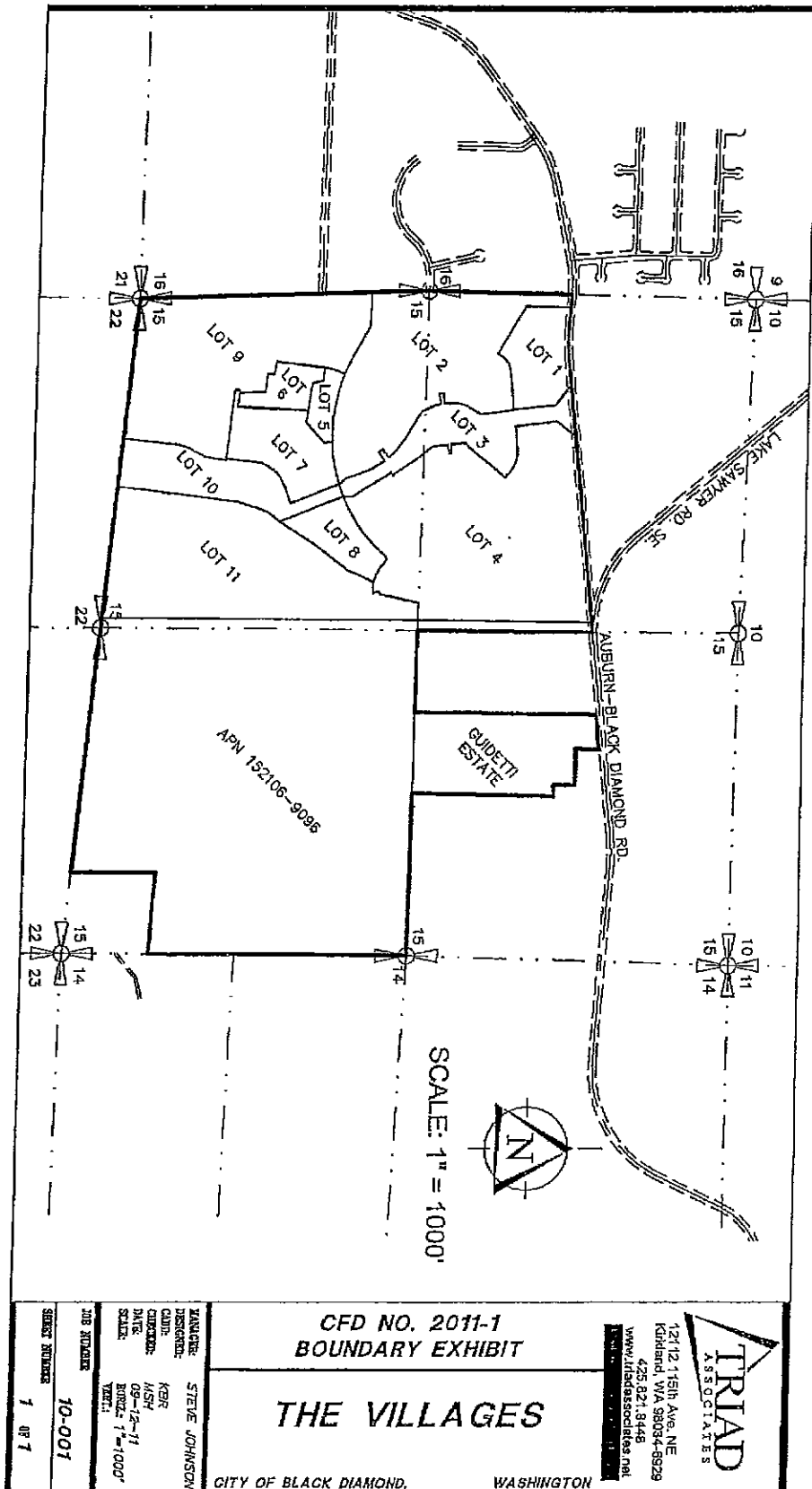
WRITTEN BY: ARJ
CHECKED BY: MSH



S:\PROJECTS\10074\CORRESPONDENCE\SEPTEMBER 2011\WATER EASEMENT\11-0909 10-074 Exhibit C-1 Offsite Water Easement Legal Description.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.488.0756 • Fax 425.821.3481
www.triadassociates.net

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Land Development Consultants



ATTACHMENT 2

CERTIFICATION

BD Village Partners, LP and YarrowBay Development LLC, the undersigned petitioners, voluntarily submit the Black Diamond CFD No. 2011-1 Property, as defined in Attachment 1 of the attached Petition, to the authority of the District described in the Petition pursuant to Chapter 36.145 RCW to approve the Petitioners' request to submit the Property to the assessments, up to the amount included in Section 36.145.020(1)(i) of the Petition and authorized under Chapter 36.145 RCW.

The undersigned petitioners certify under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONERS:

BD VILLAGE PARTNERS, LP, a Washington limited partnership

By: YarrowBay Development LLC, a Washington limited liability company
Its: General Partner

By: BRNW, Inc., a Washington corporation
Its: Member

By: Brian Ross
Brian Ross
Its: President

Mailing Address: 10220 NE Points Drive, Suite 310, Kirkland, WA 98033

YARROWBAY DEVELOPMENT LLC, a Washington limited liability company

By: BRNW, Inc., a Washington corporation
Its: Member

By: Brian Ross
Brian Ross
Its: President

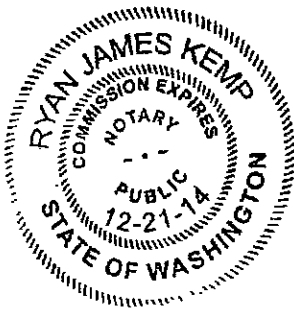
Mailing Address: 10220 NE Points Drive, Suite 310, Kirkland, WA 98033

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company, the General Partner of BD Village Partners, LP, a Washington limited partnership to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

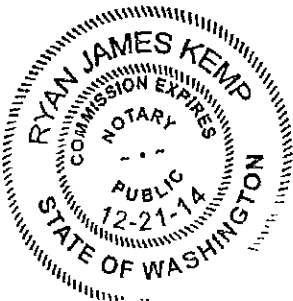
My appointment expires: 12/21/14

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

My appointment expires: 12/21/14

ATTACHMENT 3

OBLIGATION

BD Village Partners, LP and YarrowBay Development LLC certify that they are the Petitioners for the attached Petition and that they agree to pay the costs of the formation of the Black Diamond CFD No. 2011-1 pursuant to the Petition.

The undersigned petitioners certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONERS:

BD VILLAGE PARTNERS, LP, a Washington limited partnership

By: YarrowBay Development LLC, a Washington limited liability company
Its: General Partner

By: BRNW, Inc., a Washington corporation
Its: Member

By: B/R
Brian Ross
Its: President

Mailing Address: 10220 NE Points Drive, Suite 310, Kirkland, WA 98033

YARROWBAY DEVELOPMENT LLC, a Washington limited liability company

By: BRNW, Inc., a Washington corporation
Its: Member

By: B/R
Brian Ross
Its: President

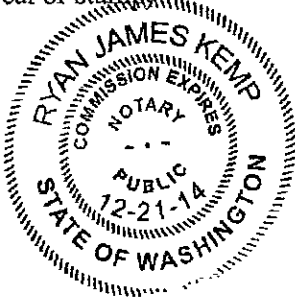
Mailing Address: 10220 NE Points Drive, Suite 310, Kirkland, WA 98033

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company, the General Partner of BD Village Partners, LP, a Washington limited partnership to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

My appointment expires: 12/21/14

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

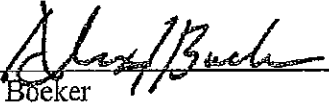
Printed Name Ryan Kemp

My appointment expires: 12/21/14

ATTACHMENT 4

NOMINEES FOR BOARD OF SUPERVISORS

I, Alan Boeker, hereby acknowledge that Property Owner, BD Village Partners, LP, has nominated me to serve as a supervisor on Black Diamond CFD No. 2011-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Black Diamond.


Alan Boeker
General Manager of YarrowBay Holdings LLC

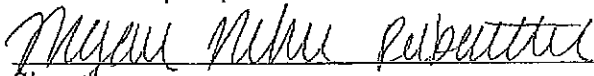
10.18.11
Date

NOTARIAL CERTIFICATE

State of Washington
County of King

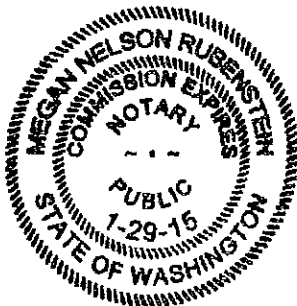
I certify that I know or have satisfactory evidence that Alan Boeker is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 10/18/2011


Signature

Notary, Megan Nelson Rubenstein
Title

My appointment expires: 1-29-15



I, Alan D. Fure, PE, hereby acknowledge that Property Owner, BD Village Partners, LP, has nominated me to serve as a supervisor on Black Diamond CFD No. 2011-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Black Diamond.

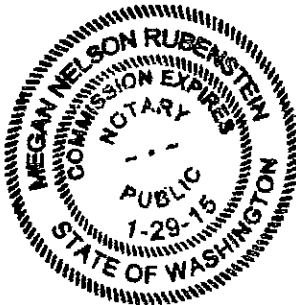
Alan D. Fure
Alan Fure
Senior Vice Present, Triad Associates

October 17, 2011
Date

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that **Alan D. Fure** is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



Dated: 10/17/11

Megan Nelson Rubenstein
Signature

Notary, Megan Nelson Rubenstein
Title

My appointment expires: 1-29-15



Alan Boeker

General Manager of Yarrow Bay Holdings LLC

Alan Boeker has a passion for and a wealth of experience in creating successful communities and building homes with great consumer appeal.

As founding president of the Los Angeles division of Standard Pacific Homes (NYSE: SPF), a national, publicly traded development and building company, Boeker led initiatives to meet the growing need for high-density, urban in-fill housing. Projects of note include five vertically integrated, mixed-use buildings in Playa Vista; urban redevelopment projects in Pasadena; and the Redwood Lofts in Los Angeles. Boeker grew the division from a staff of three to more than 85 employees with deliveries of more than 400 units per year and revenues exceeding \$250 million annually.

Prior to his tenure at Standard Pacific Homes, Boeker was the director of residential land development at Playa Capital Company, the master developer for Playa Vista, a 6,500-unit urban master plan. Boeker oversaw the publication of community design guidelines for all commercial and residential components, developed comprehensive sustainable design programs, and directed the design of eight, first-phase projects and subsequent delivery of finished lots to builders. Other aspects of the plan included rental housing, community buildings, retail, extensive public gathering areas, and a fire station. In the earlier stages of his career, Boeker served as senior project manager for New Urban West, Inc. In a partnership with Chevron Land and Development, he led company efforts in entitlement and development of a new 3,500-unit master plan in Huntington Beach, California. His management responsibilities included the characterization, clean-up and closure documentation of heavy hydrocarbon contamination on many parcels. Additionally, he recruited, hired and mentored project managers who each were responsible for three to five neighborhood developments. In 2007 Boeker became President of Port Blakely Communities where he was responsible for crafting a reorganization strategy to reposition retail holdings at Issaquah Highlands and seek other opportunities across the Puget Sound. His role included interfacing with civic groups and local government, as well as providing counsel to the senior management team and to company Board of Directors.

Boeker holds a bachelor's degree in finance from the University of Nevada and a master's degree of business administration in real estate from National University in San Diego. Active in the community, he served for many years on the Westside Urban Forum in Los Angeles. In addition, he is a member of the Urban Land Institute. Outside of work, Boeker and his family enjoy recreational boating on the Puget Sound.

Alan D. Fure, PE

ALAN D. FURE, PE, SENIOR VICE PRESIDENT, has 34 years of civil engineering design, project management and entitlement process experience throughout the Puget Sound region. With a portfolio of over 200 projects, Mr. Fure's areas of expertise include master planning, feasibility analysis, team formation and management, consultant team leadership, storm drainage analysis, grading design, erosion control design, utility design, street design, construction management and collaborative design. Currently serving as Principal in Charge for several master planned communities, Mr. Fure is a trusted advisor for his clients and is highly regarded by co-consultants and local agencies.



EDUCATION

B.S. Civil Engineering, University of Washington, 1977

CERTIFICATIONS AND AFFILIATIONS

Registered Civil Engineer: WA, OR, CO

Member: American Society of Civil Engineers

EMPLOYMENT HISTORY

- University of Washington: Harris Hydraulics Laboratory, Laboratory Assistant, Summer 1976
- Triad Associates: Project Engineer to Principal in Charge and Senior Vice President, December 1976 to present

RECENT PROJECT EXPERIENCE

Lawson Hills and Villages Master Planned Developments

Yarrow Bay Holdings is currently processing the development approvals within the City of Black Diamond for two MPDs that constitute close to 2,000 acres of property and propose a total unit count of roughly 6,000 residential units and 1,200,000 square feet of commercial development. Mr. Fure has been responsible for leading the civil engineering team as it works through the feasibility and environmental analysis phase of the project. His team recently completed an MPD application, currently under review in the City. Some of the design items of note include:



- Storm drainage facility analysis and design, including many low impact development features
- Water system design, including reservoir, pump station and transmission main planning, design and design coordination
- Sanitary sewer design, including pump station and trunkline planning, design and design coordination
- Roadway improvement design, including roundabouts, traffic signals and roadway extensions

Harbor Hill Mixed Use Community

Harbor Hill is a Master Planned Community in Gig Harbor, Washington. The project includes retail and commercial office development and a residential component consisting of approximately 800 units of varying housing types. As Senior Project Manager, Mr. Fure has orchestrated the envisioning process preceding the development of the master residential plan. Subsequently, he led the design team as it prepared a Planned Residential Development Application on the property. Included in this work is the coordinated drainage system design and the master utility planning. Offsite improvements include one mile of frontage roadway improvements: a roundabout, additional road connections and offsite sewer and water extensions.

Arborwood

Located in Kitsap County, Washington, Arborwood is a mixed-use project consisting of 751 residential units and 20,000 square feet of commercial space. As Principal in Charge, Mr. Fure led a team towards the goal of Preliminary Plat approval, realized in 2009. The master plan, including storm drainage and preliminary utilities, was developed with consideration for native open space areas.

TRIAD
ASSOCIATES

Talus Master Planned Community

Talus is a large master planned community perched on the easterly slopes of Cougar Mountain located in Issaquah, Washington. The site is steeply sloped and tightly constrained with numerous wetlands and stream corridors. The community contains 1,700 residential units, 500,000 square feet of office space and 25,000 square feet of retail commercial. Mr. Fure served as Senior Project Manager for Triad and assisted his client, Intracorp, with the management of the extensive consultant team. His 14-year involvement spans the planning, environmental, development agreement, design and construction processes. The following infrastructure elements were envisioned, planned and executed under his direction:



- Multiple detention facilities
- Water quality facilities to meet the Lake Sammamish lake management plan
- Over a mile of state highway improvements
- Over two miles of sanitary sewer trunkline
- Multiple water system facilities including a large water pump station and two water reservoirs
- Wetland mitigation and enhancement facilities
- Offsite stream restoration
- Over a mile of onsite roadway

In addition, Mr. Fure managed and directed the planning and engineering efforts for ten of the parcel development projects that followed the infrastructure design and implementation noted above. His work on this project began in 1996 and continues to this day.

Snoqualmie Casino

Snoqualmie Casino is an entertainment project located within the Snoqualmie Indian Nation near Snoqualmie, Washington. The project consisted of a large multi-purpose facility with a 2000-car parking garage constructed with associated additional parking and support facilities on a steeply sloped 40-acre site bisected by a natural stream corridor. Mr. Fure served as Senior Project Manager and assisted the owner by providing leadership to the entire design team. Of significance was the design and construction of a large detention and water quality facility. Other infrastructure elements undertaken on the project under Mr. Fure's leadership include:



- Street frontage improvements on North Bend Way, including a new intersection roundabout
- A water well and pump house
- Water treatment and potable water storage
- Fire flow reservoir and fire flow pump
- Numerous onsite retaining walls

OTHER REPRESENTATIVE PROJECTS

- Lakeland Master Plan, Auburn, WA
- Archstone Northcreek, Snohomish County, WA
- Oswego Pointe Mixed Use Development, Lake Oswego, OR
- Port Ludlow Planned Community, Jefferson County, WA
- Avalon High Grove, Snohomish County, WA
- Brandemoor Apartment Community, Snohomish County, WA
- Emerald Heights Retirement Community, Redmond, WA
- Mack Elementary School, King County, WA
- Element Residential Community, Redmond, WA
- Belcarra Apartments, Bellevue, WA
- Boeing Space Center Redevelopment, Kent, WA
- Inglewood Hills Apartment Community, King County, WA

ATTACHMENT 3
PARCEL DIAGRAM

THE VILLAGES
CFD NO. 2011-1 BOUNDARY
LEGAL DESCRIPTIONS BY PARCELS

SEPTEMBER 12, 2011
TRIAD PROJECT NO. 10-001

LOTS 1 THROUGH 11, BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO.
PLN 10-0019, ACCORDING TO THE BOUNDARY LINE ADJUSTMENT RECORDED
UNDER RECORDING NUMBER 20110426900005, RECORDS OF KING COUNTY,
WASHINGTON;

TOGETHER WITH THAT PORTION OF THE EASTERLY 660 FEET OF THE WEST
HALF OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH,
RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING SOUTHERLY
OF THE AUBURN-BLACK DIAMOND HIGHWAY;

EXCEPT THE EAST 381.24 FEET OF THE NORTHWEST QUARTER OF THE
NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6
EAST, W.M., LYING SOUTHERLY OF AUBURNBLACK DIAMOND HIGHWAY
AND THE EAST 90 FEET OF THE NORTH 165.70 FEET OF THE SOUTHWEST
QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21
NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

(ALSO KNOWN AS PARCEL 1 UNDER SURVEY RECORDED UNDER
RECORDING NUMBER 20030917900009.)

AND TOGETHER WITH THE THE SOUTHEAST QUARTER OF SECTION 15,
TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

AND TOGETHER WITH THAT PORTION OF THE EAST 80 FEET OF THE WEST
HALF OF SAID SECTION 15 LYING SOUTHERLY OF THE AUBURN-BLACK
DIAMOND ROAD;

EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE
SOUTHEAST QUARTER OF SAID SECTION 15.

WRITTEN BY: ARJ
CHECKED BY: MSH



S:\PROJECTS\05336\COMSPNC\TRIAD LEGALS\11-0906 10-001 Legal Description-
Phase 1-CFD-A.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.488.0756 • Fax 425.821.3481
www.triadassociates.net

Page 1 of 1

Land Development Consultants

DANIEL T. SATTERBERG
PROSECUTING ATTORNEY



Office of the Prosecuting Attorney
CIVIL DIVISION
W400 King County Courthouse
516 Third Avenue
Seattle, Washington 98104
(206) 296-9015
FAX (206) 296-0191

October 31, 2011

Mayor Rebecca Olness
24301 Roberts Drive
PO Box 599
Black Diamond, WA 98010

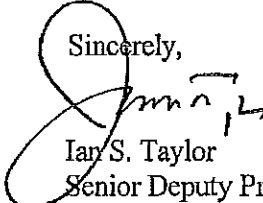
Black Diamond City Council
24301 Roberts Drive
PO Box 599
Black Diamond, WA 98010

Honorable Mayor Olness and Honorable Councilmembers:

Pursuant to RCW 36.145.020(2), King County is transmitting the original Community Facilities District petition together with a certificate of sufficiency confirming that 100 percent of the owners of the properties located in the proposed district have executed the petition.

Should you have any questions please do not hesitate to contact me at (206) 296-0235 or the Director of King County Real Estate and Licensing Services, Lorraine Patterson, at (206) 296-3185.

Sincerely,



Ian S. Taylor
Senior Deputy Prosecuting Attorney
King County Prosecutor's Office

cc: Megan Nelson, YarrowBay
John Hempelmann, Cairncross & Hempelmann



King County

Dow Constantine
King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

CERTIFICATE OF SUFFICIENCY PURSUANT TO RCW 36.145.020(2)

To: City Council of the City of Black Diamond, Washington
From: Office of King County Executive, King County, Washington
Re: Petition to Form Community Facilities District Pursuant to RCW 36.145.020(2).

Honorable Council,

On 26 October, 2011 King County received the Petition to form Black Diamond Community Facilities District No. 2011-1 (the "District" hereinafter). King County does not have an Auditor to comply with RCW 36.145.020 (2). Pursuant to the King County Charter and the King County Code, the function specified by RCW 36.145.020 (2) is performed by the King County Executive.

On behalf of King County I have examined the Petition, the records of title of the property within the proposed District and the signatures of the property owners of all the property within the proposed District and do hereby certify that the Petition has been executed by one hundred percent of all the property owners within the proposed District.

DATED this 28 day of OCTOBER, 2011.

King County Executive



Darlene H. Hermes
October 28, 2011



King County

Records and Licensing Services Division

Department of Executive Services
King County Administration Building
500 Fourth Avenue, Room 411
Seattle, WA 98104-2337
206-296-3185 Fax 206-296-4029
TTY Relay: 711

October 28, 2011

The Honorable Dow Constantine
King County Executive
401 5th Ave #800
Seattle, WA 98104

Dear Executive Constantine:

On March 10, 2010, Senate Bill 6241 became law. The statute (RCW 36.145) allows for the creation of Community Facilities Districts (CFD) which represents a new type of public financing available to Washington developers and homebuilders. A CFD is a special purpose district designed to provide financing for community facilities and local, sub-regional and regional infrastructure. A CFD is created by a petition approved by a county, city, or town in which the district is located. Before the petition can be processed by the applicable jurisdiction, the county auditor of the county where the parcels are located must verify that all parcels within the proposed CFD have been included in the petition and that the owners of each parcel have signed the petition.

On October 26, 2011, King County received its first petition for Black Diamond CFD No. 2011-1. The parcels identified in the petition are wholly within with the incorporated area of Black Diamond. Accordingly, King County's only role is to verify that the "...petition has been validly executed by one hundred percent of all owners of the property located within the proposed district..." RCW 36.145.020(2).

The King County charter does not provide for a statutory county auditor and the charter does not assign the county auditor duties, except those assigned to the clerk of the county council. Absent a specific delegation by the county executive, this newly created county auditor duty is retained by the executive, until delegated. King County Charter 320.20. (Based on research conducted by Peggy Pahl, deputy prosecuting attorney).

Since my division, Records and Licensing Services, has the closest duties for this purpose, we have reviewed this petition. For this review, Ian Taylor, deputy prosecuting attorney, and I reviewed the materials from BD Village Partners and YarrowBay Development. We contacted their corporate office to request additional documentation clearly linking the signatory Brian Ross to both companies. They responded with two documents:

The Honorable Dow Constantine
October 28, 2011
Page 2 of 2

- (1) Excerpts from the BD Village Partners limited partnership agreement noting Yarrow Bay Development's appointment as "General Partner"; the General Partner's authority to act for the Limited Partnership, and evidence of Brian Ross's signature authority for Yarrow Bay Development.
- (2) BD Village Partners' certificate of formation from the WA Secretary of State which was signed by Brian Ross.

The documents clearly indicate his authority to bind the companies to the terms of the CFD. In addition, the Recording Office Supervisor has reviewed the petition and confirmed that all the parcels in the legal description for the proposed CFD were accurate and that each owner had been identified. In this case all parcels are owned BD Village Partners.

RECOMMENDATION: The Black Diamond CFD Petition 2011-1 meets the requirements of RCW 36.145.020(2). Accordingly, I recommend that you sign the included Certificate of Sufficiency.

After execution, my office will retrieve the original Certificate and the petition. Per 36.145.020(2)(a) it will then be sent to the City of Black Diamond to proceed with its process. Should you have any questions please contact me at 206-296-1559.

Sincerely,



Lorraine A. Patterson
Director, Records and Licensing

October 26, 2011

Lorraine Patterson
Record and Licensing Services
King County
500 4th Avenue, Room 411
Seattle, WA 98104

RE: Black Diamond CFD Petition Certification

To Ms. Patterson:

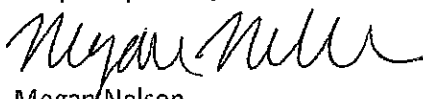
Thank you for your assistance with finalizing King County's certification of the attached Black Diamond CFD No. 2011-1 Petition.

Attached to this letter is: (1) our original signed CFD Petition; (2) an affidavit certifying Brian Ross's signature; and (3) a letter from First American Title Company certifying that BD Village Partners, LP, is the vested owner of the parcels subject to this CFD Petition.

Once King County has signed the certification, please contact me at 425-898-2104 or mnelson@yarrowbayholdings.com and I will arrange for immediate pick-up.

If you have any questions regarding this CFD Petition, please feel free to contact me at 425-898-2104.

Very Truly Yours,



Megary Nelson
Director of Legal Affairs

1
2
3
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5
6
7 **IN RE: BLACK DIAMOND**
8 **CFD NO. 2011-1**

AFFIDAVIT OF COLIN LUND

9
10 I, Colin Lund, am a citizen of the United States and a resident of the State of Washington,
11 am over the age of 18 years, have firsthand knowledge of the matters to which I attest below, am
12 fully competent to testify as a witness, and have sworn and do certify and declare, under penalty
13 of perjury, that the following declaration is true and correct.

14 1. I have known Brian Ross in both a personal and professional capacity for thirteen
15 (13) years.

16 2. Brian Ross is the President of BRNW, Inc., a Washington corporation.

17 3. BRNW, Inc. is a Member of Yarrow Bay Development LLC, a Washington
18 limited liability company.

19 4. Yarrow Bay Development LLC is the General Partner of BD Village Partners, LP,
20 a Washington limited partnership.

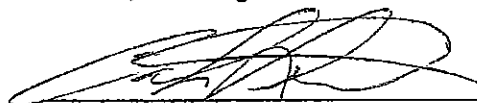
21 5. On October 19, 2011, Brian Ross appeared before me and executed the Black
22 Diamond CFD No. 2011-1 Petition.

23 6. A true and correct copy of the Black Diamond CFD No. 2011-1 Petition that
24 Brian Ross executed is attached hereto.

25 *[signature and notarial certificate on following page]*
26

AFFIDAVIT OF COLIN LUND - 1

1 Dated this 24 day of October, 2011 at Kirkland, Washington.

2
3 

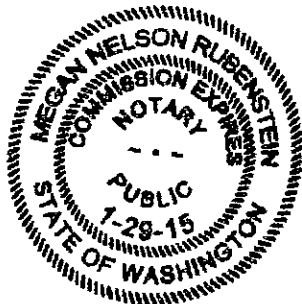
COLIN LUND

4 NOTARIAL CERTIFICATE

5 State of Washington
6 County of King

7 Signed and affirmed before me on October 24, 2011 by Colin Lund.

8
9 (Seal or stamp)



Dated: 10/24/2011

Megan Nelson Rubenstein
Signature

Megan Nelson Rubenstein, Notary
Printed Name

My appointment expires: 1-29-15

ATTACHMENT 1
BLACK DIAMOND CFD NO. 2011-1 PROPERTY

THE VILLAGES
CFD NO. 2011-1 BOUNDARY
LEGAL DESCRIPTIONS BY METES AND BOUNDS

SEPTEMBER 12, 2011
TRIAD PROJECT NO. 10-001

THAT PORTION OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN
KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 15;

THENCE NORTH 01°32'55" WEST ALONG THE WEST LINE OF THE SOUTHWEST
QUARTER OF SAID SECTION 15, A DISTANCE OF 2365.58 FEET;

THENCE NORTH 01°24'33" EAST ALONG THE WEST LINE OF NORTHWEST
QUARTER OF SAID SECTION 15, A DISTANCE OF 1150.30 FEET TO THE
CENTERLINE OF THE AUBURN-BLACK DIAMOND ROAD;

THENCE SOUTH 86°16'49" EAST ALONG SAID CENTERLINE, 257.90 FEET TO A
POINT OF CURVE;

THENCE EASTERLY ALONG SAID CENTERLINE AND ON SAID CURVE TO THE
LEFT, HAVING A RADIUS OF 1432.39 FEET, THROUGH A CENTRAL ANGLE OF
10°00'00", AN ARC DISTANCE OF 250.00 FEET;

THENCE NORTH 83°43'11" EAST ALONG SAID CENTERLINE, 2185.81 TO THE EAST
LINE THE NORTHWEST QUARTER OF SAID SECTION 15;

THENCE SOUTH 00°27'27" WEST, ALONG SAID EAST LINE, 1407.90 FEET TO THE
NORTH LINE OF THE SOUTH HALF OF SAID SECTION 15;

THENCE SOUTH 89°21'50" EAST ALONG SAID NORTH LINE, 652.22 FEET TO THE
WEST LINE OF PARCEL 1, ACCORDING TO A COMMON BOUNDARY LINE
AGREEMENT RECORDED UNDER KING COUNTY RECORDING NUMBER
20030917900009;

THENCE NORTH 00°47'08" EAST ALONG SAID WEST LINE OF PARCEL 1, A
DISTANCE OF 1457.79 FEET TO THE SOUTH MARGIN OF SAID AUBURN-BLACK
DIAMOND ROAD;

THENCE NORTH 83°43'11" EAST, ALONG SAID SOUTH MARGIN, 281.92 FEET TO
THE COMMON NORTH-SOUTH LINE OF SAID PARCEL 1 AND PARCEL 2 OF SAID
COMMON BOUNDARY LINE AGREEMENT;

THENCE SOUTH 01°05'23" WEST ALONG SAID COMMON LINE, 188.86 FEET TO
THE COMMON EAST-WEST LINE OF SAID PARCELS 1 AND 2;

THENCE SOUTH 89°21'21" EAST ALONG SAID COMMON LINE AND THE COMMON
EAST-WEST LINE OF SAID PARCEL 2 AND PARCEL 3 OF SAID COMMON
BOUNDARY LINE AGREEMENT, 291.43 FEET TO THE COMMON NORTH-SOUTH
LINE OF SAID PARCEL 1 AND PARCEL 4 OF SAID COMMON BOUNDARY LINE
AGREEMENT;



S:\PROJECTS\05336\CORRESPOND\TRIAD LEGALS\10-001 Legal Description
CFD No 2011 METES AND BOUNDS.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.488.0756 • Fax 425.821.3481
www.triadassociates.net

Page 1 of 2

Land Development Consultants

THENCE SOUTH 01°05'23" WEST ALONG SAID COMMON NORTH-SOUTH LINE, 165.70 FEET TO THE COMMON EAST-WEST LINE OF SAID PARCELS 1 AND 4;

THENCE SOUTH 89°21'21" EAST ALONG SAID COMMON EAST-WEST LINE, 89.40 FEET TO THE EAST LINE OF SAID PARCEL 1;

THENCE SOUTH 01°06'50" WEST ALONG SAID EAST LINE, 1137.17 FEET TO THE NORTH LINE OF SAID SOUTHEAST QUARTER;

THENCE SOUTH 89°21'50" EAST ALONG SAID NORTH LINE, 1304.43 FEET TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE SOUTH 00°21'04" WEST ALONG SAID EAST LINE, 2104.13 FEET TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE NORTH 85°44'16" WEST ALONG SAID NORTH LINE, 654.63 FEET TO THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER QUARTER;

THENCE SOUTH 00°22'34" WEST ALONG SAID WEST LINE, 687.57 FEET TO THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 15;

THENCE NORTH 84°32'13" WEST ALONG SAID SOUTH LINE, 1968.05 FEET;

THENCE NORTH 84°32'13" WEST ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 15, A DISTANCE OF 2624.07 FEET TO THE POINT OF BEGINNING.

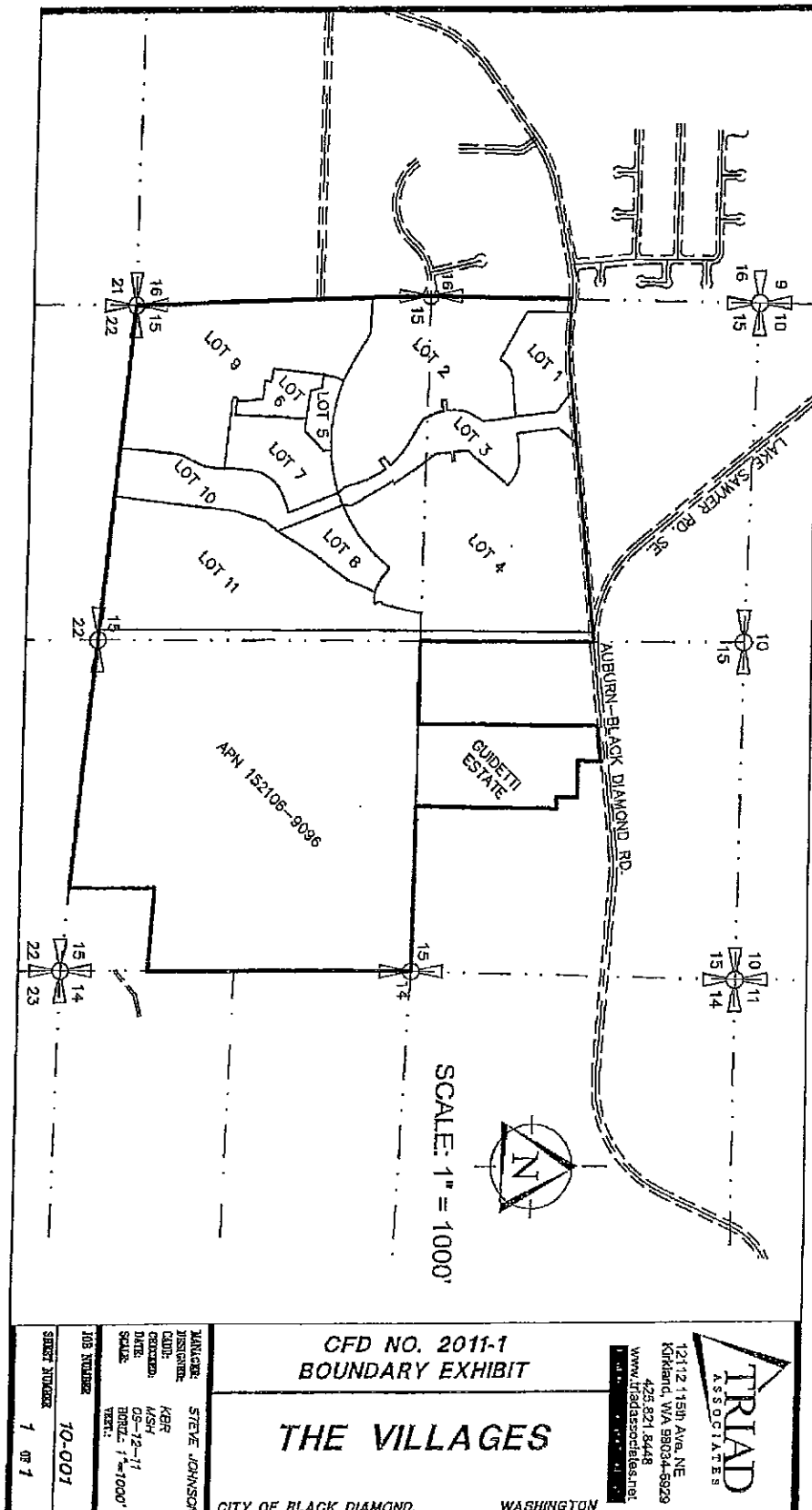
WRITTEN BY: ARJ
CHECKED BY: MSH



S:\PROJECTS\10079\CORRESPONDENCE\SEPTEMBER 2011\WATER EASEMENT\11-0909 10-074 Exhibit C-1 Offsite Water Easement Legal Description.doc
12112 115" Avenue NE Kirkland, Washington 98034-9623
425.621.8448 • 800.488.0756 • Fax 425.621.3481
www.triadassociates.net

Page 2 of 2

Land Development Consultants



ATTACHMENT 2

CERTIFICATION

BD Village Partners, LP and YarrowBay Development LLC, the undersigned petitioners, voluntarily submit the Black Diamond CFD No. 2011-1 Property, as defined in Attachment 1 of the attached Petition, to the authority of the District described in the Petition pursuant to Chapter 36.145 RCW to approve the Petitioners' request to submit the Property to the assessments, up to the amount included in Section 36.145.020(1)(i) of the Petition and authorized under Chapter 36.145 RCW.

The undersigned petitioners certify under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONERS:

BD VILLAGE PARTNERS, LP, a Washington limited partnership

By: YarrowBay Development LLC, a Washington limited liability company
Its: General Partner

By: BRNW, Inc., a Washington corporation
Its: Member

By: Brian Ross
Brian Ross
Its: President

Mailing Address: 10220 NE POINTS DRIVE, SUITE 310, KIRKLAND, WA 98033

YARROWBAY DEVELOPMENT LLC, a Washington limited liability company

By: BRNW, Inc., a Washington corporation
Its: Member

By: Brian Ross
Brian Ross
Its: President

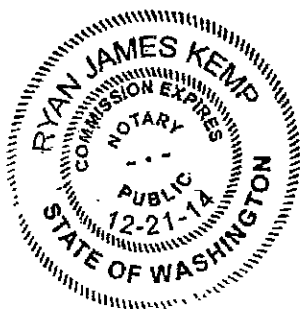
Mailing Address: 10220 NE POINTS DRIVE, SUITE 310, KIRKLAND, WA 98033

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company, the General Partner of BD Village Partners, LP, a Washington limited partnership to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature

Ryan Kemp
Printed Name

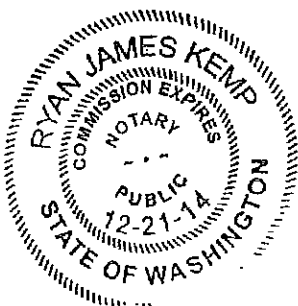
My appointment expires: 12/21/14

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature

Ryan Kemp
Printed Name

My appointment expires: 12/21/14

ATTACHMENT 3

OBLIGATION

BD Village Partners, LP and YarrowBay Development LLC certify that they are the Petitioners for the attached Petition and that they agree to pay the costs of the formation of the Black Diamond CFD No. 2011-1 pursuant to the Petition.

The undersigned petitioners certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONERS:

BD VILLAGE PARTNERS, LP, a Washington limited partnership

By: YarrowBay Development LLC, a Washington limited liability company
Its: General Partner

By: BRNW, Inc., a Washington corporation
Its: Member

By: B/R
Brian Ross
Its: President

Mailing Address: 10220 NE POINTS DRIVE, SUITE 310, KIRKLAND, WA 98033

YARROWBAY DEVELOPMENT LLC, a Washington limited liability company

By: BRNW, Inc., a Washington corporation
Its: Member

By: B/R
Brian Ross
Its: President

Mailing Address: 10220 NE POINTS DRIVE, SUITE 310, KIRKLAND, WA 98033

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company, the General Partner of BD Village Partners, LP, a Washington limited partnership to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

My appointment expires: 12/21/14

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Brian Ross is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of BRNW, Inc., a Washington corporation, a Member of YarrowBay Development LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

(Seal or stamp)



Dated: 10/19/11

Signature [Handwritten Signature]

Printed Name Ryan Kemp

My appointment expires: 12/21/14

ATTACHMENT 4

NOMINEES FOR BOARD OF SUPERVISORS

I, Alan Boeker, hereby acknowledge that Property Owner, BD Village Partners, LP, has nominated me to serve as a supervisor on Black Diamond CFD No. 2011-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Black Diamond.

Alan Boeker
Alan Boeker
General Manager of YarrowBay Holdings LLC

10.18.11
Date

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Alan Boeker is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 10/18/2011

Megan Nelson Rubenstein
Signature

Notary, Megan Nelson Rubenstein
Title

My appointment expires: 1-29-15



I, Alan D. Fure, PE, hereby acknowledge that Property Owner, BD Village Partners, LP, has nominated me to serve as a supervisor on Black Diamond CFD No. 2011-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Black Diamond.

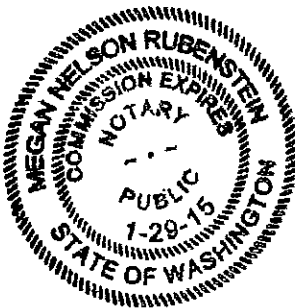
Alan D. Fure
Alan Fure
Senior Vice Present, Triad Associates

October 17, 2011
Date

NOTARIAL CERTIFICATE

State of Washington
County of King

I certify that I know or have satisfactory evidence that Alan D. Fure is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.



Dated: 10/17/11

Megan Nelson Rubenstein
Signature

Notary, Megan Nelson Rubenstein
Title

My appointment expires: 1-29-15



Alan Boeker

General Manager of Yarrow Bay Holdings LLC

Alan Boeker has a passion for and a wealth of experience in creating successful communities and building homes with great consumer appeal.

As founding president of the Los Angeles division of Standard Pacific Homes (NYSE: SPF), a national, publicly traded development and building company, Boeker led initiatives to meet the growing need for high-density, urban in-fill housing. Projects of note include five vertically integrated, mixed-use buildings in Playa Vista; urban redevelopment projects in Pasadena; and the Redwood Lofts in Los Angeles. Boeker grew the division from a staff of three to more than 85 employees with deliveries of more than 400 units per year and revenues exceeding \$250 million annually.

Prior to his tenure at Standard Pacific Homes, Boeker was the director of residential land development at Playa Capital Company, the master developer for Playa Vista, a 6,500-unit urban master plan. Boeker oversaw the publication of community design guidelines for all commercial and residential components, developed comprehensive sustainable design programs, and directed the design of eight, first-phase projects and subsequent delivery of finished lots to builders. Other aspects of the plan included rental housing, community buildings, retail, extensive public gathering areas, and a fire station. In the earlier stages of his career, Boeker served as senior project manager for New Urban West, Inc. In a partnership with Chevron Land and Development, he led company efforts in entitlement and development of a new 3,500-unit master plan in Huntington Beach, California. His management responsibilities included the characterization, clean-up and closure documentation of heavy hydrocarbon contamination on many parcels. Additionally, he recruited, hired and mentored project managers who each were responsible for three to five neighborhood developments. In 2007 Boeker became President of Port Blakely Communities where he was responsible for crafting a reorganization strategy to reposition retail holdings at Issaquah Highlands and seek other opportunities across the Puget Sound. His role included interfacing with civic groups and local government, as well as providing counsel to the senior management team and to company Board of Directors.

Boeker holds a bachelor's degree in finance from the University of Nevada and a master's degree of business administration in real estate from National University in San Diego. Active in the community, he served for many years on the Westside Urban Forum in Los Angeles. In addition, he is a member of the Urban Land Institute. Outside of work, Boeker and his family enjoy recreational boating on the Puget Sound.

Alan D. Fure, PE

ALAN D. FURE, PE, SENIOR VICE PRESIDENT, has 34 years of civil engineering design, project management and entitlement process experience throughout the Puget Sound region. With a portfolio of over 200 projects, Mr. Fure's areas of expertise include master planning, feasibility analysis, team formation and management, consultant team leadership, storm drainage analysis, grading design, erosion control design, utility design, street design, construction management and collaborative design. Currently serving as Principal in Charge for several master planned communities, Mr. Fure is a trusted advisor for his clients and is highly regarded by co-consultants and local agencies.



EDUCATION

B.S. Civil Engineering, University of Washington, 1977

CERTIFICATIONS AND AFFILIATIONS

Registered Civil Engineer: WA, OR, CO

Member: American Society of Civil Engineers

EMPLOYMENT HISTORY

- University of Washington: Harris Hydraulics Laboratory, Laboratory Assistant, Summer 1976
- Triad Associates: Project Engineer to Principal in Charge and Senior Vice President, December 1976 to present

RECENT PROJECT EXPERIENCE

Lawson Hills and Villages Master Planned Developments

Yarrow Bay Holdings is currently processing the development approvals within the City of Black Diamond for two MPDs that constitute close to 2,000 acres of property and propose a total unit count of roughly 6,000 residential units and 1,200,000 square feet of commercial development. Mr. Fure has been responsible for leading the civil engineering team as it works through the feasibility and environmental analysis phase of the project. His team recently completed an MPD application, currently under review in the City. Some of the design items of note include:



- Storm drainage facility analysis and design, including many low impact development features
- Water system design, including reservoir, pump station and transmission main planning, design and design coordination
- Sanitary sewer design, including pump station and trunkline planning, design and design coordination
- Roadway improvement design, including roundabouts, traffic signals and roadway extensions

Harbor Hill Mixed Use Community

Harbor Hill is a Master Planned Community in Gig Harbor, Washington. The project includes retail and commercial office development and a residential component consisting of approximately 800 units of varying housing types. As Senior Project Manager, Mr. Fure has orchestrated the envisioning process preceding the development of the master residential plan. Subsequently, he led the design team as it prepared a Planned Residential Development Application on the property. Included in this work is the coordinated drainage system design and the master utility planning. Offsite improvements include one mile of frontage roadway improvements: a roundabout, additional road connections and offsite sewer and water extensions.

Arborwood

Located in Kitsap County, Washington, Arborwood is a mixed-use project consisting of 751 residential units and 20,000 square feet of commercial space. As Principal in Charge, Mr. Fure led a team towards the goal of Preliminary Plat approval, realized in 2009. The master plan, including storm drainage and preliminary utilities, was developed with consideration for native open space areas.

TRIAD
ASSOCIATES

Talus Master Planned Community

Talus is a large master planned community perched on the easterly slopes of Cougar Mountain located in Issaquah, Washington. The site is steeply sloped and tightly constrained with numerous wetlands and stream corridors. The community contains 1,700 residential units, 500,000 square feet of office space and 25,000 square feet of retail commercial. Mr. Fure served as Senior Project Manager for Triad and assisted his client, Intracorp, with the management of the extensive consultant team. His 14-year involvement spans the planning, environmental, development agreement, design and construction processes. The following infrastructure elements were envisioned, planned and executed under his direction:



- Multiple detention facilities
- Water quality facilities to meet the Lake Sammamish lake management plan
- Over a mile of state highway improvements
- Over two miles of sanitary sewer trunkline
- Multiple water system facilities including a large water pump station and two water reservoirs
- Wetland mitigation and enhancement facilities
- Offsite stream restoration
- Over a mile of onsite roadway

In addition, Mr. Fure managed and directed the planning and engineering efforts for ten of the parcel development projects that followed the infrastructure design and implementation noted above. His work on this project began in 1996 and continues to this day.

Snoqualmie Casino

Snoqualmie Casino is an entertainment project located within the Snoqualmie Indian Nation near Snoqualmie, Washington. The project consisted of a large multi-purpose facility with a 2000-car parking garage constructed with associated additional parking and support facilities on a steeply sloped 40-acre site bisected by a natural stream corridor. Mr. Fure served as Senior Project Manager and assisted the owner by providing leadership to the entire design team. Of significance was the design and construction of a large detention and water quality facility. Other infrastructure elements undertaken on the project under Mr. Fure's leadership include:

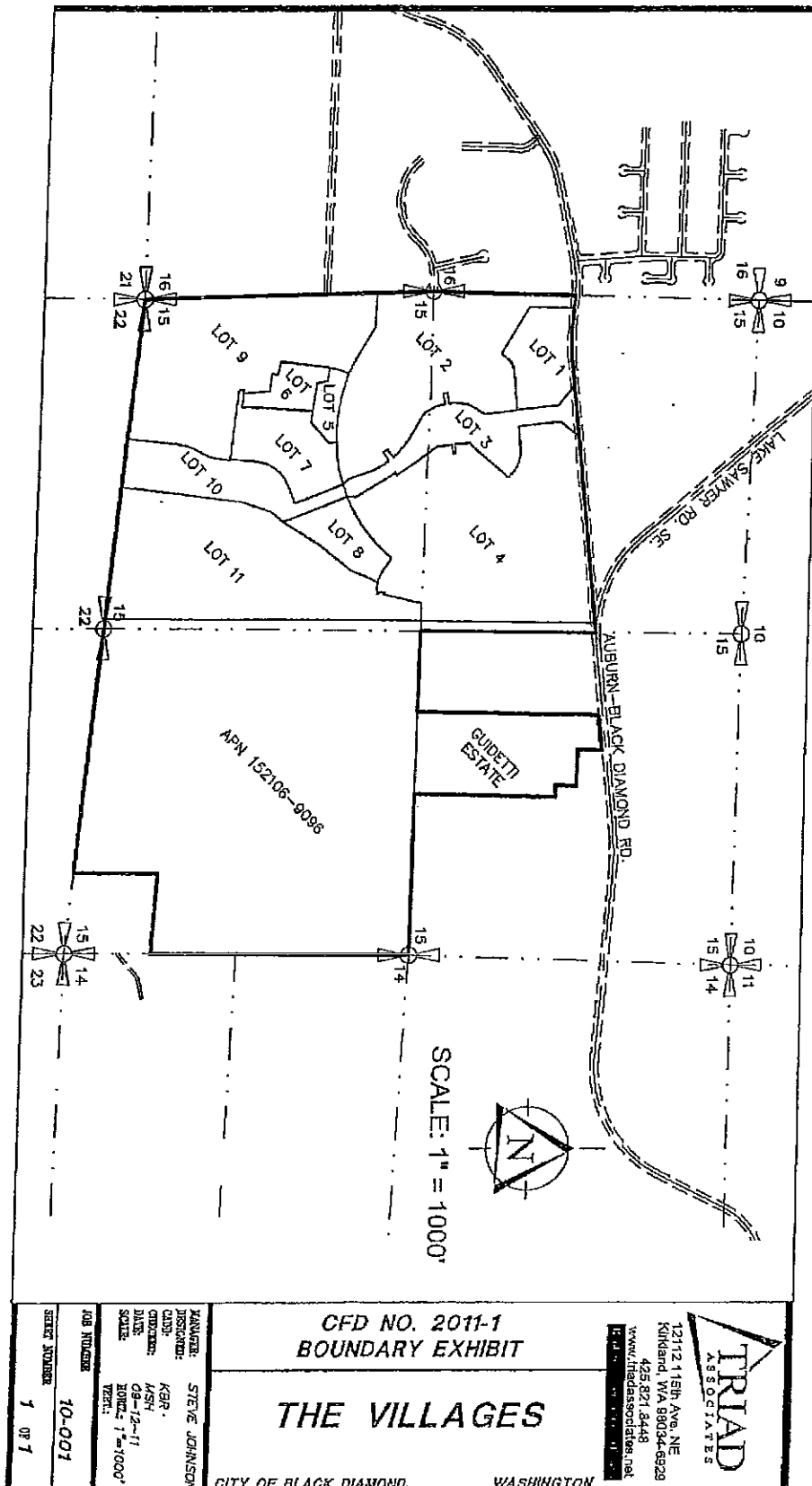


- Street frontage improvements on North Bend Way, including a new intersection roundabout
- A water well and pump house
- Water treatment and potable water storage
- Fire flow reservoir and fire flow pump
- Numerous onsite retaining walls

OTHER REPRESENTATIVE PROJECTS

- Lakeland Master Plan, Auburn, WA
- Archstone Northcreek, Snohomish County, WA
- Oswego Pointe Mixed Use Development, Lake Oswego, OR
- Port Ludlow Planned Community, Jefferson County, WA
- Avalon High Grove, Snohomish County, WA
- Brandemoor Apartment Community, Snohomish County, WA
- Emerald Heights Retirement Community, Redmond, WA
- Mack Elementary School, King County, WA
- Element Residential Community, Redmond, WA
- Belcarra Apartments, Bellevue, WA
- Boeing Space Center Redevelopment, Kent, WA
- Inglewood Hills Apartment Community, King County, WA

ATTACHMENT 3
PARCEL DIAGRAM



CFD NO. 2011-1
BOUNDARY EXHIBIT

THE VILLAGES

CITY OF BLACK DIAMOND,

WASHINGTON



12112 115th Ave. NE
Kirkland, WA 98034-6929
425.821.8448
www.triadassociates.net

PREPARED BY: STEVE JOHNSON
DATE: 08-12-11
SCALE: 1"=1000'
VERIFIED: KBR

JOB NUMBER

10-001

SHEET NUMBER

1 OF 7

THE VILLAGES
CFD NO. 2011-1 BOUNDARY
LEGAL DESCRIPTIONS BY PARCELS

SEPTEMBER 12, 2011
TRIAD PROJECT NO. 10-001

LOTS 1 THROUGH 11, BLACK DIAMOND BOUNDARY LINE ADJUSTMENT NO.
PLN 10-0019, ACCORDING TO THE BOUNDARY LINE ADJUSTMENT RECORDED
UNDER RECORDING NUMBER 20110426900005, RECORDS OF KING COUNTY,
WASHINGTON;

TOGETHER WITH THAT PORTION OF THE EASTERLY 660 FEET OF THE WEST
HALF OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH,
RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING SOUTHERLY
OF THE AUBURN-BLACK DIAMOND HIGHWAY;

EXCEPT THE EAST 381.24 FEET OF THE NORTHWEST QUARTER OF THE
NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6
EAST, W.M., LYING SOUTHERLY OF AUBURNBLACK DIAMOND HIGHWAY
AND THE EAST 90 FEET OF THE NORTH 165.70 FEET OF THE SOUTHWEST
QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 21
NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

(ALSO KNOWN AS PARCEL 1 UNDER SURVEY RECORDED UNDER
RECORDING NUMBER 20030917900009.)

AND TOGETHER WITH THE THE SOUTHEAST QUARTER OF SECTION 15,
TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

AND TOGETHER WITH THAT PORTION OF THE EAST 80 FEET OF THE WEST
HALF OF SAID SECTION 15 LYING SOUTHERLY OF THE AUBURN-BLACK
DIAMOND ROAD;

EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE
SOUTHEAST QUARTER OF SAID SECTION 15.

WRITTEN BY: ARJ
CHECKED BY: MSH



S:\PROJECTS\05336\CORRESPNC\TRIAD LEGALS\11-0906 10-001 Legal Description-
Phase 1-CFD-A.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.408.0756 • Fax 425.821.3481
www.triadassociates.net

Page 1 of 1

Land Development Consultants



First American Title
3224 Wetmore Avenue
Everett, WA 98201

Good Afternoon Ryan,

This email is to certify that BD VILLAGE PARTNERS, LP, a Washington Limited Partnership is the vested owner of the lots listed below:

Lot 1	1521069098
Lot 2	1521069101
Lot 3	1521069099
Lot 4	1521069100
Lot 5	1521069104
Lot 6	1521069105
Lot 7	1521069103
Lot 8	1521069102
Lot 9	1521069109
Lot 10	1521069106
Lot 11	1521069108

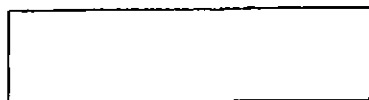
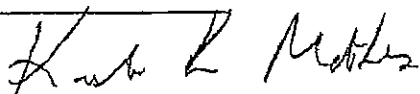
They acquired the property via a Special Warranty Deed record at the King County Courthouse on September 22, 2006 under Recording Number 20060922001106 and Excise Number E2238528.

I have attached a certified recorded copy above of the Special Warranty Deed.

Thank you and have a great evening!

Kristi

Kristi K. Mathis
Title Manager



First American Title Insurance Company
Direct: 425-322-2008
Direct: 206-615-3206
Direct 425-551-2012
Fax: 866-859-0429
Toll-free: 800-532-2110
Email: kkmathis@firstam.com

Recording Requested By And
When Recorded Mail To:
Stewart Title Guaranty Company
1000 Second Avenue, Suite 1620
Seattle, Washington 98104
File No. 560-9.05-1670



20060922001106
41.00

STEWART TITLE WD
PAGE 001 OF 010
09/22/2006 13:38
KING COUNTY, WA

E2238528

09/22/2006 13:34
KING COUNTY, WA
TAX \$765,405.00
SALE \$43,000,000.00

PAGE 001 OF 001

STEWART TITLE
206127589 (10)

Grantor: Plum Creek Land Company, a Delaware corporation
Grantee: BD Village Partners LP, a Washington limited partnership
Legal Description (abbreviated): Portions of SW1/4 of Section 2 and SE1/4SE1/4 of Section 3, each in Township 21 North, Range 6 East, W.M.; W1/2NW1/4 of Section 11, Township 21 North, Range 6 East, W.M.; Portions of Section 15, Township 21 North, Range 6 East, W.M.; Portions of the NE1/2 and NW1/4SW1/4 of Section 23, Township 21 North, Range 6 East, W.M.; Portion of NW1/4NW1/4 of Section 27, Township 21 North, Range 6 East, W.M.; legal descriptions contained on Exhibit "A" attached hereto.
Assessor's Tax Parcel ID#: 32106-9015-00; 22106-9024-00; 32106-9076-06; 32106-9001-06; 112106-9006-01; 112106-9109-07; 152106-9005-08; 152106-9097-07; 152106-9098-06; 152106-9099-05; 152106-9100-02; 152106-9101-01; 152106-9102-00; 152106-9103-09; 152106-9104-08; 152106-9105-07; 152106-9106-06; 152106-9108-04; 152106-9109-03; 152106-9096-08; 232106-9001-02; 232106-9046-09; 232106-9047-08; 232106-9048-07; 232106-9049-06; 232106-9050-02; 232106-9054-08; 232106-9003-00; 232106-9057-05; 232106-9058-04; 232106-9051-01; 232106-9052-00; 232106-9053-09; 272106-9056-02.

SPECIAL WARRANTY DEED

THE GRANTOR, PLUM CREEK LAND COMPANY, a Delaware corporation, with its principal place of business located at 999 Third Avenue, Suite 4300, Seattle, Washington 98104, ("Grantor") for and in consideration of Ten and 00/100 Dollars (\$10.00), and other good and valuable consideration in hand paid, grants, conveys and warrants to BD VILLAGE PARTNERS LP, a Washington limited partnership, whose address is c/o Yarrow Bay Development, 825 Fifth Avenue, Suite 202, Kirkland, Washington 98033 ("Grantee"), its successors and assigns, the real estate, situated in the County of King, State of Washington legally described on Exhibit "A" attached hereto and incorporated herein by this reference as though fully set forth (the "Property").

SUBJECT TO the following permitted exceptions:

- (i) liens for taxes, assessments and other governmental charges which are not yet due and payable as of the date hereof;

(ii) all land use (including environmental and wetlands), building and zoning laws, regulations, codes and ordinances affecting the Property;

(iii) any rights of the United States of America, the State in which the Property is located or others in the use and continuous flow of any brooks, streams or other natural water courses or water bodies within, crossing or abutting the Property, including, without limitation, riparian rights and navigational servitudes;

(iv) all easements, rights-of-way, licenses and other such similar encumbrances apparent or of record;

(v) all existing public and private roads and streets and all railroad and utility lines, pipelines, service lines and facilities;

(vi) all encroachments, overlaps, boundary line disputes, shortages in area, persons in possession, cemeteries and burial grounds and other matters not of record which would be disclosed by an accurate survey or inspection of the Property;

(vii) prior reservations or conveyances of mineral rights or mineral leases of every kind and character; and further

SUBJECT TO those encumbrances shown on Exhibit "B" attached hereto and incorporated herein by this reference as though fully set forth.


TOGETHER, with all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

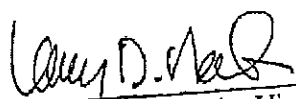
And the said Grantor hereby covenants that it will forever WARRANT and DEFEND all right, title and interest in and to said premises, and the quiet and peaceable possession thereof, unto the said Grantee, its successors and assigns, against the acts and deeds of said Grantor, and all and every person and persons whomsoever lawfully claiming or to claim the same.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers and its seal to be hereunto affixed this 21st day of September, 2006.

PLUM CREEK LAND COMPANY

Attest:


 Sheri L. Ward
 Assistant Secretary


 Larry D. Neilson, Senior Vice President
 Planning and Business Development

ACKNOWLEDGMENT

STATE OF WASHINGTON)
)ss
 COUNTY OF KING)

On this 21st day of September, 2006, before me personally appeared Larry D. Neilson and Sheri L. Ward, to me known to be the Senior Vice President Planning and Business Development and Assistant Secretary, respectively, of Plum Creek Land Company, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of the corporation and that the seal affixed is the seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



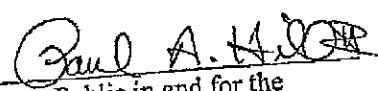

 Notary Public in and for the
 State of Washington
 Residing at Renton
 My Commission Expires: 10/29/06
 Printed Name: Paul A. Hill II

EXHIBIT A

PARCEL A:

LOTS U, W, X, Y AND Z OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L05L0097, RECORDED UNDER RECORDING NO. 20051209900003, SITUATE IN SECTIONS 2 AND 3, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

PARCEL B:

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

PARCELS C, D, AND E:

ALL OF SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON;

EXCEPT THE NORTHEAST QUARTER THEREOF;
ALSO EXCEPT THAT PORTION OF THE NORTHWEST QUARTER THEREOF LYING NORTHERLY OF THE CENTERLINE OF MAPLE VALLEY-LAKE SAWYER ROAD;

ALSO EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER THEREOF.

PARCEL F:

THAT PORTION OF SECTION 23, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, AND THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, LYING WESTERLY OF THE WESTERLY MARGIN OF THE ENUMCLAW-BLACK DIAMOND ROAD (SR 169) RIGHT OF WAY;

TOGETHER WITH:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF THE NORTHWEST QUARTER;

AND TOGETHER WITH:

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER;

AND TOGETHER WITH:

THE SOUTH HALF OF THE NORTHEAST QUARTER LYING SOUTHWESTERLY OF THE SOUTHWESTERLY MARGIN OF ENUMCLAW-BLACK DIAMOND ROAD (SR 169) RIGHT OF WAY;

AND TOGETHER WITH:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

TOGETHER WITH:

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT OF THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND 600 FEET SOUTH OF THE NORTHEAST SECTION CORNER OF SAID SECTION; THENCE EXTENDING IN A NORTHWESTERLY DIRECTION TO A POINT ON THE WEST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND 330 FEET SOUTH OF THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER.

PARCEL G:

LOT A OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L05L0096 AS RECORDED UNDER RECORDING NO. 20051209900002, SITUATE IN SECTION 27, TOWNSHIP 21 NORTH RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON.

EXHIBIT "B"
King County, Washington

1. RESERVATIONS OF OIL AND GAS, INCLUDING THE TERMS AND CONDITIONS THEREOF:
 RESERVING: MINERALS
 RESERVED BY: PCTC, INC., A DELAWARE CORPORATION
 RECORDED: JULY 7, 1989
 RECORDING NO.: 8907070390
 (INCLUDES OTHER PROPERTY)

SAID INSTRUMENT WAS CORRECTED BY A CORRECTION DEED
 RECORDED UNDER RECORDING NO. 9301152402.

CONVEYANCE OF OIL AND GAS RESERVED UNDER DEED TO PLUM
 CREEK TIMBER COMPANY L.P.:
 GRANTOR: PCTC, INC., A DELAWARE CORPORATION
 GRANTEE: MERIDIAN OIL INC.
 RECORDED: JULY 7, 1989
 RECORDING NO.: 8907070392

PARTIAL WAIVER OF SURFACE USE RIGHTS BY MERIDIAN OIL INC.
 UNDER RECORDING NO. 9206230401.

CONVEYANCE OF RESERVED MINERAL RIGHTS BY DEED RECORDED
 UNDER RECORDING NO. 8907070391. SAID RIGHTS WERE FURTHER
 CONVEYED TO THE VESTEE HERBIN BY DEED RECORDED UNDER
 RECORDING NO. 9112301747.

2. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:
 BETWEEN: PACIFIC COAST COAL COMPANY
 AND: THE PACIFIC TELEPHONE AND TELEGRAPH
 COMPANY
 RECORDED: JUNE 27, 1922
 RECORDING NUMBER: 1629726
 PURPOSE: TELEPHONE LINE ON PARCEL B

3. LICENSE, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
RECORDED: APRIL 16, 1923
RECORDING NO.: 1726627
IN FAVOR OF: THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY
FOR: TELEPHONE LINE
AFFECTS: PARCELS B AND F AND OTHER PROPERTY

4. STORM DRAINAGE DITCH EASEMENT, INCLUDING TERMS AND
PROVISIONS CONTAINED THEREIN:
RECORDED: OCTOBER 20, 2004
RECORDING NO.: 20041020001208
IN FAVOR OF: BLACK DIAMOND DEVELOPMENT
COMPANY LLC
FOR: STORM DRAINAGE DITCH
AFFECTS: PORTION OF PARCEL B

5. TERMS AND CONDITIONS OF MEMORANDUM OF PLUM CREEK LAND
COMPANY IN CITY WATER SUPPLY AND FACILITIES FUNDING
AGREEMENT
RECORDED: MARCH 21, 2005
RECORDING NO.: 20050321000922
(AFFECTS: PARCELS B, E, AND F)

6. RIGHTS OF THE PUBLIC, IF ANY, EXISTING AT THE DATE HEREOF TO
THAT PORTION OF THE PROPERTY, IF ANY, LYING WITHIN MAPLE
VALLEY-BLACK DIAMOND ROAD, ALSO KNOWN AS THE BLACK
DIAMOND-ENUMCLAW ROAD (STATE HIGHWAY NO. 169).

7. EASEMENT, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
RECORDED: JANUARY 16, 1975
RECORDING NO.: 7501160277
IN FAVOR OF: ROBERT O. WESSELER AND LUELLA
WESSELER,
HIS WIFE
FOR: ROAD AND UTILITIES
AFFECTS: WEST 30 FEET OF THE SOUTHWEST
QUARTER AND A PORTION OF THE WEST 30
FEET OF THE NORTHWEST QUARTER
IN PARCEL D

8. WELLSITE COVENANTS AND RESTRICTIONS CONTAINED IN INSTRUMENT:
 RECORDED: MAY 12, 1986
 RECORDING NUMBER(S): 8605120831
 (AFFECTS: WESTERLY BOUNDARY OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, IN PARCEL D)
9. LICENSE, INCLUDING TERMS AND PROVISIONS CONTAINED THEREIN:
 RECORDED: MAY 16, 1923
 RECORDING NO.: 1738332
 IN FAVOR OF: THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY
 FOR: TELEPHONE LINE
 AFFECTS: PARCEL F AND OTHER PROPERTY
10. RIGHTS OF THE GENERAL PUBLIC TO THE UNRESTRICTED USE OF ALL THE WATERS OF A NAVIGABLE BODY OF WATER NOT ONLY FOR THE PRIMARY PURPOSE OF NAVIGATION, BUT ALSO FOR COROLLARY PURPOSES; INCLUDING (BUT NOT LIMITED TO) FISHING, BOATING, BATHING, SWIMMING, WATER SKIING AND OTHER RELATED RECREATIONAL PURPOSES, AS THOSE WATERS MAY AFFECT THE TIDELANDS, SHORELANDS OR ADJOINING UPLANDS AND WHETHER THE LEVEL OF THE WATER HAS BEEN RAISED NATURALLY OR ARTIFICIALLY TO A MAINTAINED OR FLUCTUATING LEVEL, ALL AS FURTHER DEFINED BY THE DECISIONAL LAW OF THIS STATE. (AFFECTS ALL OF PARCEL F SUBJECT TO SUCH SUBMERGENCE, BEING THE UNNAMED CREEK AND BLACK DIAMOND LAKE.)
11. INTENTIONALLY DELETED.
12. RIGHTS OF THE PUBLIC, IF ANY, EXISTING AS OF THE DATE HEREOF, TO THAT PORTION OF THE PROPERTY LYING WITHIN 257TH AVENUE SOUTHEAST, ACROSS A PORTION OF PARCEL F.

13. PEDESTRIAN, BICYCLE, EQUESTRIAN TRAIL EASEMENT AND THE
TERMS AND CONDITIONS THEREOF:

GRANTOR: PLUM CREEK LAND COMPANY, A
DELAWARE CORPORATION
GRANTEE: CITY OF BLACK DIAMOND, A WASHINGTON
MUNICIPAL CORPORATION
DATED: MARCH 21, 2006
RECORDED: MARCH 23, 2006
RECORDING NUMBER: 20060323001825

(AFFECTS THE WEST 100 FEET OF THE WEST ½ OF THE WEST ½ OF
SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., BEING A
PORTION OF PARCEL C, D AND E)

14. CONSERVATION EASEMENT DEED AND THE TERMS AND CONDITIONS
THEREOF:

GRANTOR: PLUM CREEK LAND COMPANY, A
DELAWARE CORPORATION
GRANTEE: CITY OF BLACK DIAMOND, A WASHINGTON
MUNICIPAL CORPORATION
DATED: MARCH 21, 2006
RECORDED: MARCH 23, 2006
RECORDING NUMBER: 20060323001818

(AFFECTS THAT PORTION OF PARCEL C, D AND E IN THE WEST ½ OF
SECTION 15, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M.)

15. CONSERVATION EASEMENT DEED AND THE TERMS AND CONDITIONS
THEREOF:

GRANTOR: PLUM CREEK LAND COMPANY, A
DELAWARE CORPORATION
GRANTEE: CITY OF BLACK DIAMOND, A WASHINGTON
MUNICIPAL CORPORATION
DATED: MARCH 21, 2006
RECORDED: MARCH 23, 2006
RECORDING NUMBER: 20060323001819

(AFFECTS THAT PORTION OF PARCEL C, D AND E IN SECTION 15,
TOWNSHIP 21 NORTH, RANGE 6 EAST, PARCEL B AND PARCEL F)

16. CONSERVATION EASEMENT DEED AND THE TERMS AND CONDITIONS THEREOF:

GRANTOR:	PLUM CREEK LAND COMPANY, A
DELAWARE	CORPORATION
GRANTEE:	CITY OF BLACK DIAMOND, A WASHINGTON
	MUNICIPAL CORPORATION
DATED:	MARCH 21, 2006
RECORDED:	MARCH 23, 2006
RECORDING NUMBER:	20060323001820

(AFFECTS PARCEL A AND OTHER PROPERTY)

27. RIGHTS OF THE PUBLIC, IF ANY, EXISTING AS OF THE DATE HEREOF TO THAT PORTION OF THE PROPERTY LYING WITHIN THE RIGHT OF WAY OF LAKE SAWYER-BLACK DIAMOND ROAD.

28. RIGHTS OF THE PUBLIC, IF ANY, EXISTING AT THE DATE HEREOF, TO THAT PORTION OF THE PROPERTY HEREIN WITHIN THE RIGHT OF WAY OF THE AUBURN-BLACK DIAMOND ROAD.

29. MATTERS DISCLOSED ON A SURVEY BY TRIAD ASSOCIATES, DATED SEPTEMBER 21, 2006, UNDER JOB NO. 05-336, AS FOLLOWS:

A) POSSIBLE PARTIES IN POSSESSION AS EVIDENCED BY SHEDS, LAWNS, FENCES, A GAZEBO AND PLANTER AREAS ALONG THE WEST LINE OF PARCEL C;

B) POSSIBLE PARTIES IN POSSESSION AS EVIDENCED BY SHEDS, AND/OR WELL HOUSES AND LAWN ALONG THE WEST LINE OF PARCEL D AT SE 331ST STREET AND BY THE EXISTENCE OF AN 8 FOOT GRAVEL TRAIL IN THE SOUTHWEST CORNER OF PARCEL D

30. PEDESTRIAN, BICYCLE, EQUESTRIAN TRAIL EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

GRANTOR:	PLUM CREEK TIMBER COMPANY L.P.
GRANTEE:	KING COUNTY, A POLITICAL SUBDIVISION
	OF THE STATE OF WASHINGTON
DATED:	JULY 24, 1997
RECORDED:	AUGUST 8, 1997
RECORDING NO.:	9708040340
(AFFECTS PARCEL G)	

DAVID

TAUSSIG

& ASSOCIATES, INC.

 **DRAFT**

SPECIAL BENEFIT

APPORTIONMENT ANALYSIS

COMMUNITY FACILITIES DISTRICT

No. 2011-1

OF THE

CITY OF BLACK DIAMOND

November 28, 2011

Public Finance
Urban Economics

Newport Beach
Fresno
Riverside
San Francisco
Chicago
Dallas

DRAFT

SPECIAL BENEFIT APPORTIONMENT ANALYSIS

COMMUNITY FACILITIES

DISTRICT No. 2011-1

OF THE CITY OF BLACK DIAMOND

Prepared for:

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I. INTRODUCTION

A Petition to the City Council of the City of Black Diamond, Washington ("City"), has been submitted pursuant to the provisions of the Revised Code of Washington ("RCW"), Chapter 36.145, *et seq.* (the "2010 Act"). The Petition requests the formation of City of Black Diamond Community Facilities District No. 2011-1 ("CFD No. 2011-1," or "District") to fund the construction of various public improvements of a distinctly local, subregional, and regional nature ("Improvements").

The District encompasses certain properties within the Villages Master Planned Development ("MPD"). This special apportionment benefit analysis has been prepared by David Taussig and Associates, Inc. ("DTA") to support the Petition requesting formation of the District, and to inform the City and the future Board of Supervisors of the District.

This report contains the following:

- 1) A diagram of the proposed CFD No. 2011-1 showing each separate Assessor's Parcel ("Parcel") included within the District, as well as the acreage of each Assessor's Parcel;
- 2) The proposed method or combination of methods for computing special assessments for each Assessor's Parcel based on the special benefit to assessed property from the use of public facilities or improvements funded directly or indirectly by special assessments;
- 3) A preliminary assessment roll showing the special assessment proposed to be imposed on each Assessor's Parcel

The total assessment assigned to each Assessor's Parcel in CFD No. 2011-1 is summarized in Table 1, below.

LIMITATIONS

At all times, and for all Improvements, it was assumed that:

The information provided to DTA by the following parties was true, correct, and complete:

1. YARROW BAY HOLDINGS
2. TRIAD ASSOCIATES
3. BD VILLAGE PARTNERS, L.P.
4. TRANSP0 GROUP

TABLE 1

**PROPOSED ASSESSMENT FOR
CFD No. 2011-1 BY ASSESSOR'S PARCEL**

Assessor's Parcel	Total
Parcel 1	\$1,575,836
Parcel 2	\$2,716,776
Parcel 3*	\$0
Parcel 4	\$7,828,999
Parcel 5	\$82,706
Parcel 6*	\$0
Parcel 7	\$580,886
Parcel 8	\$499,913
Parcel 9	\$2,134,417
Parcel 10*	\$0
Parcel 11	\$1,794,292
APN-9096	\$3,674,272
<i>Net Assessment</i>	<i>\$20,888,097</i>

*Parcel is within the District and does not specially benefit from the subject improvements.

II. LEGISLATIVE BACKGROUND

Special benefit ("Special Benefit") is defined as the particular and distinct benefit provided by the Improvements over and above general benefits conferred on real property located in the District. As a result of receiving this Special Benefit, the fair market value of each Assessor's Parcel in the District will be greater than it was prior to the construction of the Improvements. The level of Special Benefit received by an Assessor's Parcel is reflected in the amount of special assessment assigned to that Assessor's Parcel. Therefore, each Assessor's Parcel in the District is specially benefitted by the Improvements.

As required by the 2010 Act, the computation of special assessments for a Community Facilities District ("CFD") must follow the requirements of RCW 35.44 and RCW 35.51 in developing a method or combination of methods to compute special assessments. Moreover, the 2010 Act mandates that all special assessments must "fairly reflect" the Special Benefit to the properties being assessed. As explained below, the Improvements funded through CFD No. 2011-1 will provide a significant Special Benefit to the Assessor's Parcels within the CFD.

the 2010 Act further describes assessment methodology by reference to RCW 35.51.030, entitled "Alternative or additional method of assessment," which notes:

(1) As an alternative or in addition to other methods of ascertaining assessments for local improvements, the legislative authority of a municipality may develop and apply a system of classification of properties based upon some or all of the public use restrictions or private use restrictions to which such property may be put at the time the preliminary assessment roll is confirmed.

(2) The legislative authority of a municipality may classify property into office, retail, residential, public, or any other classifications the legislative authority finds reasonable, and may levy special assessments upon different classes of property at different rates, but in no case may a special assessment exceed the special benefit to a particular property. A municipality also may exempt certain classes of property from assessment if the legislative authority of the municipality determines that properties within such classes will not specially benefit from the improvement.

(3) For each property within a specific use classification, the legislative authority of the municipality may determine the special assessment after consideration of any or all of the following:

- a) Square footage of the property;
- b) Permissible floor area;
- c) Distance from or proximity of access to the local improvement;
- d) Private use restrictions and public use restrictions;
- e) Existing facilities on the property at the time the assessment roll is confirmed;
- f) Any other factor the legislative authority finds to be a reasonable measure of the special benefits to the properties being assessed.

The characterization of a benefit may depend upon whether an Assessor's Parcel receives a direct advantage from a public improvement or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement. As such, the computation and assessment of a Special Benefit will be dependent on the type of public facility that is being financed by the CFD, as is described below. In each case, while it may not be legally required, to be conservative, this analysis demonstrates that the proposed methods of computing the special assessments more fairly reflect the Special Benefits than do other methodologies.

III. PLANS AND FACILITIES

A. FACILITIES TO BE CONSTRUCTED

Pursuant to Section 36.145.100 of the 2010 Act, CFD No. 2011-1 will finance the following facilities:

1. SR-169 / Roberts Drive / Black Diamond – This construction will reconfigure two intersections to increase their collective capacity to adequately operate through the completion of the District's occupancies. Located within close proximity of each other, the two intersections are the connections of Roberts Drive to S.R. 169 and Black Diamond - Ravensdale Road to S.R. 169.
2. Roberts Drive - 750 / 850 Zone Water Main Extension – This main line extension is necessary to provide water services and to satisfy fire flow requirements for the District. The construction consists of two lines, oriented vertically, one pipe over the other, configured as a looped system.
3. Auburn – Black Diamond Road Frontage – The scope of the construction is to augment the current through traffic lanes with turning structures and intersections to facilitate ingress and egress into the District. The current design includes two roundabouts, a center turn lane and frontage landscaping. The Improvements are grouped into three construction phases. The Improvements will not measurably increase through-traffic capacity.
4. Onsite Spine Road – The Onsite Spine Road is a street entirely within the District, intersecting Auburn - Black Diamond Road and traversing the District in a north-south orientation. While the limits of construction are within District boundaries, extensions of the road will eventually serve all of the Villages MPD when it's entirely built out and occupied.
5. Onsite Ring Road – The Onsite Ring Road connects to Auburn – Black Diamond Road and travels in a circular arc as it traverses the District properties. This road provides additional traffic capacity within the internal road network and also provides an additional point of access to the District properties for fire and safety equipment.
6. Stormwater Detention Pond – The Stormwater Detention Pond is designed to detain, treat and infiltrate storm water runoff from large portions of the District as well as other parts of The Villages MPD. In addition, the pond serves as the ultimate overflow route for all stormwater runoff from the District that is not infiltrated or detained in other facilities within the District.
7. Sanitary Sewer Lift Station – The Sanitary Sewer Lift Station is being constructed to service the District as well as other portions of The Villages MPD. At a later date, a higher capacity sewer lift station sized to service all of The Villages MPDs (including the District) may be constructed in a different location. In such case, this lift station will be retired.

8. Sanitary Sewer Storage Facility – This facility works in conjunction with the Sanitary Sewer Lift Station described above. The purpose of the Sanitary Sewer Storage Facility is to retain flows for transport during off-peak demand. This Sewer Storage Facility is sized to detain sewer flows from the full District as well as other areas within the Villages MPD.
9. Village Green Park Improvements – These improvements will provide park space, recreational facilities, and open-space facilities for the use of residents of the Villages MPD as well as members of the public, businesses, and visitors of the District.
10. Civic Park Improvements – These improvements will also provide park space, recreational facilities, and open-space facilities for the use of residents of the Villages MPD as well as members of the public for entertainment, assembly, and recreation.

IV. ESTIMATES OF COSTS

The 2010 Act mandates the provision and documentation of:

“A proposed method or combination of methods for computing special assessments, determining the benefit to assessed property, or use from facilities or improvements funded directly or indirectly by special assessments”

Given that special assessments are a product of the estimated cost of the facilities to be included within CFD No. 2011-1, listed below are estimates of (i) the total costs for improvements funded by CFD No. 2011-1, including incidental expenses, (ii) the amount of any contributions, if any, to be made from sources other than assessments levied pursuant to the 2010 Act, and (iii) the net amount to be assessed upon assessable lands within CFD No. 2011-1.

A. FACILITY CONSTRUCTION COST

Included are estimated costs for the construction of all Improvements listed in Section III. These costs are summarized in Table 2 below.

TABLE 2
PROJECTED FACILITY CONSTRUCTION COSTS

Item Description	Cost Estimate
(1) SR-169 / Roberts Drive / Black Diamond	\$1,758,178
(2) Roberts Drive - 750 / 850 Zone Water Main Extension	\$2,261,657
(3) Auburn -- Black Diamond Road Frontage	\$7,239,271
(4) Onsite Spine Road	\$4,877,075
(5) Onsite Ring Road	\$3,171,050
(6) Stormwater Detention Pond	\$1,762,200
(7) Sanitary Sewer Lift Station	\$1,492,912
(8) Sanitary Sewer Storage Facility	\$588,000
(9) Village Green Park Improvements	\$1,397,617
(10) Civic Park Improvements	\$2,156,167
Total	\$26,704,127

B. DURATION OF ASSESSMENTS

CFD No. 2011-1 will levy the assessment in accordance with the 2010 Act, RCW 36.145.110(3), which indicates that the term of the special assessment is limited to the lesser of (a) twenty-eight years or (b) two years less than the term of any bonds issued by or on behalf of the district to which the assessments or other revenue of the district is specifically dedicated, pledged, or obligated.

Decisions on the Assessment Rolls will be made by the District Board of Supervisors.

C. CONTRIBUTIONS FROM OTHER SOURCES

There will be other sources of funding for the portions of the Improvements not funded through the District.

D. NET ASSESSMENT

In the interest of equity, it is prudent to separate the general benefits from the Special Benefits conferred, as well as to separate out the Special Benefits accruing to parcels outside of CFD No. 2011-1. In accordance with this principle, it is determined that there will be benefit accruing from the Improvements beginning in Fiscal Year 2012-13 that cannot be permissibly assessed to CFD No. 2011-1 in accordance with the 2010 Act ("District Contribution to General Benefit"), as explained in Section VI of this report.

Pursuant to the foregoing, Table 3 below shows the total net amount to be assessed upon assessable lands within CFD No. 2011-1.

TABLE 3

**NET PROPOSED TOTAL ASSESSMENT FOR
CFD No. 2011-1**

Item	Amount
Cost of Improvements	\$26,704,127
Costs of Issuance / Reserve Fund / Capitalized Interest / Incidental Expenses	\$4,365,246
District Contribution to General Benefit	\$10,181,276
<i>Net Assessment</i>	<i>\$20,888,097</i>

Incidental expenses to be paid with assessment proceeds from CFD No. 2011-1 ("Incidental Expenses") are identified in Table 4 below.

TABLE 4

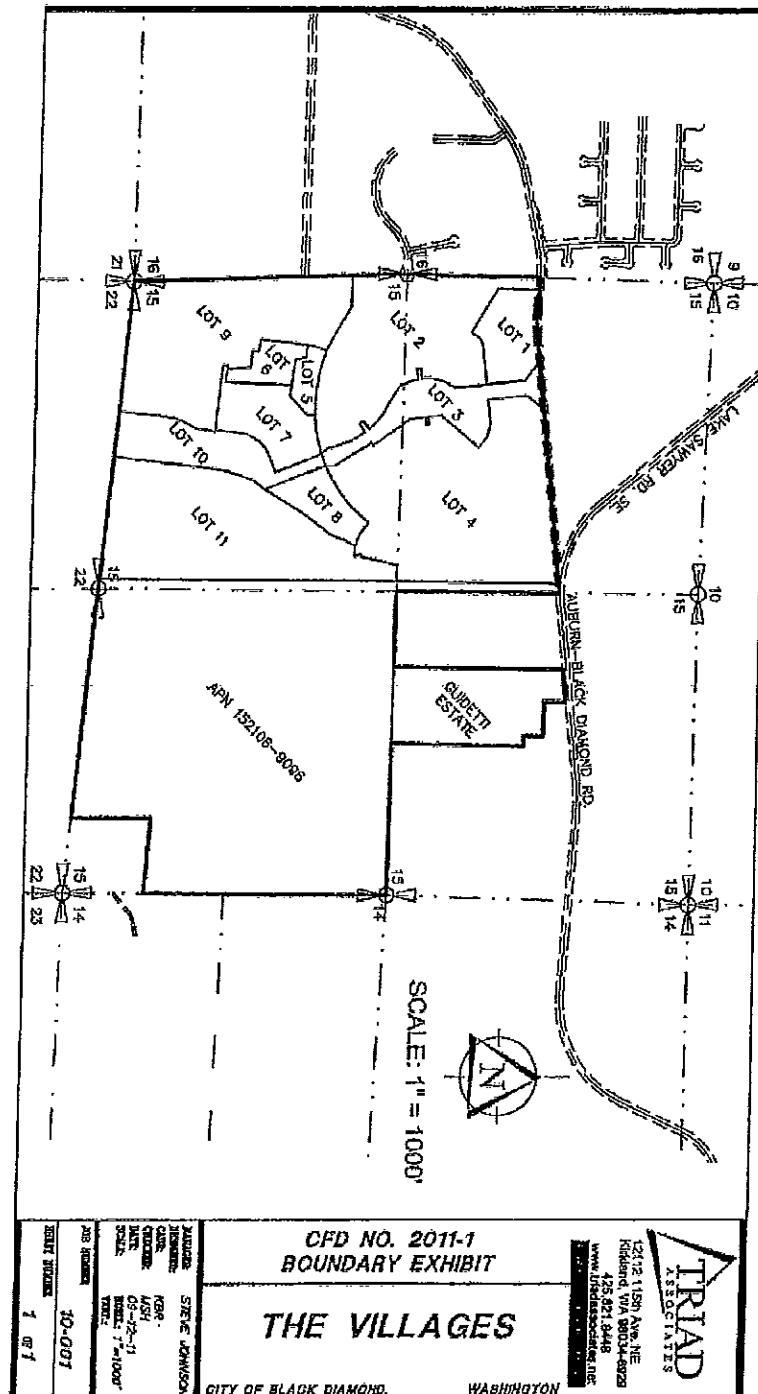
COSTS OF ISSUANCE / INCIDENTAL EXPENSES

Costs of Issuance / Reserve Fund / Capitalized Interest / Incidental Expenses	Expense Estimate
Costs of Issuance / Reserve Fund / Capitalized Interest / Incidental Expenses (~20%)	\$4,177,619
District Administration & County Collection Fee*	\$187,627
<i>Total</i>	<i>\$4,365,246</i>

*Represents a \$4 annual fee per District DU and per 2,500 sq.ft. of non-residential use for the projected build out product mix for 28 years.

V. ASSESSMENT DIAGRAM

An Assessment Diagram showing the exterior boundaries of CFD No. 2011-1 is provided on the following page. A complete list of all parcels within CFD No. 2011-1 is in the Petition.



VI. METHODOLOGY OF ASSESSMENT

In determining the net amount to be assessed upon parcels within CFD No. 2011-1, RCW 36.145.110 of the 2010 Act states that all special assessments must “fairly” reflect the benefit to the properties being assessed. Special Benefit is the particular and distinct benefit over and above general benefits conferred on real property located in the District. The fair market value of each Assessor’s Parcel in the District will be greater than it was previously due to the impact of the Improvements. Therefore, each Assessor’s Parcel in the District is specially benefitted by the Improvements.

RCW 35.51.030 states that “in no case may a special assessment exceed the special benefit to a particular property.” As noted previously, RCW 35.51.030 further states that the legislative authority of the municipality may determine the special assessment after consideration of any or all of the following:

- a) Square footage of the property;
- b) Permissible floor area;
- c) Distance from or proximity of access to the local improvement;
- d) Private use restrictions and public use restrictions;
- e) Existing facilities on the property at the time the assessment roll is confirmed;
- f) Any other factor the legislative authority finds to be a reasonable measure of the special benefits to the properties being assessed.

Generally, no assessment may be imposed on any parcel which exceeds the reasonable cost of the proportional Special Benefit conferred on that parcel. Special Benefit can be defined as a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. This Section VI describes the methodology used to calculate the net amount to be assessed on each parcel within CFD No. 2011-1 to assure that it is in proportion to the Special Benefit conferred on each such parcel.

A. BENEFITS OF IMPROVEMENTS

1. Roads and Street Improvements (Projects 1, 3, 4, and 5)

The primary benefits of road and street improvements are set forth below:

- a. The construction reconfiguring two S.R. 169 intersections, at (1) Roberts Drive and (2) Black Diamond – Ravensdale Road will increase the intersections’ collective capacity to adequately operate through the completion of the District’s occupancies.
- b. The Auburn – Black Diamond Road Frontage construction will add median turning lanes and intersections to facilitate ingress and egress into the District.

- c. The Onsite Spine Road will serve as a collector road facilitating District transportation in a general north-south orientation.
- d. The Onsite Ring Road facilitates District transportation in a general east-west orientation.
- e. The Improvements generally benefit traffic circulation and reduction in accidents.
- f. The improved ability of pedestrians to manage and navigate their surroundings, which helps pedestrians safely find their way.
- g. Lighted ingress and egress to lots and parcels resulting from street lights.
- h. The enhancement to the value of the property which results from the foregoing benefits.

2. Water Main Extension, Sewer Lift Station and Stormwater Drainage (Projects 2, 6, 7, and 8)

The primary benefits of sewer, water and storm drain improvements are set forth below:

- a. The Roberts Drive water main extension from the current water facilities provides water service and fire flow to enable the construction and occupancy of residences and commercial facilities on previously vacant undeveloped land.
- b. The Stormwater Drainage and Storage Improvements are designed to detain, treat and infiltrate storm water runoff from large portions of the District as well as other parts of the Villages MPD. The facilities will mitigate flooding during peak rainfall storms by safely channeling and temporarily storing storm runoff.
- c. The Sewer Lift Station will service the District as well as other areas of The Villages MPD by pumping wastewater to regional gravity flow sanitary sewer systems and facilitating the safe transmission of wastewater to centralized wastewater treatment facilities.
- d. The planned Sewer Storage facility works in conjunction with the Sewer Lift Station and will serve the full District and other MPD areas. The Improvement will retain wastewater for transmission through the sanitary sewer system.
- e. Health and safety benefits resulting from construction of the subject infrastructure are the delivery of potable water, the sanitary removal of wastewater and the protection of life and property from the damage incurred as a result of flooding.

- f. The enhancement to the value of the property which results from the foregoing benefits.

3. Park and Recreational Improvements (Projects 9 and 10)

The primary benefits of the Village Green Park and the Civic Park improvements are set forth below:

- a. The Village Green Park and the Civic Park will improve the aesthetic appeal of nearby parcels.
- b. Both parks will create green space within the urban environment.
- c. Both parks will enhance wind breaks, improve erosion resistance, and improve dust control.
- d. Both the Parks provide opportunities to play, recreate and assemble which improves physical and social health.
- e. Generally, parks and recreational spaces instill a sense of pride within a neighborhood.
- f. Finally, and importantly, the Village Green Park and the Civic Park will enhance the value of nearby property as a result of the foregoing benefits.

B. CATEGORIES OF BENEFIT

Given the provisions of the 2010 Act, it is necessary to establish parameters for Special Benefit and General Benefit as such terms relate to the benefit to be derived from the Improvements.

However, as benefits generated by CFD No. 2011-1 Improvements accrue dissimilarly depending on the nature of the Improvement, the computation of Special Benefit will vary. See Section D below for further discussion.

C. ZONES OF BENEFIT

A zone of benefit ("Zone of Benefit") consists of all territory which will receive substantially the same degree of benefit from an Improvement. All parcels currently within CFD No. 2011-1 are not within the same Zone of Benefit for each and every Improvement. However, for the vast majority of Improvements, all parcels within CFD No. 2011-1 will receive substantially the same benefit, as detailed in Section A above, and will not be assigned to benefit zones.

For example, the Zones of Benefit for the Village Green Park Improvements and the Civic Park Improvements result in divergent Special Benefit for parcels with respect to park and recreational use within CFD No. 2011-1.

D. ALLOCATION OF SPECIAL BENEFIT TO PARCELS

Special Benefit is allocated to parcels based upon either the number of Equivalent Dwelling Units ("EDUs") or Equivalent Benefit Units ("EBUs") assigned to each such parcel. The number of EDUs/EBUs assigned to a parcel reflects the relative amount of Special Benefit allocable to each such parcel. This section describes the methodology used to assign EDUs/EBUs to each Assessor's Parcel.

1. Road and Street Improvements (Projects 1, 3, 4, and 5)

Road usage is typically computed on the basis of anticipated trip generation. The Institute of Traffic Engineers publication, *Trip Generation, Eighth Edition* ("ITE"), indicates peak hour trips per single-family and multi-family dwelling unit, as well as for various types of commercial development. As such, it is necessary to quantify the number of existing residential dwelling units and commercial/industrial square footage that are not adequately served by the current street and road facilities, and then determine the peak hour trips generated by this existing development based on trip count multipliers listed in the ITE.

Following this, one must quantify the impacts of new development at the District's buildout on the listed intersection and road improvements using ITE trip count multipliers for projected residential and commercial product types within the District, thereby creating a total trip count generated by the District at its buildout.

Finally, one must allocate a portion of total intersection improvement costs to the District based on the percentage of total peak hour trips (the sum of trips calculated above) that the District is expected to generate. Once the District's percentage of the Improvement costs has been calculated, individual parcels within this phase shall in turn be assigned their portions of costs based on their share of the total trips generated by the development.

2. Water Main, Sewer Systems and Stormwater Drainage Facilities (Projects 2, 6, 7, and 8)

Stormwater flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, and impervious ground cover. Accordingly, Special Benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that impact the parcels within CFD No. 2011-1.

The primary determinant of sanitary sewer and water usage is the applicable population equivalent. For that reason, Special Benefit related to sanitary facilities is calculated using sewer and water usage data which indicates that wastewater flow rates are typically determined on the basis of residential density and product type and the average per capita contribution of wastewater. Similarly, sewer and water demand for commercial development is a function of the nature and intensity of use.

3. Park and Recreational Improvements (Projects 9 and 10)

Special Benefit for the Village Green Park Improvements and the Civic Park Improvements is calculated by employing Zones of Benefit. These Zones of Benefit are represented as concentric circles derived from offsetting distances from the perimeter of each respective park. The offsets are derived from various walk-times (e.g., 5 minutes and 15 minutes) from the outside boundary of each park. This methodology assumes that the closer a home or non-residential structure is located to a park, the greater the Special Benefit. In light of requirements imposed upon the entire Villages project related to park space and open space, as well as the significant number and acreage of separate proposed parks in other phases of the Villages project, this choice of Zones of Benefit is rather conservative in light of walking patterns and resident behavioral decisions.

4. Residential Development

The single family detached dwelling unit ("SFD") parcel was selected as the basic unit for calculation of the assessments. The SFD is a component of the Single Family Dwelling Unit category as defined in the Final Environmental Impact Statement for the Villages Master Planned Development, City of Black Diamond, Washington, prepared by Parametrix (December 2009) ("EIS"). Parcels of other uses were reduced to EDUs/EBUs in the manner illustrated in the tables included in Attachment 2, with benefit levels assigned to each use type as proportions of the benefit to be received by a single family dwelling unit parcel.

Special Benefit accrues to each parcel to be subdivided and served by the Improvements. Since none of the areas within CFD No. 2011-1 have been subdivided into individual lots at this time, the assessments were placed in aggregate on one or more existing Assessor's Parcels and the apportionment of the assessments to individual subdivided lots will take place as final maps are recorded. SFD lots that lie within more than one Assessor's Parcel will be assigned to the Assessor's Parcel which contains the majority of the acreage.

For certain Improvements where relative level of Special Benefit was based on household size, data from the EIS was utilized to differentiate between use types. For example, for park and recreation purposes, dwelling units classified in the District and the surrounding areas as SFD or multi-family (less than 18 units) have an average household size of 2.70 persons per household, and were each assigned 1.00 equivalent dwelling units ("EDUs"). Dwelling units classified in the District and the surrounding areas as high-density residential ("HDR") (more than 18 units) have an average household size of 1.85 persons per household, and were therefore assigned approximately 0.69 EDUs.

However, the magnitude of the EDUs assigned to a use type varies depending on the criterion used for each type of Improvement analyzed. For example, the EDU for HDR ranges from 0.67 to 0.87 depending on the Improvement in question. The HDR EDU for stormwater drainage is 0.80 due to building densities and the amount of impermeable surface inherent in HDR construction relative to SFD densities and impermeable surfaces. For sewer usage the coefficient is 0.67 and takes into account the average water usage per person, HDR densities per acre, and the average household size for an average HDR. The HDR EDU coefficient for road improvements is based on peak hour trip count projections and varies depending on the mix of development utilizing the road improvement. Predictably, for assessment purposes, sometimes HDRs function more like SFDs, for example, with respect to vehicle trip-ends; whereas, with regards to functions related to, for example, stormwater facility needs, a HDR will not demand as high of an EDU figure.

5. Non-Residential Use

Assessor's Parcels zoned for commercial, limited commercial, industrial, agricultural, or private recreational use were assessed on the basis of the Special Benefit accruing to the parcel. According to the Villages MPD site plan, the District contains 186,400 square feet of non-residential area (excluding an elementary school in Parcels 5 and 7). A further breakdown estimates the District's non-residential uses to consist of approximately 103,200 sq. ft. of retail space, 5,400 sq. ft. of office, 77,800 sq. ft. of "other" commercial uses and 46,000 sq.ft. of school building(s) floor space.

The trip counts generally ascribed to retail and office uses are both dependent on the size of the space (square feet), however, both have different trip generation coefficients with different peak hour times. Traffic management plans account for the peak hour differences between uses and are able to mitigate peak hour amplitudes by populating an area with complimentary non-residential uses which have different peak traffic hours.

6. Equivalent Benefit Units

Due to the assignment of multiple Zones of Benefit that are proximate to the two parks to be financed by the CFD (the Village Green Park and the Civic Park), this analysis also deployed an Equivalent Benefit Factor ("Factor") methodology for these facilities. This Factor is applied in addition to the standardization of dwelling units (into EDUs) that was explained in Subsections 4 and 5, above. The variability of EDUs is customarily dependent on relative densities between commercial uses or residential product types. However, the concept of varying Zones of Benefit allows benefits to be distributed based on location, i.e. proximity to a neighborhood amenity such as a park. Empirical studies conclude that there is a higher likelihood that a household will utilize a park if access is convenient. The households that are near the park will likely utilize the park more often than households located farther from the park. The "Zone of Benefit" concept was used to allocate Special Benefit dependent on distance from the park. All EDUs in the radial area designated Zone of Benefit #1, defined as 0.20 miles from the locus of either park, received a Factor of 1.0. EDUs within Zone of Benefit #2, defined as 0.60 miles from the perimeter of the outside boundary of either park, received a Factor of 0.5. A lower factor indicates that less Special Benefit accrues to those residents living farther away from park space.

These Zones and Factors roughly equate to:

ZONE OF BENEFIT #1 – 0-5 MINUTE WALK

ZONE OF BENEFIT #2 – 5-15 MINUTE WALK

In summary, the Equivalent Dwelling Units and Equivalent Benefit Units for CFD No. 2011-1 do vary to some degree depending on the Improvement.

VII. ASSESSMENT OF ESTIMATED SPECIAL BENEFIT

This section describes the calculations used to determine the net amount to be assessed on each Parcel within CFD No. 2011-1 in proportion to the Special Benefit conferred on each such Parcel. The amount of the assessment for each Parcel is listed in the Preliminary Assessment Roll, which is attached as Attachment 1. Because some of the Assessor's Parcels boundaries do not coincide with the Villages MPD site plan, and have yet to be subdivided, some initial assessments are in aggregate on the Assessor's Parcels until further subdivision is completed.

A. CALCULATION OF GENERAL BENEFIT AND SPECIAL BENEFIT

As detailed in Sections VI.B and VI.D, the Improvements in CFD No. 2011-1 generate both Special and General Benefits. Therefore, some of the costs associated with the construction of the Improvements will be allocated to "District Contribution to General Benefit."

Table 5 below shows that 62.6% of the Improvements construction costs have been allocated to CFD No. 2011-1.

TABLE 5**SPECIAL BENEFIT APPORTIONED TO CFD No. 2011-1**

Item Description	Cost Estimate	Special Benefit Apportioned	% of Improvement to CFD No. 2011-1
(1) SR-169 / Roberts Drive / Black Diamond	\$1,758,178	\$1,166,316	66.3%
(2) Roberts Drive - 750/850 Zone Water Main Ext.	\$2,261,657	\$2,261,657	100%
(3) Auburn -- Black Diamond Road Frontage (three stages)	\$7,239,271	\$3,236,150	44.7%
(4) Onsite Spine Road	\$4,877,075	\$2,028,091	41.6%
(5) Onsite Ring Road	\$3,171,050	\$2,019,657	63.7%
(6) Stormwater Detention Pond	\$1,762,200	\$1,377,401	78.2%
(7) Sanitary Sewer Lift Station	\$1,492,912	\$1,109,893	74.3%
(8) Sanitary Sewer Storage Facility	\$588,000	\$437,144	74.3%
(9) Village Green Park Improvements	\$1,397,617	\$1,207,025	86.4%
(10) Civic Park Improvements	\$2,156,167	\$1,867,144	86.3%
Total	\$26,704,127	\$16,710,477	62.6%

B. CLASSIFICATION OF PARCELS BY USE

The attached Workbook lists the parcels in CFD No. 2011-1 by EDUs and EBU's (as necessary), for each Improvement, and by each Use.

Attachment 1

City of Black Diamond CFD No. 2011-1
Preliminary Assessment Roll

Community Facility District (CFD) No. 2011-1 Preliminary Assessment Roll		
Parcel Number	Parcel Acreage	Public Improvement Projects for CFD No. 2011-1
		(Total per Parcel, including C.O.I./Reserve/Cap. I./Incidental)
1	8.28	\$1,575,836
2	34.44	\$2,716,776
3	11.26	\$0
4	52.87	\$7,828,999
5	2.51	\$82,706
6	3.79	\$0
7	10.01	\$580,886
8	5.96	\$499,913
9	37.71	\$2,134,417
10	12.30	\$0
11	41.40	\$1,794,292
TPN -9096	157.27	\$3,674,272
Total:	377.80	\$20,888,097

VIII. PRELIMINARY ASSESSMENT ROLL

David Taussig & Associates, as The Assessment Engineer, has prepared a Preliminary Assessment Roll for CFD No. 2011-1 based upon the assessment methodology described in this Report. The Preliminary Assessment Roll includes the net total assessment for CFD No. 2011-1 and shows the assessment number, Assessor's Parcel Number, and use designation for each parcel in CFD No. 2011-1. The Preliminary Assessment Roll is shown in Attachment 1. Reference is hereby made to the County of King Assessment Roll for a description of the parcels within CFD No. 2011-1.

Attachment 2

City of Black Diamond CFD No. 2011-1
Assessment Methodology Calculations

Project Number	Public Improvement	Estimated Cost	DISTRICT	
			"Special Benefit" Apportioned	% of Public Improvement
1	SR-169 / Roberts Drive / Black Diamond - Ravensdale Road	\$1,758,178	\$1,166,316	66.34%
2	Roberts Drive - 750 / 850 Zone Water Main Extension	\$2,261,657	\$2,261,657	100.00%
3(a)	Auburn - Black Diamond Road (I)	\$4,956,590	\$2,471,314	49.86%
3(b)	Auburn - Black Diamond Road (II)	\$1,830,408	\$657,152	35.90%
3(c)	Auburn - Black Diamond Road (III)	\$452,273	\$107,684	23.81%
4	Onsite Spine Road	\$4,877,075	\$2,028,091	41.58%
5	Onsite Ring Road	\$3,171,050	\$2,019,657	63.69%
6	Stormwater Detention Pond Improvements	\$1,762,200	\$1,377,401	78.16%
7	Sanitary Sewer Lift Station	\$1,492,912	\$1,109,893	74.34%
8	Sanitary Sewer Storage Facility	\$588,000	\$437,144	74.34%
9	Village Green Park Improvements	\$1,397,617	\$1,207,025	86.36%
10	Civic Park Improvements	\$2,156,167	\$1,867,144	86.60%
Total		\$26,704,127	\$16,710,477	62.6%

ATTACHMENT 2 - City of Black Diamond CFD No. 2011-1
Assessment Methodology Calculations

Project #	Generated [1]	Single-Family	Multi-Family	Commercial (sq. ft.)	School (sq. ft.)	by Land Use Category [2]	SFD	SFA	Multi-Family	Commercial (sq. ft.)	School (sq. ft.)
(1)	315	185	35	105	10	(4)	1.00	0.69	0.67	0.00358	0.00141
(3(a))	835	500	95	285	25	(3(a))	1.00	0.69	0.67	0.00334	0.00131
(3(b))	975	585	105	305	30	(3(b))	1.00	0.70	0.63	0.00330	0.00135
(3(c))	240	140	25	80	5	(3(c))	1.00	0.75	0.64	0.00368	0.00095
(4)	805	480	90	250	20	(4)	1.00	0.69	0.66	0.00329	0.00109
(5)	510	300	60	150	15	(5)	1.00	0.68	0.70	0.00335	0.00130
Grand Total [3]	3680	2190	410	1165	105	N/A	N/A	N/A	N/A	N/A	N/A

[1] Trip generation data provided by Triad Associates, Transpo Group, and Yarrow Bay Holdings. See below.

[2] Equivalent dwelling factors for projects 1, 3(a), 3(b), 3(c), 4, & 5 computed by dividing total trips generated per project for each such land use by EDU factor for single-family land use.

[3] Calculations may vary slightly due to rounding.

Project-Specific Traffic Data Sources:

Project 01 - based on PM peak hour traffic volumes on SR 169 north of Roberts Dr and south of BDRR

Project 03(a) - based on PM peak hour traffic volumes entering ABRD/Lake Sawyer Rd

Project 03(b) - based on PM peak hour traffic volumes entering ABRD/Onsite Spine Rd

Project 03(c) - based on PM peak hour traffic volumes on ABRD west of Onsite Spine Rd

Project 04 - based on PM peak hour traffic volumes on Onsite Spine Rd south of ABRD

Project 5 - based on PM peak hour traffic volumes on Onsite Ring Rd south of ABRD

Project No.	Weekday PM Peak Hour Vehicle Trips					Percentage of Benefit [5]
	Existing [1]	Build-out [1]	Non-MPD Background [2]	Applicable [3]	District [4]	
(1)	1055	NA	170	505	335	66.3%
(3(a))	505	2280	NA	1775	885	49.9%
(3(b))	390	3245	NA	2855	1025	35.9%
(3(c))	390	1440	NA	1050	250	23.8%
(4)	NA	2020	NA	2020	840	41.6%
(5)	NA	840	NA	840	535	63.7%
Grand Total [3]	2340	9825	170	9045	3870	N/A

[1] Trip generation data provided by Triad Associates, Transpo Group, and Yarrow Bay Holdings.
[2] Existing traffic need within boundaries of CFD No. 2011-1 to be Impacted by Project.
[3] Equals [build-out] minus [existing].
[4] As determined by Assessment Engineer in concert with Triad Associates.
[5] Calculations may vary slightly due to rounding.

Table No. 3 Equivalent Dwelling Units & Commercial (Sq. Ft.) By Parcel			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.67	123.2
(3) Commercial (Sq. Ft.)	0	0	-
Total	185	0.67	123
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	235	0.91	214.9
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
Total	235	0.91	215
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	0.91	221.0
(2) Multi-Family (DU)	149	0.67	99.2
(3) Commercial (Sq. Ft.)	186400	0	887.3
Total	392	2.52	888
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	0.69	20.7
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
(3) School (Sq. Ft.)	46,000	0.00	63.8
Total	30	2.81	84
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	0.83	181.6
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
Total	219	0.83	182
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	0.83	153.2
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
Total	185	0.83	153
Parcel 9098 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	0.94	344.4
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq. Ft.)	0	0	-
Total	367	0.94	344
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	8.8%	123	\$ 87,428
PARCEL 2	10.1%	215	117,608
PARCEL 4	46.3%	888	540,485
PARCEL 5	0.6%	13	6,958
PARCEL 7	3.4%	72	39,167
PARCEL 8	2.0%	42	22,085
PARCEL 9	8.5%	182	99,377
PARCEL 11	7.2%	153	83,816
PARCEL 9098	16.2%	344	188,493
GRAND TOTAL	100.0%	2,131	\$ 1,168,316

[1] See Table 3 for distribution of Project-specific EDU factors.

[2] See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.

[3] Calculations may vary slightly due to rounding.

Table No. 1 Equivalent Dwelling Unit & Assessment by Parcel CFD No. 2011-1			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.67	123.3
(3) Commercial (Sq.Ft.)	0	1250	-
Total	185	0.67	123
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	232	1.00	232.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	232	1.00	232
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	1.00	243.0
(2) Multi-Family (DU)	149	0.67	99.3
(3) Commercial (Sq.Ft.)	188400	1250	148.1
Total	392	1.25	491
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	1.00	30.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
(3) School (Sq.Ft.)	460	0.10	46.0
Total	30	2.50	76
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	1.00	219.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	219	1.00	219
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	1.00	185.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	185	1.00	185
Parcel 909B - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	1.00	367.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	367	1.00	367
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	7.1%	123	\$ 160,791
PARCEL 2	13.4%	232	302,460
PARCEL 4	28.3%	491	640,712
PARCEL 5	0.5%	9	11,733
PARCEL 7	3.8%	66	86,045
PARCEL 8	2.4%	42	54,756
PARCEL 9	12.6%	219	285,512
PARCEL 11	10.7%	185	241,186
PARCEL 909B	21.2%	367	478,461
GRAND TOTAL	100.0%	1,735	\$ 2,261,657

[1] EDU factor set at 1.00 and Townhome = 1 EDU, Apartments = 0.67 EDU due to reduction in use of no pavement, and Commercial = 1,250 square feet per EDU to reflect use of improvement by small business within MPD.

[2] See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.

[3] Calculations may vary slightly due to rounding.

Table No. 5 Equivalent Dwelling Units - Assessed by Parcel (2011-12)			
	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
Parcel 1 - Land Use			
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.75	138.4
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.75	138
Parcel 2 - Land Use			
(1) Single-Family (DU)	235	0.95	222.5
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	235	0.95	222
Parcel 4 - Land Use			
(1) Single-Family (DU)	243	0.94	228.3
(2) Multi-Family (DU)	149	0.75	111.4
(3) Commercial (Sq.Ft.)	156400	0	596.9
Total	392	2.69	1,038
Parcel 7 - Land Use			
(1) Single-Family (DU)	30	0.81	24.2
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
(3) School (Sq.Ft.)	45,000	0.00	58.8
Total	30	2.77	83
Parcel 8 - Land Use			
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use			
(1) Single-Family (DU)	219	0.89	195.7
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	219	0.89	198
Parcel 11 - Land Use			
(1) Single-Family (DU)	185	0.89	165.2
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.89	165
Parcel 9096 - Land Use			
(1) Single-Family (DU)	387	0.98	362.9
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	387	0.98	353
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	6.2%	138	\$ 152,850
PARCEL 2	9.9%	222	245,762
PARCEL 4	46.4%	1,038	1,146,194
PARCEL 5	0.5%	12	12,893
PARCEL 7	3.2%	71	78,686
PARCEL 8	1.9%	42	48,093
PARCEL 9	8.7%	195	216,162
PARCEL 11	7.4%	165	182,436
PARCEL 9096	15.8%	353	389,857
GRAND TOTAL	100.0%	2,237	\$ 2,471,314
(1) See Table 1 for derivation of Project specific EDU factor.			
(2) See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.			
(3) Calculations may vary slightly due to rounding.			

Table No. 6 Equivalent Dwelling Units & Assessment Calculations Project 2011 SPONSOR: 2011			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.78	144.1
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.78	144
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	235	0.95	223.8
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	235	0.95	224
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	0.93	230.7
(2) Multi-Family (DU)	149	0.78	116.1
(3) Commercial (Sq.Ft.)	186400	0	690.2
Total	392	2.65	1,037
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	0.83	24.9
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
(3) School (Sq.Ft.)	45,000	0.00	60.6
Total	30	2.85	85
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	0.90	198.1
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	219	0.90	198
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	0.90	167.2
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.90	167
Parcel 9096 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	0.97	354.4
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	367	0.97	354
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	6.4%	144	\$ 42,062
PARCEL 2	9.8%	224	65,298
PARCEL 4	48.0%	1,037	302,612
PARCEL 5	0.8%	12	3,536
PARCEL 7	3.3%	73	21,360
PARCEL 8	1.9%	42	12,297
PARCEL 9	8.8%	198	57,803
PARCEL 11	7.4%	167	49,789
PARCEL 9096	15.7%	354	103,416
GRAND TOTAL	100.0%	2,262	\$ 657,162
(1) See Table 1 for derivation of Project Impact No EDU factor.			
(2) See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.			
(3) Calculations may vary slightly due to rounding.			

Table No. 7 Equivalent Dwelling Unit / Impacted DU Factor			
	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
Parcel 1 - Land Use			
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.87	161.7
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.87	162
Parcel 2 - Land Use			
(1) Single-Family (DU)	235	0.96	226.5
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	235	0.96	226
Parcel 4 - Land Use			
(1) Single-Family (DU)	243	0.95	232.6
(2) Multi-Family (DU)	149	0.87	130.2
(3) Commercial (Sq.Ft.)	186400	0	778.4
Total	392	2.91	1,141
Parcel 7 - Land Use			
(1) Single-Family (DU)	30	0.85	25.6
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
(3) School (Sq.Ft.)	45,000	0.00	42.9
Total	30	2.28	89
Parcel 8 - Land Use			
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use			
(1) Single-Family (DU)	219	0.92	201.3
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	219	0.92	201
Parcel 11 - Land Use			
(1) Single-Family (DU)	185	0.92	169.9
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.92	170
Parcel 9096 - Land Use			
(1) Single-Family (DU)	367	0.97	356.3
(2) Multi-Family (DU)	0	0.87	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	367	0.97	356
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	6.8%	162	\$ 7,397
PARCEL 2	9.5%	226	10,261
PARCEL 4	48.2%	1,141	51,932
PARCEL 5	0.4%	9	380
PARCEL 7	2.5%	89	2,727
PARCEL 8	1.8%	42	1,911
PARCEL 9	8.5%	201	9,159
PARCEL 11	7.2%	170	7,732
PARCEL 9096	15.1%	356	15,214
GRAND TOTAL	100.0%	2,368	\$ 107,884

(1) See Table 1 for derivation of Project-specific EDU factor.

(2) See "Phase 3 Parcel Summary" for Impacted Dwelling Unit Count.

(3) Calculations may vary slightly due to rounding.

Table No. 1 Equivalent Dwelling Unit Assessment by Parcel Phase 1 2018-2019			
	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
Parcel 1 - Land Use			
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.78	144.2
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.78	144
Parcel 2 - Land Use			
(1) Single-Family (DU)	235	0.96	224.7
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	235	0.96	226
Parcel 4 - Land Use			
(1) Single-Family (DU)	243	0.95	231.7
(2) Multi-Family (DU)	149	0.78	116.2
(3) Commercial (Sq.Ft.)	186400	0	685.2
Total	392	2.64	1,033
Parcel 7 - Land Use			
(1) Single-Family (DU)	30	0.84	25.2
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
(3) School (Sq.Ft.)	45,000	0.00	49.0
Total	-	0.00	49
Parcel 8 - Land Use			
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use			
(1) Single-Family (DU)	219	0.91	199.8
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	219	0.91	200
Parcel 11 - Land Use			
(1) Single-Family (DU)	185	0.91	168.7
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.91	169
Parcel 9096 - Land Use			
(1) Single-Family (DU)	357	0.97	355.4
(2) Multi-Family (DU)	0	0.78	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	357	0.97	355
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	6.5%	144	\$ 131,934
PARCEL 2	10.1%	226	205,662
PARCEL 4	49.6%	1,033	945,090
PARCEL 5	0.4%	10	8,970
PARCEL 7	1.8%	39	35,381
PARCEL 8	1.9%	42	38,421
PARCEL 9	9.0%	200	182,795
PARCEL 11	7.6%	169	164,302
PARCEL 9096	16.0%	355	325,145
GRAND TOTAL	100.0%	2,217	\$ 2,028,081
(1) See Table 1 for evaluation of Project-specific ECU factor.			
(2) See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.			
(3) Calculations may vary slightly due to rounding.			

Table No. 9 Equivalent Dwelling Units Assessment by Parcel Project # 2011-01 RD No. 2011-01			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.79	147.0
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.79	147
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	235	0.96	224.6
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	235	0.96	225
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	0.85	206.7
(2) Multi-Family (DU)	149	0.79	116.4
(3) Commercial (Sq.Ft.)	186400	0	729.8
Total	382	2.75	1,080
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	0.84	25.2
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
(4) School (Sq.Ft.)	46,000	0.00	68.6
Total	30	2.79	84
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	0.91	199.7
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	219	0.91	200
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	0.91	168.6
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	185	0.91	169
Parcel 9096 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	0.97	355.4
(2) Multi-Family (DU)	0	0.79	-
(3) Commercial (Sq.Ft.)	0	0	-
Total	367	0.97	355
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	6.4%	147	\$ 129,022
PARCEL 2	9.8%	225	197,188
PARCEL 4	48.9%	1,080	947,866
PARCEL 5	0.6%	12	10,270
PARCEL 7	3.1%	72	63,217
PARCEL 8	1.6%	42	36,608
PARCEL 9	8.7%	200	175,206
PARCEL 11	7.3%	169	147,980
PARCEL 9096	15.4%	355	311,939
GRAND TOTAL	100.0%	2,301	\$ 2,019,857

[1] See Table 1 for derivation of Project specific EDU factor.

[2] See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.

[3] Calculations may vary slightly due to rounding.

Table No. 10 Equivalent Dwelling Units & Assessment by Phase Project #6 CFD No. 2011-1			
Phase 1 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	1,318	1.00	1,318
(2) Multi-Family (DU)	334	75%	251
(3) Commercial (Sq.Ft.)	186,400	0.043%	81
(3) School (Sq.Ft.)	46,000	0.043%	20
Total	1,652	1.01	1,670
Phase 2 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	168	1.00	168
(2) Multi-Family (DU)	166	75%	125
(3) Commercial (Sq.Ft.)	400,000	0.043%	174
Total	334	1.40	466
Phase 3 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	-	0.00	-
(2) Multi-Family (DU)	0	80%	-
Total	-	0.00	-
		Benefit Allocation	Equivalent Units
PHASE 1		78.2%	1,670
PHASE 2		21.8%	466
PHASE 3		0.0%	-
GRAND TOTAL		100.0%	2,136
<p>[1] EDU factor set at Single-Family = 1 EDU, Multi-Family = 0.80 EDU due to reduction in use of Improvement, and Commercial = 5,032 square feet per EDU to reflect use of Improvement by small business within MPD.</p> <p>[2] See "Phase 1 Parcel Summary" for Dwelling Unit Count, as well as CFD Site Plan Assessment Diagram (included). See also maps detailing Pond location.</p> <p>[3] Calculations may vary slightly due to rounding.</p>			

Table No. 11 Equivalent Dwelling Units & Assessment by Parcel			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.75	138.8
(3) Commercial (Sq.Ft.)	0	2300	-
Total	185	0.75	139
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	232	1.00	232.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
Total	232	1.00	232
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	1.00	243.0
(2) Multi-Family (DU)	149	0.75	111.8
(3) Commercial (Sq.Ft.)	186400	2300	81.0
Total	392	1.11	436
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	1.00	30.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
(3) School (Sq.Ft.)	46,000	2,300.00	20.0
Total	30	1.67	50
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	1.00	219.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
Total	219	1.00	219
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	1.00	185.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
Total	185	1.00	185
Parcel 9096 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	1.00	367.0
(2) Multi-Family (DU)	0	0.75	-
(3) Commercial (Sq.Ft.)	0	2300	-
Total	367	1.00	367
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	8.3%	139	\$ 114,471
PARCEL 2	13.9%	232	191,404
PARCEL 4	26.1%	436	859,537
PARCEL 5	0.2%	4	3,300
PARCEL 7	2.8%	46	37,951
PARCEL 8	2.5%	42	34,651
PARCEL 9	19.1%	219	180,679
PARCEL 11	11.1%	185	152,628
PARCEL 9096	22.0%	367	302,781
GRAND TOTAL	100.0%	1,670	\$ 1,377,401
(1) See Table 10 for derivation of Project-specific EDU factor.			
(2) See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.			
(3) Calculations may vary slightly due to rounding.			

Table No. 12 Equivalent Dwelling Units & Assessment by Phase Project #7 & Project #8 CFD No. 2011-1			
Phase 1 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	1,318	1.00	1,318
(2) Multi-Family (DU)	334	67%	223
(3) Commercial (Sq.Ft.)	186,400	0.080%	149
(3) School (Sq.Ft.)	450	10%	45
Total	1,652	1.05	1,735
Phase 2 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	168	1.00	168
(2) Multi-Family (DU)	166	67%	111
(3) Commercial (Sq.Ft.)	400,000	0.080%	320
Total	334	1.79	599
Phase 3 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	-	0.00	-
(2) Multi-Family (DU)	0	80%	-
Total	-	0.00	-
		Benefit Allocation	Equivalent Units
PHASE 1		74.3%	1,735
PHASE 2		25.7%	599
PHASE 3		0.0%	-
GRAND TOTAL		100.0%	2,333
[1] EDU factor set at Single-Family = 1 EDU, Multi-Family = 0.80 EDU due to reduction in use of Improvement, and Commercial = 5,032 square feet per EDU to reflect use of Improvement by small business within MPD.			
[2] See "Phase 1 Parcel Summary" for Dwelling Unit Count, as well as CFD Site Plan Assessment Diagram (included).			
[3] Calculations may vary slightly due to rounding.			

Table No. 13 Equivalent Dwelling Unit & Assessment by Parcel Project: 2011-1			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	185	0.67	123.3
(3) Commercial (Sq.Ft.)	0	1250	-
Total	185	0.67	123
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	232	1.00	232.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	232	1.00	232
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	1.00	243.0
(2) Multi-Family (DU)	149	0.67	99.3
(3) Commercial (Sq.Ft.)	186408	1250	149.1
Total	2492	1.25	491
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	1.00	30.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
(3) School (Sq.Ft.)	450	0.10	45.0
Total	30	2.50	75
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	1.00	219.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	219	1.00	219
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	1.00	185.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	185	1.00	185
Parcel 9096 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	1.00	367.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	367	1.00	367
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	7.1%	123	\$ 78,907
PARCEL 2	13.4%	232	148,430
PARCEL 4	28.3%	491	314,425
PARCEL 5	0.6%	9	5,758
PARCEL 7	3.6%	65	42,226
PARCEL 8	2.4%	42	26,871
PARCEL 9	12.6%	219	140,113
PARCEL 11	10.7%	185	118,361
PARCEL 9096	21.2%	367	234,802
GRAND TOTAL	100.0%	1,735	\$ 1,109,893

[1] See Table 12 for distribution of Project specific DUU factors.

[2] See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.

[3] Calculations may vary slightly due to rounding.

Table No. 14 Equivalent Dwelling Unit Assessment by Parcel Project No. 2011-1 CFD No. 2011-1			
Parcel 1 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	0	0.00	-
(2) Multi-Family (DU)	183	0.67	123.3
(3) Commercial (Sq.Ft.)	0	1250	-
Total	183	0.67	123
Parcel 2 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	232	1.00	232.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	232	1.00	232
Parcel 4 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	243	1.00	243.0
(2) Multi-Family (DU)	149	0.67	99.3
(3) Commercial (Sq.Ft.)	136400	1250	149.1
Total	392	1.25	491
Parcel 7 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	30	1.00	30.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
(3) School (Sq.Ft.)	450	0.10	45.0
Total	30	2.50	75
Parcel 8 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	42	1.00	42.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	42	1.00	42
Parcel 9 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	219	1.00	219.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	219	1.00	219
Parcel 11 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	185	1.00	185.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	185	1.00	185
Parcel 9096 - Land Use	Impacted Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	367	1.00	367.0
(2) Multi-Family (DU)	0	0.67	-
(3) Commercial (Sq.Ft.)	0	1250	-
Total	367	1.00	367
	Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1	7.1%	123	\$ 31,078
PARCEL 2	13.4%	232	68,461
PARCEL 4	28.3%	491	123,849
PARCEL 5	0.5%	9	2,268
PARCEL 7	3.8%	66	16,531
PARCEL 8	2.4%	42	10,583
PARCEL 9	12.6%	219	55,185
PARCEL 11	10.7%	185	46,618
PARCEL 9096	21.2%	367	92,479
GRAND TOTAL	100.0%	1,735	\$ 437,144

(1) See Table 12 for derivation of Project-specific DU factor.

(2) See "Phase 1 Parcel Summary" for Impacted Dwelling Unit Count.

(3) Calculations may vary slightly due to rounding.

Table No. 15 Total Equivalent Dwelling Units (E.D.U.) / All MPDs Project #9 CFD No. 2011-1					
Phase 1 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit Factor [3]	Equivalent D.U. [4], [5]
(1) Single-family	1318	2.70	3558.6	1.00	1318
(2) Multi-family	334	1.85	617.9	0.69	228.85
Grand Total [5]	1652	NA	4176.50	N/A	1546.85
Phase 2 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	1248	2.70	3369.6	1.00	1248
(2) Multi-family	327	1.85	604.95	0.69	224.06
Grand Total [5]	1575	NA	3974.55	N/A	1472.06
Phase 3 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	631	2.70	1703.7	1.00	631
(2) Multi-family	158	1.85	292.3	0.69	108.26
Grand Total [5]	789	NA	1996.00	N/A	739.26
Non-CFD - Land Use [6]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	124	2.70	334.8	1.00	124
(2) Multi-family	11	1.85	20.35	0.69	7.54
Grand Total [5]	135	NA	355.15	N/A	131.54
[1] Land uses represent the dwelling units in Black Diamond and the surrounding area potentially benefitting from the Village Green Park. [2] Population Equivalent ("P.E.") factor multiplied by applicable number of dwelling units. Factor derived from Final Environmental Impact Statement, prepared by Parametrix (December 2009). [3] Equivalent dwelling units for land uses 1 - 2 computed by dividing P.E. factor for each such land use by P.E. factor for single-family land use. [4] Equivalent dwelling unit factor multiplied by applicable number of dwelling units. [5] Calculations may vary slightly due to rounding. [6] Non-CFD Land impacted by Public Improvement #9 (Village Green Park) within both Zones of Benefit. Data derived from Census Demographic Quick Facts 2011 Report issued by the Nielsen Company, though based on 2000 Census Figures. The City of Black Diamond's Permitting and Planning Department notes that the City has had a moratorium on subdivisions in place since 2001 in order to update required regulations (building permit issuances reflect this, e.g., only four city-wide (4) thus far in 2011).					

Land Use [1]	Zone of Benefit #1 (0-5 Minute Walk)						Zone of Benefit #2 (5-15 Minute Walk)					
	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.	D.U.
	Phase 1 [2]	Phase 2 [3]	Non-CFD [4]	E.D.U.	Factor [5]	Equivalent Dwelling Units [6]	Phase 1 [2]	Phase 2 [3]	Non-CFD [4]	E.D.U.	Factor [5]	Equivalent Dwelling Units [6]
(1) Single-family	531	0	1	1.00	1.00	531.00	787	104	123	1.00	1.00	1014.00
(2) Multi-family	205	0	0	0.69	0.69	140.46	129	166	11	0.69	0.69	209.67
Grand Total [7]	736	0	1	N/A	N/A	671.46	916	270	134	N/A	N/A	1223.67

[1] Land uses represent the dwelling units in Black Diamond and the surrounding area actually benefitting from the Village Green Park.

[2] D.U. figures provided by Triad Engineering.

[3] D.U. figures provided by Triad Engineering.

[4] See Table 15, note 6.

[5] Equivalent dwelling factors for land uses 1 - 2 computed by dividing P.E. factor for each such land use by P.E. factor for single-family land use. See Table 15.

[6] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.

[7] Calculations may vary slightly due to rounding.

Table No. 15(b)(i) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #9 CFD No. 2011-1 / Phase 1							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	531.00	140.46	1.00	531.00	140.46	671.46
(2) 15-Minute Walking Distance	0.6 Miles	787.00	88.39	0.50	393.50	44.19	437.69
Grand Total [5]		1318.00	228.85	N/A	924.50	184.66	1109.16
Compare to Total E.B.U.s for Village Green Park:							1284.30
<p>[1] See Table 15(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p>							

Table No. 15(b)(ii) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #9 CFD No. 2011-1 / Phase 2							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	0.00	0.00	1.00	0.00	0.00	0.00
(2) 15-Minute Walking Distance	0.6 Miles	104.00	113.74	0.50	52.00	56.87	108.87
Grand Total [5]		104.00	113.74	N/A	52.00	56.87	108.87
Compare to Total E.B.U.s for Village Green Park:							1284.30
<p>[1] See Table 15(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p>							

Table No. 15(b)(iii) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #9 CFD No. 2011-1 / Non-CFD							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	1.00	0.00	1.00	1.00	0.00	1.00
(2) 15-Minute Walking Distance	0.6 Miles	123.00	7.54	0.50	61.50	3.77	65.27
Grand Total [5]		124.00	7.54	N/A	62.50	3.77	66.27
Compare to Total E.B.U.s for Village Green Park:							1284.30
<p>[1] See Table 15(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p> <p>* Phase 3 not included due to having zero (0) dwelling units within Zones of Benefit.</p>							

Phase 1 - Land Use [4]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	924.50	71.98%	\$1,006,073.85	\$1,006,073.85	1318	\$763.33	\$1,088.24	\$544.12
(2) Multi-family	184.66	14.38%	\$200,950.77	\$200,950.77	334	\$601.66	\$745.64	\$372.82
Grand Total [10]	1109.16	86.36%	\$1,207,024.62	\$1,207,024.62	1652	N/A	N/A	N/A
Phase 2 - Land Use [4]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	52.00	4.05%	\$66,588.25	\$0.00	104	\$0.00	\$0.00	\$0.00
(2) Multi-family	56.87	4.43%	\$61,888.36	\$0.00	166	\$0.00	\$0.00	\$0.00
Grand Total [10]	108.87	8.48%	\$118,476.62	\$0.00	270	N/A	N/A	N/A
Phase 3 - Land Use [4]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	0	0.00%	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00
(2) Multi-family	0	0.00%	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00
Grand Total [10]	0	0.00%	\$0.00	\$0.00	0	N/A	N/A	N/A
Non-CFD - Land Use [6]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	62.50	4.87%	\$68,014.73	\$0.00	124	\$0.00	\$0.00	\$0.00
(2) Multi-family	3.77	0.29%	\$4,101.04	\$0.00	11	\$0.00	\$0.00	\$0.00
Grand Total [10]	66.27	5.16%	\$72,115.76	\$0.00	135	N/A	N/A	N/A

[1] Land uses represent the dwelling units in Black Diamond and the surrounding area actually benefitting from the Village Green Park.

[2] See Tables #15(p)(7)-(10)

[3] For Total Benefit Units, see Table #15(b)(1)-(10). Total E.B.U. = 1,284.30

[4] Apportionment of "special benefit" directly resulting from public improvement, per RCW Chapter 36.145.

[5] Amount of apportioned "special benefit" that can be permissibly levied on specific land use category.

[6] See Table #15(a). Non-equivalent dwelling units figure utilized to reflect actual levy, not "special benefit." also, E.B.U. factor is already reflected in Benefit Units.

[7] Calculated as anticipated contribution by Phase and by land use category divided by number of non-equivalent dwelling units (d.u.).

[8] Estimated levy for parcels in Zone of Benefit #1, reflects divergent "special benefit" due to distance from public improvement.

[9] Estimated levy for parcels in Zone of Benefit #2 (and not concurrently #1), reflects divergent "special benefit" due to distance from public improvement.

[10] Calculations may vary slightly due to rounding.

Table No. 15(c) Equivalent Dwelling Units & Assessment by Parcel Project #1 CFD No. 2011-1				
Parcel 1 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	0	1.00	1.00	-
(2) Multi-family (per DU)	185	0.69	1.00	128.78
Total	185		NA	127
Parcel 2 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	232	1.00	1.00	232
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	232		NA	232
Parcel 4 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	243	1.00	1.00	243
(2) Multi-family (per DU) in Park Z.O.B.#1*	20	0.69	1.00	13.70
(2) Multi-family (per DU) in Park Z.O.B.#2*	129	0.69	0.50	44.19
Total	392		NA	301
Parcel 7 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) Z.O.B.#1*	0	1.00	1.00	-
Single-family (per DU) Z.O.B.#2*	30	1.00	0.50	15
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	30		NA	15
Parcel 8 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	42	1.00	1.00	42
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	42		NA	42
Parcel 9 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B.#1*	14	1.00	1.00	14
Single-family (per DU) in Park Z.O.B.#2*	205	1.00	0.50	103
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	219		NA	117
Parcel 11 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B.#1*	0	1.00	1.00	-
Single-family (per DU) in Park Z.O.B.#2*	185	1.00	0.50	93
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	185		NA	93
Parcel 9096 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B.#1*	0	1.00	1.00	-
Single-family (per DU) in Park Z.O.B.#2*	337	1.00	0.50	164
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	337		NA	164
		Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1		11.4%	127	\$ 137,944
PARCEL 2		20.9%	232	252,471
PARCEL 4		27.1%	301	327,448
PARCEL 7		1.4%	15	16,324
PARCEL 8		3.8%	42	45,706
PARCEL 9		10.5%	117	126,779
PARCEL 11		8.3%	93	100,892
PARCEL 9096		16.6%	164	190,691
GRAND TOTAL		100.0%	1,109	\$ 1,207,025

* Park Zone of Benefit #1 (0-4 Minute Walk); Park Zone of Benefit #2 (5-15 Minute Walk).

[1] See Table 15(b) for derivation of Project specific EDU factor and EDU factor.

[2] Impacted Dwelling Unit Count data provided by Tidal Engineering.

[3] Calculations may vary slightly due to rounding.

Table No. 16 Total Equivalent Dwelling Units (TE DU) / ALL MPDs Project #10 CFD No. 2011-1					
Phase 1 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit Factor [3]	Equivalent D.U. [4], [5]
(1) Single-family	1318	2.70	3558.6	1.00	1318
(2) Multi-family	334	1.85	617.9	0.69	228.85
Grand Total [5]	1652	NA	4176.50	N/A	1546.85
Phase 2 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	1248	2.70	3369.6	1.00	1248
(2) Multi-family	327	1.85	604.95	0.69	224.06
Grand Total [5]	1575	NA	3974.55	N/A	1472.06
Phase 3 - Land Use [1]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	631	2.70	1703.7	1.00	631
(2) Multi-family	158	1.85	292.3	0.69	108.26
Grand Total [5]	789	NA	1996.00	N/A	739.26
Non-CFD - Land Use [6]	Dwelling Units	P.E. Factor	Total P.E. [2]	Equivalent Unit [3]	Equivalent Units [4], [5]
(1) Single-family	129	2.70	348.3	1.00	129
(2) Townhome	11	1.85	20.35	0.69	7.54
Grand Total [5]	140	NA	368.65	1.69	136.54
[1] Land uses represent the dwelling units in Black Diamond and the surrounding area potentially benefitting from the Civic Park. [2] Population Equivalent ("P.E.") factor multiplied by applicable number of dwelling units. Factor derived from Final Environmental Impact Statement, prepared by Parametrix (December 2009). [3] Equivalent dwelling units for land uses 1 - 2 computed by dividing P.E. factor for each such land use by P.E. factor for single-family land use. [4] Equivalent dwelling unit factor multiplied by applicable number of dwelling units. [5] Calculations may vary slightly due to rounding. [6] Non-CFD Land impacted by Public Improvement #10 (Civic Park) within both Zones of Benefit. Data derived from Census Demographic Quick Facts 2011 Report issued by the Nielsen Company, though based on 2000 Census Figures. The City of Black Diamond's Permitting and Planning Department notes that the City has had a moratorium on subdivisions in place since 2001. In order to update required regulations (building permit issuances reflect this, e.g., only four city-wide (4) thus far in 2011).					

Land Use [1]	Zone of Benefit #1 (0-5 Minute Walk)						Zone of Benefit #2 (5-15 Minute Walk)				
	D.U. Phase 1 [2]	D.U. Phase 2 [3]	D.U. Non-CFD [4]	E.D.U. Factor [5]	Equivalent Dwelling Units [6]		D.U. Phase 1 [2]	D.U. Phase 2 [3]	D.U. Non-CFD [4]	E.D.U. Factor [5]	Equivalent Dwelling Units [6]
(1) Single-family	517	0	0	1.00	517.00		797	104	129	1.00	1030.00
(2) Multi-family	334	0	0	0.69	228.85		0	166	11	0.69	121.28
Grand Total [7]	851	0	0	N/A	745.85		797	270	140	N/A	1151.28

[1] Land uses represent the dwelling units in Black Diamond and the surrounding area actually benefitting from the Civic Park.

[2] D.U. figures provided by Triad Engineering.

[3] D.U. figures provided by Triad Engineering.

[4] See Table 16, note 6.

[5] Equivalent dwelling factors for land uses 1 - 2 computed by dividing P.E. factor for each such land use by P.E. factor for single-family land use. See Table 16.

[6] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.

[7] Calculations may vary slightly due to rounding.

Table No. 16(b)(i) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #10 CFD No. 2011-1 / Phase 1							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	517.00	228.85	1.00	517.00	228.85	745.85
(2) 15-Minute Walking Distance	0.6 Miles	797.00	0.00	0.50	398.50	0.00	398.50
Grand Total [5]		1314.00	228.85	N/A	915.50	228.85	1144.35
Compare to Total E.B.U.s for Civic Park:							1321.49
<p>[1] See Table 16(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p>							

Table No. 16(b)(ii) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #10 CFD No. 2011-1 / Phase 2							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	0.00	0.00	1.00	0.00	0.00	0.00
(2) 15-Minute Walking Distance	0.6 Miles	104.00	113.74	0.50	52.00	56.87	108.87
Grand Total [5]		104.00	113.74	N/A	52.00	56.87	108.87
Compare to Total E.B.U.s for Civic Park:							1321.49
<p>[1] See Table 16(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p>							

Table No. 16(b)(iii) Equivalent Benefit Units (E.B.U.) / Land Use Category Project #10 CFD No. 2011-1 / Non-CPD / Phase 3							
Zone of Benefit [1]	Offset	E.D.U. [2]		Equivalent Benefit Factor [3]	E.B.U. [4]		TOTAL [5]
		SF	MF		SF	MF	
(1) 5-Minute Walking Distance	0.2 Miles	0.00	0.00	1.00	0.00	0.00	0.00
(2) 15-Minute Walking Distance	0.6 Miles	129.00	7.54	0.50	64.50	3.77	68.27
Grand Total [5]		129.00	7.54	N/A	64.50	3.77	68.27
Compare to Total E.B.U.s for Civic Park:							1321.49
<p>[1] See Table 16(a).</p> <p>[2] Equivalent dwelling unit factor multiplied by applicable number of dwelling units.</p> <p>[3] Equivalent benefit factor chosen to reflect divergent "special benefit" accruing to various residents. Those that live closer to the park benefit significantly more.</p> <p>[4] Equivalent benefit unit factor multiplied by applicable number of equivalent dwelling units.</p> <p>[5] Calculations may vary slightly due to rounding.</p> <p>* Phase 3 not included due to having zero (0) dwelling units within Zones of Benefit.</p>							

Phase 1 - Land Use [1]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	915.50	69.28%	\$1,493,745.53	\$1,493,745.53	1314	\$1,136.79	\$1,631.62	\$815.81
(2) Multi-family	228.85	17.32%	\$373,398.61	\$373,398.61	334	\$1,117.96	\$1,117.96	\$0.00
Grand Total [10]	1144.35	86.60%	\$1,867,144.15	\$1,867,144.15	1648	N/A	N/A	N/A
Phase 2 - Land Use [1]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	52.00	3.93%	\$84,844.09	\$0.00	104	\$0.00	\$0.00	\$0.00
(2) Multi-family	56.87	4.30%	\$92,790.67	\$0.00	166	\$0.00	\$0.00	\$0.00
Grand Total [10]	108.87	8.24%	\$177,634.77	\$0.00	270	N/A	N/A	N/A
Phase 3 - Land Use [1]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	0	0.00%	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00
(2) Multi-family	0	0.00%	\$0.00	\$0.00	0	\$0.00	\$0.00	\$0.00
Grand Total [10]	0	0.00%	\$0.00	\$0.00	0	N/A	N/A	N/A
Non-CFD - Land Use [6]	Benefit Units [2]	As % of Total Benefit [3]	"Special Benefit" Apportioned [4]	Anticipated Contribution to CFD No. 1 [5]	Impacted Dwelling Units Non-Equivalent [6]	Estimated Levy per D.U. [7]	Estimated Levy for Z.O.B. #1 [8]	Estimated Levy for Z.O.B. #2 [9]
(1) Single-family	64.50	4.88%	\$105,239.31	\$0.00	129	\$0.00	\$0.00	\$0.00
(2) Multi-family	3.77	0.29%	\$6,148.78	\$0.00	21	\$0.00	\$0.00	\$0.00
Grand Total [10]	68.27	5.17%	\$111,388.09	\$0.00	140	N/A	N/A	N/A

[1] Land uses represent the dwelling units in Black Diamond and the surrounding area actually benefitting from the Civic Park.

[2] See Tables #15(a)-(f)-(h)

[3] For Total Benefit Units, see Table #16(b)-(f)-(h). Total E.B.U. = 1,321.49

[4] Apportionment of "special benefit" directly resulting from public improvement, per ROW Chapter 36.145.

[5] Amount of apportioned "special benefit" that can be permissibly levied on specific land use category.

[6] See Table #16(a). Non-equivalent dwelling units figure utilized to reflect actual levy, not "special benefit," also, E.D.U. factor is already reflected in Benefit Units.

[7] Calculated as anticipated contribution by Phase and by land use category divided by number of non-equivalent dwelling units (d.u.).

[8] Estimated levy for parcels in Zone of Benefit #1, reflects divergent "special benefit" due to distance from public improvement.

[9] Estimated levy for parcels in Zone of Benefit #2 (and not concurrently #1), reflects divergent "special benefit" due to distance from public improvement.

[10] Calculations may vary slightly due to rounding.

Table No. 16(d) Equivalent Dwelling Units & Assessment by Parcel Basis #10 CFD No. 2011-1				
Parcel 1 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	0	1.00	1.00	-
(2) Multi-family (per DU)	185	0.69	1.00	126.75
Total	185		NA	127
Parcel 2 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	232	1.00	1.00	232
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	232		NA	232
Parcel 4 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	243	1.00	1.00	243
(2) Multi-family (per DU) in Park Z.O.B. #1*	149	0.69	1.00	102.09
Multi-family (per DU) in Park Z.O.B. #2*	0	0.69	0.50	-
Total	392		NA	345
Parcel 7 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) Z.O.B. #1*	0	1.00	1.00	-
Single-family (per DU) Z.O.B. #2*	30	1.00	0.50	15
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	30		NA	15
Parcel 8 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU)	42	1.00	1.00	42
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	42		NA	42
Parcel 9 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B. #1*	0	1.00	1.00	-
Single-family (per DU) in Park Z.O.B. #2*	219	1.00	0.50	110
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	219		NA	110
Parcel 11 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B. #1*	0	1.00	1.00	-
Single-family (per DU) in Park Z.O.B. #2*	185	1.00	0.50	93
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	185		NA	93
Parcel 9096 - Land Use	Dwelling Units	Equivalent Dwelling Factor	Equivalent Benefit Factor	Equivalent Benefit Units
(1) Single-family (per DU) in Park Z.O.B. #1*	0	1.00	1.00	-
Single-family (per DU) in Park Z.O.B. #2*	363	1.00	0.50	182
(2) Multi-family (per DU)	0	0.69	1.00	-
Total	363		NA	182
		Benefit Allocation	Equivalent Units	ALLOCATION BY PARCEL
PARCEL 1		11.1%	127	\$ 206,823
PARCEL 2		20.3%	232	\$ 378,535
PARCEL 4		20.2%	345	\$ 583,058
PARCEL 7		1.3%	15	\$ 24,374
PARCEL 8		3.7%	42	\$ 68,528
PARCEL 9		9.6%	110	\$ 178,662
PARCEL 11		8.1%	93	\$ 150,925
PARCEL 9096		15.9%	182	\$ 296,139
GRAND TOTAL		100.0%	1,144	\$ 1,657,144

* Park Zone of Benefit #1 (0-5 blocks West); Park Zone of Benefit #2 (5-15 blocks West).

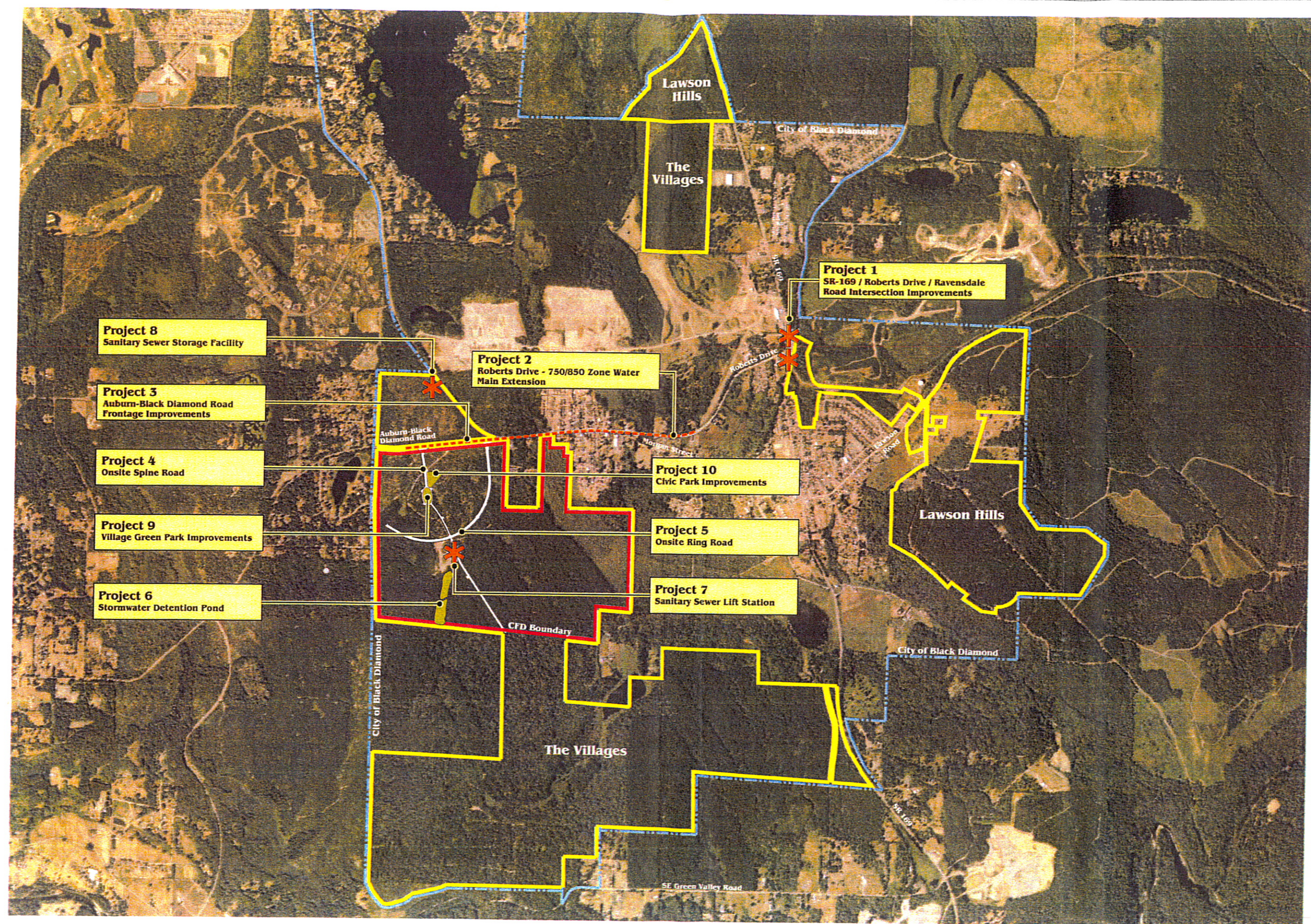
[1] See Table 16(a) for definition of Project-specific EDU factor and EBU factor.

[2] Impacted Dwelling Unit Count data provided by Tread Engineering.

[3] Calculations may vary slightly due to rounding.

	Figure	Source	Misc.
(1) Persons Per Household (SF) [P.E. Factor]	2.70	Final Environmental Impact Statement, Villages Master Planned Development, City of Black Diamond, Washington, prepared by Parametrix (December 2009)	
(2) Persons Per Household (MF) [P.E. Factor]	1.85	Same as above	
(3) Villages Unit Count - Phase 1 Single-Family Dwelling	1652	Yarrow Bay Holdings	
Multi-family	1318		
(4) Non-Residential Square Feet Retail	334		
Other	186,400	Yarrow Bay Holdings	
Office	103,200		
(5) 450-student Elementary School	77,800		
(6) Equivalent Dwelling Unit Factors (Parks) Single-Family	5,400		
Multi-family	45,000	Yarrow Bay Holdings	
(7) Non-CFD Households within Parks Zones		David Taussig & Associates, Inc.	
(8) Traffic Data	1.00		
(9) Sewer, Water, and Storm Drain Data	0.69		
	Varies	Nielsen Site Reports (based on 2000 Census Data)	
		Transpo Group	
		Triad Associates	

<p>Table 2 - General Plan Elements</p>	<p><u>Preliminary Plan Sets:</u></p> <p>The Villages - Phase I Preliminary Plat (1/21/11)</p> <p>The Villages - SR-169 Phase 1 (4/6/11)</p> <p>The Villages - Roberts Drive Water Main Extension Plans (4/15/11)</p> <p>The Villages - Auburn-Black Diamond Road Frontage Improvement Plans (5/17/11)</p> <p><u>Preliminary Reports / Cost Estimates:</u></p> <p>The Villages and Lawson Hills - Preliminary Cost Estimates, Pro-Rata Shares and Triggering ERU's for Frontage & Offsite Roadway Improvement Projects (3/7/11)</p> <p>Black Diamond Preliminary Estimate - J.R. Hayes & Sons (10/24/08)</p> <p>The Villages Preliminary Estimate - J.R. Hayes & Sons (7/9/10)</p> <p>The Villages & Lawson Hills - Infrastructure Timing Plan (7/9/10)</p> <p>Project Breakdown- The Villages - Pacific Landscape Management, Inc. (1/10/11)</p> <p>"Impact Fees for Fire Protection Facilities in City of Black Diamond, WA ("Fire Study")" conducted by Henderson Young & Company (1/13/2011)</p>	<p>[1] None of the referenced plans have been reviewed or approved for construction.</p> <p>[2] Excerpts from the above plans/reports may be provided, for reference, in the following pages.</p> <p>[3] Specific assumptions are provided within many of the individual cost estimates.</p> <p>[4] Many of the cost estimates are based upon 'per linear foot' costs of similar sized projects.</p> <p>[5] Many of these preliminary analyses have been produced as general guides. Formal CFD budgets will require refined analyses.</p>
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Black Diamond CFD No. 2011-1 Project Map

**Independent Evaluation
of
Special Benefit Apportionment Analysis Community Facilities
District No. 2011-1 of the City of Black Diamond**

On November 28, 2011, a report titled *Special Benefit Apportionment Analysis Community Facilities District No. 2011-1 of the City of Black Diamond* was published by David Taussig & Associates, Inc. ("Taussig Study") in support of a petition submitted to the City of Black Diamond, Washington to form a community facilities district (CFD) as allowed and authorized by Washington law (RCW 36.145).

The City of Black Diamond requested Henderson, Young & Company to conduct an independent evaluation of the Taussig Study. This report contains the results of our evaluation.

The purpose of the CFD is to fund the construction of various public improvements authorized by law. The Taussig Study describes 10 projects totaling \$26,704,127 that would be undertaken by the CFD. Four projects are for the roads and streets, four projects are for utilities (water, sewer, and wastewater), and two projects are for parks. The Taussig Study includes descriptions and costs for each project. All ten projects appear to be of the types authorized by RCW 36.145.100 and RCW 35.43.040.

The area proposed to be included in CFD 2011-1 appears to be the northern half of the Villages MPD. The other MPD areas (southern half of the Villages, and all of Lawson Hills) are not included in CFD 2011-1. Our informal examination of the district boundaries on the map on page 11 of the Taussig Study indicates that all the property proposed for inclusion in CFD 2011-1 appears to be inside the boundaries of the City of Black Diamond. Thus the formation of the proposed district appears to be the exclusive domain of the City of Black Diamond pursuant to RCW 36.145.010(4)(c).

Our findings are presented in the form of questions about the Taussig Study. Each question is followed by our comments that explain the basis and/or reason for the question. The City should request the petitioner to provide responses to these questions.

1. What is the total cost to be apportioned between special benefit assessments and general benefits (not assessed) for CFD 2011-1?

Table 5 of the Taussig Study lists all the projects and their direct costs. Table 3 appears to present all the information needed to determine the total cost to be

undertaken by CFD 2011-1, but the information is presented in a way that the total cost is not presented. Instead, the first two rows are listed as costs of projects and costs of other expenses, but the third row is described as "District Contribution to General Benefits" and the \$10,181,276 is listed as a positive number, not a reduction of the total costs in order to calculate the net assessment cost. Perhaps a format change could insert a "total cost" of \$31,069,373 after the first two cost rows, then the "District Contribution to General Benefits" of \$10,181,276 could be shown with a minus sign so it is subtracted from the total in order to produce the net assessment of \$20,888,097.

2. Why are zones of benefit used for park projects, but not for street projects or utility projects?

Assessments charged by CFDs and similar special districts require that the properties paying the assessment receive a "special benefit" from the improvements that are paid for by the assessments. Washington law provides several methods for determining the special benefit. The Taussig Study uses the method described in RCW 35.51.030, and quoted on pages 3-4 of the Taussig Study.

The method provides some latitude in the choice of factors used to determine special benefits. One of the factors listed in the statute includes "distance from or proximity of access to the local improvement." Special benefit analyses are permitted to use this factor, but are not required to use it.

The Taussig Study elects to use a distance or proximity factor for parks. Full benefit (factor = 1.0) is attributed to dwelling units within a 5 minute walk of a park project, and half benefit (factor = 0.5) is attributed to dwelling units in a 5-15 minute walk of a park project. The benefit factors appear to be assumptions, and not related to the "radial area" (page 17) in which 0.6 miles for zone #2 is three times farther than the 0.2 miles for zone #1, and the median walk time for zone #2 (10 minutes) is four times longer than the 2.5 minute median walk time for zone #1.

The Taussig Study does not use a distance or proximity factor for street projects, yet transportation experts and traffic models are capable of determining likely routes and usage of streets from different locations. It is possible that different properties will receive different benefit from different street projects, rather than assuming that all properties receive the same benefit from all four street projects. Conversely, the benefits of parks are not solely based on walking distance and it could be argued that some types of parks in some locations provide special benefits to larger areas than walking distance.

Our comments are not intended to argue that zones of benefit are required for all assessments, or even for streets in CFD 2011-1, nor to argue that zones of benefit are not needed for parks in CFD 2011-1. Rather, because there is more than one way to treat this issue, the applicant should offer more discussion of the basis for its

use of zones of benefit for parks, and not for streets or utilities. For example, what is the basis for assigning full benefit to a walking distance up to 5 minutes and half benefit to walking distance of 6 or 7 minutes (within the 5-15 minute walk time)?

3. What is the basis or method for quantifying the special benefits of the four street projects?

The Taussig Study describes the allocation of special benefits to road and street improvements (see page 15). Some details of the calculation are presented in Attachment 2, pages 2 and 3. However, an important step in Attachment 2, page 3, is the calculation of the number of trips in the column headed "District [4]". This data is the basis for the "Percentage of [Special] Benefit [5]" column which, in turn, is central to the calculation of the dollar amount of the special benefit. The explanation that is offered for the calculation in "District [4]" is the footnote: "[4] As determined by Assessment Engineer [Taussig & Associates] in concert with Triad Associates.

The applicant should provide an explanation of the basis or method used for the calculation of trips in the column headed "District [4]".

In addition to the question about footnote 4 on Attachment 2, page 3, we have a question about the trip generation rates. The Taussig Study (page 15) refers to *Trip Generation, Eight Edition* ("ITE") as the source. The ITE report is the most widely used and authoritative source, and we do not question using it as the beginning point for trip generation data that helps quantify special benefits. Our question pertains to potential adjustments to ITE data for other factors such as trip length, pass-by trips, internal capture, and/or through trips. It does not appear that such adjustments are included in Attachment 2, pages 2 or 3.

The applicant should provide an explanation of the use (or exclusion) of adjustments to ITE trip generation data.

4. Are the indirect costs calculated correctly?

Table 3 includes \$4,365,246 for "costs of issuance / reserve fund / capitalized interest / incidental expenses" (which we will refer to as "indirect costs") and Table 4 provides some details of these costs. Washington law authorizes these costs to be included in the assessment calculation, but includes some limitations. For example, RCW 36.145.110 (14) authorizes the treasurer of the CFD to collect a fee for the costs incurred by the treasurer in handling the assessments, but the fee may not exceed the measurable costs incurred by the treasurer. The note below Table 4 in the Taussig Study includes an annual fee of \$4 per EDU, but does not indicate how that amount was derived, or if it complies with RCW 36.145.110 (14).

Also, RCW 35.51.040 authorizes reserve funds for district bond issues, but limits the reserve fund to 15% of the amount of the bonds. The Taussig Study does not indicate the portion of the indirect costs that will be used for the bond reserve fund, or if it is 15% or less of the amount of the bonds.

5. Why are the indirect costs charged almost entirely to the special benefit assessments, and almost no indirect charges are included in the general benefits?

As noted above, Table 3 includes \$4,365,246 for “costs of issuance / reserve fund / capitalized interest / incidental expenses” (which we refer to as “indirect costs”).

Table 5 shows the apportioned special benefit of the ten projects totals is \$16,710,477 of the total project cost of \$26,704,127. Presumably the difference, \$9,993,650, is attributable to “general benefits” that cannot be included in the special benefit assessment. In other words, 62.6% of project costs are special benefits, and the other 37.4% are general benefits.

However, the \$4,365,246 of indirect costs are not apportioned on the same basis. The difference between the \$20,888,097 net assessment and the \$16,710,477 apportioned special benefits is \$4,177,620. That is 95.7% of the total indirect costs.

The Taussig Study does not explain the basis for charging 95.7% of indirect costs to the assessment when only 62.6% of project direct cost are eligible for assessment.

6. How are other sources of revenue accounted for in the assessment calculations or anywhere in the analysis of CFD 2011-1?

Page 8 of the Taussig Study states, “There will be other sources of funding for the portions of the Improvements not funded through the District.” Page 7 of the Taussig Study states, “... listed below are estimates of ... (ii) the amount of any contributions, if any, to made from sources other than assessments ...”. Table 3 contains a “District Contribution to General Benefit” in the amount of \$10,181,276, but provides no other information concerning how or where the District will obtain money to pay for its “Contribution to General Benefit”.

7. Why is there some variation in the number of development units for different projects in Attachment 2?

Parcel #2 lists 235 single-family D.U. for projects 1, 3, 4, and 5, but 232 single-family D.U. for projects 2, 6, 7, 8, 9, and 10.

Parcel #7 lists 45,000 sq. ft. of schools for projects 1, 3, 4, 5, and 6, but 450 sq. ft. of schools for projects 2, 7, and 8.

Parcel #9096 lists 363 single-family D.U. for project 10, but 367 single-family D.U. for projects 1 – 9.

8. Have agricultural lands been assessed properly?

The Taussig Study refers to assessor parcels zoned for agricultural use (see Non-Residential Use on page 17). Washington law (RCW 35.44.015 and 84.34.300-380) generally exempts agricultural land from special assessments except under very specific circumstances. How does the Taussig study address the assessment or exemption of agricultural lands?

9. Who will pay for the “district contribution to general benefit”?

The Taussig Study explains the difference between “special benefits” that can be assessed and “general benefits” that cannot. The Taussig Study labels the amount that cannot be assessed as “District Contribution to General Benefit” and calculates the amount as \$10,181,276 out of a total cost of \$31,069,373. In other words, 32.7% of the total cost will not be assessed. If assessments do not pay that amount, who will pay it, and from what source(s) of revenue?

The Taussig Study does state on page 8 that “There will be other sources of funding for the portions of the Improvements not funded through the District” but the Taussig Study does not provide any information about who will provide the other sources of funding, or what the sources will be.

10. What will be the approximate assessment per dwelling unit or EDU when the land is developed?

The Taussig Study calculates the total assessment to be charged to each of 9 large existing parcels. That calculation is all that is required by Washington law for the initial petition for CFD 2011-1. However, the applicant’s plan for the area included in CFD 2011-1 is to subdivide the large parcels and develop them. Under Washington law, the assessments calculated for the 9 large parcels in the Taussig Study will be apportioned to the subdivided parcels. RCW 36.45.110(10) and 35.44.410 authorize the apportionment (called “segregation”) of the assessment.

We used data contained in Tables 3 – 16(d) of the Taussig Study to estimate the approximate assessment per dwelling unit or EDU (equivalent development unit) when the land is developed.

Project Number	Equivalent Units	Project Direct Cost	Indirect Costs @ 25%	Total Cost	Estimated Assessment per Unit
1	2,132	\$ 1,166,315	\$ 291,579	\$1,457,894	\$ 684

2	1,735	2,261,657	565,414	2,827,071	1,629
3a	2,237	2,471,314	617,829	3,089,143	1,381
3b	2,252	657,152	164,288	821,440	365
3c	2,366	107,684	26,921	134,605	57
4	2,217	2,028,091	507,023	2,535,114	1,143
5	2,301	2,019,657	504,914	2,524,571	1,097
6	1,670	1,377,401	344,350	1,721,751	1,031
7	1,735	1,109,893	277,473	1,387,366	800
8	1,735	437,144	109,286	546,430	315
9	1,109	1,207,025	301,756	1,508,781	1,360
10	1,144	1,867,144	466,786	2,333,930	2,040
Total		16,710,477	4,177,619	20,888,096	11,903

The amount of time during which the assessment will be paid will depend on decisions to be made by the District Supervisors. The maximum time allowed by RCW 36.145.110 (3) is 28 years. If the \$11,903 estimated assessment is spread over 28 years, the annual assessment would be \$425.10 per year. If the assessment is spread over fewer years, the annual assessment would be higher.

The petitioner is welcome to submit its own estimates in order to correct any calculations in our tables that are inconsistent with the petitioner's plan for the area served by CFD 2011-1.

11. When will the assessments for the large parcels be apportioned to smaller parcels, such as residential lots? Who is responsible for paying for the assessments prior to the apportionment to smaller parcels? Who is responsible for paying the assessments on smaller parcels after subdivision but before sale to new owners?

As noted above, the Taussig Study calculates the total assessment to be charged to each of 9 large existing parcels and the applicant's plan for the area included in CFD 2011-1 is to subdivide the large parcels and develop them as smaller parcels. The Board of Supervisors for CFD 2011-1 will determine when the assessments are payable. The City of Black Diamond can better understand the implications and consequences of creating CFD 2011-1 if the applicant is asked to indicate a timeframe for the apportionment of assessments to smaller parcels, and to identify who will be responsible for paying the assessments prior to apportionment, and also after apportionment, but before sale of the subdivided lots to new owners.

RESPONSE TO QUESTIONS
from the
Independent Evaluation
of
Special Benefit Apportionment Analysis
Community Facilities District No. 2011-1 of the City of Black Diamond

This document contains information requested by Henderson, Young & Company in the "Independent Evaluation of Special Benefit Apportionment Analysis Community Facilities District No. 2011-1 of the City of Black Diamond" dated December 7, 2011 (hereinafter the "Henderson Evaluation"). While each of the eleven good questions presented in the Henderson Evaluation is addressed below, it is important to note that the questions will, per the Statute, be dealt with by of the Board of Supervisors of the proposed Black Diamond Community Facilities District (CFD) No. 2011-1 during its determination of preliminary and final assessment rolls rather than during the formation. Capitalized terms not defined herein are as defined in the "Special Benefit Apportionment Analysis" dated November 28, 2011 (hereinafter the "Taussig Study").

1. What is the total cost to be apportioned between special benefit assessments and general benefits (not assessed) for CFD 2011-1?

Figure 1 shows Table 3 of the Taussig Study reformatted pursuant to the suggestions in the Henderson Evaluation. The information presented in the Taussig Study is extremely complex and highly technical in nature. David Taussig & Associates ("DTA") welcomes any suggestions and assistance to more clearly present Black Diamond CFD No. 2011-1's specifications and statistics.

Figure 1 – TABLE 3 (reformatted)
NET PROPOSED TOTAL ASSESSMENT FOR CFD No. 2011-1

Item	Amount
Cost of Improvements	\$26,704,127
Costs of Issuance / Reserve Fund / Capitalized Interest / Incidental Expenses	\$4,365,246
TOTAL COST	\$31,069,373
LESS: District Contribution to General Benefit	<\$10,181,276>
Net Assessment	\$20,888,097

Figure 2 below (1) details the per Project breakdown of the 62.6% direct construction cost allocation to the CFD; (2) the Special Benefit allocated to properties outside the CFD; and (3) the percentage of the direct construction cost of each Project that is allocated to General Benefit.

Figure 2 – Special and General Benefit Allocation Summary Table

Project	Direct Cost	Special Benefit		General Benefit %
		District	Non-District	
		%	%	
	\$	Direct Cost	Direct Cost	Direct Cost
(1) SR-169 / Roberts Drive / Black Diamond	1,758,178	1,166,316	66.3%	16.8%
(2) Roberts Drive - 750/850 Zone Water Main Ext.	2,261,657	2,261,657	100.0%	0.0%
(3) Auburn – Black Diamond Road Frontage (three stages)	7,239,271	3,236,150	44.7%	55.3%
(4) Onsite Spine Road	4,877,075	2,028,091	41.6%	58.4%
(5) Onsite Ring Road	3,171,050	2,019,637	63.7%	36.3%
(6) Stormwater Detention Pond	1,762,200	1,377,401	78.2%	21.8%
(7) Sanitary Sewer Lift Station	1,492,912	1,109,893	74.3%	25.7%
(8) Sanitary Sewer Storage Facility	588,000	437,144	74.3%	25.7%
(9) Village Green Park Improvements	1,397,617	1,207,025	86.4%	13.6%
(10) Civic Park Improvements	2,156,167	1,867,144	86.6%	13.4%
Total	\$ 26,704,127	\$ 16,710,477	62.6%	36.3%
				1.1%

2. Why are zones of benefit used for park projects, but not for street projects or utility projects?

For each Project, DTA selected for inclusion in the Taussig Study the method of computing special assessments that, in its expert opinion, more fairly reflected the allocation of Special Benefits as compared to other alternative methodologies.

For the street Infrastructure Improvements, customary and proven engineering practices were used to allocate Special Benefits. The benefits from improving roads, streets and intersections are most accurately quantified by projecting the increase in traffic capacity of the road, street or intersection upon completion of the subject Project. In the Taussig Study, peak hour traffic levels, as well as current and future capacities of roads, streets and intersections, were projected by the Transpo Group using a complex combination of field traffic measurements of existing facilities and advanced mathematical / statistical modeling to estimate peak hour traffic levels before and after completion of the Project. All material traffic generators and their respective characteristics, including the amount and types of future development, from regional, local and future growth perspectives, are input into an advanced traffic model which is able to project the increase in peak hour trips resulting from completion of the subject Project. In the case of street Projects, the ability to accurately quantify trip counts is more accurate for purposes of allocating Special Benefits than a more qualitative zone of benefit approach.

In the case of the CFD's utility Infrastructure Improvements, average usage volumes derived empirically over large data sets have proven to be an accurate predictor of actual demands on water and sewer systems. The Triad Group, the civil engineers who designed the sewer and water Projects, used the planned dwelling units including their development classifications, i.e. single-family, multi-family, commercial and school, to calculate water and sewer system demand/capacity. The requirement for storm drain volume is equally as quantifiable as water and sewer systems since advanced statistical methods are able to quantify stormwater runoff volumes. The design of the storm drain system is highly predicated by drainage basin boundaries. While not called zones of benefit, drainage basins are similar to the zone of benefit concept since drainage basins have discrete

boundaries which are used in conjunction with saturation coefficients (an indicator of the volume of stormwater runoff that is absorbed into the ground). The Taussig Study employed the quantitative measurements, calculations and methodologies described above to most fairly reflect the Special Benefits generated by the utility Infrastructure Improvements because the analysis (1) quantified volumes and capacities accurately; and (2) is more consistent with current engineering practices in the design of utility Projects.

Zones of benefit are used to allocate Special Benefit for park Infrastructure Improvements based on proximity to park Projects. Unlike the street and utility Projects discussed above, Special Benefit allocations for the park Projects are more qualitative than quantitative. As stated in the Taussig Study, empirical studies conclude that there is a higher likelihood that households will utilize a park if access is convenient. The households that are nearest to a park will likely utilize the park more than households located farther from the park. DTA has considerable experience and is widely considered an industry leader in assessment engineering. DTA is knowledgeable in currently accepted and customary practices in allocating Special Benefits resulting from park Projects in California. After considerable study of the broad range of accepted methodologies employed to quantify special benefit allocations for park and an industry-wide search & review of the current research in park utilization, DTA used its professional judgment in selecting the parameters of the zones of benefit in conjunction with the full and half benefit factors as the most fair method to allocate park special benefits. The Taussig Study uses circular concentric zones of benefit to allocate full or partial benefit to individual parcels. In DTA's professional judgment, it is reasonable to weight full benefit to dwelling units within a 5 minute walk of the subject park Project and half-benefit to dwelling units greater than 5 minutes and equal to or less than a 15 minute walk of the park.

The Henderson Evaluation suggests that Zone 1 has a median walk time of 2.5 minutes and Zone 2 has a median walk time of 10 minutes with Zone 2's median walk time being 4 times greater than Zone 1. This calculation is inaccurate because it is based on the assumption that EDUs are spread equally though a given circular zone. In fact, there are more EDUs on the outside perimeter of each zone of benefit than on the inside perimeter of each such zone. After weighing the many allocation alternatives, DTA concluded that utilization of the zones of benefit methodology to allocate Special Benefit for park Infrastructure Improvements is both reasonable and rational, and, more fairly reflects the allocation of Special Benefit as compared to other methodologies.

3. What is the basis or method for quantifying the special benefits of the four street projects?

The Taussig Study describes the allocation of special benefits to road and street improvements (see page 15). Some details of the calculation are presented in Attachment 2, pages 2 and 3. However, an important step in Attachment 2, page 3, is the calculation of the number of trips in the column headed "District [4]". This data is the basis for the "Percentage of [Special] Benefit [5]" column which, in turn, is central to the calculation of the dollar amount of the special benefit. The explanation that is offered for the calculation in "District [4]" is the footnote: "[4] As determined by Assessment Engineer [Taussig & Associates] in concert with Triad Associates.

The applicant should provide an explanation of the basis or method used for the calculation of trips in the column headed "District [4]".

Explanation: Trips in the column headed "District [4]" were calculated based on the size of new development by land use; average trip rates or regression equations published in Trip Generation;

adjustments for pass-by trips, diverted-linked trips and trips internal to the Villages MPD site (linked trips between the various land uses); and the number of new vehicular trips that would travel through each street project based on anticipated weekday PM peak hour travel patterns.

In addition to the question about footnote 4 on Attachment 2, page 3, we have a question about the trip generation rates. The Taussig Study (page 15) refers to Trip Generation, Eight Edition ("ITE") as the source. The ITE report is the most widely used and authoritative source, and we do not question using it as the beginning point for trip generation data that helps quantify special benefits. Our question pertains to potential adjustments to ITE data for other factors such as trip length, pass-by trips, internal capture, and/or through trips. It does not appear that such adjustments are included in Attachment 2, pages 2 or 3.

The applicant should provide an explanation of the use (or exclusion) of adjustments to ITE trip generation data.

Explanation: ITE trip generation data was adjusted for pass-by trips, diverted-linked trips and trips internal to the Villages MPD. With respect to pass-by and diverted-linked trips, consistent with The Villages MPD Transportation Technical Report, it was assumed that 20 percent of the vehicular trips generated by the retail development would be either pass-by or diverted-linked in nature and the remainder would be new trips. With respect to the number of trips internal to The Villages MPD, information contained in the Trip Generation Handbook (ITE, 2nd Edition, 2004) was used to estimate the number of linked trips between The Villages' residential, retail and office land uses. It was also assumed that 30 percent of the trips generated by the elementary school would be internal to The Villages MPD and linked to the various residential land uses.

The Taussig Study Attachment 2 Table 2 footnote, "[4] As determined by Assessment Engineer [Taussig & Associates] in concert with Triad Associates," references DTA's confirmation and concurrence with the Transpo Group's traffic analysis utilizing generally accepted traffic generation guidelines for development product categories (specifically the planned product mix for future development), field traffic measurements in conjunction with mathematical / statistical traffic models to calculate peak hour traffic levels before and after completion of the subject Project, is an approach which meets the standards of the Statute.

4. Are the indirect costs calculated correctly?

Indirect costs account for approximately 20 percent of the proposed total assessment (\$20,888,097) for the Black Diamond CFD No. 2011-1. Figure 3, on the following page, breaks down the percentages and cost categories of the proposed indirect cost allowances. As noted below, the reserve fund is limited to eight percent (8 %) of the amount of the proposed CFD bond.

Figure 3 – Indirect Cost Detail

		%	TOTAL
ASSESSMENT DESCRIPTION			
\$ 16,522,858			Bond Yield
	1,044,405	5.0%	Cost of bond issuance
	1,671,048	8.0%	Reserve fund equal to one year of debt service
	1,462,167	7.0%	Capitalized interest
\$ 4,177,619		20.0%	Allowance for Indirect Cost
\$ 187,627			District Admin & County Collection Fee
\$20,888,097 TOTAL ASSESSMENT			

The \$187,627 allowance for the District Administration & County Collection Fee was derived through personal communications with King County. The County reported to Yarrow Bay Holdings that it would charge an administration fee in the amount of \$4 per dwelling unit and \$4 per 2,500 sq.ft. of non-residential use when all planned units in the CFD District are built-out and are issued separate tax bills and DTA's conclusion that the fee complies with RCW 36.145.110(14).

5. Why are the indirect costs charged almost entirely to the special benefit assessments, and almost no indirect charges are included in the general benefits?

The great majority of Black Diamond CFD No. 2011-1's indirect costs are associated with the financing of the portions of the Infrastructure Improvements for which CFD special assessments are levied.

As detailed in Figure 3 above, indirect costs are expenses incurred from issuing, underwriting, marketing/selling and administering the public bonds as well as bond reserves equaling one year of debt service. Since only Special Benefits, and not General Benefits, are eligible for assessment, the indirect costs related only to the Special Benefit assessment amount.

6. How are other sources of revenue accounted for in the assessment calculations or anywhere in the analysis of CFD 2011-1?

The eleven Infrastructure Improvements included in Black Diamond CFD No. 2011-1 are mitigation requirements of The Villages Master Planned Development and/or the Lawson Hills Master Planned Development. In the Taussig Study, "other sources of revenue" are accounted for only by the calculation that only 62.6 percent of the total construction cost of the Projects is eligible for the CFD financing. Per the conditions of approval for The Villages and Lawson Hills MPDs, the portion of the Infrastructure Improvements not funded by Black Diamond CFD No. 2011-1 will be funded pursuant to the terms of The Villages and Lawson Hills Master Planned Development Development Agreements between the City, BD Village Partners, LP, and BD Lawson Partners, LP.

7. Why is there some variation in the number of development units for different projects in Attachment 2?

In the Taussig Study, every effort is made to determine if a specific parcel incurs Special Benefits from a subject Project. As an example, due to the topography of the proposed CFD District, the District has multiple stormwater drainage basins. A stormwater Project only increases capacity for certain specified drainage basins. Only the parcels draining into a specific drainage basins that is improved by an Infrastructure Improvement financed by the District can be assessed. Not all drainage basins inside of the District are being improved as a result of the Infrastructure Improvements. Conversely, only the parcels that benefit from a Project are eligible for assessment. As a result, only the units benefitting from a subject Infrastructure Improvement are assessed. Since all Projects do not benefit all units equally for every Project, there is variation in the number of development units for different Projects as outlined in Attachment 2 of the Taussig Study.

The Henderson Evaluation lists possible discrepancies in the composition of certain Parcels. Please note the following:

- Parcel #7 lists 45,000 sq. ft. of schools for Projects 1, 3, 4, 5, and 6, but 450 sq. ft. of schools for Projects 2, 7, and 8 – Projects 2, 7 and 8, water and sewer system improvements, are sized based on the number of persons served by the wet utility systems. The “450” relates to “450-student elementary school and not square footage of building. It is coincidental that the school building was sized based on 100 sq.ft. per student population. Traffic generation for Projects 1, 3, 4, 5 and 6 use the non-residential sq.ft. sizes to estimate traffic generation.
- Parcel #9096 lists 363 single-family D.U. for Project 10, but 367 single-family D.U. for Projects 1 – 9 – the special benefit allocation is defined by the zone boundary. There are 367 single-family dwelling units in Parcel 9096. In the case of Projects 1 through 9, all 367 dwelling units benefit, including all 367 dwelling units within 0.6 mile proximity boundary of the zone of benefit for the Village Green Park. For Project 10, 4 of Parcel 9096’s 367 dwelling units are located outside the 0.6 mile boundary.
- Parcel #2 lists 235 single-family D.U. for Projects 1, 3, 4, and 5, but 232 single-family D.U. for Projects 2, 6, 7, 8, 9, and 10. The single-family count consists of 170 single family detached dwelling units combined with either 62 or 65 townhome dwelling units. 62 townhomes is the correct statistic. A rerun of the apportionment calculations does not materially change the apportionment results.

8. Have agricultural lands been assessed properly?

The Villages Master Planned Development contains no agriculturally zoned property. As such, there are no agricultural lands in the District and no assessments are proposed in the Taussig Study for agricultural lands. The reference to “agricultural” on page 17 of the Taussig Study was intended as a generic definition of “Non-Residential Use”, not as a specific identification of such zoning within the CFD District.

9. Who will pay for the “district contribution to general benefit”?

As stated in the response to the Henderson Evaluation’s Question 6 above, the portion of the Infrastructure Improvements construction costs not funded by Black Diamond CFD No. 2011-1 will be funded pursuant to the terms of The Villages and Lawson Hills Master Planned Development Development Agreements between the City, BD Village Partners, LP, and BD Lawson Partners, LP. As such, BD Village Partners, LP and BD Lawson Partners, LP, as the Master Developers of The Villages and Lawson Hills MPDs, will pay for the “district contribution to general benefit” per the terms of the Development Agreements.

10. What will be the approximate assessment per dwelling unit or EDU when the land is developed?

Per the analysis presented in the Taussig Study, individual Dwelling Units are only assessed if specially benefitted by a Project. As a result, a product classification, i.e. Single-Family SFDs, will have a range of total assessments depending on the number of Projects and level of special benefit allocated to a respective the parcel. Below, Figure 4 – Assessment Per Dwelling Unit, summarizes both the highest assessment and the annual payment (assuming a 28-year amortization term and an annual interest rate of 7%) for each product classification in the CFD. On the following page, Figure 5 illustrates the range of assessment per product classification for each parcel in the CFD and Figure 6 summarizes the EDU distribution by product classification by Project.

Figure 4 – Assessment Per Dwelling Unit

LAND USE	NO. UNITS	MAXIMUM		PER LAND USE	TOTAL	PROJECTS									
		ANNUAL ASSESSMENT	MAXIMUM PER UNIT			1	2	3a	3b	3c	4	5	6	7	8
Single-Family SFD	858	\$ 789	11,789	9,811,962	565,932	1,278,228	1,174,638	312,381	33,305	1,033,212	341,147	884,131	628,171	270,255	949,004
Single-Family Ad	160	\$ 911	11,367	4,467,900	118,262	749,612	105,145	119,640	22,173	194,508	117,018	414,181	367,377	144,697	408,388
Multi-Family	314	\$ 755	9,125	3,238,508	152,684	362,355	344,345	94,234	16,604	371,345	231,173	238,111	178,074	70,135	251,189
Commercial (sq ft)	185,480	\$ 2.07	\$ 28.74	5,245,855	435,368	241,311	862,219	151,235	44,272	733,737	86,6714	37,578	119,155	46,370	-
Industrial (sq ft)	45,380	\$ 0.76	\$ 9.18	412,753	43,171	73,314	81,143	31,493	3,440	60,292	64,280	28,635	35,989	16,174	-
TOTALS						1,527,395	2,857,071	3,089,142	621,440	1,749,225	1,515,115	1,524,571	1,721,382	1,387,366	2,466,430
						1,527,395	2,857,071	3,089,142	621,440	1,749,225	1,515,115	1,524,571	1,721,382	1,387,366	2,466,430

[response continues on next page]

Figure 5 – Assessment Summary: Total Assessment Principal & Amortized Annual Assessment Payments assuming a 28-year term and a 7% interest rate.

	NO DU	ANNUAL TAX	ASSESSMENT PER UNIT	PARCEL TOTAL	PROJECT											
					1	2	3a	3b	3c	4	5	6	7	8	9	10
PARCEL 1																
Single-Family SFD	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-Family Att	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Family	185	\$ 595	\$ 8,139	1,561,214	84,285	200,348	191,063	52,578	9,197	150,296	161,279	147,089	98,634	38,248	172,430	258,528
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				1,561,214	84,285	200,348	191,063	52,578	9,197	150,296	161,279	147,089	98,634	38,248	172,430	258,528
PARCEL 2																
Single-Family SFD	170	\$ 388	\$ 11,989	1,038,142	156,293	277,038	234,728	83,013	9,670	209,019	185,134	175,316	135,955	53,547	231,250	345,719
Single-Family Att	62	\$ 912	\$ 11,067	886,156	30,717	101,037	72,461	19,610	1,156	55,383	59,951	63,939	49,583	19,129	84,338	135,450
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ 2,07	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				1,724,098	147,011	378,076	307,190	81,623	12,826	264,402	245,085	239,255	185,538	72,676	315,588	473,169
Parcel 3																
Single-Family SFD	172	\$ 988	\$ 11,989	2,062,120	117,661	280,297	237,430	62,743	9,784	211,538	188,728	177,379	137,554	54,177	233,971	350,798
Single-Family Att	71	\$ 397	\$ 18,887	773,007	33,553	115,784	79,150	21,420	1,447	60,495	65,485	73,220	56,781	22,364	96,581	144,805
Multi-Family	149	\$ 562	\$ 8,036	1,197,793	67,884	161,877	153,843	49,346	7,407	121,049	129,894	115,345	79,440	31,288	78,759	208,230
Commercial (sq.ft.)	185,490	\$ 1.66	\$ 10.18	7,394,456	455,508	245,011	962,219	251,755	49,277	753,731	800,724	83,578	119,256	46,070	-	-
Total				7,394,456	675,606	\$90,990	1,432,742	378,265	61,915	1,146,811	1,184,832	449,421	393,031	154,800	409,310	703,824
Parcel 4																
School (SF)	9,000	\$0.76	\$ 9.18	81,533	\$,693	14,647	16,229	4,419	489	11,069	12,838	4,125	1,128	2,835	-	-
Parcel 5																
Single-Family SFD	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-Family Att	20	\$ 757	\$ 9,188	175,625	14,177	48,868	33,444	9,051	1,456	25,352	27,673	16,938	23,392	9,490	20,404	30,593
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
School (SF)	35,009	\$0.76	\$ 9.18	334,210	34,782	59,667	64,914	17,674	1,952	48,239	51,352	16,500	28,790	11,330	-	-
Total				609,836	48,939	107,535	98,358	26,725	3,409	73,691	79,022	47,438	52,782	20,789	20,404	30,593
Parcel 6																
Single-Family SFD	42	\$ 988	\$ 11,989	503,541	28,751	68,445	51,992	15,321	2,389	91,655	46,085	43,317	33,589	13,120	97,132	83,660
Single-Family Att	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				503,541	28,751	68,445	57,994	15,321	2,389	91,655	46,085	43,317	33,589	13,120	97,132	83,660
Parcel 7																
Single-Family SFD	98	\$ 351	\$ 10,333	1,012,599	67,940	159,704	135,314	35,749	5,574	120,528	107,531	101,065	78,374	30,968	70,915	99,537
Single-Family Att	121	\$ 761	\$ 9,231	1,116,930	57,182	197,185	134,823	35,505	3,815	101,094	111,602	124,784	95,768	38,113	27,559	123,591
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				2,129,529	124,121	356,890	270,203	71,253	11,409	221,626	219,133	225,848	175,141	69,081	158,474	213,128
Parcel 11																
Single-Family SFD	82	\$ 848	\$ 10,299	843,711	35,094	131,650	112,722	29,912	4,634	100,850	89,979	84,554	65,578	25,239	35,772	83,620
Single-Family Att	193	\$ 737	\$ 9,188	945,314	48,675	157,853	114,823	31,074	5,901	87,761	95,080	105,221	82,373	32,443	70,855	105,035
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				1,790,015	104,770	101,183	228,045	60,986	9,665	188,611	184,975	197,785	147,951	58,272	125,827	189,656
Parcel 2026																
Single-Family SFD w/ Pond	139	\$ 955	\$ 11,597	1,406,028	88,285	210,223	178,113	47,057	7,338	158,634	141,546	303,184	103,165	40,633	87,239	130,115
Single-Family SFD w/o Pond	165	\$ 762	\$ 9,247	1,515,718	112,873	268,890	227,825	60,189	9,385	202,929	181,048	-	131,935	51,272	112,224	165,427
Single-Family Att	73	\$ 756	\$ 9,176	669,877	34,498	112,857	81,379	22,023	3,544	62,200	67,130	75,283	52,381	22,994	49,651	73,631
Multi-Family	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial (sq.ft.)	0	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total				4,691,633	335,617	598,077	487,332	129,270	20,168	423,783	389,924	178,176	293,502	115,599	149,614	370,173

Figure 6 – District Equivalent Dwelling Unit Summary by Product Type

EQUIVALENT UNITS	PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 5	PROJECT 6	PROJECT 4	PROJECT 4	PROJECT 6	PROJECT 7	PROJECT 8	PROJECT 9	PROJECT 10
Single-Family	1,178	1,318	1,232	1,241	1,253	1,179	1,247	1,318	1,318	1,318	925	916
Multi-Family	222	223	250	260	292	221	265	251	223	223	185	229
Commercial (sq.ft.)	667	149	697	690	778	613	730	81	149	149	-	-
School (sq.ft.)	64	45	59	61	43	49	59	20	45	45	-	-
EDU(s) per Project	2,131	1,735	2,237	2,252	2,366	2,061	2,301	1,670	1,735	1,735	1,109	1,144

11. *When will the assessments for the large parcels be apportioned to smaller parcels, such as residential lots? Who is responsible for paying for the assessments prior to the apportionment to smaller parcels? Who is responsible for paying the assessments on smaller parcels after subdivision but before sale to new owners?*

In all cases (before and after subdivision), the owner of the subject property is responsible for paying the assessments. As noted in the CFD Petition, BD Village Partners, LP owns all property within the CFD District. The assessments for the large parcels will be apportioned to smaller parcels upon the legal subdivision of the large parcel into smaller parcels. Again, the owner of the subject property is responsible for paying the assessments on the smaller parcels after subdivision, but before sale to new owners.

**Final Report to City of Black Diamond
regarding
Independent Evaluation and Subsequent Responses
about
Special Benefit Apportionment Analysis Community Facilities
District No. 2011-1 of the City of Black Diamond**

Earlier today we received "Response to Questions" from David Taussig & Associates (DTA) providing replies to the 11 questions we asked in our "Independent Evaluation" submitted December 7, 2011. DTA's 9 pages of detailed answers were fully responsive to all our questions. DTA's responses provide significant additional details about the methods, data and assumptions in their November 28, 2011 study ("Taussig Study"). We believe that all of our concerns have been addressed satisfactorily, and we no longer have any reservations or concerns about the Taussig Study. We believe that the City of Black Diamond can rely on the November 28, 2011 Taussig Study and DTA's December 7, 2011 "Response to Questions" when the City makes a decision regarding the petition to create CFD 2011-1.

Regarding our question #2 about zones of benefit, we believe this is a subject for which there is no single correct answer because there are several appropriate and defensible ways to deal with the geography of special benefits. Our question #2, while raising the possibility of other approaches, was not a criticism of DTA's approach, but was meant only to request DTA to describe more fully the approach they used. DTA's response is thorough, and logical. In the business of evaluating the costs and benefits of public facilities and services, experts may differ over how best to deal with zones of benefit, but those differences do not impugn the validity of the various approaches. We accept and respect DTA's approach, and believe it to be appropriate and defensible.

If the City of Black Diamond approves the creation of CFD 2011-1 we recommend that a copy of our evaluation, DTA's response, and this final report should accompany the Taussig Study when the file is given to the Board of Supervisors of the District.

RESOLUTION NO. 11-770

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, AUTHORIZING THE FORMATION OF A COMMUNITY FACILITIES DISTRICT; ADOPTING FINDINGS IN SUPPORT THEREOF; SETTING FORTH THE AUTHORITY OF THE DISTRICT; GRANTING AUTHORITY TO IMPOSE SPECIAL ASSESSMENTS AND ISSUE BONDS; PROVIDING FOR THE COMPOSITION AND ORGANIZATION OF THE BOARD OF SUPERVISORS; RESERVING STATUTORY AND POLICE POWER AUTHORITY; AND LIMITING RECOURSE TO THE ASSETS, CREDIT AND SERVICES OF THE DISTRICT

WHEREAS, Black Diamond is a municipal corporation operating as a non-charter code city under the laws of the State of Washington and is authorized pursuant to RCW 35A.21.160 and 35A.11.030 to exercise all powers reserved to any city of any class and to exercise all powers of taxation in the manner provided by the general laws of the State; and

WHEREAS, in year 2010 the Washington State Legislature enacted Engrossed Substitute Senate Bill 6241 (codified at RCW Ch. 36.145) authorizing legislative authorities, such as the Black Diamond City Council, to form special taxing districts known as Community Facilities Districts ("CFD"), to provide an option for landowners to voluntarily finance local improvements through special assessments upon their property; and

WHEREAS, the legislature found that such legislation was necessary because inadequate community facilities and infrastructure exist to support growth over the next 20 years and current financing options were not adequate or flexible enough to fund these needed facilities; and

WHEREAS, chapter 36.145 RCW (the "CFD Statute") provides that the City Council may consider approval of formation of a CFD only after a petition meeting the requirements of the CFD Statute has been filed by 100% of the property owners owning land within the district, as certified by the County, and the City Council finds, within the time periods prescribed in the CFD Statute, that formation of the District meets the following requirements: (a) the petitioners will benefit from the proposed district; (b) the formation of the district will be in the best interest of the City; and (c) the formation of the District is consistent with the requirements of Washington's growth management act; and

WHEREAS, on October 26th, 2011 BD Village Partners, LP and YarrowBay Development LLC (hereafter the "Petitioners") submitted their petition (hereafter the "Petition") to King County Record and Licensing Services for certification of its petition for the formation of CFD No. 2011-1 (hereinafter "CFD No. 2011-1" or the "CFD") with its proposed district boundaries located entirely within the corporate boundaries of the City of Black Diamond, King County, Washington; and

WHEREAS, on October 31, 2010 the Office of the King County Executive forwarded to the City of Black Diamond, its certificate of sufficiency of the Petition confirming, as required pursuant to RCW 36.14.020(2), that 100 percent of the owners of the properties located within the proposed district boundaries had executed the Petition; and

WHEREAS, the City is required by law to give notice of and conduct a public hearing regarding the formation of a CFD by no later than 60 days from the date a certificate of sufficiency is issued; and

WHEREAS, the City has provided notice of such hearing in conformance with the requirements of RCW 35.145.030 and 040, a true and correct copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the City Council conducted a public hearing regarding the formation of CFD No. 2011-1 on December 15th, 2011 at which time the City Council took public testimony and received evidence; and

WHEREAS, having considered the public testimony and evidence provided at the public hearing and subsequent thereto, and having considered the formation petition, the Special Benefit Apportionment Analysis prepared by David Taussig & Associates, Inc dated November 28, 2011, the independent analysis of the Taussig Report by Henderson, Young and Company, the additional written comments submitted by Henderson, Young and Company, the Petitioner and members of the public, and other relevant authorities and materials, and having been in all matter fully advised;

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

Section 1. Incorporation of Recitals. The above stated recitals are true and correct and are incorporated as though fully set forth herein.

Section 2. Findings and Conclusions. The City Council hereby makes the following findings and conclusions with respect to formation of CFD No. 2011-1:

A. The content of the Petition meets the statutory requirements for sufficiency of a petition for formation of a CFD, to-wit,

1. The Petition designates and describes the boundaries of the district;
2. The County has certified that the Petition has been executed by one hundred percent of all owners of private property located within the boundaries of the proposed district;
3. The Petition includes a request by the property owners to subject their property to the assessments;
4. The request to subject the property to assessments includes a maximum amount the property owners may be subject to;

5. The assessments described in the Petition are authorized under Chapter 36.145 RCW;

6. The Petition includes a certification by the petitioners that they want to voluntarily submit their property to the authority of the district under Chapter 36.145 RCW to approve the petitioner's request to submit their property to the assessments, up to the amount included in the petition and authorized under this chapter;

7. The Petition includes a general explanation of the objective and plan of the district;

8. The Petition describes the specific facilities that the district anticipates financing;

9. The Petition declares that the district will be conducive to public health, safety, and welfare;

10. The Petition asserts that the purpose for forming the district will be a benefit to the land located in the district;

11. The Petition is accompanied by an "obligation" signed by at least two petitioners who agree to pay the costs of the formation process;

12. The Petition includes a list of petitioners or representatives thereof who are willing and able to serve on the board of supervisors;

13. The petition proposes a special assessment, and includes, a diagram showing each separate lot, tract, parcel of land, or other property in the district, the acreage of the property, the name and address of the owner or reputed owner of each lot, tract, parcel of land, or other property as shown on the tax rolls of the county assessor, a preliminary assessment roll showing the special assessment proposed to be imposed on each lot, tract, parcel of land, or other property; and, a proposed method or combination of methods for computing special assessments, determining the benefit to assessed property or use from facilities or improvements funded directly or indirectly by special assessments under this chapter; and

14. The Petition includes an explanation of what security will be provided to ensure the timely payment of assessments and the timely payment of bonds issued by the district.

B. The City has published noticed of the public hearing in the form of the notice attached hereto as Exhibit "A" in Official newspaper of the City for three consecutive weeks prior to the date of the hearing and thus have met the statutory requirements for notice of the public hearing.

C. Formation of CFD No. 2011-1 is in the best interest of the City for the following reasons: The proposed Black diamond CFD No. 2011-1 will finance a portion of ten infrastructure improvements that will: improve public health, safety, and welfare by improving

traffic circulation and thereby reduce accidents; improve pedestrian safety; provide street lights thereby deterring crime and improving vehicular and pedestrian safety; facilitate the safe transmission of wastewater; mitigate flooding; provide for the transmission of stormwater; deliver potable water; and provide recreation and park improvements. In addition, the infrastructure improvements have benefits for the City, its residents and those who visit, drive through or recreate in the City.

Using a CFD to finance portions of these infrastructure improvements also creates the opportunity for Petitioner to use other sources of funding for beneficial improvements not being financed by CFD No. 2011-1. For example, the Petitioner has stated its intent to commit early funding of a satellite fire station when the CFD bonds for the ten infrastructure improvements have been sold.

Finally, the proposed CFD, through the application of assessments, will provide a secure, long-term financing source for portions of these ten infrastructure improvements thereby reducing the City's reliance on unsecured funds from a for-profit land developer.

D. CFD No. 2011-1 as proposed is consistent with the Growth Management Act, for the following reasons: First, the proposed CFD is an example of growth paying for infrastructure to support growth inside an urban growth area ("UGA"). Second, the infrastructure improvements are consistent with the GMA's planning goals as outlined in RCW 36.70A.020. Last, the infrastructure improvements are consistent with Black Diamond's Comprehensive Plan.

E. The Petitioners will benefit from the formation of the District, for the following reasons: CFD No. 2011-1 will provide Petitioner with a secure source of financing for ten infrastructure improvements necessary to move forward with The Villages and Laws Hills planned communities. In addition, according to the analysis submitted by Petitioners, the properties in the CFD boundaries, all of which are owned by Petitioners, will receive special benefits from the infrastructure improvements financed by the CFD.

Section 3. Approval of Petition and Formation of CFD No. 2011-1. Based upon the foregoing findings and conclusions and pursuant to its authority granted under RCW Ch. 36.145, the City Council does hereby approve the Petition for formation of CFD No. 2011-1 and thereby authorizes formation, upon the effective date of this resolution, of CFD No. 2011-1. Subject to the provisions of this resolution, CFD No. 2011-1 is vested with the corporate authority included under Article VII, section 9 of the state constitution to make local improvements by special assessment in accordance with chapter 36.145 RCW, and is further vested with all powers and authority granted to community facilities districts as an independently governed special purpose district pursuant to RCW Ch. 36.145, as now or hereinafter amended, including by way of example and not limitation, the power and authority to make those local improvements set forth in the Petition by special assessment, to issue revenue bonds in accordance with Chapter 39.46 RCW, to issue assessment bonds in accordance with chapter 35.45 RCW, to transfer to the City of Black Diamond without compensation, any property or assets of CFD No. 2011-1, and to use district revenue derived through special assessments and bonds authorized under chapter 36.145 RCW to finance costs, expenses, and facilities as set forth therein.

Section 4. Incorporation of Petition. The Petition is attached hereto as Exhibit "B" and is incorporated as though fully set forth herein by this reference.

Section 5. Conformance with Petition - Limitations. The powers and authority of CFD No. 2011-1 are limited as follows:

A. **District Boundaries.** The District Boundaries are as set forth in Attachment 1 to the Petition.

B. **District Objectives, plan and facilities.** The authority granted to CFD No. 2011-1 is limited to those powers necessary to carry out the specific purposes authorized in chapter 36.145 RCW to carry out the specific objectives, plan and facilities identified in the Petition.

C. **Improvements.** CFD No. 2011-1 is not authorized to fund improvements not included within the scope of those improvements set forth in the Petition. CFD No. 2011-1 may only undertake such lawful projects and activities and engage in acts that are authorized in the Petition and chapter 36.145 RCW.

D. **Assessments.** Except as otherwise expressly provided under chapter 36.145 RCW, special assessment imposed and collected on property within the district may not exceed the amounts set forth in the Petition.

Section 6. No Recourse. CFD No. 2011-1 is not authorized to incur or create any liability that permits recourse by any contracting party or member of the public to or upon any assets, services, or credit of the City of Black Diamond and shall have no monetary recourse whatsoever against the City or its officials, boards, commissions, officers, directors, agents, or employees for any loss or damage arising out of the City's exercising its authority pursuant to chapter 36.145 RCW other applicable Law to form CFD NO. 2011-1.

Bonds and notes issued by CFD No. 2011-1 may be secured by the full faith and credit of the CFD No. 2011-1 or may be made payable solely out of certain revenues and receipts as may be designated in the proceedings under which the issuance of the bonds and notes are authorized. All bonds and notes or liabilities occurring thereunder shall be satisfied exclusively from the assets or credit of CFD No. 2011-1, and no creditor or other person shall have any recourse to the assets, credit, or services of the City thereby, unless the City shall expressly, in writing, guarantee such bonds or notes.

Section 7. No Waiver. The formation of CFD No. 2011-1, as authorized herein, is not intended, and shall not be construed, as a waiver of any right or authority of the City to require compliance by CFD No. 2011-1 with the City's regulatory and land use permitting requirements and the City specifically reserves any such statutory and police power authority.

Section 8. Special Benefit – No Warranty. The City does not, by its approval of formation of CFD No. 2011-1, represent or warrant that property within the district boundaries will receive "benefit" or "special benefit" from improvement projects identified in the petition for purposes of the determination of benefit or special benefit required to impose special

assessments on property located inside the district. Such determination is solely within the power and authority of the Board of Supervisors of CFD No. 2011-1 acting on behalf of CFD No 2011-1.

Section 9. Assessment Roll. The City does not by its approval of formation of CFD No. 2011-1 intend, represent or warrant that such approval and formation shall, nor should it be construed to, constitute approval of the computation of the preliminary assessments presented in the Petition, approval of the preliminary assessment roll, or imposition a preliminary assessment upon property within the CFD boundaries. It is the City's sole and singular intent that this resolution shall authorize the formation of the CFD in conformance with the requirements of Chapter 35.145 RCW, and that the CFD, by and through its Board of Supervisors, shall have and retain the sole power and authority granted under Chapter 36.145 RCW to determine the lawful means and methods for computing and imposing assessments, determining the special assessment roll, conducting hearings and hearing objections thereto, approving, correcting, revising raising, lowering, changing or modifying the assessment roll or any part therefore, and imposing special assessments upon property within the boundaries of the CFD.

Section 10. Composition of Board of Supervisors. The City Council shall within sixty (60) days of the effective date of this resolution, meet to nominate and appoint members to the Board of Supervisors of CFD No. 2011-1 (the "Board"). The composition of the Board, its size and numbers, and the term and qualifications for member positions shall conform to the requirements of chapter 36.145 RCW. All appointments shall be confirmed by a vote of a majority of the City Council.

The Board shall have five (5) members and cannot take action until each of the five Board members is duly appointed. Each of the five members must be natural persons. Except as provided below, three (3) of the members shall be appointed from among the members of the City Council (hereafter referred to as "Council Positions") and two (2) of the members shall be appointed from among the petitioner members or nominees identified in the petition (hereinafter "Petitioner Positions"). The City may, in the alternative, appoint up to two qualified professionals with expertise in "municipal finance" in lieu of appointments from among the members of the City Council.

The term of each supervisor position shall be three (3) years. Initial terms are limited to one (1) and two (2) year appointments respectively. Thus, for example, two Council Positions and one Petitioner Position will have a one-year initial term and one Council Position and one Petitioner Position will have a two-year initial term.

All vacancies in a Council Position shall be filled by appointment of a member of the City Council not already serving on the Board or by appointment of a qualified professional. Vacancies in petitioner positions shall be filled by appointment from eligible persons listed in the Petition or from successor owners of property located within the boundaries of the approved district.

Supervisors shall serve without compensation, but may be reimbursed for their expenses as provided in Chapter 36.145 RCW.

A supervisor shall serve for the term designated and until his/her successor shall have been appointed and qualified; provided that, a Council Position filled by a person who is a member of the City Council shall become vacant at such time as the person filling that Council Position is no longer a member of the City Council. Any supervisor may be removed from his or her position by a majority vote of the City Council upon a finding of good cause. Upon removal of a person from a supervisor position, such person shall have no power of office.

Section 11. Organization. Upon appointment of Board members, the City Clerk shall cause notice of the first organizational meeting of the Board of Supervisors to be posted and published in the manner required by law, to be held in the Black Diamond City Council Chambers on the date of the next regular meeting of the City Council following final appointment of the Board members. At such meeting, the Board shall organize itself, nominate and appoint a chair, consider approval of a resolution authorizing an agreement to contract for support services to facilitate the management and administration of the CFD, consider approval of a motion to authorize the Chair to negotiate a cost reimbursement agreement with Petitioner to reimburse the CFD for the costs associated with the management and administration services contract, approve a schedule and location for regular meetings of the Board of Supervisors, and undertake any further actions as determined by the Board. The Board may adopt by-laws and rules and regulations that are consistent with this resolution, the Petition and chapter 36.145 RCW. In the absence of adoption of rules and procedures for the conduct of meetings of the Board of Supervisors, the Board meetings may be conducted in accordance with the most recent edition of *Roberts Rules of Order*.

The Chair, once appointed, shall preside over all meetings of the Board and shall be responsible for administration of all contracts of the Board and oversee the day to day operations of the CFD, under the direction of and in accordance with the policies and procedures of the Board of Supervisors. The Chair shall not be authorized to enter into or execute agreements, or take other action, on behalf of the CFD without prior approval of a majority of the Board of Supervisors by resolution or motion undertaken during an open public meeting.

Section 12. Quorum. Any resolution or motion authorizing or approving an action may only be passed by a vote representing a majority of the members of the Board of Supervisors.

Section 13. Deposit of public funds. All moneys belonging to or collected for the use of the CFD coming into the hands of any officer or supervisor thereof shall immediately be deposited with the treasurer or other legal depository to the credit of the CFD for the benefit of the funds to which they belong.

Section 14. Private use of public funds prohibited. The use of the funds of the CFD for any purpose not authorized by law by any officer or supervisor having the possession or control thereof is prohibited.

Section 15. Establishment and Maintenance of Records. The CFD shall establish and maintain records in accordance with applicable law, with respect to all matters connected with any projects or activities financed from funds derived directly or indirectly from special

assessments levied by the CFD or from bonds issued by the CFD. Except as otherwise provided by state or federal law, the CFD shall retain such records for a period of three years after completion of the project or activity funded.

Section 16. Reports and Information. The CFD, at such times and in such forms as may be required by the City, state law or by the State Auditor, shall furnish the City or such public agencies, such statements, records, reports, data, and information as may be requested pertaining to matters financed from funds derived directly or indirectly from special assessments levied by the CFD or from bonds issued by the CFD.

Section 17. Dissolution of CFD No 2011-1.

A. **Petition for Dissolution.** When all indebtedness of the CFD has been retired and anticipated responsibilities have been satisfied, a majority of the CFD Board of Supervisors, plus one, may voluntarily authorize by resolution the filing of a petition with the City requesting that the Black Diamond City Council dissolve the CFD. The Petition shall be signed and attested to by the Board Chair on behalf of the CFD and shall set forth the factual and legal basis supporting dissolution, which shall include: (1) the name and principal office of the CFD; (2) the debts, obligations and liabilities of the CFD, including any pending litigation or contingent liabilities, and the property and assets available to satisfy the same; (3) the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; (4) the property and assets of the CFD that will be remaining and unencumbered at the time of dissolution and the proposed disposition of said property and assets; (5) provision for retention of records of the CFD for the period established by the State Archivist retention schedule; and, (6) a list of persons, with their mailing addresses, to be notified prior to and upon completion of dissolution. This list shall identify by name and mailing address any persons known or reasonably anticipated to be creditors of the District or persons whose rights or property interests may otherwise be affected by dissolution of the CFD.

The Petition shall include an opinion by general legal counsel for the CFD verifying that the CFD has conducted its reasonable due diligence to ensure that the contents of the petition are true and correct and that the criteria set forth at Subsection D (2) – (4) below of this Section 17 have been satisfied.

The City shall review the petition and oversee the dissolution to protect the public interest and prevent impairment of obligation, or if so authorized or required by law, may authorize or initiate proceedings in the Superior Court for the appointment and supervision of a receiver for such purposes.

B. **Notice of Public Hearing.** Unless otherwise provided by law, within ninety (90) days of receipt of the voluntary petition for dissolution, the City Council shall conduct a hearing at the time and place specified in a notice published at least once, not less than ten days before the hearing, in a newspaper of general circulation within the CFD. This notice shall be in addition to any other notice required by law to be published. The notice shall specify the action to be taken by the City Council pursuant to the petition and the proposed effective date of dissolution. Additional notice of the hearing may be given by mail, by posting within the

proposed district, or in any manner the legislative authorities deem necessary to notify affected persons. All hearings shall be public and the City Council authorities shall hear objections from any person affected by the dissolution of the district.

C. Termination. Unless otherwise provided by law, the existence of the CFD may be terminated by the City, either (1) upon entry of judgment of a court of competent jurisdiction that shall have become final, which judgment annuls the existence of the CFD, or prohibits it from conducting all or a major portion of the activities for which it was formed, or permits recourse by creditors of the CFD or other persons to the assets, property, or credit of the City on account of any debts, obligations, or liabilities of the CFD, or (2) by resolution of the City Council upon voluntary petition by the CFD, at or after a public hearing held with notice as set forth above, and after affording a reasonable opportunity for persons affected by the dissolution to be heard and present evidence.

D. Findings. The City Council may not approve termination of the CFD by petition of the CFD, except upon a finding of the following:

1. The CFD has requested the same by resolution in accordance with the requirements herein;
2. The CFD has discontinued or completed its projects and activities for which it was formed;
3. Any and all obligations, bonds, notes, or other contracts of indebtedness of the CFD have been fully satisfied such that such bonds and contracts will not be impaired; and
4. That there is no pending litigation and that there are no pending claims or known contingent liabilities that would materially impaired by dissolution of the CFD.

Upon satisfactory completion of dissolution proceedings, the City Clerk shall give notice thereof to the Secretary of State, and to other persons designated by the CFD in its petition.

E. Disposition of Property and Assets. Upon termination of the existence of the CFD, all of the rights, assets, and property of the CFD shall pass to and be distributed as provided in the CFD petition and otherwise as provided below. Subject thereto, all of the rights, assets and property of the CFD shall be tendered to the entity first listed below, and if not applicable or not accepted, to the next listed entity in succession:

1. To the City;
2. To some other local municipal corporation that performs similar activities or functions for which the assets were acquired or devoted, or which covenants to use the same in a manner to fulfill the purposes of the Federal or Public Programs;

3. To the State of Washington for use in or application upon projects and activities or functions for which the assets were acquired or are devoted, or for accomplishment of purposes of the program involved; or

4. To a corporate fiduciary or other trustee, in trust for or use under the direction of any of the aforesaid entities for the purposes, projects and activities for which the assets were acquired or devoted;

All rights, property, and assets of the CFD upon transfer shall be vested in the entity receiving and accepting the same, together with any appurtenant obligations and liabilities.

Section 18. Open Public Meetings Act. All meetings of the Board of Supervisors shall be subject to the open public meetings act codified at chapter 42.30 RCW, as now or hereafter amended.

Section 19. Public Records. All records of CFD No. 2011-1 shall be subject to the public records act codified at RCW 42.56 RCW, as now or hereafter amended.

Section 20. Competitive Bidding. All public works and procurement contracts shall be subject to the competitive bidding, including without limitation bonding and retainage requirements, and prevailing wage requirements applicable to public corporations under applicable state and federal laws.

Section 21. Severability. Should any section, paragraph, sentence, clause or phrase of this resolution, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this resolution be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances unless the object and purpose of this resolution of materially impaired or such pre-emption, decision or declaration permits recourse against the City contrary to the provisions of Section 6 of this resolution.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
WASHINGTON, AT A SPECIAL MEETING THEREOF, THIS ____ DAY OF
_____, 20____.

CITY OF BLACK DIAMOND:

Rebecca Olness, Mayor

Attest:

Brenda L. Martinez, City Clerk

Filed with the City Clerk:
Passed by the City Council:
Resolution No.:
Date Posted:

EXHIBIT A

(Notice of Public Hearing)

EXHIBIT B

(Copy of Formation Petition)

**CITY OF BLACK DIAMOND
WASHINGTON**

RESOLUTION NO. 11-779

**A RESOLUTION OF THE CITY OF BLACK DIAMOND,
WASHINGTON, ADOPTING AND AUTHORIZING
EXECUTION OF AN INTERLOCAL AGREEMENT WITH
CFD NO. 2011-1**

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, Black Diamond is a municipal corporation operating under the laws of the state of Washington as a non-charter code city and is authorized to enter into interlocal agreements with other governmental units; and

WHEREAS, upon petition of BD Village Partners, LP, a Washington limited partnership and Yarrow Bay Development, LLC, a Washington limited liability company (collectively "Petitioner"), the Black Diamond City Council approved Resolution No. 11-770 (hereinafter the "CFD Resolution"), authorizing formation of CFD No. 2011-1 (hereinafter the "CFD") pursuant to RCW Ch. 36.145 as an independently governed special purpose district organized created for the purpose of making local improvements by special assessment in accordance with the CFD Resolution and Chapter 36.145 RCW; and

WHEREAS, the CFD is vested with all powers and authority granted to community facilities districts including the power and authority to enter into interlocal agreements pursuant to Chapter 39.34, to transfer property of the CFD to the City of Black Diamond without compensation, and to use district revenue derived through special assessments and bonds authorized under chapter 36.145 RCW to finance costs, expenses, and facilities as set forth therein; and

WHEREAS, upon formation the CFD will require the assistance of the City to facilitate its day to day operations including, by way of example, providing meeting space, preparing and posting CFD public meeting notices, and providing administrative support; and

WHEREAS, the formation of the CFD will provide public benefit to the City of Black Diamond by providing a mechanism to fund the costs of public improvements through special assessments upon benefitted property which public improvements will be constructed by and through the CFD and will ultimately be transferred to the City pursuant to future agreements between the CFD and the City; and

WHEREAS, the City Council finds it in the best interests of the City to enter into an

- 1 -

Interlocal agreement with the CFD for the herein described purposes;

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

Section 1. Interlocal Agreement with CFD No. 2011-1. The Mayor of the City of Black Diamond is hereby authorized to execute the Interlocal Agreement with the CFD No. 2011-1 in substantially the form of the Interlocal agreement on file with the City Clerk.

PASSED BY THE CITY COUNCIL AT A SPECIAL MEETING THEREOF ON THE
____ DAY OF _____, 20 ____.

CITY OF BLACK DIAMOND

Rebecca Olness, Mayor

ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

Approved as to form:

Chris Bacha
Kenyon Disend, PLLC,
City Attorney

Filed with the City Clerk:
Passed by the City Council:
Resolution No.:
Date Posted:

- 2 -

**FIRST INTERLOCAL AGREEMENT BETWEEN
THE CITY OF BLACK DIAMOND, WASHINGTON, AND
CFD NO. 2011-1**

This Interlocal agreement (the "First Agreement") between the City of Black Diamond, Washington ("**Black Diamond**"), and CFD No. 2011-1 ("**CFD**"), each of whom is organized as a Municipal Corporation under the laws of the state of Washington, is dated this ____ day of _____, 20__.

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, Black Diamond is a municipal corporation operating under the laws of the state of Washington as a non-charter code city and is authorized to enter into interlocal agreements with other governmental units; and

WHEREAS, upon petition of BD Village Partners, LP, a Washington limited partnership and Yarrow Bay Development, LLC, a Washington limited liability company (collectively "**Petitioner**"), the Black Diamond City Council approved Resolution No. *** (hereinafter the "**CFD Resolution**"), authorizing formation of CFD No. 2011-1 pursuant to RCW Ch. 36.145 as an independently governed special purpose district organized created for the purpose of making local improvements by special assessment in accordance with the CFD Resolution and Chapter 36.145 RCW; and

WHEREAS, the CFD is vested with all powers and authority granted to community facilities districts including the power and authority to enter into interlocal agreements pursuant to Chapter 39.34, to transfer property of the CFD to the City of Black Diamond without compensation, and to use district revenue derived through special assessments and bonds authorized under chapter 36.145 RCW to finance costs, expenses, and facilities as set forth therein; and

WHEREAS, upon formation the CFD will require the assistance of the City to facilitate its day to day operations including, by way of example, providing meeting space, preparing and posting CFD public meeting notices, and providing administrative support; and

WHEREAS, the formation of the CFD will provide public benefit to the City of Black Diamond by providing a mechanism to fund the costs of public improvements through special assessments upon benefitted property which public improvements will be constructed by and through the CFD and will ultimately be transferred to the City pursuant to future agreements between the CFD and the City; and

WHEREAS the CFD and the City desire to enter into this Interlocal agreement for the herein described purposes;

NOW, THEREFORE, the parties have entered into this Agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act.

1. Purpose and Interpretation. The CFD is a special purpose district that has been constituted in accordance with state law to provide a source of funding for the construction of public improvements as set forth in the CFD petition, the CFD Resolution and Chapter 36.145 RCW. The CFD has no employees and the members of its Board of Supervisors are either City Council Members serving in an ex officio capacity, municipal finance experts appointed by the City Council, or are nominees designated by Petitioner pursuant to Chapter 36.145 RCW. The CFD is authorized to impose special assessments upon property within the boundaries of the CFD that are benefitted by the public improvements. The public improvements funded by the special assessments and bond proceeds will ultimately be conveyed to the City and will provide special benefit to the property within the district and general benefit to surrounding properties and to the City. In order to make the most efficient use of public monies derived by the District from the special assessments and bond proceeds, to avoid duplication of effort and to coordinate the efforts of the CFD and the City, and to provide for the administration and operation of the CFD, the parties have entered into this First Agreement. The intent of this First Agreement is to put in place the necessary administrative support to provide for the operation and functioning of the day to day activities of the CFD and to provide for the reimbursement of the costs of such administrative support to the City. The Parties envision that future agreements between the CFD and the City may be approved to provide for the transfer of the public improvements to the City and to provide for other services to the CFD that may be necessary from time to time. The Parties further envision that the CFD may in the future enter into service agreements with other parties to supplement or replace some or all of the services being provided to the CFD by the City.

In the event of ambiguity or the need for guidance arises, this agreement shall be interpreted in accordance with the provisions of the CFD Resolution, Chapter 36.145 RCW, and the provisions of the Governmental Accounting Act and RCW 43.09.210, as the foregoing (or any of them) exist or shall hereafter be amended. In the event that any provision of this First Agreement is held to be in conflict with existing state statute or any future amendment thereof, such provisions shall be severable, and the remaining provisions of this agreement shall remain in full force and effect.

2. Obligations of the CFD. The CFD agrees to:

2.1 As soon as reasonably practicable after formation, authorize and approve a cost reimbursement agreement with Petitioner for the reimbursement of the CFD's cost obligations to the City under this First Agreement. Such cost reimbursement agreement shall be consistent with the terms and conditions of this First Agreement.

2.2 Convey to the City of Black Diamond, or other appropriate governmental entities, all future public infrastructure improvements funded by the CFD, free and clear of liens and encumbrances, in accordance with all lawful requirements and regulations applicable thereto and

in accordance with such agreements for conveyance of such public improvements as the parties mutually agree upon.

2.3 Hold public hearings as may be required by law prior to levying any special assessment and shall levy any special assessment only in accordance with applicable law.

2.4. Reimburse the City for its Direct Costs of services provided to the CFD pursuant to Section 4 of this First Agreement.

3. Undertakings of Black Diamond. Black Diamond shall:

3.1 Provide administrative staff and necessary related support to the CFD to the extent necessary to organize the CFD, to prepare and conduct meetings of the Board of Supervisors, and to facilitate in the administration of the day to day affairs of the CFD;

3.2 Provide for use of the City Council chambers for public meetings of the CFD Board of Supervisors and provide for use of other public facilities for CFD meeting space;

3.3 Prepare and post public notice of meetings of the CFD Board of Supervisors as directed by the CFD;

3.4 Act as the custodian of records of the CFD and maintain such records for and on behalf of the CFD for the period established by the State Archivist retention schedule;

3.5 Maintain financial records, kept in accordance with generally accepted accounting practice and governmental accounting requirements, as necessary to document that any and all funding received through the CFD is used only for the purposes authorized in the CFD Resolution and Chapter 36.145 RCW;

3.5 Maintain a webpage accessible through the City of Black Diamond's official Website to provide public information about the CFD and to provide facilitate public access to public records of the CFD and public notices for and on behalf of the CFD;

3.6 Record and maintain an official journal of the minutes of all proceedings public meetings of the CFD Board of Supervisors;

3.7 Assist the CFD in identifying and selecting qualified individuals to provide consulting services to the CFD and Board of Supervisors, including by way of example and not limitation, general legal counsel, bond counsel, public finance administration and accounting, construction management and administration, architectural and engineering firms, construction contractors, and other related professional consulting services;

3.6 Provide for advertising, publishing and mailing of notices required for imposition of special assessments;

3.7 Upon appointment by the CFD as the District Treasurer pursuant to the provisions of Chapter 36.145 RCW, the City of Black Diamond finance director shall act as the district treasurer and shall establish a community facilities district fund into which shall be paid all CFD revenues. The finance director, while acting as district treasurer shall have such authority as district treasurer as provided pursuant to Chapter 35.145 and may create such funds, subfunds, accounts, and subaccounts as set forth therein; and

3.8 Provide such invoices and records to CFD as set forth in Section 4 herein.

4. Reimbursement of Costs.

4.7.1. Petitioner shall pay for all Direct Costs the City incurs prior to the effective date of this Agreement and for the Direct Costs it incurs thereafter reasonably related to the services provided herein that are not already subject to re-imbursement from the Petitioner pursuant to the pre-formation cost re-imbursement agreement.

4.7.2 Within fourteen (14) days of execution of this Agreement, City shall provide Petitioner with a statement identifying the City's reimbursable costs incurred prior to execution of this First Agreement.

4.7.3 Within thirty (30) business days of full execution of this First Agreement, CFD shall deposit with the City the sum of five thousand dollars (\$5,000.00) (the "Administrative Expenses Fund"), which the City may draw upon to pay for the Direct Costs authorized for reimbursement by this First Agreement. If the balance of the Administrative Expenses Fund falls below \$1000.00, CFD shall, within thirty (30) days of receipt of written request from the City, deposit such additional amount of money into the Administrative Expenses Fund as the parties agree is reasonably necessary, but no less than \$2500.00, for the continuing reimbursement of Administrative Expenses under this Agreement. CFD shall be entitled to a refund from the City of any unencumbered amounts remaining in the Administrative Expenses Fund within thirty (30) days of termination of this First Agreement.

4.7.4 Upon request of the CFD, the City shall provide an itemized invoice detailing the Direct Costs of services provided to the CFD within fourteen (14) days of such request. Upon request of the CFD, City will provide CFD with a written statement of the balance of the Administrative Expenses Fund within fourteen (14) days of such request.

4.7.5. Any time CFD disputes an invoice, receipt, deposit or reimbursement request from the City, CFD shall make such disputed deposit in a timely manner, under protest, to the City according to the timeframes set forth in this Agreement. Following resolution of the dispute per the processes set forth in Paragraph 5, the City shall refund any over payment to CFD within thirty (30) days of final resolution. Nothing in this subsection (d) shall be construed as limiting CFD's ability to terminate this Agreement pursuant to the provisions of Paragraph 9.

4.7.6 "Direct Costs" shall mean and include all costs and expenses to the City directly related to the services provided under this First Agreement to include, without limitation:

4.7.6.1 All costs and expenses of materials, equipment, supplies, utilities, consumables, goods, bonds and other items used or incorporated in connection with and in furtherance of this First Agreement and any taxes, insurance, and interest expenses related thereto, including activity pricing for crews and equipment;

4.7.6.2 All costs and expenses of labor inclusive of payroll benefits, non productive time and overhead for each of the labor classifications of the employees providing services and determined in accordance with the City's normal accounting procedures; and

4.7.6.3 All cost and expenses to the City for any work by consultants or contractors providing services to the CFD under this First Agreement.

5. Dispute Resolution. The parties shall apply their best efforts to fairly resolve any disputes that may arise in regard to implementation of this First Agreement. In the event the parties cannot agree on terms for resolving a dispute within twenty-one (21) days, they may mutually select a neutral third party to help facilitate such resolution. If resolution cannot be reached within fourteen (14) days, they may agree to a schedule and process for continued efforts to resolve the dispute. Neither party shall file a lawsuit in court until they have completed at least one formal session of mediation or other alternative dispute resolution process.

6. Ownership. No joint property ownership is contemplated under the terms of this agreement.

7. No Joint Board. No provision is made for a joint board. The CFD shall exercise its function in accordance with the CFD Resolution (as the same exists or may hereafter be amended), using staff as provided by the City of Black Diamond, pursuant to this First Agreement, or using staff, consultants and services otherwise contracted for by the CFD.

8. Insurance; Indemnity.

8.1 The parties agree to participate in the Cities Insurance Authority of Washington ("CIAW") insurance pool in accord with their respective interlocal agreements with the AWC. The original charge or premium for the CFD will be borne by Black Diamond as a cost to be covered under Section 4 and shall be reimbursed with funds received from or through the CFD. In the event that either or both cease to participate in the CIAW pool, the party or parties agree to obtain comparable coverage.

8.2 The CFD agrees to indemnify, defend and hold harmless Black Diamond, its officers, agents and employees from any from and against any and all claims, losses, damages, liabilities, actions, judgments or execution of third parties of any kind or nature whatsoever, whether at law or in equity, including, but not limited to, reasonable attorney's fees and court costs, arising out of, relating to, resulting from, or arising out of the activities of the CFD, except to the extent the same is caused by the negligence of the City or other person to be indemnified under this Section.

9. Termination. This agreement shall terminate or expire as follows:

9.1 This agreement may be terminated by either party upon the provision of thirty (30) calendar days notice. A final reconciliation of costs, payment, and a current report of completed activities shall be completed by Black Diamond within such period following the notice by either party.

9.2 Unless sooner terminated by either party, this agreement shall expire on the date when the CFD is dissolved in accordance with provisions of the CFD Resolution or Chapter 36.145 RCW or other applicable law, as the same exists or is hereafter amended.

10. Effective Date. This First Agreement shall be posted by subject on the City of Black Diamond' website or other electronically retrievable public source as required by RCW 39.34.040.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first written above.

CITY OF BLACK DIAMOND:

CFD NO. 2001-1:

Rebecca Olness, Mayor

_____, Chair

ATTEST

Brenda Martinez, City Clerk

APPROVED AS TO FORM

Chris Bacha
Kenyon Disend, PLLC,
City Attorney

Brenda Martinez

Subject: FW: Black Diamond - Comments regarding CFD
Attachments: HYCo Comments 111221.doc

From: cbacha@comcast.net [mailto:cbacha@comcast.net]
Sent: Wednesday, December 21, 2011 3:59 PM
To: Andy Williamson; Brenda Martinez; Rebecca Olness
Subject: Black Diamond - Comments regarding CFD -

Please find attached hereto, the comments of RandyYoung in response to issues raised during the council meeting and hearing. Please feel free to forward to the City Council. I have also been working on preparing my responsive comments for consideration by the City Council; however, I will not be able to provide those comments today beyond the following

In my view, the majority of the issues raised pertain to, (a) the veracity of the special benefits analysis, and (b) the management and operation of the CFD. With regard to the later, it appears to me that the CFD will not be successful unless we plan now for the means and methods for providing for the administration of the CFD. This can be accomplished only with the assistance of a third party. This can be accomplished either by the CFD contracting for these services with the City, with the Petitioner or with a 3rd party. As a practical matter, it likely makes the most sense for the City to enter into an interlocal agreement with the CFD to provide these services. Given the short window of time for the CFD to approve the assessment roll, there is not sufficient time to search for and contract with a 3rd party to perform those services. It is also more efficient to use city resources because of the intimate knowledge the City staff have with the project and because of the availability of staff and resources. Further, it seems unlikely that constituents would accept contracting with the petitioner to fill that role. Toward that end, I have begun preparing an Interlocal Agreement for consideration by the City Council and the Board of Supervisors in the event CFD formation is approved. I have also contacted petitioner's legal counsel and she is preparing a draft cost reimbursement for approval by the CFD to provide for petitioner's reimbursement of those service costs back to the City through the CFD.

Relative to the first category of issues, in my view the veracity of the special assessment analysis is an issue that should be addressed by the CFD Board of Supervisors. However, because the statute is unclear with regard to the effect of formation of the CFD, it is possible that formation would constitute approval of the preliminary assessment roll. The legislative scheme provides that the City Council's role is to make the three findings and form the district. The statute does not provide that the Council has a role in making the preliminary estimates or the assessment roll but does require that the petition include a preliminary assessment. I will be making revisions to the resolution to make clear that the action of the Council to approve formation of the CFD shall not operate to approve the preliminary assessment roll. This action will be taken by the CFD. The CFD can and should hire attorneys with knowledge and experience in municipal finance to give the CFD advice regarding the steps to be taken to make the preliminary assessment and comply with the time line set forth in Ch. 36.145 RCW.

I hope to have the revised resolution and draft interlocal agreement available for your review tomorrow.

Chris Bacha
Kenyon Disend, PLLC
11 Front Street South

Issaquah, WA 98027-3820
(425) 392-7090
FAX (425) 392-7071

From: "Randy Young" <ryounghyco@aol.com>
To: "Chris Bacha" <cbacha@comcast.net>
Sent: Wednesday, December 21, 2011 3:01:31 PM
Subject: Randy's comments on CFD Dec. 15 hearing topics

Chris--

Here are my comments. Let me know if you have any comments or questions so I can prepare the final version as soon as possible.

Randy Young
Henderson, Young & Company
8060 - 165th Ave., NE, Suite 220
Redmond, WA 98052
(425) 869-1786
Fax: (425) 869-5669

Comments on Topics from December 15, 2011 City Council Meeting Regarding Petition to Form Capital Facilities District No. 2011-1 of the City of Black Diamond

On December 15, 2011, the City Council of Black Diamond conducted a public hearing on the petition to create Community Facilities District No. 2011-1 of the City of Black Diamond.

During the Council meeting, Randall Young, President of Henderson, Young & Company, presented a report to the City Council concerning his independent evaluation of the November 28, 2011, a report titled *Special Benefit Apportionment Analysis Community Facilities District No. 2011-1 of the City of Black Diamond* published by David Taussig & Associates, Inc. (DTA). Mr. Young also discussed the *Response to Questions* from DTA dated December 12, 2011, that provided replies to the 11 questions we asked in our *Independent Evaluation* submitted December 7, 2011.

Comments About Fire Station and Fire Protection

During the public hearing and City Council discussion many topics and questions were raised. One topic pertained to the proposed construction of a satellite fire station by YarrowBay. Since our firm developed the fire impact fee for Black Diamond in January 2011, we offer the following comments about the proposed fire station and fire impact fees.

Our analysis of the impact of projected growth on Black Diamond fire protection indicated that the City will need two additional fire stations, two additional fire engines, two additional aid cars (i.e., "ambulances"), and two additional staff vehicles. The impact fee rates are established at levels that projected growth will pay for 84% of those costs and existing development will pay for 16% because the new stations will also serve existing development.

If YarrowBay does not build a satellite station, it will pay the impact fees with each building permit. The City could build a station and buy the apparatus when it collects enough money from the impact fees. The cost of the satellite station is estimated to cost \$3.2 million, so there would need to be over 1,800 dwelling units paying the \$1,783 impact fee per dwelling unit in order to collect enough money to build the station. It would then take over 400 more dwelling units paying impact fees in order to pay for the fire engine for \$726,000, and another 140 dwelling units to pay for the aid car cost of \$251,000. (Commercial development will also pay fire impact fees of \$2.29 per square foot, so any commercial development during the early phases of new development would reduce the number of dwelling units needed to pay for the new station and apparatus.)

If YarrowBay does build a satellite station, the cost of the station would be a credit against future fire impact fees because RCW 82.02.060 (3) mandates credits be

given when the improvement made by the developer is for the same improvement that is the basis for the impact fees. The reason for this mandatory credit is to avoid double-charging the developer for the same thing. And if the law did not require such credits developers would pay the impact fee and not make the improvement themselves in order to avoid paying twice for the same fire station.

A related topic was raised concerning the cost of operating the fire station after it is built. Fire impact fees can be used only for capital costs, therefore fire impact fees cannot pay for operating costs, such as firefighter salaries, fuel for the apparatus, or any other non-capital cost.

The operating costs will be paid by either or both of two sources of revenue: property taxes from new development and/or the funding agreement with YarrowBay. As part of our impact fee research we prepared a detailed analysis of future operating costs and future property tax revenue. We determined that the projected property values and a levy rate less than the maximum allowed by law would generate enough property taxes to fully fund the operating costs of the new stations and apparatus. If, during the phases of development, the property taxes do not pay the full cost, the funding agreement with YarrowBay provides for the developer to pay the difference.

Comments About YarrowBay's December 19, 2011 Memorandum

We have also reviewed the memo dated December 19, 2011, *YarrowBay's Response to Questions Regarding Black Diamond CFD No. 2011-1*. We offer the following comments about several specific items in that memo. Our comments refer to the item numbers used in the YarrowBay memo.

13. Benefits of sewer projects

YarrowBay describes the allocation of benefits of the 2 sewer projects as 74.3% to the CFD parcels and 25.7% to MPD units outside the CFD. We would add that the 74.3% will be paid by assessments on parcels in the CFD, and the 25.7% will be paid by BD Village Partners, LP pursuant to the terms of the Development Agreement. (This point was confirmed in Responses 6 and 9 of DTA's December 12, 2011 *Response to Questions*.)

16. Operating cost of the CFD

Capital facilities districts are primarily funding mechanisms. Unlike fire districts, school districts, PUDs, they typically have no staff, or very small staff, or are staffed by contract with firms that manage these funding districts. The CFD Board of Supervisors is responsible for deciding how best to arrange for the support it needs to accomplish its purpose, but DTA could be asked to provide examples from their experience with CFDs in other states.

YarrowBay's memo describes how these costs (i.e., staffing, or management contracts, or other consultants) are funded through the CFD.

17.d Effect on assessment amounts if development plans change

If the applicant makes changes to the location, quantity and/or mix of development from the assumptions used in DTA's analysis, there would undoubtedly be changes to the estimated future assessments per dwelling unit. This would occur when the apportionment ("segregation") of assessments occurs when parcels are divided.

It must be noted, however, that the total of all assessments is still limited to the total cost of the projects and indirect costs. That total can only be changed with approval of 100% of property owners, therefore significant changes are unlikely after subdivision and marketing of smaller parcels begins.

As a result, for any given total cost of projects and indirect costs, the effect of changing the location, quantity and/or mix of development would be to change the amount of the assessment per parcel. The amount of such revised assessments serve as a practical constraint on the developer making extreme changes in the location, quantity and/or mix of development because extraordinarily high assessments would reduce the marketability of the property in the same way and to the same extent as if the sale price of the property was increased instead of charging the assessment.

19.c Interim vs. ultimate improvement at SR169/Roberts Drive

Depending on the pace of development and the timing of the interim (channelization) and ultimate (roundabout) improvements, it is possible that the assessment for the interim solution would continue after the ultimate improvement is made.

20.e Undertaking agreement and fire mitigation fees

Regarding YarrowBay's reference to fire mitigation credits, see our first comment above (Comments About Fire Station and Fire Protection).



MEMORANDUM

To: Black Diamond City Council
From: Megan Nelson, Director of Legal Affairs, YarrowBay
cc: John Hempelmann, Legal Counsel for YarrowBay
Re: YarrowBay's Response to Questions Regarding Black Diamond CFD No. 2011-1
Date: December 19, 2011

I. INTRODUCTION.

This Response presents answers to certain questions raised by Councilmember Goodwin and Ms. Cindy Proctor during the December 15th Public Hearing on YarrowBay's petition to form Black Diamond Community Facilities District (CFD) No. 2011-1. While good questions, it is important to note that a majority of the questions will, per the Ch. 36.145 RCW, be dealt with by the Board of Supervisors of the proposed Black Diamond CFD No. 2011-1 during its determination of preliminary and final assessment rolls rather than during the formation. Moreover, and most importantly, the questions presented are not generally related to the three statutory criteria for CFD formation: (1) the formation of the district will be in the best interest of the City; (2) formation of the district is consistent with the requirements of Washington's Growth Management Act, Ch. 36.70A RCW (GMA); and (3) the petitioners (i.e., YarrowBay) will benefit from the proposed district.

II. COUNCILMEMBER GOODWIN'S CFD QUESTIONS

During the Black Diamond CFD No. 2011-1 public hearing on December 15, 2011, Councilmember Goodwin asked several good questions regarding the formation and operation of the proposed CFD. The various questions asked by Councilmember Goodwin are addressed below.

- I. *Formation Costs -What is the definition of "formation costs" to be paid by petitioners? What expense categories are included and which are excluded? For example:*
 - a. *Legal expenses for incorporating the district*
 - b. *Experts/consultants to certify that the bond amount, property valuations, project cost allocations to each benefiting parcel, etc.*
 - c. *Bond Counsel*
 - d. *Bond Issuance costs*
 - e. *Insurance costs*
 - f. *Ongoing expense for legal counsel once the District has been incorporated*
 - g. *District staff support such as accounting/financial reporting, in house experts, project management, etc.*
 - h. *Administrative costs related to District Board operations, such as space, public notice*

postings, mail, clerical services, telecommunications/internet service, etc.

Formation costs include all costs incurred by the City of Black Diamond in reviewing YarrowBay's CFD Petition up until the point of CFD District formation. As such, formation costs include subsection (a) above "Legal expenses for incorporating the district." YarrowBay has submitted a cost reimbursement agreement to the City, as well as Attachment 3 to the CFD Petition entitled "Obligation", which formalizes its agreement to pay the costs of CFD formation.

Subsections (b) through (h) above, on the other hand, are costs that the CFD Board of Supervisors will incur after the CFD District's formation. Based on their years of experience assisting with bond issuances, David Taussig & Associates (DTA) budgeted \$1,044,405, 5% of the bond yield, within the Special Benefit Apportionment Analysis dated November 28, 2011 (the "DTA Analysis") for costs related to bond issuance. After CFD District formation, YarrowBay has also agreed to enter into an agreement with the Board of Supervisors to cover indirect costs until the Board collects special assessments and issues bonds and generates revenues. At such time, the Board will then reimburse YarrowBay for costs related to bond issuance up to the budgeted amount. If reasonable bond issuance costs exceed the estimated 5%, YarrowBay's agreement with the CFD Board of Supervisors will also include provisions for YarrowBay to cover such excess costs.

2. *Operating Costs - If any of the above costs are not considered to be Formation Costs, how does the District cover its expenses prior to issuance of bonds? How does the district cover expenses after the bonds are issued?*

See YarrowBay's response to Councilmember Goodwin's Question #1 above.

3. *What happens if for whatever reason bonds are never issued and the District is dissolved - reference dissolution of Pierce County Levee District.*
 - a. *How do costs incurred to date get paid?*

See YarrowBay's response to Councilmember Goodwin's Question #1 above.

YarrowBay has agreed to pay, and memorialized such agreement in both a proposed cost reimbursement agreement delivered to the City as well as its Attachment 3 to the CFD Petition entitled "Obligation," costs associated with the formation of Black Diamond CFD No. 2011-1. Whether or not bonds are issued does not change this obligation.

If the CFD District is formed, costs related to the preparation for bond issuance are incurred, and bonds are never issued, YarrowBay would be obligated to pay for such costs per the terms of the agreement, referenced in response to Question #1 above, to be entered into between the CFD's Board of Supervisors and YarrowBay.

4. *What happens if the District gets sued by petitioner or some other party?*
 - a. *How does the District pay legal expenses?*

b. What if the District loses the law suit? How does financial liability get satisfied?

In the unlikely event the CFD District gets sued, the DTA Analysis includes legal costs within its estimated budget for Indirect Costs – \$1,044,405 or 5% of the bond yield – for costs related to bond issuance. Again, if such costs exceed their budgeted amount, YarrowBay would be obligated to pay for such costs per the terms of the agreement, referenced in response to Question #1 above, to be entered into between the CFD's Board of Supervisors and YarrowBay.

It is even more unlikely, in the remote chance the CFD District gets sued, that a suing party would seek damages. Instead, it is more likely that a suing party would ask a reviewing court to order performance by the CFD District, i.e., the issuance of bonds or the construction of a certain Project, if the CFD Board of Supervisors failed to carry out the purposes for which it was formed. Costs for such a lawsuit would be paid pursuant to the process outlined in the preceding paragraph.

5. What happens if bonds are issued by the District and one or more property owners default on their obligation -e.g., Yarrow Bay or one of the developers that Yarrow Bay sells property to or individual homeowners/commercial property owners fail to make payment.

a. Does liability then transfer to the property owners that are meeting their financial obligations to make up for the default of others -recognizing that there will be some reserves (4% of bond value) established at time of bond sale?

No. The bondholders want to be assured that they will receive payment if any tax payments are late or the foreclosure process is undertaken. Thus, a reserve fund that equals approximately one year of debt service payments (in the case of this CFD, 8% of the bond yield or \$1,671,048) is taken from bond proceeds and put into a special reserve account and controlled by the bond administrator should circumstances arise where the funds will be needed.

The reserve fund is drawn upon in order to assure that bondholders receive their payments in a timely manner. If there is a revenue shortfall, which in most cases is due to delinquent property tax payments, the reserve fund is automatically drawn down to assure full payment to the bondholders, normally on March 1st and September 1st of each year. The reserve fund is then automatically replenished as late payments come in or foreclosures proceed to auction.

Pursuant to RCW 36.145.150, assessments resulting from a CFD are a lien on the property. As a lien, the CFD Board of Supervisors can foreclose on the specific parcel of property that has defaulted on its assessment obligation. The liability of one property owner within a CFD District does not transfer to the other property owners within the District because the assessments are specific to a given parcel or legal lot.

6. What personal liabilities do appointed CFD Board of Supervisors have?

a. Will there be personal liability insurance and indemnification and if so, how will it be paid by the District?

The CFD Board of Supervisors members have the same personal liabilities as any other appointed member of a public agency, i.e., a Black Diamond City Councilmember or Planning Commission member.

See YarrowBay's response to Councilmember Goodwin's Question #1 above. The CFD Board of Supervisors can decide whether to purchase insurance and such costs are anticipated to be included in the \$1,044,405 or 5% of the bond yield included within the DTA Analysis.

- b. What happens to District Board Supervisors if the insurance company refuses to cover them?*

In the unlikely event an insurance company refuses to cover the CFD's Board of Supervisors, it can either look to other insurance providers and/or if an insurance company's refusal is based on certain Board members, such members may want to consider recusing themselves from the Board.

- 7. CFD's are responsible to design, obtain permits, construct, etc.*

- a. Who owns the improvements -for example, parks, water, sewer etc.*

All ten Projects within the proposed CFD will be owned by the City of Black Diamond following completion so long as they are consistent with the City's Engineering Design and Construction Standards.

- b. Who is responsible to operate/maintain the improvement so that the improvements maintain their value?*

As City-owned improvements, the City will be responsible for operating/maintaining the CFD's Projects following City acceptance of the improvements pursuant to the process and criteria set forth in the Black Diamond Engineering Design and Construction Standards. These City-owned improvements are subject to the City's maintenance bond requirements, the specific terms of The Villages MPD Development Agreement dated December 12, 2011, and the terms of the MPD Funding Agreement between the City, BD Village Partners, LP, and BD Lawson Partners, LP dated December 12, 2011.

- c. What happens if a homeowners association, for example, is deemed responsible for maintenance but fails to do so that the special value of the improvement degrades? Where does liability rest?*

If a MPD homeowners' association is deemed responsible for maintaining any of the City-owned CFD Projects, then the City has the right pursuant to the terms of The Villages MPD Development Agreement dated December 12, 2011, to step in and perform the maintenance and bill back the cost of the maintenance to the responsible homeowners.

- 8. What are the eminent domain implications of a CFD in Black Diamond? Will any of these projects require the exercise of eminent domain?*

No. There are no "eminent domain implications" of the proposed CFD. The Projects proposed within the CFD Petition for Black Diamond CFD No. 2011-1 are the same projects required by the terms of the

MPD Permit Approvals (Black Diamond Ords. Nos. 10-946 and 10-947) and The Villages and Lawson Hills Development Agreements (Black Diamond Ords. Nos. 11-970 and 11-971).

Moreover, YarrowBay does not anticipate the use of eminent domain for any of the ten CFD Projects proposed for Black Diamond CFD No. 2011-1. Seven out of the ten proposed CFD Projects (Projects 4-10) are located on property owned by the Petitioner, BD Village Partners, LP. Projects 2 and 3 are located entirely within a combination of existing City right-of-way and property owned by the Petitioner. As such, no eminent domain is required for these nine projects.

As designed, Project 1 – the SR-169/Roberts Drive/Black Diamond-Ravensdale Road intersection improvements – requires some construction easements outside the existing City right-of-way for grading. There is no need for the fee simple acquisition of property to complete these intersection improvements. YarrowBay has begun negotiations with affected property owners and anticipates reaching mutually acceptable agreements without the use of eminent domain. In the unlikely event such agreements cannot be reached and Project 1 cannot be reasonably redesigned in such a way to avoid impacts outside the existing City right-of-way, the CFD Board of Supervisors may then elect to approach the City of Black Diamond regarding the possible use of eminent domain subject to all state law requirements. This process is in no way different than if YarrowBay were required, by the MPD Permit Approvals (Black Diamond Ords. Nos. 10-946 and 10-947) and The Villages and Lawson Hills Development Agreements (Black Diamond Ords. Nos. 11-970 and 11-971), to complete this Project 1.

9. *Assuming that responsibility for building each of the 10 projects transfers from the City to the CFD, how does the City enforce conditions of the Development Agreement?*

a. *Does the City need a separate agreement with the CFD?*

No. The City is not responsible for funding or building¹ the ten Projects proposed within Black Diamond CFD No. 2011-1. As such, there is no transfer of responsibility from the City to the proposed CFD and there is no need for a separate agreement between the City and the CFD.

Instead, the responsibility for funding and building the ten Projects proposed within Black Diamond CFD No. 2011-1 is that of BD Village Partners, LP and BD Lawson Partners, LP – the Master Developers of The Villages and Lawson Hills MPDs – pursuant to the terms of The Villages and Lawson Hills Development Agreements dated December 12, 2011. The proposed CFD will only fund 62.6% of the ten Projects. The remaining 37.4% of the Projects' construction cost must be funded by BD Village Partners, LP and BD Lawson Partners, LP under the terms of the Development Agreements. The CFD Board of Supervisors will likely enter into a contract with these two parties to ensure that 100% of the Projects' costs are covered before executing construction contracts. As a condition of funding the remaining 37.4% of the CFD Projects' costs, BD Village Partners, LP and BD Lawson Partners, LP will require that such projects are designed and constructed to meet the terms of the Development Agreements. Moreover, the terms and obligations of the Development Agreements run with the land. As such, the nine CFD Projects occurring on land within The Villages MPD are subject to the terms and conditions of the Development

¹ See YarrowBay's Response to Cindy Proctor's Question N, regarding Project #2 construction responsibility.

Agreements whether or not YarrowBay is the party seeking a permit or the CFD Board of Supervisors is the permittee. Finally, formation of the CFD in no way displaces the City's permitting authority. The City retains the ability to review the CFD Project's compliance with the conditions of the Development Agreements (Black Diamond Ords. Nos. 11-970 and 11-971).

10. *SR169 and Roberts Drive improvements (project #1) would seem to require permitting through WASHDOT. Petitioner has stated that the primary benefit to the community for CFDs is that this and other projects can be accelerated, compared to when these improvements are required to be made by Yarrow Bay consistent with the Development Agreement. Do we even know that accelerating this project is possible working with WASHDOT? What assurance do we have as a City that a CFD will in fact result in an accelerated schedule compared the requirements already established in the Development Agreement?*

YarrowBay has already expended consulting fees to advance the interim design of CFD Project #1 intersection improvements and to commence WSDOT review in order to fix a pre-existing problem on SR-169 within the City of Black Diamond. In fact, after five meetings with WSDOT and several plan submittals, WSDOT is close to giving approval for the channelization plan for CFD Project #1. *See also* YarrowBay's response to Councilmember Goodwin's Question #19(b) below.

Formation of the CFD now guarantees that construction permits from WSDOT will be pursued earlier by the CFD Board of Supervisors than if pursued independently by YarrowBay as a condition of its MPD development. By starting the permitting process earlier, there is greater likelihood that the improvement will be approved by WSDOT earlier and that construction can therefore start.

If Project 1 is pursued independently by YarrowBay, it will likely not formerly apply for permits from WSDOT until after receipt of preliminary plat approval for its Villages MPD – Phase 1A subdivision. Thereafter, The Villages MPD Development Agreement dated December 12, 2011 in Exhibit F, on pages 4-5, requires that YarrowBay apply for permits from WSDOT prior to the intersection falling below the applicable level of service (LOS). Transpo Group's traffic impact analysis study dated February 2011 submitted with YarrowBay's Villages MPD-Phase 1A preliminary plat application concludes that the SR-169/Black Diamond-Ravensdale Road LOS will drop below the applicable LOS before the completion of the first year of MPD development (327 ERUs) and that the SR-169/Roberts Drive intersection will drop below the applicable LOS during the second year of MPD development (between 327 ERUs and 726 ERUs). As such, it is reasonable to conclude that YarrowBay is required to apply for permits from WSDOT for the intersections within the CFD's Project 1 later than if applied for by the CFD's Board of Supervisors.

11. *Sanitary Sewer Storage Facility (project #8) and Sanitary Sewer lift Station (project #7) would appear to require design approval by King County Metro and construction to their specifications. In the past, the City of Black Diamond City Council has approved hiring an engineering consultant to design a sewer storage facility in a location that the county did not agree with and has not approved. Perhaps these are different facilities, but do we know that the county will approve these facility designs and the locations shown on the CFD project map? If not, what are the potential cost implications and how would this impact the issuance of bonds by the CFD?*

CFD Project #7 does not require King County Metro approval because it is a City of Black Diamond lift station. CFD Project #8 may require King County Metro approval; however, there is sufficient time to design and permit the project as a King County Metro facility. Nevertheless, if timing does not work out with King County Metro, CFD Project #8 can also be built as an interim City facility that limits flow rates being discharged into the City's sewer main to match available capacity until such time as a permanent solution is determined. This alternative would not require King County Metro approval and, in Triad's expert opinion, would likely cost less to construct than the estimated construction costs for CFD Project #8 included within DTA's Analysis.

12. *SR169 and Roberts Drive improvements (project #1) would also appear to benefit the planned Lawson Hills development and parts of the Villages development that are outside of the defined CFD boundaries. What is the rationale for excluding these sources of traffic count from the special benefit analysis?*

Only ERUs within Phase 1A of The Villages MPD will benefit from CFD Project #1 because the DTA Analysis is based on the assumption that CFD Project #1 is an interim improvement that will be replaced with the ultimate improvements (i.e., roundabouts) prior to any development in Lawson Hills MPD or the second or third phases of The Villages MPD.

In addition, in response to Councilmember Goodwin's Questions #12-15, please see Henderson, Young & Company's Final Report to the City of Black Diamond dated December 12, 2011 – 5:50 p.m., in which the City's fiscal consultant concludes that "We believe that the City of Black Diamond can rely on the November 28, 2011 Taussig Study and DTA's December 7, 2011 "Response to Questions" when the City makes a decision regarding the petition to create CFD No. 2011-1."

It is also important to note, in reference to Councilmember Goodwin's Questions #12-15, that just because a property or parcel is benefitted by a CFD Project, does not mean that it needs to be burdened by assessments.

13. *Sanitary Sewer Storage Facility (project #8) and Sanitary Sewer Lift Station (project #7) would appear to benefit significant properties within the Villages development that are outside of the defined CFD boundaries. What is the rationale for including such a small percentage of these sources of sewage from the special benefit analysis? If included, would this not substantially reduce the special benefit attributed to properties located within the CFD?*

CFD Projects #7 and #8 are proposed to be sized for ERUs within the CFD District plus a small additional number of ERUs north of Auburn-Black Diamond Road and westerly of Lake Sawyer Road. As such, these improvements do not serve "significant" properties outside of the CFD boundaries and only serve property owners within The Villages MPD. Since only MPD ERUs are served, no General Benefit was assigned to these CFD Projects and, instead, 100% of the benefit conferred was considered Special Benefit in the DTA Analysis. Table 12 from the DTA Analysis (included below) summarizes the proportion of CFD District EDUs versus the EDUs in the MPD but outside the CFD District served by Projects #7 and 8. The District is allocated 74.3% of the Special Benefit to parcels within the CFD and 25.7% of the Special Benefit to MPD units outside the District.

Table No. 22 Equivalent Dwelling Units & Assessment by Phase Project #7 & Project #8 CFD No. 2011-1			
Phase 1 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	1,318	1.00	1,318
(2) Multi-Family (DU)	334	67%	223
(3) Commercial (Sq.Ft.)	185,400	0.080%	149
(3) School (Sq.Ft.)	450	10%	45
Total	1,852	1.05	1,735
Phase 2 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	168	1.00	168
(2) Multi-Family (DU)	166	67%	111
(3) Commercial (Sq.Ft.)	400,000	0.080%	320
Total	334	1.79	599
Phase 3 - Land Use	Dwelling Units	Equivalent Unit Factor	Equivalent Units
(1) Single-Family (DU)	-	0.00	-
(2) Multi-Family (DU)	0	80%	-
Total	-	0.00	-
		Benefit Allocation	Equivalent Units
PHASE 1		74.3%	1,735
PHASE 2		25.7%	599
PHASE 3		0.0%	-
GRAND TOTAL		100.0%	2,333
(1) EDU factor set at Single-Family = 1.00, Multi-Family = 0.67 EDU due to reduction in use of improvement, and Commercial = 5,032 square feet per EDU to reflect use of improvement by small business within MPD. (2) See "Phase 1 Parcel Summary" for Dwelling Unit Count, as well as CFD Site Plan Assessment Diagram (included). (3) Calculations may vary slightly due to rounding.			

14. *Stormwater Detention Pond (project 6) would not appear to benefit property owners in Stormwater Management Zone 1 (Note: this should read Stormwater Management Zone 2) where all stormwater flows appear to drain into the Rock Creek Basin. Why are these parcels included in the benefit calculation? This same question should be asked for properties located in Stormwater Management Zones 1A and 1B. See attached exhibit.*

CFD Project #6 – the stormwater detention pond – does in fact benefit property owners in Stormwater Management Zone 2 even though portions of their stormwater will flow and drain into the Rock Creek Basin. While CFD Project #6 benefits property owners within Stormwater Management Zones 1A and 1B because their stormwater drains into this retention pond, it also benefits properties within Stormwater Zone 2 because these properties benefit from the park and roadway improvements (including, but not limited to, CFD Projects #4, #5, #9, and #10) that also drain into CFD Project #6. As YarrowBay's research regarding how best to implement its no net phosphorous initiative relative to Lake Sawyer, as set forth in The Villages and Lawson Hills Development Agreements dated December 12, 2011, has progressed, it now anticipates that a maximum amount of roadway drainage will be directed to Project #6 from Stormwater Management Zone 2 in order to minimize the potential phosphorous draining to Lake Sawyer. As such, the DTA Analysis regarding Special Benefit allocation for CFD Project #6 is an appropriate allocation.

15. *Roberts Drive -750/850 Zone Water Main Extension (project 2) would appear to benefit properties within the Villages outside of the planned CFD boundaries. Why is 100% of the project benefit allocated to those parcels located within the CFD? See attached exhibit.*

While properties outside the proposed CFD District will indirectly benefit from the CFD Project #2 water main extension, such properties require future extensions of the water mains as well as other additional related infrastructure in order to be served with water service. In addition, the timing of this future development outside the proposed CFD District is uncertain. There is some potential that years may transpire before development outside of the CFD District connects to the subject main line extension making any excess capacity less valuable.

16. *Table 4 on Page 9 of the Taussig report appears to identify the total cost of operating the district for a 28 year period to be \$187,627. This would average \$6,701 per year. Is this at all realistic? These costs appear to be only for collection services from King County.*
- a. *What happens if expenses turn out to be significantly higher than this?*
- b. *What happens if the CFD incurs unplanned expenses due to a lawsuit or something else unforeseen. Where does the money come from to cover these costs?*

See YarrowBay's response to Councilmember Goodwin's Question #1 above.

In fact, the DTA Analysis estimates the costs of bond issuance (including operation of the CFD District) to be approximately 5% of the bond yield or \$1,044,405. For further detail regarding indirect costs, please see Figure 3 from DTA's response to the Henderson Evaluation dated December 12, 2011 set forth below.

The answer to subsection (b) of Councilmember Goodwin's Question #26 is answered for three different periods: (1) planned and unplanned expenses during the period of formation; (2) planned and unplanned expenses following CFD District formation but prior to collection of assessments and issuance of bonds; and (3) planned and unplanned expenses following the CFD District's collection of assessments and issuance of bonds. During the period of formation, the Petitioners (BD Village Partners, LP and Yarrow Bay Development LLC) are responsible for all costs, planned and unplanned. An appeal of the City's resolution forming the CFD District would be a cost of formation and would be the responsibility of the Petitioners. Following formation of the CFD District but prior to the collection of assessments and issuance of bonds, the expenses of the CFD District would be funded by the Petitioners' loans or grants to the District. See YarrowBay's response to Councilmember Goodwin's Question #1 above. The State's CFD statute, Ch. 36.145 RCW, authorizes the CFD Board of Supervisors to borrow and accept gifts. Once assessments are collected, assessment revenue can be used for planned expenses and unplanned expenses. Finally, State law allows CFD assessments to be increased if 100% of the property owners agree.

Figure 3 – Indirect Cost Detail

		%	TOTAL	ASSESSMENT DESCRIPTION
\$ 16,522,850				Bond Yield
	1,044,405	5.0%		Cost of bond issuance
	1,671,048	8.0%		Reserve fund equal to one year of debt service
	1,462,167	7.0%		Capitalized interest
\$ 4,177,619		20.0%		Allowance for Indirect Cost
\$ 187,627				District Admin & County Collection Fee
\$ 20,888,097				TOTAL ASSESSMENT

17. *The source document for the calculation of single family detached dwelling units (SFD) was the FEIS submitted in December 2009 (see page 16 of Taussig report).*

- a. *If memory serves, the MPD ordinance and final MPD submittal uses some modified assumptions regarding the mix of dwelling units and where they are located. If so, shouldn't these changes also be reflected in the Taussig calculations?*

The DTA Analysis is based on YarrowBay's latest unit mix and locations, which is reflective of the three subdivision applications that Yarrow Bay has already submitted to the City. The exhibit on Page 11 of the DTA Analysis indicates how property boundaries within the CFD District are consistent with the plats and land uses that have been submitted to the City. The FEIS was only used to provide population generation rate assumptions per dwelling unit, not to determine the mix and locations of the dwelling units within the CFD District. Such population generation rates are also the rates used in The Villages and Lawson Hills Development Agreements (Black Diamond Ords. Nos. 11-970 and 11-971).

- b. *Yarrow Bay has significant flexibility to vary the mix of housing types within each development phase depending on market conditions and where each of these housing types are located within the MPD phases. Therefore, since the city has not yet reviewed the Preliminary Plat application and has not yet seen final plat applications, how is it possible to assign SFD values to each parcel until these are known?*

The assessments outlined in the DTA Analysis are based on the Special Benefit received by each parcel according to each parcel's current projected land use(s) as explained in response to subsection (a) above. Decisions on allocation of benefits and both preliminary and final assessment rolls are made by the CFD Board of Supervisors based on current information at the time and the DTA Analysis was prepared for the purpose of starting the Board's process and informing YarrowBay's CFD Petition.

As the current parcels are all large and will need to be subdivided, there is an opportunity for the CFD Board of Supervisors to apportion each large parcel's current assessment between the new smaller parcels as they develop based on the criteria used in the DTA Analysis or the apportionment analysis ultimately relied on by the CFD Board of Supervisors when it calculates its final assessment roll.

- c. *CFD boundaries appear to include more property than is included in Phase 1 of the*

Villages development and more property than is included in the preliminary plat applications (though no one yet knows how these boundaries overlap). This adds even further uncertainty as to the benefit that can be assigned to each parcel. At this still very preliminary level of development planning, how is it possible to assign equitable values to each parcel at this time?

Please see YarrowBay's response to subsections (a) and (b) above. As noted above, the DTA Analysis was prepared to initiate the process and it does not make any decisions about assigning values. Such decisions will be made by the CFD Board of Supervisors at future dates at the times of its preliminary and final assessment roll determinations.

CFD liens are placed on parcels at the time assessments are issued based on the Special Benefit received by the parcel according to its current projected uses. Other than the reapportionment of a lien that occurs when subdividing a large parcel, there is no way to make changes to a parcel's original assessment without going through the reassessment process outlined in the state statutes (i.e., RCW 35.44).

- d. What if Yarrow Bay chooses to significantly change where, how many and what mix of residential densities are included within each parcel-a flexibility they certainly have. Would this not fundamentally change the calculations for assigning special benefit allocation values to benefiting parcels?*

Please see YarrowBay's responses in subsections (b) and (c) above. A CFD is similar to assessment districts implemented elsewhere in Washington as well as in many other states. All assessments are considered fixed liens that are based on the land uses projected to be built on a property at the time assessments are apportioned and any future uses are subject to those same original liens as explained above.

- 18. The same set of questions as listed in 16 above also applies to non-residential development (see Taussig report page 17). It would appear that the variation in special value allocations to nonresidential parcels could be even greater. For example, the trip count generated by a grocery store is very different from that of an office building, a restaurant or that of a dry goods retail outlet on a square footage basis. Given this level of uncertainty, how is it possible to equitably assess special values across parcels?*

Yes. While it is true that vehicle trip rates for various commercial land uses are uniquely different, for purposes of the DTA Analysis, it is reasonable to estimate retail and office trips based on the trip generation studies of "shopping centers" and "general office buildings," respectively, because: (1) both categories are broad and representative of many possible commercial uses; and (2) the resulting trip generation estimates are based on trip information from many hundreds of studies and thus, statistically more reliable than other more narrowly-defined commercial categories. As such, it is possible to evaluate special values now. In the future, however, as larger parcels are subdivided, the assessments can be reapportioned amongst the smaller parcels based on their unique vehicle trip rates.

- 19. Petitioner identifies 10 projects for funding through the CFD. To my knowledge, none of these projects have been designed to a 30% or even 10% level of engineering, yet cost estimates to the dollar are presented as a basis for approval.*

- a. *With no engineering drawings submitted to City staff even at the conceptual level for these projects, what basis is there to assume that the cost estimates provided are even in the ballpark for what these project costs might realistically be?*

YarrowBay created engineering documents for the CFD Projects at its own expense without knowing if it will be reimbursed. These engineering documents vary from 30% to 95% of final engineering level. The CFD Projects that are at a lower design level are the types of projects where other similar projects have been previously constructed that provide sufficient cost data to adequately estimate their cost. The City of Black Diamond's public works and engineering staff and consultants were consulted on both the CFD Project's design and estimated costs. In Triad's professional estimation, the cost estimates are sufficient for purposes of CFD formation.

- b. *Since WASHDOT and King County Metro must approve projects 1, 7 and 8, and they clearly have provided no input as to project specifications, how can we have even reasonable confidence that these cost estimates are close to what final costs will be?*

YarrowBay expended consulting fees to advance the interim design of CFD Project #1 intersection improvements and to commence WSDOT review. In fact, after five meetings with WSDOT and several plan submittals, WSDOT is close to giving approval for the channelization plan for CFD Project #1. This is the most significant hurdle in the design and permitting process and in turn gives a high level of confidence in the plans for this intersection, which are at a 75% level. As noted in YarrowBay's response to Councilmember Goodwin's Question #11 above, CFD Project #7 does not require King County Metro approval because it is a City of Black Diamond lift station. Project #8 may require King County Metro approval and there is sufficient time to design and permit the project as a Metro facility. Nevertheless, if timing does not work out with King County Metro, CFD Project #8 can also be built as an interim City facility that limits flow rates being discharged into the City's sewer main to match available capacity until such time as a permanent solution is determined. This alternative would not require King County Metro approval and, in Triad's expert opinion, would likely cost less to construct than the estimated construction costs for CFD Project #8 included within DTA's Analysis.

- c. *Petitioner estimates total costs for the SR169/Roberts Drive (project #1) at \$1,758,178. The City of Black Diamond 2012-2017 Capital Improvement Plan includes the Roberts Drive/SR169 roundabout project (T9) with an estimated cost of \$2,230,000. I presume these are the same project, yet City budget estimates are 27% higher than petitioner's estimates. How can this be reconciled? See attached exhibit.*

CFD Project #1 is proposed as an interim intersection improvement and is distinctly different from project T9 in the City's Capital Improvement Plan (CIP) and, thus, the costs should not be expected to be comparable. As an interim improvement, CFD Project #1 allows for the current problems with the intersections to be corrected while allowing YarrowBay time to work out the ultimate improvement plans with WSDOT and the City for this portion of SR-169. It should be noted that the current configuration of these intersections have safety concerns in addition to the level of service issues, which are both alleviated through the interim design of CFD Project #1.

20. *According to petitioner's attorney Mr. Hempelmann, in meeting with City of Black Diamond staff,*

Mayor Olness, Councilmember Hanson, councilmember Goodwin and representatives of Yarrow Bay on Monday November 28, the CFD once formed is "compelled to complete the projects" on the CFD petitioners list.

- a. *Since funding for most of these projects will not be 100% CFD financed, how can the CFD be liable for the performance of others? For example, according to the MPD Conditions of Approval and the Development Agreement, Yarrow Bay is fully responsible for 100% of the funding for each of the 10 projects identified. Yet, the CFD is only expected to fund 44.7% of project 3 with Yarrow Bay responsible for the remainder. What if Yarrow Bay defaults and fails to fund or delays funding of project 3 outside the control of the CFD? What liability does the City of Black Diamond have?*

The City of Black Diamond has no liability. As provided in RCW 36.145.130, and as further confirmed by City Attorney Bacha's presentation to the Black Diamond City Council on December 15th, no bonds issued on behalf of the proposed CFD are obligations of the City.

As noted in YarrowBay's response to Councilmember Goodwin's Question #9 above, the CFD Board of Supervisors will not execute construction contracts without entering into a contract with BD Village Partners, LP and BD Lawson Partners, LP to ensure that 100% of the Projects' costs are covered.

If formed, the Black Diamond CFD No. 2011-1 will only be liable for the obligations it has, i.e., 62.6% of the construction costs for the ten CFD Projects.

- b. *Project #2, Roberts Drive -750/850 Zone Water Main Ext. is budgeted at \$2,261,657 and 100% of the responsibility is that of the CFD. What if, after final design and public bidding, that the sum of engineering costs and low bidder for construction total, for example, \$3,000,000 or more. How does the difference get made up? What is the CFD's liability? What is the City's liability? What if Yarrow Bay won't or can't fund the difference? This same question is applicable to each and every project.*

Pursuant to RCW 36.145.110, the CFD Board of Supervisors may revisit the amount of assessments within 120 days following formation of the CFD District. If during this period, through final design and public bidding, the CFD Board of Supervisors discovers that the cost of construction is greater than anticipated in the DTA Analysis, it may increase the assessment amount by unanimous approval of the Petitioners (i.e., BD Village Partners, LP and Yarrow Bay Development LLC). If the CFD Board of Supervisors discovers that the cost of construction for a CFD Project is greater than anticipated after this 120-day period, YarrowBay, as the party ultimately responsible for construction of such infrastructure improvements per the terms of The Villages and Lawson Hills Development Agreements, is ultimately financially responsible and will likely bear the cost of such overruns pursuant to the agreement referenced in its response to Councilmember Goodwin's Question #9 above.

- c. *What if the final and approved design for any of the identified projects results in total costs that substantially exceed budgeted amounts and Yarrow Bay elects to sue the City and CFD? When queried, Mr. Hempelmann made it very clear in less than veiled terms, that Yarrow Bay has the right to sue the District if it disagrees with CFD policy and*

direction.

Please see YarrowBay's response to subsection (b) above regarding what happens in circumstances where construction costs exceed amounts budgeted in the DTA Analysis.

To clarify, in response to Councilmember Hanson's question regarding what happens in the unlikely event that the CFD Board of Supervisors refuses to do the work it is appointed to do (i.e., design the CFD Projects, let construction constructs, and issue bonds), Mr. Hempelmann responded that a CFD (not the City) could, as a last resort, be sued to enforce performance.

- d. *What responsibility does the City of Black Diamond have for completing these projects? What financial liability does the City have to fund and complete these projects?*

None. The City has no responsibility for completing these projects whether or not it elects to form Black Diamond CFD No. 2011-1. Regarding the City's lack of financial liability, please see YarrowBay's response to subsection (a) above.

- e. *Attachment 4 to petitioner's submittal is called an "Undertaking Agreement". There are lots of blanks. What are the numbers? What liability does the City have for repayment of any these funds advanced by Yarrow Bay to the City under this proposed agreement?*

Please see Attachment 3 to YarrowBay's Memorandum dated December 12, 2011. The "Undertaking Agreement" has been further refined and revised since Councilmember Goodwin received a preliminary draft on November 28, 2011. The final version of the "Undertaking Agreement" presented to the City Council as part of the December 12th Memorandum contains no blanks.

Moreover, the City has no liability for repayment of any of the funds advanced by YarrowBay under the proposed "Undertaking Agreement." YarrowBay would receive fire mitigation fee credit for its design and construction of the satellite fire station consistent with the terms of The Villages MPD Development Agreement dated December 12, 2011.

21. *Tax Levy Comparisons & Black Diamond CFD Competitiveness - Page 9 of Petitioner's application asserts that even with CFD assessments that tax levy rates in Black Diamond in the CFD will be competitive with that of other communities in our area. Unfortunately, the numbers do not appear to add up and property owners within a CFD will face substantially higher rates than surrounding communities.*

- a. *Petitioner's statement on Page 9 section V, Homeowner Impacts appears to falsely state that current Black Diamond property tax levy rates are \$1.51 per \$1,000 of assessed valuation. According to May Miller, City of Black Diamond Director of Finance, current Black Diamond property tax levy rates are \$2.57 per \$1,000 of valuation.*

YarrowBay apologizes for any errors presented in its earlier presentation of tax levy rates. Since obtaining new information, YarrowBay tasked DTA with performing a new rate analysis. Please see Attachment 1 to this Response. We respectfully request that this attachment replace and supersede the information provided in Section V entitled "Homeowner Impacts" of the YarrowBay Memorandum dated December

12, 2011 included within the record created for the December 15th public hearing.

- b. *Adding the CFD assessment as calculated by petitioner, would in fact appear to make new housing in Black Diamond non-competitive with surrounding communities and this excludes the heavy burden soon to come from the need to finance new schools within the Enumclaw school district. Please clarify?*

Please see YarrowBay's response to subsection (a) above as well as Attachment 1 attached hereto. Table 1 from Attachment 1 is included below for the reader's ease of reference.

Table 1

City	Total Tax per \$1,000 of Assessed Value [1]
Black Diamond without CFD No. 2011-1	12.52
Maple Valley	13.01
Covington	13.13
Enumclaw	11.48
Issaquah	11.13
Auburn	13.92
Kent	13.23
Black Diamond within CFD No. 2011-1 [2]	15.30

The addition of the assessments from the proposed Black Diamond CFD, No. 2011-1 raises the total tax per \$1,000 of assessed value in Black Diamond approximately \$2.78. YarrowBay, as an experienced residential developer, believes this increase will not result in make housing within the CFD District non-competitive with surrounding communities. New homeowners within the MPDs will pay for the infrastructure improvements, in part, through either CFD assessments or through an increase in home prices. This is the only way to meet the objective of having "growth pay for growth".

22. *If the Black Diamond City Council were to approve formation of a CFD, does this obligate the new CFD Board of Supervisors to fund the specific projects included in petitioner's submittal? Would the CFD Board also be required to accept the benefit calculations included in the submittal for each parcel when the CFD is initially formed? Would the CFD Board be required to accept the project cost calculations submitted by petitioner? What discretion will the CFD Board have to change/delete specific projects or change special benefit allocations to each parcel?*

Per RCW 36.145.110, the CFD Board of Supervisors makes all final decisions on benefit allocations and cost calculations; however, if the assessment roll is revised in any way, it has to be approved by a unanimous vote of the Petitioners.

If the Black Diamond City Council approves formation of proposed Black Diamond CFD No. 2011-1, the CFD's Board of Supervisors will have to fund the specific projects included in YarrowBay's CFD Petition. Per RCW 36.145.060(3) and 36.145.090(2), a resolution approving a petition must conform to the terms and conditions presented in the petition itself and CFD Board's powers are subject to the terms

and conditions of an approved petition. As such, the CFD Board of Supervisors for CFD No. 2011-1 will only have the authority to carry out the terms and conditions of the CFD Petition presented by YarrowBay. CFD Projects included in the CFD Petition cannot be changed or deleted.

23. *What responsibility/liability does the City of Black Diamond have for funding the \$10,181,276 in General Benefits (see page 9 of Taussig report)? If the City is responsible, what liability does the City have to the CFD and bond holders? What if the City doesn't have the funds available?*

None. The City of Black Diamond has no responsibility and/or liability for funding any portion of the CFD Projects, including, but not limited to, the General Benefits totaling \$10,181,276. Pursuant to the terms of The Villages and Lawson Hills MPD Development Agreements dated December 12, 2011 (Black Diamond Ords. Nos. 11-970 and 11-971), YarrowBay is responsible for funding all of infrastructure projects included within Black Diamond CFD No. 2011-1. Thus, YarrowBay will fund the General Benefits cost portions of the CFD Projects per the terms of The Villages and Lawson Hills MPD Development Agreements dated December 12, 2011.

24. *Before approving the formation of a CFD in our community, it would seem prudent that staff have the opportunity to conduct a detailed review of cost projections for each project. I would also appreciate the opportunity to review the detailed estimated costs for each project included within petitioner's submittal.*

If Black Diamond CFD No. 2011-1 is formed by the City Council, the CFD Board of Supervisors can then conduct a detailed review of the cost projections for each CFD Project. Under State law, such a detailed review is part of the CFD Board's purview and is not included within the City's approval criteria for CFD formation as detailed in RCW 36.145.060(1).

25. *Petitioner has indicated that one of the ways in which forming a CFD is in the best interests of the City is that it will allow Yarrow Bay to free up and use other sources of funding for projects such as a fire station that would benefit the city -allowing a new fire station to be built earlier.*

- a. *Where do we find such a guarantee?*

Please see Attachment 3 entitled "Undertaking Agreement" to YarrowBay's Memorandum dated December 12, 2011.

- b. *Is a fire station the highest priority project to accelerate?*

YarrowBay defers to the Black Diamond City Council with support from City Staff to answer this question. However, in the event the City determines the satellite fire station is not the highest priority, YarrowBay would be happy to work with the City to identify another project for early funding.

- c. *Completing the fire station requires both Yarrow Bay mitigation fees and City funding. Do we even know that the required City funding will be available?*

Pursuant to the terms of The Villages MPD Development Agreement dated December 12, 2011, construction of the satellite fire station does not require any City funding other than dedication of certain

City real estate for the site. As set forth in the Development Agreement, YarrowBay is required to finance the entire design and construction of the satellite fire station, along with equipment for such station.

- d. *If the City were to approve this provision, does the City then become liable to fund its share?*

No. Please see YarrowBay's response to subsection (c) above.

26. *We have been advised that the CFD is independent of the City. Where is the legal foundation for this since the CFD Board of Supervisors will have 3 members appointed by the City Council and will require new appointees on a regular basis as terms expire?*

The independence of the CFD from the City is a function of State law. See RCW 36.145.130. As further support for this independence, YarrowBay cites City Attorney Bacha's presentation to the Black Diamond City Council on December 15th at the opening of the public hearing on proposed Black Diamond CFD No. 2011-1 and Hugh Spitzer's presentation at the May 2011 Study Session.²

27. *Since petitioner will be appointing two members of the CFD Board of Supervisors that are paid employees/contractors of petitioner, does this not result in a conflict of interest? Council appointees, whether Council members or designated experts, are all voluntary non-paid positions, and also face potential personal liability for their actions.*

All CFD Board of Supervisor members, whether designated by the City or Petitioner, face personal liability for their actions as representatives of a public entity. It is typical for special purpose districts to obtain liability insurance for board members.

In RCW 36.145.110(5), Washington State law addresses any potential conflict of interest within a CFD's Board of Supervisors by prohibiting any representative of the Petitioner from participating in the determination of the special assessment roll for the CFD.

28. *If the CFD is responsible for building each of these projects, and not the City, how do the funds flow between the parties -City, Yarrow Bay, and CFD?*

Please see YarrowBay's response to Councilmember Goodwin's Question #9 above. Again, under no circumstance is the City responsible for funding any of the CFD Projects whether or not the City Council elects to form the proposed Black Diamond CFD No. 2011-1.

III. CINDY PROCTOR'S CFD QUESTIONS³

² Mr. Spitzer is a well-respected, Washington State bond lawyer who presented to the City Council at the request of Ms. Cindy Proctor.

³ For ease of reference, Councilmember Goodwin's questions have been referenced numerically #1-#28 and Ms. Cindy Proctor's questions embedded within her Public Hearing White Paper have been referenced alphabetically A-R.

In her presentation to the City Council during the Black Diamond CFD No. 2011-1 public hearing on December 15, 2011, Ms. Cindy Proctor asked several questions regarding the formation and operation of the CFD. The various questions posed by Ms. Proctor during her presentation are addressed below. We note that some of Ms. Proctor's questions are the same as, or very similar to, Councilmember Goodwin's questions. Thus, there are some cross references. And, as noted above, many of the questions are appropriately addressed by the Board of Supervisors if the CFD is formed.

(A) Proctor alleges that the Special Assessments proposed in the CFD Petition exceed the Special Benefits conferred on the properties within the CFD District because of the inclusion of indirect CFD costs totaling approximately \$4.4 million.

Contrary to Ms. Proctor's allegations, the Special Assessments proposed in both the CFD Petition and the DTA Analysis do not exceed the Special Benefits conferred on the parcels within the proposed CFD District. The DTA Analysis concluded that 62.6% of Special Benefits conferred by the CFD Projects were allocated to parcels within the proposed CFD District. *See* Figure 2 in DTA's response to the Henderson Evaluation dated December 12, 2011, set forth for the reader's ease of reference below. As such, 62.6% of the construction costs (\$16,710,477) associated with the CFD Projects can be allocated to parcels within the proposed CFD District in conformance with Washington State law. The DTA Analysis does not, however, conclude that the value of the Special Benefits conferred by the CFD Projects to parcels within the CFD District is limited to \$16,710,477. Instead, DTA concludes in its analysis that the Special Benefits conferred on parcels within the CFD District exceeds \$20,888,097, i.e., the proposed CFD net assessment totaling its proportionate share of the cost of CFD Projects plus the CFD's indirect costs. *See* below Figure 1-Table 3 (reformatted) in DTA's response to the Henderson Evaluation dated December 12, 2011. That table shows the CFD expenses are included in the special benefit amount.

Figure 2 – Special and General Benefit Allocation Summary Table

Project	Direct Cost	Special Benefit		General Benefit %
		District	Non-District	
		% Direct Cost \$	% Direct Cost	
(1) SR-169 / Roberts Drive / Black Diamond	1,758,178	1,166,316 66.3%	16.8%	16.8%
(2) Roberts Drive - 750/850 Zone Water Main Bxt.	2,261,657	2,261,657 100.0%	0.0%	0.0%
(3) Auburn – Black Diamond Road Frontage (three stages)	7,239,271	3,236,150 44.7%	55.3%	0.0%
(4) Onsite Spine Road	4,877,075	2,028,091 41.6%	58.4%	0.0%
(5) Onsite Ring Road	3,171,050	2,019,657 63.7%	36.3%	0.0%
(6) Stormwater Detention Pond	1,762,200	1,377,401 78.2%	21.8%	0.0%
(7) Sanitary Sewer Lift Station	1,492,912	1,109,893 74.3%	25.7%	0.0%
(8) Sanitary Sewer Storage Facility	588,000	437,144 74.3%	25.7%	0.0%
(9) Village Green Park Improvements	1,397,617	1,207,025 86.4%	13.6%	0.0%
(10) Civic Park Improvements	2,156,167	1,867,144 86.6%	13.4%	0.0%
Total	\$ 26,704,127	\$ 16,710,477 62.6%	36.3%	1.1%

Figure 1 – TABLE 3 (reformatted)

NET PROPOSED TOTAL ASSESSMENT FOR CFD No. 2011-1

Item	Amount
Cost of Improvements	\$26,704,127
Costs of Issuance / Reserve Fund / Capitalized Interest / Incidental Expenses	\$4,365,216
TOTAL COST	\$31,069,373
LESS: District Contribution to General Benefit	<\$10,181,276>
Net Assessment	\$20,888,097

(B) Why is there such a high attributable percentage Special Benefit Conferred for the regional sanitary sewer storage and sewer lift station? These specific facilities are of a more general nature in that they benefit the entire MPD sites including the Lawson Hills MPD.

Please see YarrowBay's response to Councilmember Goodwin's Question #13 above.

(C) It is unclear whether the on-site Spine and Ring Roads as private roads are eligible for CFD financing. Please clarify.

The onsite Spine and Ring Roads (CFD Projects #4 and 5) are not designed as private roads within The Villages MPD Development Agreement dated December 12, 2011. Instead, the Spine and Ring Roads will be dedicated to the City and, as public improvements, are eligible for CFD financing.

(D) What are the effects of the pending LUPA/GMHB Appeals on the underlying CFD land valuation, special assessment calculations, financing ability, and/or permitting ability?

The underlying LUPA/GMHB appeals have no impact on the special assessment calculations included within the DTA Analysis or the ability to permit the CFD Projects. Moreover, it is unlikely bonds will be issued by the proposed CFD while the LUPA/GMHB appeals are pending.

As for any impact on the underlying CFD land valuation, please see YarrowBay's response to Ms. Proctor's Question G below.

(E) What is the effect on the CFD Project Cost Assumptions of the following factors: (i) some project locations and designs are in dispute (i.e., sewer facility plans per KC Wastewater Treatment Division); or (ii) public works wage rates?

For subsection (i) of Ms. Proctor's Question E, please see YarrowBay's response to Councilmember Goodwin's Questions #11 and 19(b).

As for subsection (ii), the cost assumptions included within the DTA Analysis assumed public bidding

and therefore prevailing wage rates. As a result, there is no effect on the CFD Projects' cost assumptions.

(F) If there are cost overruns for the Infrastructure Improvements proposed within the CFD, who pays?

Please see YarrowBay's response to Councilmember Goodwin's Question #16 above.

(G) The formation requirements under RCW 36.145.020 do not require the submission of supporting land appraisal for a CFD Petition. It would, however, seem materially relevant and not unreasonable for the approving jurisdiction to have a recent land appraisal.

As noted in Ms. Proctor's Public Hearing White Paper, Washington State law does not require the submission of a land appraisal for formation of a CFD. Moreover, the three CFD approval criteria set forth in RCW 36.145.060 do not require the Black Diamond City Council to review a land appraisal. The CFD Board of Supervisors and/or the bond underwriter may require a recent land appraisal to review the value of the security offered by the Petitioners (BD Village Partners, LP and Yarrow Bay Development LLC) in the CFD Petition; however, review of the proffered security is not required prior to formation of Black Diamond CFD No. 2011-1.

(H) Has the Master Developer submitted its detailed implementation schedule for regional facilities to the City?

No. YarrowBay has not yet submitted its detailed implementation schedule for regional facilities because as set forth in MPD Conditions of Approval Nos. 29 and 164 such schedule is not required to be submitted until before the first Implementing Project of any Phase is approved by the City. This threshold has not yet been triggered.

(I) Where would the \$10,181,276 in funds for General Benefits come from?

See YarrowBay's response to Councilmember Goodwin's Question #23 above.

(J) What is the City's proportionate share in the CFD Projects proposed to be included within Black Diamond CFD No. 2011-1? Which projects are allocated as requiring a share from the City?

None of the CFD Projects proposed to be included within Black Diamond CFD No. 2011-1 require any funding or proportionate share from the City of Black Diamond. Therefore, there is no proportionate share for the City.

(K) Are the projects consistent with the City's 2012-2017 Capital Improvement Plan (CIP)?

Yes. The CFD Projects proposed to be included within Black Diamond CFD No. 2011-1 are consistent or functionally equivalent to the City's 2012-2017 Capital Improvement Plan (CIP).

(L) Will any payments by the Master Developer for the CFD's Projects be added to the "TBD" surcharge payment under the MPD Funding Agreement?

No. The potential surcharge under the MPD Funding Agreement (Exhibit N of both The Villages and

Lawson Development Agreements) is to reimburse YarrowBay for costs it incurred under the prior City Staff and Facilities Funding Agreement dated June 29, 2007. Per Section 9 of the MPD Funding Agreement, the potential surcharge shall be calculated based on the costs incurred by YarrowBay from execution date of the Staff and Facilities Funding Agreement to the execution date of The Villages and Lawson Hills Development Agreements. As such, no costs from the CFD Projects can be included in the calculation of the surcharge.

(M) Is the City responsible per the terms of the Development Agreements for the construction of any of the CFD's Projects?

The City is only responsible for the construction of Project #2, the water line project, per Table 11-4-2 of The Villages and Lawson Hills Development Agreements. While responsible for construction, the City is not responsible for the funding of such project, which shall be paid per the terms of the Water Supply and Facilities Funding Agreement (WSFFA), and construction responsibility may be reassigned or delegated my mutual agreement. See Footnote *** under Table 11-4-2. Thus, the City can agree to delegate the construction of Project #2 to Black Diamond CFD No. 2011-1 per the terms of The Villages and Lawson Hills Development Agreements.

(N) Would the City of Black Diamond tax rate far exceed levy rates of comparable cities?

Please see YarrowBay's response to Councilmember Goodwin's Question #21 above.

(O) Would an interlocal agreement for eminent domain be required by the proposed CFD?

No. See YarrowBay's response to Councilmember Goodwin's Question #8 above. Even if, in the most remote circumstances, eminent domain were required for CFD Project #1, an interlocal agreement would not be necessary. The CFD's Board of Supervisors would have to follow the same process as any other entity seeking to have the City of Black Diamond use eminent domain.

(P) Will the Enumclaw School District be required to pay CFD assessments for the first elementary school site located within the CFD District?

No. Per Section 20 of the Comprehensive School Mitigation Agreement, the Enumclaw School District will not be required to pay any costs or assessments related to CFD financing per Chapter 36.145 RCW and the Developer (i.e., BD Village Partners, LP and BD Lawson Partners, LP) shall instead pay to the Escrow Agent the total sum of any such costs or assessments levied or otherwise imposed on an Identified School Site prior to the conveyance of such site to the School District. Moreover, the Developer's payment of such CFD assessment shall not be subject to a mitigation fee credit.

(Q) Will the CFD be relying on grants and other revenue streams from the City to implement the CFD Projects?

No. Black Diamond CFD No. 2011-1 will not be relying on grants or other revenue streams from the City to construct the ten CFD Projects.

(R) Will the City of Black Diamond be liable for the CFD liabilities as is the case with the Wenatchee Events Center?

YarrowBay agrees with the statements of the City Attorney Bacha at the Public Hearing on December 15, 2011. There is no similarity between the proposed Black Diamond CFD No. 2011-1 and the Public Facilities District (PFD) that was formed to purchase the Wenatchee Events Center. There the City of Wenatchee promised to pay debt service if the PFD could not do so. In the case of the proposed Black Diamond CFD No. 2011-1, the City will not enter into the type of contract that was executed in Wenatchee and the CFD bonds will state expressly that the City has no obligation to pay the bonds. Moreover, the Wenatchee PFD was for an enterprise (a hockey arena) rather than for public improvements of the type authorized by the State's CFD statute, Ch. 36.145 RCW, and proposed in the CFD Petition. The bonds for the Wenatchee arena were to be paid out of arena revenues and taxes. Under the proposed Black Diamond CFD No. 2011-1, the bonds will be paid from assessments levied on the property within the CFD District.

SUMMARY

December 16, 2011

To: YarrowBay Holdings

From: David Taussig and Associates, Inc.

Subject: Updated Total Residential Taxes & Levy Schedule for Black Diamond and Neighboring Cities

Below are the total 2011 residential taxes per \$1,000 of assessed value for Black Diamond, Washington (both within and without CFD No. 2011-1) and neighboring cities:

Table 1

City	Total Tax per \$1,000 of Assessed Value [1]
Black Diamond <i>without CFD No. 2011-1</i>	12.52
Maple Valley	13.01
Covington	13.13
Enumclaw	11.49
Issaquah	11.13
Auburn	13.92
Kent	13.23
Black Diamond within CFD No. 2011-1 [2]	15.30

Notes

[1] Source: YarrowBay Holdings Property Tax Bills for Black Diamond Parcels; "2011 Assessed Valuation and Taxes by City," King County Department of Assessments (attached). Confirmed by (a) "2011 Codes and Levies – King County Taxing Districts" and (b) "King County Levy Rate Distribution," both produced by the King County Department of Assessments. Rates vary within cities; the rate shown is the predominant rate. Total includes, where applicable, the following levies: state and county, city, school, water, fire, hospital, library, EMS, flood, ferry, transportation, port, and general obligation bonds.

[2] Reflects the addition of CFD No. 2011-1 assessments to the Black Diamond total tax of 12.52 per \$1,000 of assessed value. CFD No. 2011-1 assessments and total taxes assume that all residential units have a sales price of \$300,000. CFD No. 2011-1 assessments and total taxes are as follows:

Table 2

PRODUCT CATEGORY IN REPORT	CFD PRODUCT MIX		AVERAGE ANNUAL ASSESSMENT PER UNIT		ANNUAL CFD ASSESSMENT PER \$1,000 OF SALES PRICE (\$300,000)	TAX PER \$1,000 FOR CFD No. 2011-1 PROPERTIES
Single-Family Detached	858	<i>Dwelling Units</i>	\$911	<i>per DU</i>	3.04	15.56
Single-Family Attached	460	<i>Dwelling Units</i>	\$800	<i>per DU</i>	2.67	15.19
Multi-Family	334	<i>Dwelling Units</i>	\$680	<i>per DU</i>	2.27	14.79
Weighted Average:					2.78	15.30

**All figures subject to rounding*

For example, with a \$911 average assessment per single-family detached unit at a \$300,000 home sales price, the total tax would be [12.52 per \$1,000 of assessed value (see Table 1 above) + 3.04 per \$1,000 levied by CFD No. 2011-1] = 15.56 per \$1,000. A single-family attached unit would be subject to a 15.19 per \$1,000 total tax and a multi-family unit to a 14.79 per \$1,000 total tax. The weighted average of these taxes is 15.30 per \$1,000 of assessed value, alternatively represented as a tax rate of 1.530%.

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Attachment 1- ii

ASSESSED VALUE AND TAXES BY CITY *Typical Residence in 2010 and 2011*

City	2010 Average Residence Value	2010 Typical Levy Rate (%)	2010 Tax	2011 Average Residence Value	2011 Typical Levy Rate (%)	2011 Tax	Tax Change	Average Percent Tax Change	% AV Change
Seattle	448,500	9.04	\$ 4,055.25	453,300	9.66	\$ 4,377.98	\$ 322.74	8.0%	1.1%
Algona	193,700	12.38	2,398.20	189,500	13.66	2,588.41	191.21	8.0%	-2.2%
Auburn	246,000	12.69	3,121.56	239,400	13.92	3,331.58	210.02	6.7%	-2.7%
Beaux Arts	871,300	8.17	7,121.54	788,900	9.12	6,932.24	(129.30)	-1.8%	-12.0%
Bellevue	579,400	7.89	4,573.43	563,600	8.70	4,900.79	327.36	7.2%	-2.7%
Black Diamond	343,500	11.50	3,949.69	317,400	12.50	3,968.09	18.39	0.5%	-7.6%
Bothell	360,400	10.54	3,797.51	365,300	11.41	4,168.48	370.97	9.8%	1.4%
Burien	304,900	12.41	3,782.43	276,500	12.92	3,572.93	(209.50)	-5.5%	-9.3%
Carnation	298,700	10.71	3,200.32	275,900	11.68	3,221.55	21.24	0.7%	-7.6%
Clyde Hill	1,290,900	7.46	9,629.37	1,135,100	8.29	9,404.60	(224.77)	-2.3%	-12.1%
Covington	253,200	12.61	3,193.29	243,500	13.13	3,197.30	4.01	0.1%	-3.8%
Des Moines	271,300	12.29	3,333.95	264,200	12.87	3,401.07	67.12	2.0%	-2.6%
Duvall	339,700	11.84	4,020.99	340,300	12.69	4,318.74	297.75	7.4%	0.2%
Enumclaw	233,900	11.28	2,637.66	227,400	12.69	2,613.30	(24.36)	-0.9%	-2.8%
Federal Way	271,900	12.36	3,358.68	264,400	12.77	3,376.07	16.39	0.5%	-2.8%
Hunts Point	4,065,000	6.68	27,154.40	3,608,700	7.37	26,613.04	(541.36)	-2.0%	-11.2%
Issaquah	493,200	10.84	5,344.17	503,700	11.13	5,606.70	262.54	4.9%	2.1%
Kenmore	378,300	11.63	4,401.24	373,500	12.56	4,691.35	290.12	6.6%	-1.3%
Kent	259,200	12.30	3,187.25	245,200	13.23	3,245.17	57.92	1.8%	-5.4%
Kirkland	511,800	9.15	4,682.25	503,900	9.66	4,867.81	185.55	4.0%	-1.5%
Lake Forest Park	432,700	12.30	5,320.63	415,900	12.75	5,300.71	(19.92)	-0.4%	-3.9%
Maple Valley	294,400	12.03	3,542.72	285,300	13.01	3,712.78	170.07	4.8%	-3.1%
Medina	2,116,900	7.71	16,321.43	1,886,500	8.60	16,217.81	(103.62)	-0.6%	-10.9%
Mercer Island	1,057,500	7.80	8,253.35	1,037,500	8.57	8,894.45	641.10	7.8%	-1.9%
Milton	239,400	9.56	2,289.53	232,800	11.68	2,717.94	428.41	18.7%	-2.8%
Newcastle	506,600	11.00	5,570.27	517,600	11.57	5,989.39	419.12	7.5%	2.2%
Normandy Park	476,300	12.12	5,771.57	491,800	13.03	6,405.97	634.40	11.0%	3.3%
North Bend	344,400	10.32	3,553.45	331,200	11.46	3,794.69	241.25	6.8%	-3.8%
Pacific	216,200	12.25	2,648.82	209,800	13.42	2,816.17	167.35	6.3%	-3.0%
Redmond	444,600	9.48	4,215.38	445,900	10.04	4,476.29	260.91	6.2%	0.3%
Renton	283,500	11.12	3,263.91	285,500	12.21	3,487.01	223.09	6.8%	-2.7%
Sammamish	548,900	11.86	6,507.22	549,800	12.14	6,675.64	168.42	2.6%	0.2%
SeaTac	240,300	11.57	2,779.83	229,500	12.27	2,815.07	35.25	1.3%	-4.5%
Shoreline	335,300	12.97	4,348.14	336,300	13.62	4,580.40	232.26	5.3%	0.3%
Skykomish	128,200	9.52	1,219.91	129,300	9.57	1,237.32	17.41	1.4%	0.9%
Snoqualmie	413,500	11.00	4,546.80	413,300	11.87	4,905.68	359.08	7.9%	0.0%
Tukwila	234,200	11.17	2,616.83	227,800	12.68	2,888.67	272.04	10.4%	-2.7%
Woodinville	427,700	11.14	4,764.39	408,800	12.03	4,915.90	151.51	3.2%	-4.4%
Yarrow Point	1,809,500	7.00	12,658.93	1,619,800	7.72	12,500.94	(159.00)	-1.3%	-10.5%
Unincorporated Area	371,800	11.85	4,405.84	372,800	13.06	4,868.71	463.07	10.5%	0.3%

(*) Rates vary within cities. The rate shown is the predominant rate.

Attachment 1 - iii

To: Black Diamond City Council
From: Cindy Proctor
Date: 12.20.11
RE: Black Diamond Community Facilities District (CFD) No. 2011-1
(Supplemental Comments)

Please read this in conjunction with my previously submitted presentation. Based on the Public Hearing testimony dated 12.15.11; supplemental Council Reports issued by YB dated 12.12.11; supplemental report/comments from Henderson & Young and Taussig; I would like to submit the following revised presentation information and provide additional comments:

Assessment Calculations and Methodology

I would like to reiterate that Henderson & Young should be given a broader scope for their analysis and work closely with the City's legal advisor for CFDs regarding the statute interpretations. Specific areas of concern are:

- Special Assessment exceeds Special Benefit Conferred
 - On a total assessment basis (\$20,888,077 should be \$16,710,477)
 - On an annual collection/assessment basis (\$1,939,776 should be \$596,802)
 - On a 28-yr period (\$54,313,728 should be \$16,710,477)
 - GAP or general benefit of (\$10, 181,276 should be \$14,546,522)
- Several Regional Projects appear to confer more general benefit vs. special benefit due to their regional functions (Sewer/Sewer Lift/HWY 169/Roberts Dr.); allocation should be reviewed
- Taussig report should reflect current project information not dated information from FEIS or even the MPD application.

GAP

- Where would the \$14,546,522 in GAP funds come from?
- What is the City's proportionate share?
- Which projects are allocated as requiring a share from the City?
- How will the projects move forward with this GAP and with raw land and no permits?

General Concerns

- Lack of design approval and sign-off by WSDOT and King County WTD;
- Does City have capacity, legal knowledge, and skill to move forward with a CFD?

- Does the City understand the GASB requirement for inclusion of the CFD as a “Component Unit” under their Audit? Does this create any construed liability from the City Insurance Company’s perspective?
- Underlying appeals still pending; time is **not** of the essence!

Liability

- In regards to the comparison to the Wenatchee PFD, Mr. Bacha stated “they are not the same”, he is correct but there is no direct comparison for the CFD as this is the first in the State of WA. The comparison was really meant to illustrate how municipalities that were not liable legally are getting sued anyway. It will be costly for the City to defend itself.

I would encourage the City to ask for a legal opinion on risk and not ask an opened ended oral question such as, are we liable? A legal opinion is different and can be relied on for future legal use. If the legal firm doesn't put it in writing, I would ask why? You will be required to defend yourself, and based on the amount of unanswered questions and risk presented it certainly wouldn't help the City's defense position to approve as is;

Best Interest to the City (Taxpayers)

- Mr. Hempelmann testified that with the CFDs these CFD projects will get built; that roads will be improved and parks will be built, fire-station will be built,
 - Council-Member Boston commented that we as a City want these things built;
 - Council-Member Hanson indicated “CFDs are good”

From a legal and technical standpoint these statements were confusing. There appears to be a misleading assumption that if there are no CFDs then there are no infrastructure improvements. This is false. The BDMC; the MPD and the Development Agreement all *require* the Master Developer to build the projects listed in the CFD Petition. **There is no exception to this fact.**

The CFD Petition request is a financing tool for the Master Developer, to benefit them:

- It allows them to use someone else’s money (municipal tax exempt funds)
- It allows them to access financing markets that will lend for infrastructure
- It gives them access to financing that covers non-traditional cost, like the parks
- It allows them to capitalize their CFD financing cost into the special assessment
- It increases their profitability;

The CFD Petitioner has already testified before the Hearing Examiner and in written statements that they do not need the CFDs; that other financing options are available.

The City:

- Is not voting “Yes or No” on the value of CFDs or whether CFDs are “good or bad” it is voting on whether this CFD Petition, as written at this specific time, is in the best interest of the City.
- Is not required to ensure favorable financing to a private developer if it would create any risk to the City, her taxpayers or any existing funding mechanisms (e.g. school/fire/safety levies)

The City Council has a fiduciary responsibility to the City, taxpayers, and schools, not to a private developer.

After further review; based on the sloppiness and rushed analysis provided, the sheer volume of outstanding concerns and questions of risk, the fact that the Master Developer has other financing options, and the underlying appeals on the proposed CFD District’s security (land) the City should ask the CFD Petition to withdraw their CFD Petition and/or “Reject the CFD Petition” and state that the CFD Petitioner may reapply *after* the City has completed its own due diligence and staff recommendations.

Revised Tables to reflect Yarrow Bay's updated Council report dated December 12, 2011.

CFD PROJECTED TAX LEVY						
PRODUCT CATEGORY IN REPORT	FINANCIAL CALCULATION CATEGORY	CFD PRODUCT MIX		ANNUAL TAX PER UNIT		Total Annual Assessment Collection
Single-Family	Single-Family	858	Dwelling Units	\$988	Per DU	\$847,704
Single-Family	Townhome	460	Dwelling Units	\$912	Per DU	\$419,520
Multi-Family	Multi-Family	334	Dwelling Units	\$756	Per DU	\$252,504
Commercial	Commercial	186,400	Total S. Ft	\$2.07	Per Sq. Ft.	\$385,848
School ¹	School	45,000	Total Sq Ft	\$.076	Per Sq Ft.	\$34,200
Annual Total						\$1,939,776

Total Proposed Annual Assessment Collection	28 year CFD (Total Annual Tax * Assessment Period)
\$1,939,776	\$54,313,728

Total Proposed Annual Assessment Collection Based on Special Benefit Conferred	28 year CFD (Total Annual Tax * Assessment Period) Max. Allowed Under RCW = Special Benefit Conferred
\$596,802.75	\$16,710,477

Based on the CFD Petitioners proposed assessment per DU or per Sq. Ft. they anticipate collection of **\$1,939,776** annually in Special Assessments. Over the life of the CFD Bond (28- yrs) the CFD would collect approximately **\$54,313,728**. Yet per the RCW the Special Assessment cannot exceed the Special Benefit Conferred, or **\$16,710,477**.

Tax Equivalent

¹ It should be noted that the Enumclaw School District (taxpayers) would be required to pay \$957,600 out of operations over the course of 28 years (based on the annual assessment provided) for just this one school site; The Statue has low-income waivers and/or reductions the City may want to look at a possible school exemption.

The revised Yarrow Bay report date 12.12.11 still does not accurately reflect the current tax rate per \$1,000 of assessed value, nor does it convert the \$988 special assessment into an equivalent rate accurately ($\$988/300 = \3.29). The revised report also deletes references of base home price of \$300,000 for comparison purposes. In order for the \$988 special assessment rate to convert to \$1.43 per \$1,000 the purchase price would have to be \$690,000 ($\$988/690 = \1.43).

Furthermore on page (9) the revised report states:

With the inclusion of the proposed Black Diamond CFD No. 2011-1 special assessments, homeowners within the CFD's district, assuming 2011 tax rates, would have approximately the following tax and assessment rate:

- Single Family Detached: \$1.43
- Single Family Attached: \$1.40
- Multi-Family: \$1.35

Inclusion is defined as: the act of including; including: to place in an aggregate, class, category, or the like. Thus this statement states that the total tax assessment including the CFD and current 2011 tax assessments would be \$1.43 per \$1,000 of assessed value. That is outright false, and the City should dismiss the reports calculations.

City	Mil Rate per \$1,000	CFD Special Assessment	Combined Equivalent
Maple Valley	\$1.29		\$1.29
Enumclaw	\$2.12		\$2.12
Black Diamond	\$2.57	(\$988) or \$3.29	\$5.86

The City of Black Diamond currently has a 2.57 (mil) rate per \$1,000; assuming a tax assessed home value of \$300,000 the City of Black Diamond tax is \$771. The addition of a \$988 special assessment (assuming the same \$300,000 home) would translate to an equivalent of an additional \$3.29 (mil) rate or a combined \$5.86 per \$1,000 for those homes in the MPD/CFD district. That is the equivalent \$1,759 just for the City's portion of the property tax on a \$300,000 home.

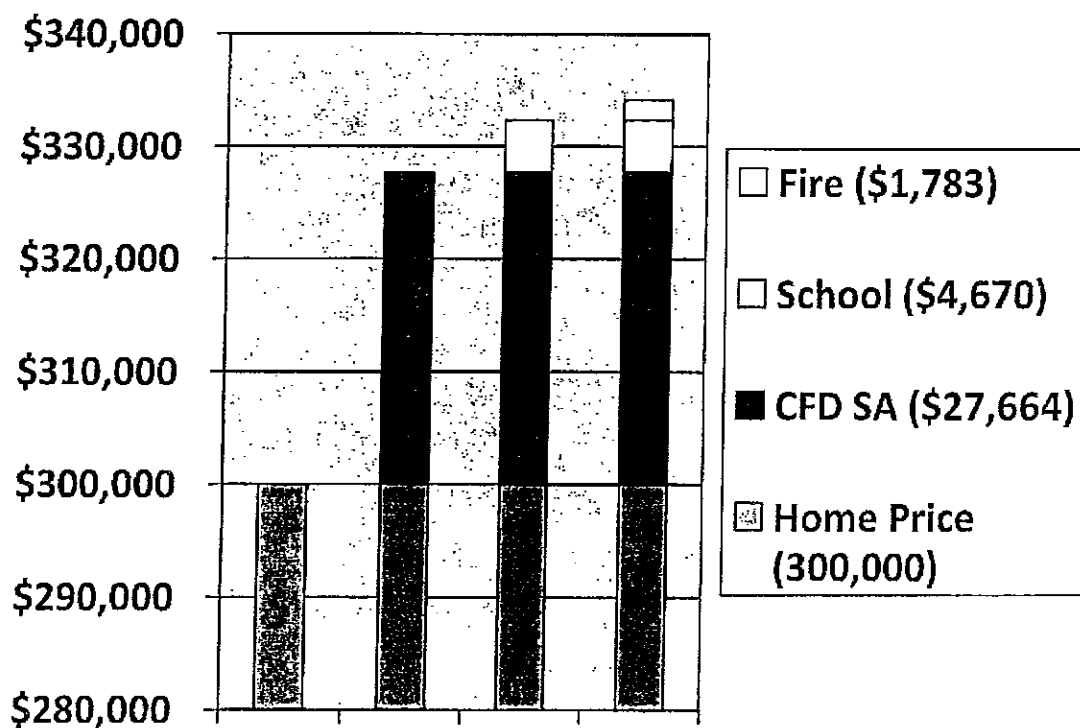
The households within the CFD district will still need to support over \$300M in school levies to ensure school sites transfer and construction funding is available; they would also need to continue to support the Fire and Safety levy at its current rate. Further independent analysis needs to be done by the City to ensure that the financial burden doesn't undermine these critical levy tools.

Regardless of the extrapolated tax rate, it is unlikely that the homeowner will be allowed to make annual special assessments, as a mortgage lender will require their deed and/or mortgage to be in

first position on title. They **will not** allow a foreclosable lien on title in front of their mortgage. It should be assumed that the lender would require that the Special Assessment be paid off outright or thru capitalization into the mortgage. As you can see from the chart above, this would result in a substantial burden to the new homeowner. (Chart assumes a 28-yr CFD tax-exempt bond term)

Product	Financial Category	Annual Tax Per DU	28 year CFD (Annual Tax * Assessment Period)	Discounted Early P/O Rate*
Single-Family	Single-Family	\$988	\$27,664	
Single-Family	Townhome	\$912	\$25,536	

If capitalized and layered with other proposed impact and mitigation fees the cost of a Single-Family home starts to become unattainable going from \$300,000 to \$334,117.



Revised Yarrow Bay Memorandum 12.12.11:

Planned Development Development Agreements between the City, BD Village Partners, LP, and BD Lawson Partners, LP dated December 12, 2011.

V. HOMEOWNER IMPACTS.

It is reasonable for the Black Diamond City Council to ask how the special assessments resulting from this proposed CFD will impact future Black Diamond home and business owners living and working within the boundaries of the CFD. Based on the proposed preliminary assessment roll contained in Section III above, homeowners and businesses within this CFD would owe approximately the following special assessments:

CFD PROJECTED TAX LEVY					
PRODUCT CATEGORY IN REPORT	FINANCIAL CALCULATION CATEGORY	CFD PRODUCT MIX		ANNUAL ASSESSMENT PER UNIT	
Single-Family Detached	Single-Family	858	Dwelling Units	\$ 988	per DU
Single-Family Attached	Townhome	460	Dwelling Units	\$ 912	per DU
Multi-Family	Multi-Family	334	Dwelling Units	\$ 756	per DU
Commercial	Commercial	186,400	Total Sq.Ft.	\$ 2.07	per Sq.Ft.
School	School	45,000	Total Sq.Ft.	\$ 0.76	per Sq.Ft.

For purposes of comparison, below are the 2011 rates per \$1000 assessed value for Black Diamond's neighboring cities:

- Maple Valley: \$1.29
- Covington: \$1.18
- Enumclaw: \$2.112
- Issaquah: \$1.380
- Auburn: \$1.934
- Kent: \$1.484

With the inclusion of the proposed Black Diamond CFD No. 2011-1 special assessments, homeowners within the CFD's district, assuming 2011 tax rates, would have approximately the following tax and assessment rate:

- Single Family Detached: \$1.43
- Single Family Attached: \$1.40
- Multi-Family: \$1.35



MEMORANDUM

To: Black Diamond City Council
From: Megan Nelson, Director of Legal Affairs, YarrowBay
cc: John Hempelmann, Legal Counsel for YarrowBay
Re: YarrowBay's Response to Cindy Proctor's Supplemental Comments dated 12.20.11
Date: December 22, 2011

This memorandum is submitted by YarrowBay in response to Ms. Cindy Proctor's Supplemental Comments dated December 20, 2011 (the "Supplemental Comments"). It is important to note that a majority of questions raised in the Supplemental Comments were thoroughly answered by YarrowBay in its "Response to Questions Regarding Black Diamond CFD No. 2011-1" dated December 19, 2011 and, therefore, will not be revisited here. The one new question raised in the Supplemental Comments is addressed below.

In her Supplemental Comments, Ms. Proctor alleges the following:

Based on the CFD Petitioners proposed assessment per DU or per Sq. Ft. they anticipate collection of **\$1,939,776** annually in Special Assessments. Over the life of the CFD Bond (28-yrs) the CFD would collect approximately **\$54,313,728**. Yet per the RCW the Special Assessment cannot exceed the Special Benefit Conferred, or **\$16,710,477**.

YarrowBay's response consists of three parts. First, David Taussig & Associates (DTA)'s calculation of the anticipated annual collection for Black Diamond CFD No. 2011-1 is attached hereto as Attachment 1. Per DTA's calculation, the proposed CFD will collect \$1,721,011 annually (assuming an annual interest rate of 7% and a 28-year term).

Second, special benefits analyses and decisions on preliminary and final assessment rolls are made by the proposed CFD's Board of Supervisors not by the City of Black Diamond. The State of Washington's criteria for municipal approval of CFD formation do not include a special benefits analysis. *See* RCW 36.145.060. YarrowBay included the DTA Analysis to establish the proposed preliminary assessment roll as a limit on assessments as required by the State's complete petition criteria. *See* RCW 36.145.020. Contrary to Ms. Proctor's assertions, the DTA Analysis does not conclude that the value of the Special Benefits conferred by the infrastructure improvements included in the CFD Petition is \$16,710,477. Instead, the DTA Analysis finds



that the Special Benefits conferred to the parcels within the proposed CFD District meet or exceed the total proposed assessment of \$20,888,097.

Third, and finally, special benefits analysis is based on the principal amount of an assessment only. Interest on the principal amount of a proposed assessment is not included in such analysis. There are several reasons for this fact. "...The amount of the special benefits attaching to the property, by reason of the local improvement, is the difference between the fair market value of the property immediately after the special benefits have attached, and the fair market value of the property before the benefits have attached." (Emphasis in the original). *In re Schmitz*, 44 Wn.2d 429 (1954). The test of "immediately after" is when the improvements have been completed. Thus, no case law suggests that parties include the long-term interest on the bonds being calculated into a special benefits analysis. Moreover, any property owner can prepay a special assessment at any time without interest, including, within thirty (30) days of the treasurer's notice of the final assessment. If the property owner elects to pay the assessment over time, the property owner then pays the finance cost, which is approximately 1½% over the cost of the bond interest.

In summary, the anticipated annual collection for Black Diamond CFD No. 2011-1 is \$1,721,011. The DTA Analysis finds that the Special Benefits to be conferred by the infrastructure improvements included within the CFD Petition meet or exceed the total cost of the proposed CFD assessment (\$20,888,097). And, contrary to Ms. Proctor's allegations, long-term interest costs are not properly included in special benefit analysis under Washington State statutes or case law and because property owners can pre-pay CFD assessments without interest.



Public Finance and Urban Economics

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Phone: 949.955.1500 / Fax: 949.955.1590

SUMMARY

December 20, 2011

To: YarrowBay Holdings
From: David Taussig and Associates, Inc.
Subject: CFD No. 2011-1
Annual Collection Estimate

The annual tax collection for CFD No. 2011-1 is projected to total approximately \$1,721,011 plus the small administration fee per tax bill customarily charged by the County. The projection is highly dependent on the key assumptions for the bonds sold [1] – (A) the annual interest rate of 7 percent and (B) the length of the life of bond (a 28-year term).

Notes

[1] The actual interest rate and term are dependent on the bond market at the time the actual bonds are sold.

CFD NO. 2011-1

WASHINGTON

RESOLUTION NO. 20**-1

A RESOLUTION OF CFD NO. 2011-1, ADOPTING AND AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE CITY OF BLACK DIAMOND AND THE CIAW FOR THE PROVISION OF SERVICES AND INSURANCE

WHEREAS, Chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, the CFD is an independently governed special purpose district vested with the authority pursuant to RCW 36.145.090(2)(j) to enter into agreements with any municipal corporation; and

WHEREAS, Black Diamond is a municipal corporation operating under the laws of the state of Washington as a non-charter code city and is authorized to enter into interlocal agreements with other governmental units; and

WHEREAS, the CFD requires the assistance of the City to facilitate its day to day operations including, by way of example, providing meeting space, preparing and posting CFD public meeting notices, and providing administrative support; and

WHEREAS, the City is willing to enter into an interlocal agreement with the CFD No. 2011-1 to provide such services; and

WHEREAS, the Governing Board of Supervisors of the CFD finds it in the best interests of the CFD to enter into such an agreement with the City and to become a member of the Cities Insurance Authority of Washington insurance pool;

NOW, THEREFORE, the CFD No. 2011-1 Board of Supervisors does hereby resolve as follows:

Section 1. Participation in the Cities Insurance Authority of Washington Insurance Pool. The CFD shall join the Cities Insurance Authority of Washington ("CIAW") insurance pool or such equivalent insurance pool. The Chair of the Governing Board of Supervisors of the CFD is hereby authorized to execute the interlocal agreement between the CIAW and the CFD.

Black Diamond
Section 2. Interlocal Agreement with the City of ~~Orting~~ The Chair of the CFD's
Governing Board of Supervisors is hereby authorized to execute the Interlocal Agreement with
the City of ~~Orting~~ in substantially the form of the interlocal agreement on file with the Black
Diamond City Clerk and approved by the Black Diamond City Council.

PASSED BY THE BOARD AT A SPECIAL MEETING THEREOF ON THE ____ DAY
OF ____, 20__.

CFD NO. 2011-1

_____, Chair

ATTEST/AUTHENTICATED:

_____, Clerk

- 2 -

MEMORANDUM

TO: Chris Bacha, City Attorney
City of Black Diamond

FROM: Jay A. Reich

DATE: May 24, 2012

SUBJECT: City Liability and CFD Formation

I. Introduction and Summary Answer

You have asked us to review the potential liability of the City of Black Diamond (the "City") arising from its establishment of a community facilities district ("CFD") pursuant to Chapter 36.15 RCW (the "Statute") and what actions the City could take (or refrain from taking) to mitigate any such risks. We conclude that the Statute outlines a clear path for the City to create a CFD and subsequently for the CFD to finance public improvements through property assessments. While there is no case law interpreting the provisions of the Statute, as long as the City exercises the discretion set forth in the Statute in an appropriate, nondiscriminatory manner and allows the CFD to exercise the authority set forth for it under the Statute, there is little risk of liability to the City. The City should be mindful of challenges that could potentially be brought against the City with regard to formation of the CFD and the development and financing of improvements by the CFD, but the likelihood of a successful challenge imposing unanticipated liability on the City should be remote.

II. Statutory Provisions

The Statute provides for the establishment of a CFD "to facilitate voluntary landowner financing of community facilities and local, subregional, and regional infrastructure." RCW 36.145.005(4). It thus provides an alternative to a traditional local improvement district financing, in that there is no city guarantee fund to secure payments of assessments and it establishes a separate, independently governed, special purpose district with landowner representation to implement the development and financing of the public improvements. While the city conducts a public hearing on the petition from landowners to form a CFD and must make three specific findings of fact to create a CFD, it is the CFD itself that once constituted provides for the acquisition, construction and financing of the facilities, establishes the assessment methodology and levies the assessments.

Upon filing of a petition purporting to meet the requirements of the Statute (the "Petition") with the county auditor, the auditor is obligated to confirm whether the Petition has been validly executed by all of the owners of the property located within the proposed district. RCW 36.145.020(2). If the Petition is found sufficient as to its execution, the auditor transmits the Petition to the city and the city must hold a properly noticed public hearing within 60 days. RCW 36.145.030. The city will receive evidence it deems material that supports or opposes the formation of the district presumably including evidence that the Petition meets the requirement of the Statute. RCW 36.145.050. The city may ultimately approve formation of a CFD upon passage of a resolution conforming to the terms and conditions contained in the Petition and finding that: (a) the petitioners will benefit from the proposed district; (b) the formation of the district will be in the best interest of the city; and (c) the formation of the district is consistent with the requirements of the Growth Management Act. RCW 36.145.060. This final decision of the city to approve a petition for formation of a CFD may be appealed to the Superior Court of the applicable county. However, if no appeal is filed within thirty days from passage of the resolution, the city's decision is deemed valid, complete and final and the terms and conditions of the approved petition cannot be subsequently challenged or questioned. RCW 36.145.070.

III. Discussion

The Statute essentially has two parts, one outlining the process for establishing a CFD by the City and the other outlining the authority of a CFD to proceed with the development and financing of the public improvements proposed in the petition. The primary role for the City is to hold a public hearing on the formation of the CFD pursuant to a Petition and then to consider passage of a resolution making the three requisite findings to establish the CFD. The City's decision to establish a CFD is a legislative decision and as such the City has the authority to reject the Petition and the petitioners have no right to have a CFD formed. However, the authority of the City to reject a Petition is probably not without some bounds since the Statute has a limited purpose to provide a means to facilitate landowner financing of public improvements and the threshold for approval is set forth in the Statute in the form of three requisite findings. In the absence of case law interpreting the scope of this legislative authority, and in particular what was intended by formation being "in the best interest" of the City, it is difficult to establish specific boundaries for the City's discretion. However, it is likely that the City's consideration should be grounded in the scope of the proposed improvements and their financing to avoid a claim that the rejection of a Petition was an improper collateral attack on land use approvals and development regulations that may already be guiding decisions regarding the proposed development served by the improvements. For example, if a Petition identified a list of improvements but the assessment amount included in the Petition assumed that the City would finance a portion of those improvements, the City might conclude that the CFD as proposed is not in the best interest of the City and suggest a re-scoping of the improvements or assessment amount. On the other hand, the City cannot limit or condition the authority of the

CFD it forms, since the CFD is “independently governed” by “a board of supervisors.” RCW 36.145.090(1); RCW 36.145.080(1). Once the CFD is formed, the City’s discretion and responsibility with regard to the development and financing of the improvements through assessments largely ends.

Upon the termination of the appeal period, the role of the City in forming the CFD is complete, and it is the responsibility of the CFD to approve the projects and their financing, including the levying of assessments on specially benefitted property within the CFD. The board of supervisors of the CFD may determine that the actual costs of the improvements contained in the Petition exceed the amount of assessments set forth in the Petition, or certain improvements have become impractical or impossible. The consequences of these determinations, e.g. proceeding with some but not all of the improvements or phasing implementation, would presumably be within the discretion of the CFD consistent with the Petition upon which the CFD that was approved by the City was based. The Statute provides that the Petition may be amended by one hundred percent of the property owners within the proposed district, but it is not clear whether this amendment can be accomplished after formation. RCW 36.145.020.

It is important to note that the City retains all of its police powers with regard to land use and health and safety regulation, but this role would be the same if the improvements were privately constructed and financed without any City or CFD involvement. The CFD may contract with the City pursuant to the Statute to assist the CFD in carrying out the purposes of the Statute, but the scope of such contracts and the risks associated with them depend on the content of the contracts. RCW 36.145.090(2)(j). For example, the City could agree to supervise construction of improvements and acquire title to them, but the terms and conditions of such contracts between the City and the CFD, including allocating risk and requiring insurance, would need to be negotiated and addressed in the contracts. Clearly any challenges to the assessments would be addressed to the CFD. In addition any liability arising from construction of the improvements themselves would be the responsibility of the parties actually performing the work.

The critical point is that the liabilities of the CFD are not liabilities of the City absent some contractual arrangement under which the City agrees to assume liability. Most clearly, the bonds of the CFD issued to finance the improvements are not a debt or liability of the City unless the City, independent of the statute, agrees to provide additional security to help market the bonds. The Statute is explicit in this regard at RCW 36.145.130: “No bonds issued by or on behalf of a community facilities district are obligations of any city, town, county, or the state of Washington or any political subdivision thereof other than the district and the bonds shall so state.” There is no foreseeable need for the City to lend any credit support to the bonds of the CFD since it will be the credit of the landowners secured by the assessment liens that will be pledged to payment of the bonds.

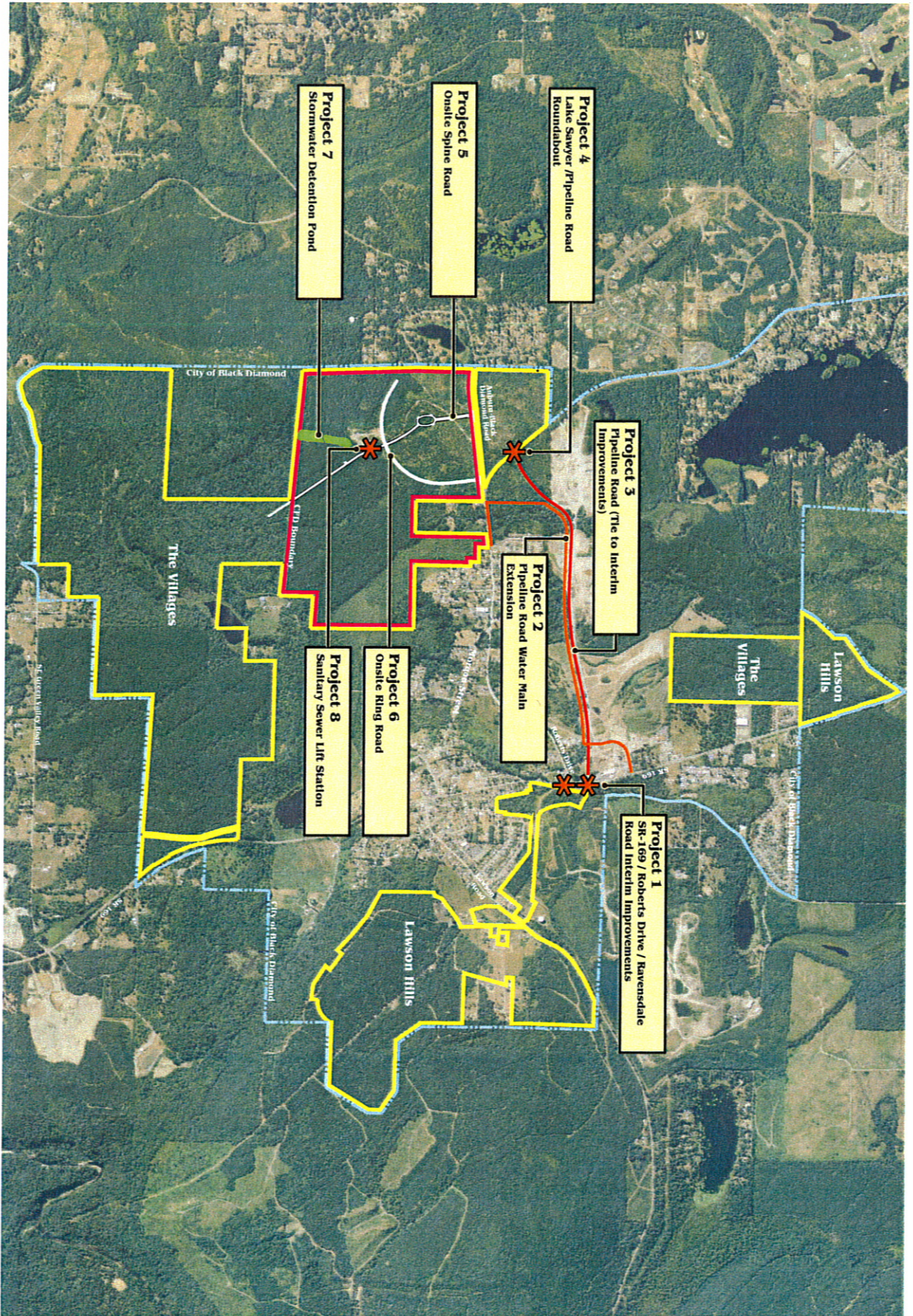
The fact that the City appoints the members of the board of supervisors of the CFD or the fact that a majority of such board may also be members of the City Council should not in and of itself expose the City to liability. When City Councilmembers act in their capacity as members of the board of supervisors, they will need to comply with the responsibilities of such board including being subject to the Open Public Meetings Act. The Statute clearly contemplates Councilmembers acting as members of the board of supervisors, and there is no inherent conflict in those roles given the respective responsibilities of Councilmembers and members of the board of supervisors as set forth in the Statute. If the City through its Council were to assume the powers to be performed pursuant to Statute by the CFD, however, then the City might expose itself to the liabilities that the CFD would be exposed to, e.g. challenges to assessments or failure to abide by contracts where the CFD is a party. This risk should be reasonably mitigated by limiting the City role to the functions set forth in the Statute, allowing the CFD to perform the roles it has been clearly delegated and establishing procedures to insure that the two governing bodies are acting independently. Each member of the Council and the board, and particularly those who serve on both governing bodies, should be clear on where those responsibilities are located. Assuming that the City follows the direction of the Statute and does not impose its will on the independent CFD, then the actions of the CFD should not impose liability on the City.

IV. Conclusion

The Statute sets forth the responsibilities of the City in the formation of a CFD and the responsibilities of the CFD in the development and financing of improvements as contemplated by a Petition. On its face the Statute clearly distinguishes the roles of these two entities, though there is no case law that interprets the exact boundaries of these roles. The City Councilmembers and the members of the board of supervisors of the CFD need to understand that these roles are inherently limited by the purpose of the Statute, and each body must maintain these distinct roles to limit any exposure to liability arising from the action of the other on the theory that one is acting as the other's alter ego. So long as this fundamental principal of limited and distinct roles remains clear -- including separate counsel, separate meetings, separate accounting - the risk of liability arising from role confusion should be remote.

The Villages - CFD Project List

Item Description		Cost Estimate	Preliminary Estimate of Special Benefit	Total
1	SR 169/Roberts Drive/ Ravensdale Interim Imp.	\$1,758,178	66.30%	\$1,165,672
2	Pipe Line Road Water Main Ext.	\$2,297,952	80.00%	\$1,838,362
3	Pipeline Road (Tie to Interim Imp.)	\$9,637,000	75%	\$7,227,750
4	Lake Sawyer/Pipe Line Road Roundabout	\$1,100,000	50.00%	\$550,000
5	Onsite Spine Road	\$7,878,995	41.60%	\$3,277,662
6	Onsite Ring Road	\$4,670,150	63.70%	\$2,974,886
7	Stormwater Detention Pond	\$1,762,200	78.20%	\$1,378,040
8	Sanitary Sewer Lift station	\$1,492,912	74.30%	\$1,109,234
Total		\$30,597,387		\$19,521,605



Black Diamond CFD Project Map



City of Black Diamond



>>>PROPOSED<<<

Capital Improvement Plan

2014 – 2019

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Overview of the Capital Improvement Plan

What is the Capital Improvement Plan?

The Capital Improvement Plan (CIP) is a document that lays out a six-year road map identifying present and future capital and infrastructure needs for the City. Generally speaking, capital improvements are expensive and some projects cover multiple years, so carefully planning and managing Black Diamond's capital projects together is an important part of city management. For citizens, it is an investment in the future of our community.

Because the CIP is a plan rather than a budget, actual authorization for capital project spending for the upcoming year occurs when City Council adopts the Annual Budget in December.

Having the long range capital plan completed before the annual operating budget is developed helps management better incorporate both short and long term planning.

This CIP document contains the major public facility improvements that will be implemented over the next six fiscal years. The projects are consistent with City Council priorities and address the needs for the acquisition, rehabilitation, and expansion of the City's infrastructure and capital assets. Identifying capital projects and their anticipated funding sources assists in the planning and scheduling of finances for projects and the manpower needed to plan, design and construct the projects.

Capital Projects are listed in the CIP by number, according to each major program area. For each project there is an estimated start and completion date that has been projected by the city department in charge of the improvement. The CIP also defines the total cost of the project and the amount allocated to the project for each year of the plan. Examples of projects in Black Diamond's six-year CIP include street rehabilitation, water projects, wastewater facilities, park improvements, a fire station and equipment, police capital needs, and public building construction and improvement. Land purchases are also included in CIP planning since land is considered a capital asset.

How are projects in the Capital Improvement Plan paid for?

The CIP process involves balancing desired capital improvements that compete for scarce financial resources. Generally, funding for capital improvements is provided through Real Estate Excise Tax revenue (REET), capital reserves, public trust fund loans, grants, impact fees and developer funding.

Real estate excise taxes (REET) are collected from property sales within the city limits and are earmarked specifically for capital projects. However in order to spend that money, a jurisdiction must have the project identified in a Capital Improvement Plan. So not only is the CIP a great overall planning tool for the City, it is also required in order to access REET monies.

Additionally, historical documentation of need is usually required when applying for grants. This need is documented in the CIP, as some projects get 'pushed out' from one year to the next due to lack of adequate funding.

Since 2007 property sales and prices have dropped in Black Diamond. This has reduced the REET funds available for capital improvements quite dramatically, causing more projects to be delayed in the plan.

Types of Capital Projects

Capital projects are essential to the delivery of many of Black Diamond's core services. The capital projects in each major department are described below.

- Transportation The road system in Black Diamond is a vital infrastructure to city residents, visitors and commuters. This infrastructure includes roads, bridges, bike lanes and sidewalks. The responsibility for the funding and construction of transportation infrastructure is usually shared with developers in the form of impact fees, as new development has need for additional transportation improvements. A good deal of funding for street improvement comes from Real Estate Excise Taxes.
- Parks and Recreation There are regional and local parks in Black Diamond as well as bike and hiking trails, a skate park and a BMX Course. Outdoor enthusiasts choose to live in Black Diamond for the natural beauty of the surroundings and sporting opportunities. Park improvements are primarily financed by real estate excise taxes, grants and developer contributions.
- Utilities The City provides water, sewer and stormwater utility services to residents and businesses. Capital Facilities include sewer treatment facilities, transmission systems and storm water detention facilities. Developers contribute to these projects, as growth requires infrastructure expansion. Capital reserves, grants, loans and Real Estate Excise Taxes also provide funding for utilities in Black Diamond.
- Public Safety Capital facilities and equipment are required to deliver core City services of Police and Fire. These facilities include the fire and police stations, vehicles and major equipment. Funding for these capital projects largely comes from Real Estate Excise Taxes and reserves.
- General Capital The City is responsible for funding the construction and maintenance of city buildings and facilities. Included are technological capital projects that provide better services and communication at the City. These capital costs are largely funded through Real Estate Excise Taxes.

Growth Management Act and Land Use Policies

Comprehensive planning is required in Washington State since the Growth Management Act (GMA) was adopted by the legislature in 1990. The objective of the Act is to limit sprawl, protect sensitive areas and promote efficient and effective delivery of public services by concentrating population, industry and public services in urban areas. The City is anticipating two development areas in Black Diamond, The Villages and Lawson Hills. These planned developments have a huge impact on the City's Capital Improvement Program, as up to 6,000 new homes may be built eventually in those new neighborhoods.

Level of Service

The number and type of capital facilities needed to serve Black Diamond is directly related to the level of public service provided. The level of service is established by City Council and the City's Comprehensive Plan.

Maintenance and Funding Constraints

Once completed and placed in service, capital facilities must be maintained. Funding for the maintenance of capital projects for City Utilities are funded with user fees in the respective operating budgets. Maintenance funding for projects are funded through current operations, not the capital budget. For that reason the availability of funding for future maintenance must be considered when preparing the capital budget.

Development and Approval Process

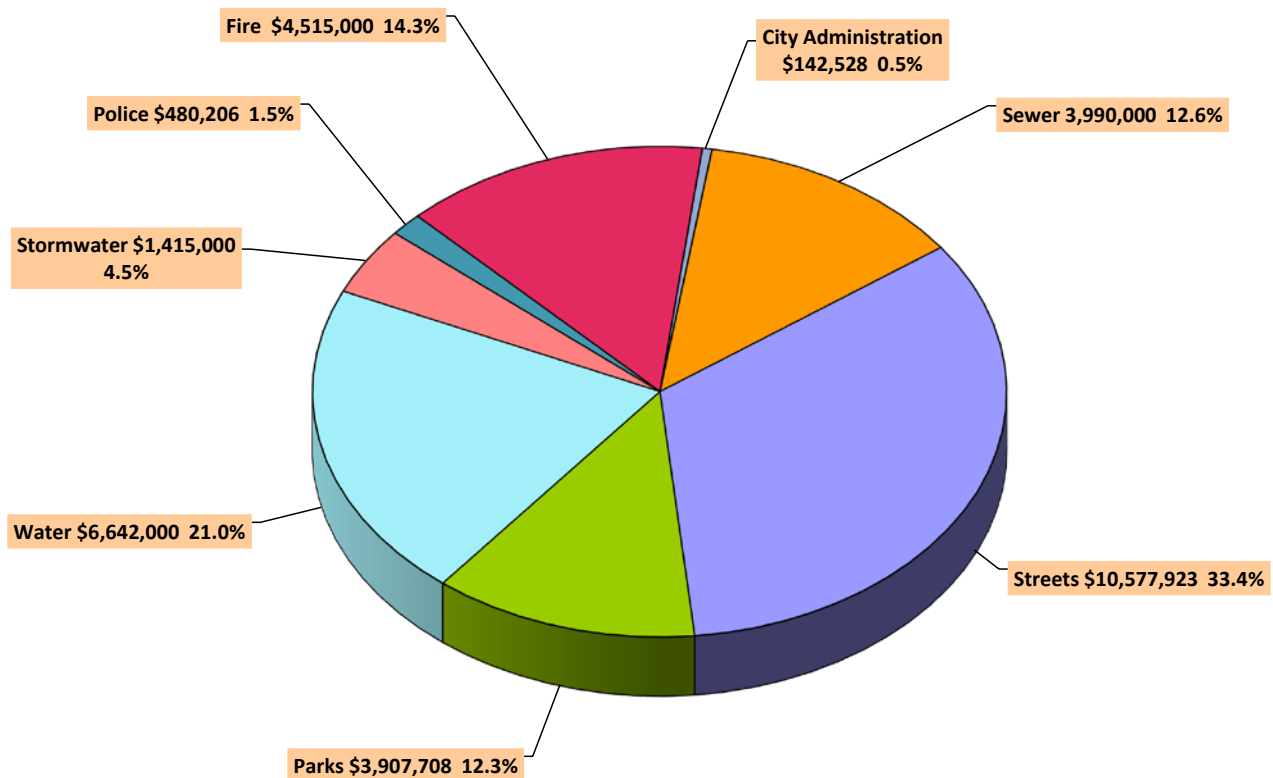
The Capital Improvement Plan is updated annually. Each year individual projects are submitted by department directors. They use a template provided by Finance staff. These requests include an update of current projects and projections on new projects and anticipated costs. Each project must have specific funding sources identified. The Mayor, Finance Director and management meet to balance projects to available funding. After several Council Committee meetings, workstudy sessions, a public hearing, then the proposed plan is brought before Council for approval.

Capital Improvement Plan 2014 - 2019

Total Summary by Department

<i>CAPITAL PROJECTS</i>							
Departments	Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Street Department	10,577,923	432,923	2,586,000	6,522,000	143,000	595,000	299,000
Water Department	6,642,000	1,429,000	2,340,000	672,000		890,000	1,311,000
Sewer Department	3,990,000	30,000	30,000	300,000	570,000	530,000	2,530,000
Stormwater Department	1,415,000	40,000	150,000	1,000,000		95,000	130,000
Parks and Recreation	3,907,708	137,708	15,000	140,000	615,000	365,000	2,635,000
Police Department	480,206	70,710	124,180	128,125	68,339	70,407	18,445
Fire Department	4,515,000	390,000	600,000		125,000	450,000	2,950,000
City Administration	142,528	45,113	19,763	19,713	18,513	19,713	19,713
TOTAL Project COSTS	\$31,670,365	\$2,575,454	\$5,864,943	\$8,781,838	\$1,539,852	\$3,015,120	\$9,893,158

Total CIP: \$31,670,365

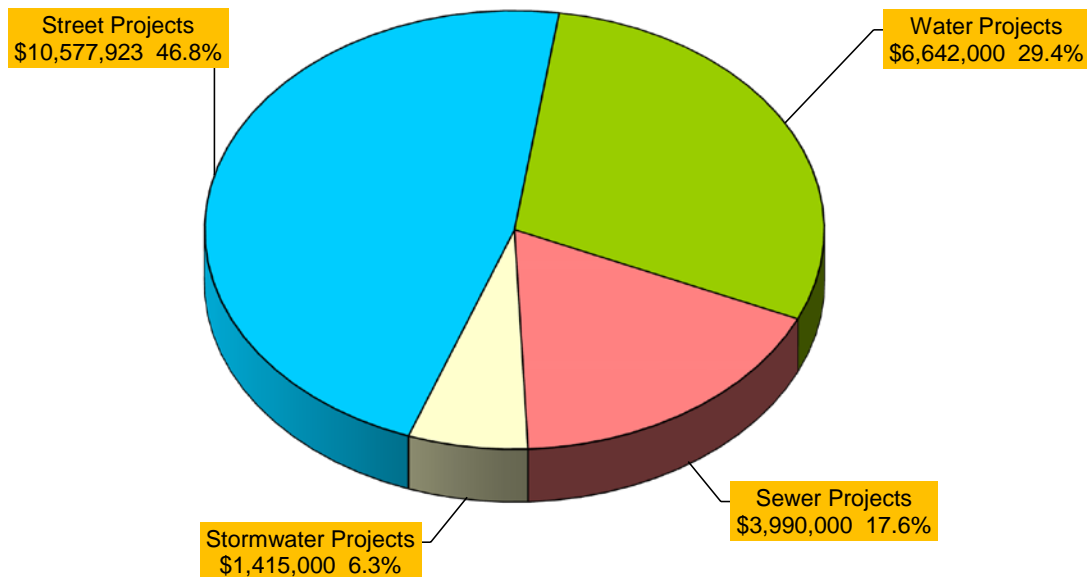


Public Works Fund Summary

Capital Improvement Plan 2014 - 2019

Funds	Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Street Projects	10,577,923	432,923	2,586,000	6,522,000	143,000	595,000	299,000
Water Projects	6,642,000	1,429,000	2,340,000	672,000		890,000	1,311,000
Sewer Projects	3,990,000	30,000	30,000	300,000	570,000	530,000	2,530,000
Stormwater Projects	1,415,000	40,000	150,000	1,000,000		95,000	130,000
TOTAL Project COSTS	\$ 22,624,923	\$1,931,923	\$5,106,000	\$8,494,000	\$713,000	\$2,110,000	\$4,270,000

Public Works CIP by Fund Total: \$22,624,923



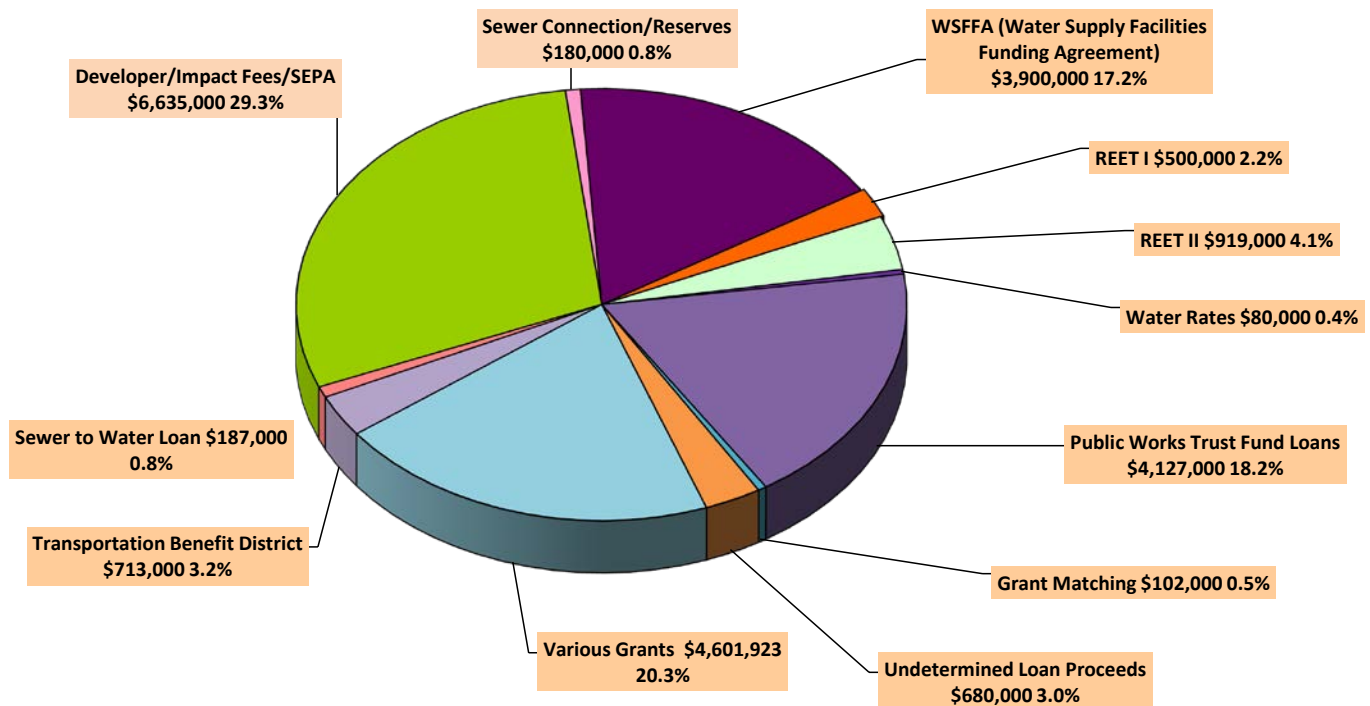
CIP Public Works Revenue Summary

Capital Improvement Plan 2014 - 2019

REQUESTED FUNDING	Includes	Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Debt Repayments								
Various Grants		4,601,923	180,923	2,062,000	2,178,000		98,000	83,000
Developer/Impact Fees/SEPA		6,635,000	240,000	205,000	5,330,000	20,000	820,000	20,000
Public Works Trust Fund Loans		4,127,000		366,000	250,000	440,000		3,071,000
Sewer Connection/Reserves		180,000	30,000	30,000	30,000	30,000	30,000	30,000
WSFFA (Water Supply Facilities Funding Agreement)		3,900,000	1,175,000	1,925,000			90,000	710,000
REET I		500,000					500,000	
REET II		919,000	107,000	120,000	152,000	185,000	145,000	210,000
Water Rates		80,000		80,000				
Grant Matching		102,000	12,000	16,000	54,000		10,000	10,000
Undetermined Loan Proceeds		680,000		140,000	540,000			
Transportation Benefit District		713,000		122,000		38,000	417,000	136,000
Sewer Loan to Water		187,000	187,000					
TOTAL SOURCES		\$22,624,923	\$1,931,923	\$5,066,000	\$8,534,000	\$713,000	\$2,110,000	\$4,270,000

Public Works CIP by Type of Funding Total:

\$22,624,923



REET II ANALYSIS SUMMARY (Fund 320)

Capital Improvement Plan 2014 - 2019

REET II - REVENUE		Capital Improvement Plan 2014 - 2019					
	2014-2019 Summary Total	2014	2015	2016	2017	2018	2019
Beg Fund Balance 104		294,174	278,555	407,122	770,684	1,376,248	1,993,687
REET Revenue (annual)							
1/4 of 1% REET - Existing Property	383,875	40,625	47,813	55,250	62,938	81,000	96,250
1/4 of 1% REET - Other new homes	43,075	3,125	6,375	6,500	7,288	8,100	11,688
1/4 of 1% REET - Phase 1A	2,708,394	59,631	194,379	446,812	585,339	683,339	738,894
Subtotal REET II Revenue	3,135,344	103,381	248,567	508,562	655,564	772,439	846,832
TOTAL Avail. Balance for Gen Govt Projects	3,135,344	397,555	527,122	915,684	1,426,248	2,148,687	2,840,518
REET II - PROJECT EXPENDITURES		Capital Improvement Plan 2014 - 2019					
	2014-2019 Summary Total	2014	2015	2016	2017	2018	2019
Street Projects							
T1 General Street Improvement	60,000	10,000	10,000	10,000	10,000	10,000	10,000
T5 Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T8 Jones Lake Road	12,000	12,000					
T9 228th & 224th & 216th Chip Seal	13,000			13,000			
T11 232nd Ave Overlay	10,000					10,000	
Subtotal Street Projects with REET II	335,000	62,000	50,000	63,000	50,000	60,000	50,000
Water Projects							
W2 Reservoir Painting and Maintenance	12,000	12,000					
W5 Downtown Water Main Replacement	25,000	5,000	20,000				
W9 4.3 Mil Gal Tank Maintenance & Repairs	30,000						30,000
W10 Water Main Replacement Morgan Street	82,000			82,000			
Subtotal Water Projects with REET II	149,000	17,000	20,000	82,000			30,000
Sewer Projects							
S3 Morganville Force Main Reroute	20,000			20,000			
Subtotal Sewer Projects with REET II	20,000			20,000			
Stormwater Projects							
D1 1st Ave & RR Ave & Miner Street	30,000		30,000				
D2 North Commercial and SR 169 Stormwater Treatment	60,000	40,000	20,000				
D3 5th Ave Reconstruction	75,000					75,000	
D4 Ginder Creek Headwall	70,000					20,000	50,000
D5 1st Ave & RR Ave & Miner Street	80,000						80,000
Subtotal Stormwater Projects with REET II	315,000	40,000	50,000			95,000	130,000
Total REET II Projects	819,000	119,000	120,000	145,000	50,000	155,000	210,000
Total REET II Debt							
TOTAL REET II	819,000	119,000	120,000	145,000	50,000	155,000	210,000
REET II left for next year (Ending Balance)	2,316,344	278,555	407,122	770,684	1,376,248	1,993,687	2,630,518
REET based on Houses sold		2014	2015	2016	2017	2018	2019
Existing Property Sales (in 000's)		62 @\$250	75 @\$255	85 @\$260	95 @\$265	120 @\$270	140 @\$275
Other new home sales (in 000's)		5 @\$250	10 @\$255	10 @\$260	11 @\$265	12 @\$270	17 @\$275
MPD Phase 1 Resulting Sales - Per Fiscal Analysis		59,631	194,379	446,812	585,339	683,339	738,894

CIP Public Works Summary

Capital Improvement Plan 2014 - 2019

		Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Priority	STREET PROJECTS							
	T1 General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
	T3 Roberts Drive/State Rt 169 Roundabout	7,070,000	220,000	1,750,000	5,100,000			
	T4 Roberts Drive Rehabilitation	366,000		366,000				
	T5 Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
	T6 Rock Creek Bridge	291,000		93,000	198,000			
	T7 Lawson Street Sidewalk	850,000		105,000	745,000			
	T8 Jones Lake Road	122,000	122,000					
	T9 228th & 224th & 216th Chip Seal	129,000			129,000			
	T10 5th Ave Reconstruction	267,000				38,000	229,000	
	T11 232nd Ave Overlay	143,000				35,000	108,000	
	T12 216th Ave SE Overlay	136,000						136,000
	T13 1st Ave & RR Ave N & Miner Street	188,000	-	-	-		188,000	
	T14 Pacific St & 5th St Improvement	93,000						93,000
	T15 Street Signs Replacement	20,923	20,923					
	T16 Sidewalk Extension	360,000		80,000	280,000			
	T17 Morgan Creek Road Preservation	97,000		97,000				
	T18 Plass Road Rehabilitation	25,000		25,000				
	STREET PROJECTS	10,577,923	432,923	2,586,000	6,522,000	143,000	595,000	299,000
	WATER PROJECTS							
	W1 Springs & River Crossing Rehab. Project	3,100,000	1,175,000	1,925,000				
	W2 Reservoir Painting and Maintenance	199,000	199,000					
	W3 Expanded Power Generation	680,000		140,000	540,000			
	W4 Fire Flow Loop - North Commercial Area	800,000					800,000	
	W5 Downtown Water Main Replacement	250,000	55,000	195,000				
	W6 Springs Trans Main Replacement	800,000					90,000	710,000
	W8 Water Comprehensive Plan Update	130,000		80,000	50,000			
	W9 4.3 Mil Gal Tank Maintenance & Repairs	30,000						30,000
	W10 Water Main Replacement Morgan Street	653,000			82,000			571,000
	WATER PROJECTS	6,642,000	1,429,000	2,340,000	672,000		890,000	1,311,000
	SEWER PROJECTS							
	S1 Infiltration and Inflow Reduction Program	180,000	30,000	30,000	30,000	30,000	30,000	30,000
	S2 Public Works Facilities and Equipment	3,100,000				100,000	500,000	2,500,000
	S3 Morganville Force Main Reroute	460,000			20,000	440,000		
	S4 Cedarbrook Sewer Main	250,000			250,000			
	SEWER PROJECTS	3,990,000	30,000	30,000	300,000	570,000	530,000	2,530,000
	STORMWATER PROJECTS							
	D1 Lake Sawyer Road Culvert and Guardrail	320,000		70,000	250,000			
	D2 North Commercial and SR 169 Stormwater Treatment Pond	870,000	40,000	80,000	750,000			
	D3 5th Ave Reconstruction	75,000					75,000	
	D4 Ginder Creek Headwall	70,000					20,000	50,000
	D5 1st Ave & RR Ave & Miner Street	80,000						80,000
	STORMWATER PROJECTS	1,415,000	40,000	150,000	1,000,000		95,000	130,000
	TOTAL PUBLIC WORKS CAPITAL PROJECTS	22,624,923	1,931,923	5,106,000	8,494,000	713,000	2,110,000	4,270,000

CIP Public Works Summary FUNDING SUMMARY

Capital Improvement Plan 2014 - 2019

		Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
REET II Funding								
T1	General Street Improvement	60,000	10,000	10,000	10,000	10,000	10,000	10,000
T5	Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
W2	Reservoir Painting and Maintenance	12,000	12,000					
W5	Downtown Water Main Replacement	25,000	5,000	20,000				
W9	4.3 Mil Gal Tank Maintenance & Repairs	30,000						30,000
W10	Water Main Replacement Morgan Street	82,000			82,000			
T11	232nd Ave Overlay	35,000				35,000		
S2	Public Works Facilities and Equipment	100,000				100,000		
S3	Morganville Force Main Reroute	20,000			20,000			
D1	Lake Sawyer Road Culvert and Guardrail	30,000		30,000				
D2	North Commercial and SR 169 Stormwater Treatment Pond	60,000	40,000	20,000				
D3	5th Ave Reconstruction	75,000					75,000	
D4	Ginder Creek Headwall	70,000					20,000	50,000
D5	1st Ave & RR Ave & Miner Street	80,000						80,000
Total REET II Funding		919,000	107,000	120,000	152,000	185,000	145,000	210,000
Water Rates								
W8	Water Comprehensive Plan Update	80,000		80,000				
Total Water Rates		80,000		80,000				
Sewer Loan to Water								
W2	Reservoir Painting and Maintenance	187,000	187,000					
Total Water Rates		187,000	187,000					
Sewer Connection Fees/Reserves								
S1	Infiltration and Inflow Reduction Program	180,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Sewer Connection Fees/Reserves		180,000	30,000	30,000	30,000	30,000	30,000	30,000
Developer, Impact Fees and/or SEPA								
T1	General Street Improvement	120,000	20,000	20,000	20,000	20,000	20,000	20,000
T3	Roberts Drive/State Rt 169 Roundabout	5,070,000	220,000		4,850,000			
T6	Rock Creek Bridge	130,000		20,000	110,000			
T7	Lawson Street Sidewalk	305,000		105,000	200,000			
W4	Fire Flow Loop - North Commercial Area	800,000					800,000	
W8	Water Comprehensive Plan Update	50,000			50,000			
D2	North Commercial and SR 169 Stormwater Treatment Pond	160,000		60,000	100,000			
Total Developer, Street Impact and/or SEPA Fees		6,635,000	240,000	205,000	5,330,000	20,000	820,000	20,000
WSFFA								
W1	Springs & River Crossing Rehab. Project	3,100,000	1,175,000	1,925,000				
W6	Springs Trans Main Replacement	800,000					90,000	710,000
Total WSFFA		3,900,000	1,175,000	1,925,000			90,000	710,000
Transportation Benefit District								
T10	5th Ave Reconstruction	267,000				38,000	229,000	
T12	216th Ave SE Overlay	136,000						136,000
T13	1st Ave & RR Ave N & Miner Street	188,000					188,000	
T17	Morgan Creek Road Preservation	97,000		97,000				
T18	Plass Road Rehabilitation	25,000		25,000				
Total Transportation District		713,000		122,000		38,000	417,000	136,000

			Capital Improvement Plan 2014 - 2019					
FUNDING SUMMARY CONT.		Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Grants (TIB,CDBG,DOE, etc)								
T3	Roberts Drive/State Rt 169 Roundabout	2,000,000		1,750,000	250,000			
T6	Rock Creek Bridge	140,000		25,000	115,000			
T7	Lawson Street Sidewalk	395,000			395,000			
T7	Lawson Street Sidewalk	150,000			150,000			
T8	Jones Lake Road	110,000	110,000					
T9	228th & 224th & 216th Chip Seal	116,000			116,000			
T11	232nd Ave Overlay	98,000					98,000	
T14	Pacific St & 5th St Improvement	83,000						83,000
T15	Street Signs Replacement	20,923	20,923					
T16	Sidewalk Extension	324,000		72,000	252,000			
W5	Downtown Water Main Replacement	225,000	50,000	175,000				
D1	Lake Sawyer Road Culvert and Guardrail	290,000		40,000	250,000			
D2	North Commercial and SR 169 Stormwater Treatment Pond	650,000			650,000			
Total Grants		4,601,923	180,923	2,062,000	2,178,000		98,000	83,000
Grant Matching								
T6	Rock Creek Bridge	21,000		8,000	13,000			
T8	Jones Lake Road	12,000	12,000					
T9	228th & 224th & 216th Chip Seal	13,000			13,000			
T11	232nd Ave Overlay	10,000					10,000	
T14	Pacific St & 5th St Improvement	10,000						10,000
T16	Sidewalk Extension	36,000		8,000	28,000			
Total Grant Matching		102,000	12,000	16,000	54,000		10,000	10,000
Public Works Trust Fund Loans								
T4	Roberts Drive Rehabilitation	366,000		366,000				
W10	Water Main Replacement Morgan Street	571,000						571,000
S2	Public Works Facilities and Equipment	2,500,000						2,500,000
S3	Morganville Force Main Reroute	440,000				440,000		
S4	Cedarbrook Sewer Main	250,000			250,000			
Total PWTF Loans		4,127,000		366,000	250,000	440,000		3,071,000
Undetermined Loan								
W3	Expanded Power Generation	680,000		140,000	540,000			
Total Undertimined Loan		680,000		140,000	540,000			
Transfer In From REET I								
S2	Public Works Facilities and Equipment	500,000					500,000	
Total Transfer In From REET I		500,000					500,000	
Grand Total Public Works CIP Funding		22,624,923	1,931,923	5,066,000	8,534,000	713,000	2,110,000	4,270,000
Loan Service Schedule								
T4	Roberts Drive Rehabilitation	37,614						37,614
W2	Reservoir Painting and Maintenance	189,814		37,963	37,963	37,963	37,963	37,963
W3	Expanded Power Generation	113,047				37,682	37,682	37,682
S2	Public Works Facilities and Equipment	38,791					5,542	33,249
S3	Morganville Force Main Reroute	48,765					24,383	24,383
S4	Cedarbrook Sewer Main	41,561				13,854	13,854	13,854
Total Loan Service Expenditure		469,593	-	37,963	37,963	89,499	119,423	184,745

Street Department (Transportation Projects)

CAPITAL PROJECT SUMMARY

Expenditure Summary by Project								
STREET DEPARTMENT			Capital Plan 2014 - 2019					
			Total \$ Requested 2014-2019	2014	2015	2016	2017	2018
T1	General Street Improvement	180,000	30,000	30,000	30,000	30,000	30,000	30,000
T3	Roberts Drive/State Rt 169 Roundabout	7,070,000	220,000	1,750,000	5,100,000			
T4	Roberts Drive Rehabilitation	366,000		366,000				
T5	Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T6	Rock Creek Bridge	291,000		93,000	198,000			
T7	Lawson Street Sidewalk	850,000		105,000	745,000			
T8	Jones Lake Road	122,000	122,000					
T9	228th & 224th & 216th Chip Seal	129,000			129,000			
T10	5th Ave Reconstruction	267,000				38,000	229,000	
T11	232nd Ave Overlay	143,000				35,000	108,000	
T12	216th Ave SE Overlay	136,000						136,000
T13	1st Ave & RR Ave N & Miner Street	188,000	-	-	-		188,000	
T14	Pacific St & 5th St Improvement	93,000						93,000
T15	Street Signs Replacement	20,923	20,923					
T16	Sidewalk Extension	360,000		80,000	280,000			
T17	Morgan Creek Road Preservation	97,000		97,000				
T18	Plass Road Rehabilitation	25,000		25,000				
STREET DEPT TOTAL PROJECTS		10,577,923	432,923	2,586,000	6,522,000	143,000	595,000	299,000

Street Department (Transportation Projects)

CAPITAL PROJECT SUMMARY

Funding Sources							
	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
TIB, CDBG and Other Grants							
T3 Roberts Drive/State Rt 169 Roundabout	2,000,000		1,750,000	250,000			
T6 Rock Creek Bridge	140,000		25,000	115,000			
T7 Lawson Street Sidewalk	395,000			395,000			
T7 Lawson Street Sidewalk	150,000			150,000			
T8 Jones Lake Road	110,000	110,000					
T9 228th & 224th & 216th Chip Seal	116,000			116,000			
T11 232nd Ave Overlay	98,000					98,000	
T14 Pacific St & 5th St Improvement	83,000						83,000
T15 Street Signs Replacement	20,923	20,923					
T16 Sidewalk Extension	324,000		72,000	252,000			
Total Grants	3,436,923	130,923	1,847,000	1,278,000		98,000	83,000
Developer Funded/Impact Fees/SEPA							
T1 General Street Improvement	120,000	20,000	20,000	20,000	20,000	20,000	20,000
T3 Roberts Drive/State Rt 169 Roundabout	5,070,000	220,000		4,850,000			
T6 Rock Creek Bridge	130,000		20,000	110,000			
T7 Lawson Street Sidewalk	305,000		105,000	200,000			
Total Developer/Impact/SEPA Funding	5,625,000	240,000	145,000	5,180,000	20,000	20,000	20,000
Real Estate Excise Tax II Funding							
T1 General Street Improvement	60,000	10,000	10,000	10,000	10,000	10,000	10,000
T5 Grant Matching Fund	240,000	40,000	40,000	40,000	40,000	40,000	40,000
T11 232nd Ave Overlay	35,000				35,000		
Total REET II Funding	335,000	50,000	50,000	50,000	85,000	60,000	50,000
Transportation Benefit District							
T10 5th Ave Reconstruction	267,000				38,000	229,000	
T12 216th Ave SE Overlay	136,000						136,000
T13 1st Ave & RR Ave N & Miner Street	188,000					188,000	
T17 Morgan Creek Road Preservation	97,000		97,000				
T18 Plass Road Rehabilitation	25,000		25,000				
Total Transportation Benefit District	713,000		122,000		38,000	417,000	136,000
Grant Matching Fund							
T6 Rock Creek Bridge	21,000		8,000	13,000			
T8 Jones Lake Road	12,000	12,000					
T9 228th & 224th & 216th Chip Seal	13,000			13,000			
T11 232nd Ave Overlay	10,000					10,000	
T14 Pacific St & 5th St Improvement	10,000						10,000
T16 Sidewalk Extension	36,000		8,000	28,000			
Total Grant Matching Fund	102,000	12,000	16,000	54,000		10,000	10,000
PWTF Loan							
T4 Roberts Drive Rehabilitation	366,000		366,000				
Total PWTF Loan	366,000		366,000				
TOTAL STREET PROJECTS	10,577,923	412,923	2,526,000	6,542,000	143,000	575,000	269,000
TBD 10 Year Loan Payments							
T4 Roberts Drive Rehabilitation	37,614						37,614
Total TBD Loan Payments	37,614						37,614

Capital Improvement Plan 2014 - 2019

Project for the **Street Department** **T1**

PROJECT TITLE **General Street Improvement** **13.01**

DESCRIPTION Annually the Public Works staff assesses the street system and selects key street preservation and improvement work. Typical activities under this project are chip sealing, crack sealing, patch work and addressing minor safety problems. Because of the declining revenue in the street fund the cost of striping, signs, and roadside materials have been shifted to REET funding and are included in this work item.

BACKGROUND This project provides annual funding for minor street improvements that typically do not require engineering.

COMMENTS As more routine maintenance costs are shifted to this street improvement category, overlay projects may not be possible.

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	Construction Costs	180,000	30,000	30,000	30,000	30,000	30,000
TOTAL COSTS	180,000	30,000	30,000	30,000	30,000	30,000	30,000
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	REET II	60,000	10,000	10,000	10,000	10,000	10,000
Street	120,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL SOURCES	180,000	10,000	10,000	10,000	10,000	10,000	10,000



Capital Improvement Plan 2014 - 2019

Project for the **Street Department** **T3**

PROJECT TITLE **Roberts Drive/State Rt 169 Roundabout** **13.02**

DESCRIPTION This project is to change the intersection control from stop control to a roundabout and accommodate a future road connection to the east for the Lawson Hills Master Planned Development.

BACKGROUND The existing intersection has a higher accident rate than the average along the corridor. Roberts Drive intersects SR 169 at an unconventional angle which makes it difficult for eastbound motorists to turn right and especially difficult to turn left; This intersection has been identified as one of the first traffic mitigation projects that is required in the Master Planned Development FEIS.

COMMENTS The Master Planned Developer is responsible for this intersection to address Level of Service issues. The City would like to size the roundabout for the buildout solution for this corridor. There may be grant funding available for a major roundabout on a regional facility.

		Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019						
Land/Right of Way	200,000		200,000				
Preliminary Engineering	200,000	200,000					
Environ Engr & Permitting	300,000		300,000				
Construction Engineering	500,000			500,000			
Bid Documents	50,000		50,000				
Design Engineering	600,000		600,000				
Construction Costs	4,900,000		350,000	4,550,000			
Environ Mitigation	200,000		200,000				
Project Administration	120,000	20,000	50,000	50,000			
TOTAL COSTS	7,070,000	220,000	1,750,000	5,100,000	-	-	-
REQUESTED FUNDING	Total \$ Requested 2014-2019						
Developer	5,070,000	220,000		4,850,000			
Grants	2,000,000		1,750,000	250,000			
TOTAL SOURCES	7,070,000	220,000	1,750,000	5,100,000	-	-	-



Proposed Roundabout



Capital Improvement Plan 2014 - 2019

Project for the	Street Department	#	T4
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PROJECT TITLE	Roberts Drive Rehabilitation	14.02
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DESCRIPTION

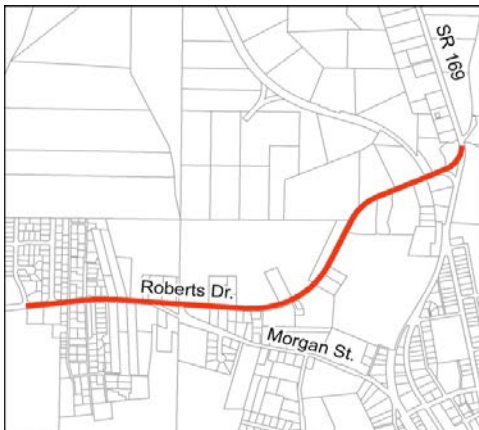
Grind, Patch and Replace concrete panels; Seal joints and cracks; and Reinforce the shoulder of Roberts Drive Concrete road to extend the life of the existing roadway and improve the comfort of the driving surface.

BACKGROUND

The concrete roadway is about 100 years old but needs some major repair work. This project is to repair and preserve the existing road. The City is also looking to bring the road up to an urban standard in project T8 with major grant assistance.

COMMENTS

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Engineering & bid docs	28,000		28,000				
Management & Inspection	18,000		18,000				
Construction	320,000		320,000				
TOTAL COSTS	366,000	-	366,000	-	-	-	-
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
PWTF Loan	366,000		366,000				
TOTAL SOURCES	366,000	-	366,000				
Debt Payments				2016	2017	2018	2019
TBD 10 year loan payments	150,456			37,614	37,614	37,614	37,614



Capital Improvement Plan 2014 - 2019

Project for the **Street Department** # **T5**

PROJECT TITLE **Grant Matching Fund** **13.03**

DESCRIPTION

This project is used to accumulate funds for a match for grants for street and pedestrian projects now scheduled on the CIP.

BACKGROUND

The City has used this fund for professional technical assistance with grant applications and supplement funding if a grant is received for a project that needs to be moved up in the CIP schedule or if a larger match than anticipated is needed.

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	Funding to Match Grants	240,000	40,000	40,000	40,000	40,000	40,000
TOTAL COSTS		240,000	40,000	40,000	40,000	40,000	40,000
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	Real Estate Excise Tax II	240,000	40,000	40,000	40,000	40,000	40,000
TOTAL SOURCES		240,000	40,000	40,000	40,000	40,000	40,000



What is a matching grant?

A matching grant is a contingent grant awarded only if the receiving entity is able to put up (or independently raise) a sum equal to the amount provided by the granting entity.



Capital Improvement Plan 2014 - 2019

Project for the

Street Department

T6

PROJECT TITLE

Rock Creek Bridge

13.04

DESCRIPTION

Replace the verticle barriers on the bridge, patch and coat the structure to prevent degradation of the structure, install guardrail transition sections on both ends to enhance motorist approach safety, attach a Pedestrian walkway on one side of the bridge, and reconstruct the roadway approaches and the asphalt surface on the bridge. Construct sidewalk connections on both ends of the attached pedestrian bridge.

BACKGROUND

Parametrix completed a technical analysis and a review of options for improvements to the bridge crossing of Rock Creek in 2012. The budget developed below is based on the construction costs of the bridge rehab option developed in that technical memo plus engineering, project management costs, additional improvements on short sections of roadway on each end and a 20% contingency.

COMMENTS

The Villages Developer may also proceed with their own separate stand alone project. The Developer contribution was shown here as a combined project for greater implementation efficiency and to improve the chances of attracting grant funding

CAPITAL PROJECT COSTS

Engineering and bid docs
Project management
environmental permitting
ped bridge design & const
Bridge Rehabilitation

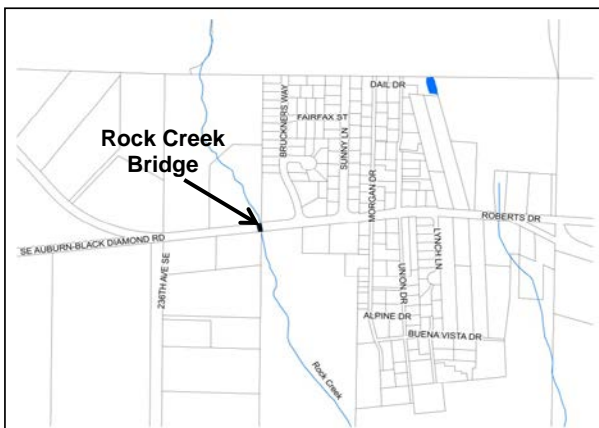
TOTAL COSTS

REQUESTED FUNDING

Developer-Villages Project
Bridge Grant
Grant Matching Funds

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Engineering and bid docs		40,000				
Project management		10,000	10,000			
environmental permitting		23,000				
ped bridge design & const		20,000	110,000			
Bridge Rehabilitation			78,000			
TOTAL COSTS	291,000	93,000	198,000	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Developer-Villages Project	130,000	20,000	110,000			
Bridge Grant	140,000	25,000	115,000			
Grant Matching Funds	21,000	8,000	13,000			
TOTAL SOURCES	291,000	53,000	238,000	-	-	



Capital Improvement Plan 2014 - 2019

Project for the

Street Department

T7

PROJECT TITLE

Lawson Street Sidewalk

13.05

DESCRIPTION

Construct 2150 feet of new 5 foot concrete sidewalk on the north side of Lawson Street to from SR 169 to the east boundary of Lawson Hill Estates. This project does not include curb gutter or street widening. Project cost \$850,000.

BACKGROUND

Lawson Hill Estates and the surrounding area is within 1 mile of the elementary school on Baker Street. The City is partnering with the School District to seek Safe Routes to School grants for this project. It is anticipated that additional funding will be needed to cover the entire cost. Transportation Improvement Board Funding and or potentially MPD mitigation funding may also be available. The City and the School District are planning to cooperate and jointly apply for this grant in 2014 for funding in 2015, and 2016.

COMMENTS

The timing of this project may have to wait for the pedestrian mitigation assistance from the Lawson Hills developer for this project. Other grant funding may also be available to complete the total funding.

CAPITAL PROJECT COSTS

Land/Right of Way
Design Engineering
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

Safe Route to School Grant
TIB Pedestrian Grant
Developer/Impact Fees/SEPA

TOTAL SOURCES

Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
Land/Right of Way		20,000				
Design Engineering		85,000				
Construction Costs			745,000			
TOTAL COSTS	850,000	105,000	745,000	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	2014	2015	2016	2017	2018	2019
Safe Route to School Grant			395,000			
TIB Pedestrian Grant			150,000			
Developer/Impact Fees/SEPA		105,000	200,000			
TOTAL SOURCES	850,000	105,000	745,000	-	-	-



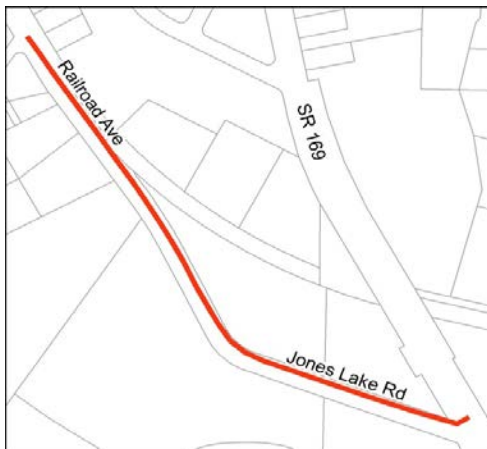
Capital Improvement Plan 2014 - 2019

Project for the	Street Department	#	T8
PROJECT TITLE	Jones Lake Road		14.01

DESCRIPTION Patch and overlay Jones Lake Road from SR 169 to the end of the overlay preservation improvement on RR Ave.

BACKGROUND The pavement condition is average to poor. The roadway width is a little to narrow with no shoulders. The engineering, bid process, inspections and project management will be provided by City staff.

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Engineering & bid docs	16,000	16,000					
Management & Inspection	10,000	10,000					
Construction	96,000	96,000					
TOTAL COSTS	122,000	122,000	-	-	-	-	-
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
TIB pavement preservation	110,000	110,000					
Grant Matching	12,000	12,000					
TOTAL SOURCES	122,000	122,000	-	-	-	-	-



Capital Plan 2014 - 2019

Project for the	Street Department	# T9
PROJECT TITLE	228th & 224th & 216th Chip Seal	14.03

DESCRIPTION Patch and Chip Seal 228th, 224th, and 216th Ave SE from Sawyerwood Elementary to the Covington Sawyer Road except for the section in front of the Fire Station and past Kent Lake Highlands.

BACKGROUND This long section of roadway can be preserved by 7 to 10 years at one third of the cost of an overlay. A chip seal will help stretch the grant funding and help the City get ahead of the curve with deteriorating streets.

COMMENTS

		Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019						
Design Engineering	16,000			16,000			
Management and Inspection	10,000			10,000			
Construction	103,000			103,000			
TOTAL COSTS	129,000	-	-	129,000	-	-	-
REQUESTED FUNDING	Total \$ Requested 2014-2019						
TIB Pavement Preservation	116,000			116,000			
Grant Matching	13,000			13,000			
TOTAL SOURCES	129,000	-	-	129,000	-	-	-



Capital Plan 2014 - 2019

Project for the	Street Department	# T10
PROJECT TITLE	5th Ave Reconstruction	14.05

DESCRIPTION

This project is to reconstruct and widen 5th Ave from Lawson Street to Baker Street and a 250 foot section south of Park St. This project also includes a 420 foot section of Baker Street from 5th to 6th Ave. The scope of work includes; Grind up any remaining asphalt; Excavate unsuitable material; Import gravel base; finish grade with crushed rock; Pave a 4 inch asphalt road section 22 feet wide.

BACKGROUND

The existing road surface is failing rapidly. The road is too narrow for cars to pass on a hardened surface. Cars driving off the edge of the asphalt cause muddy and turbid runoff conditions. Since this project will involve more than 5000 square feet of new impervious surface area storm water treatment and detention improvements will be required.

COMMENTS

The City likely will need a storm drainage easement to convey storm water to a storm pond site. The City will purchase easements from willing sellers and will not be condemning property.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Land/Right of Way	10,000				10,000		
Design Engineering	20,000				20,000		
Management & Inspection	16,000				8,000	8,000	
Construction Costs	221,000					221,000	
TOTAL COSTS	267,000	-	-	-	38,000	229,000	-
REQUESTED FUNDING							
Transportation Benefit Dist	267,000				38,000	229,000	
TOTAL SOURCES	267,000	-	-	-	38,000	229,000	-



Capital Plan 2014 - 2019

Project for the	Street Department	# T11
PROJECT TITLE	232nd Ave Overlay	14.04

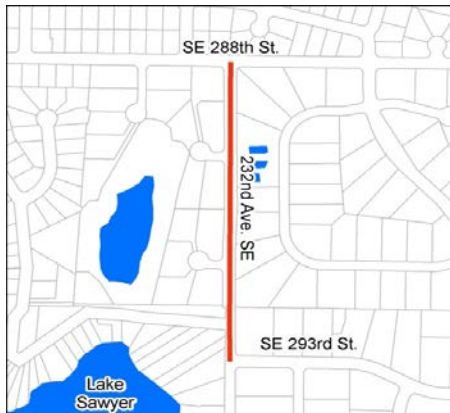
DESCRIPTION Grind and Patch failed areas of the street. Overlay 1600 feet of 232nd Ave SE from 288th Street to SE 293rd Street.

BACKGROUND

COMMENTS

This project is proposed for Transportation Benefit District Funding or pavement preservation funding. REET II will be used for street patching to keep the street within a pavement condition rating for TIB pavement preservation funding.

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Design Engineering	16,000					16,000	
Management and Inspection	10,000					10,000	
Grind and Patching	35,000				35,000		
Overlay contract	82,000					82,000	
TOTAL COSTS	143,000	-	-		35,000	108,000	-
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
TIB pavement Preservation	98,000					98,000	
REET II	35,000				35,000		
Grant Matching	10,000					10,000	
TOTAL SOURCES	143,000	-	-	-	35,000	108,000	-



Capital Plan 2014 - 2019

Project for the	Street Department	#	T12
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PROJECT TITLE	216th Ave SE Overlay		14.06
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DESCRIPTION Grind and Patch the failed pavement sections; Overlay from fog line to fog line or curb. Traffic loops may need to be replaced. Restripe the street by the signal at the Lake Sawyer sign to the Coal Car.

BACKGROUND The City has been keeping up with crack sealing but the road will need an overlay to prevent more rapid deterioration and prevent extra spending on grinding and patching

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Design Engineering	20,000						20,000
Management & Inspection	16,000						16,000
Construction Costs	100,000						100,000
TOTAL COSTS	136,000	-	-	-	-	-	136,000
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Transportation Benefit Dist	136,000						136,000
TOTAL SOURCES	136,000	-	-	-	-	-	136,000



Capital Plan 2014 - 2019

Project for the

Street Department

T13

PROJECT TITLE

1st Ave & RR Ave N & Miner Street

14.07

DESCRIPTION

Grade and pave these gravel streets. Excavation of unsuitable material and import of base rock will be required in some areas. Storm water treatment will be required for the new impervious at a minimum.

BACKGROUND

The public served by these streets do not have the same level of service as most of the City. Although these improvement will not bring in curb, gutter and sidewalks the paved surface will be a significant improvement.

COMMENTS

No costs are shown in the 6 year time frame as this project is expected to be designed and constructed after 2019 to keep the TBD fund in balance

CAPITAL PROJECT COSTS

Design Engineering
Management & Inspection
Construction Costs

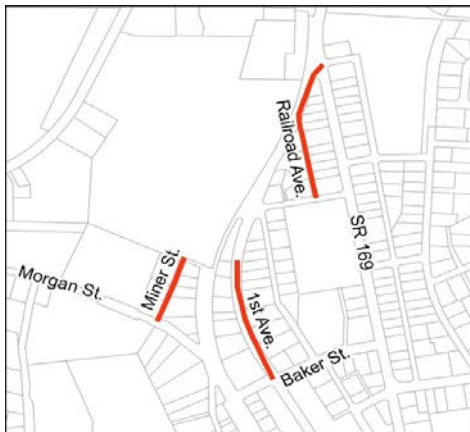
TOTAL COSTS

REQUESTED FUNDING

Transportation Benefit Dist

TOTAL SOURCES

		Capital Plan 2014 - 2019					
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Design Engineering	24,000					24,000	
Management & Inspection	12,000					12,000	
Construction Costs	152,000					152,000	
TOTAL COSTS	188,000	-	-	-	-	188,000	
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Transportation Benefit Dist	188,000					188,000	
TOTAL SOURCES	188,000	-	-	-	-	188,000	



Capital Plan 2014 - 2019

Project for the **Street Department** # **T14**

PROJECT TITLE **Pacific St & 5th St Improvement** **14.08**

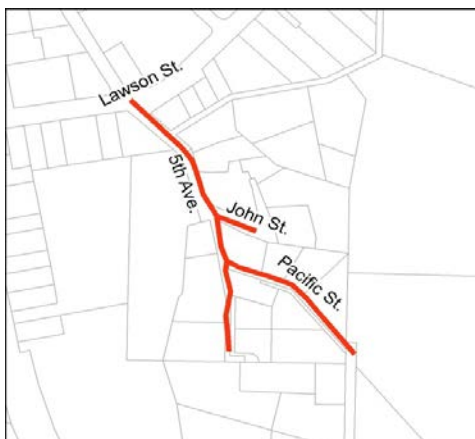
DESCRIPTION

Grind and patch failed sections of 5th and Pacific south of Lawson Street. Overlay 5th Street and Pacific from Lawson Street to the end of the asphalt. Construct and extend the asphalt pavement to the end of the public right of way on 5th and Pacific and a short extension on Johns Street.

BACKGROUND

The pavement condition has been compromised by various utility patches and the gravel sections have been areas of high maintenance.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Design Engineering	16,000						16,000
Management & Inspection	10,000						10,000
Construction Costs	67,000						67,000
TOTAL COSTS	93,000	-	-	-	-	-	93,000
REQUESTED FUNDING							
TIB Pavement Preservation	83,000						83,000
Grant Matching	10,000						10,000
TOTAL SOURCES	83,000	-	-	-	-	-	93,000



Capital Plan 2014 - 2019

Project for the
PROJECT TITLE

Street Department
Street Signs Replacement

T15
14.14

DESCRIPTION

The City is planning to replace 292 street signs(including regulatory signs, warning signs, directional signs, and informational street signs) that do not meet reflectivity requirements. The purpose of this project is to increase safety for night driving and meet new state reflectivity requirements.

BACKGROUND

The public works staff located, photographed and measured the reflectivity of all of the signs in the City. With the information on the condition fo the City's signs the staff applied for a safety grant to replace the signs.

COMMENTS

The City received a Quick Response Safety Program Grant for \$20,923

CAPITAL PROJECT COSTS

Materials Purchasing

Installation

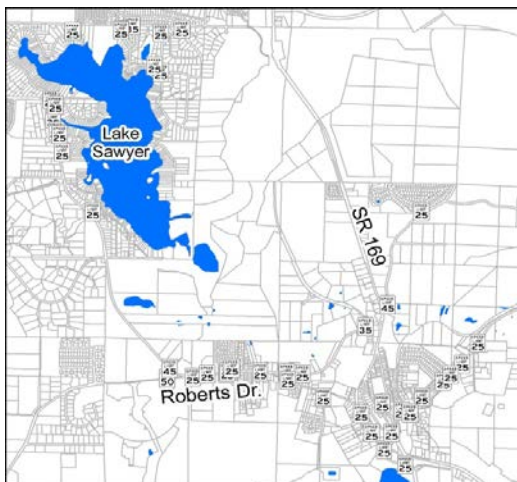
TOTAL COSTS

Capital Plan 2014 - 2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
11,000	11,000					
9,923	9,923					
20,923	20,923	-	-	-	-	-
Capital Plan 2014 - 2019	2014	2015	2016	2017	2018	2019
20,923	20,923					
20,923	20,923	-	-	-	-	-

REQUESTED FUNDING

Federal Safety Grant

TOTAL SOURCES



Capital Plan 2014 - 2019

Project for the	Street Department	#	T16
PROJECT TITLE	Sidewalk Extension		14.18

DESCRIPTION

Extend the City sidewalks along City arterials

BACKGROUND

The City desires to increase the walkability of the City through sidewalk extension projects.

COMMENTS

There are several and various sources of funding for sidewalks. Each program has different criteria. The project description here is general in nature to give the staff flexibility in scoping a sidewalk project to match the grant criteria

CAPITAL PROJECT COSTS

Preliminary Engineering
Engineering, design, bid docs
Project Mngmt/insp
Construction

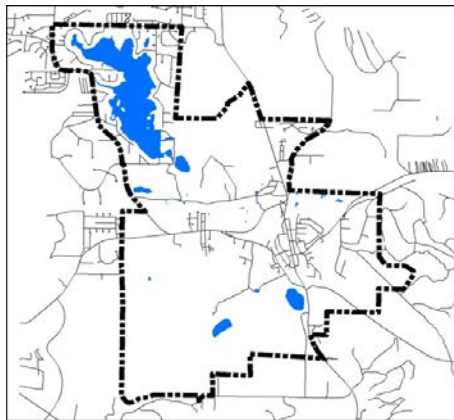
TOTAL COSTS

Capital Plan 2014 - 2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
20,000		20,000				
40,000		40,000				
20,000		20,000				
280,000			280,000			
360,000	-	80,000	280,000	-	-	-
Capital Plan 2014 - 2019						
	2014	2015	2016	2017	2018	2019
324,000		72,000	252,000			
36,000		8,000	28,000			
360,000	-	80,000	280,000	-	-	-

REQUESTED FUNDING

Sidewalk Grant
Grant Matching

TOTAL SOURCES



Capital Plan 2014 - 2019

Project for the

Street Department

T17

PROJECT TITLE

Morgan Creek Road Preservation

DESCRIPTION

Extend the life of the existing pavement with an asphalt seal coat.

BACKGROUND

A Seal Coat can extend the life of the pavement by 5 to 10 years at 1/4

COMMENTS

CAPITAL PROJECT COSTS

Admin, mngmt, Inspection
Construction

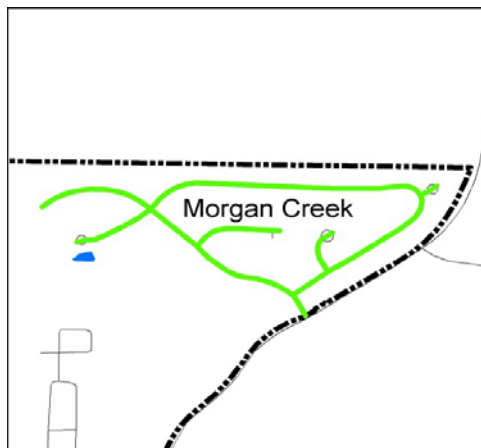
TOTAL COSTS

REQUESTED FUNDING

Transportation Benefit Dist

TOTAL SOURCES

Capital Plan 2014 - 2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
7,000		7,000				
90,000		90,000				
97,000	-	97,000	-	-	-	-
Capital Plan 2014 - 2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
97,000		97,000				
-						
97,000	-	97,000	-	-	-	-



Capital Plan 2014 - 2019

Project for the

Street Department

T18

PROJECT TITLE

Plass Road Rehabilitation

DESCRIPTION

Cut back the overhanging limbs and trees to open up the roadway. Install a turnaround at the north end of the roadway. Patch deteriorated sections.

BACKGROUND

This portion of public road became the City responsibility in 2010 with the annexation of the south Villages property.

COMMENTS

CAPITAL PROJECT COSTS

Admin, mngmt, Inspection

Construction

TOTAL COSTS

Capital Plan 2014 - 2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
5,000		5,000				
20,000		20,000				
25,000	-	25,000	-	-	-	-
Capital Plan 2014 - 2019	2014	2015	2016	2017	2018	2019
25,000		25,000				
-						
25,000	-	25,000	-	-	-	-

REQUESTED FUNDING

Transportation Benefit Dist

TOTAL SOURCES



Water Department CAPITAL PROJECT SUMMARY

Funding Summary by Project							
WATER DEPARTMENT	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
W1 Springs & River Crossing Rehab. Project	3,100,000	1,175,000	1,925,000				
W2 Reservoir Painting and Maintenance	199,000	199,000					
W3 Expanded Power Generation	680,000		140,000	540,000			
W4 Fire Flow Loop - North Commercial Area	800,000					800,000	
W5 Downtown Water Main Replacement	250,000	55,000	195,000				
W6 Springs Trans Main Replacement	800,000					90,000	710,000
W8 Water Comprehensive Plan Update	130,000		80,000	50,000			
W9 4.3 Mil Gal Tank Maintenance & Repairs	30,000						30,000
W10 Water Main Replacement Morgan Street	653,000			82,000			571,000
WATER DEPARTMENT TOTAL PROJECTS	6,642,000	1,429,000	2,340,000	672,000		890,000	1,311,000
Funding Sources							
	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Water Rates							
W8 Water Comprehensive Plan Update	80,000		80,000				
Total Water Rates	80,000		80,000				
Water System & Facilities Funding Agmt (WSFFA)							
W1 Springs & River Crossing Rehab. Project	3,100,000	1,175,000	1,925,000				
W6 Springs Trans Main Replacement	800,000					90,000	710,000
Total WSFFA Funds	3,900,000	1,175,000	1,925,000			90,000	710,000
Grant Funding							
W5 Downtown Water Main Replacement	225,000	50,000	175,000				
Total Grant Funding	225,000	50,000	175,000				
Sewer Loan							
W2 Reservoir Painting and Maintenance	187,000	187,000					
Total Sewer Loan	187,000	187,000					
PWTF Loan							
W10 Water Main Replacement Morgan Street	571,000						571,000
Total PWTF Loan	571,000						571,000
Other Undetermined Loan							
W3 Expanded Power Generation	680,000		140,000	540,000			
Total Other Undetermined Loan	680,000		140,000	540,000			
Developer Funding							
W4 Fire Flow Loop - North Commercial Area	800,000					800,000	
W8 Water Comprehensive Plan Update	50,000			50,000			
Total Developer Funding	850,000			50,000		800,000	
Real Estate Excise Taxes II							
W2 Reservoir Painting and Maintenance	12,000	12,000					
W5 Downtown Water Main Replacement	25,000	5,000	20,000				
W9 4.3 Mil Gal Tank Maintenance & Repairs	30,000						30,000
W10 Water Main Replacement Morgan Street	82,000			82,000			
Total Real Estate Excise Taxes II	149,000	17,000	20,000	82,000			30,000
TOTAL FUNDING FOR WATER PROJECTS	6,642,000	1,242,000	2,260,000	672,000		890,000	1,311,000
Debt Funding							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
W3 Expanded Power Generation	113,047				37,682	37,682	37,682
W2 Reservoir Painting and Maintenance	189,814		37,963	37,963	37,963	37,963	37,963
TOTAL NON CAPITAL OPERATING	302,862		37,963	37,963	75,645	75,645	75,645

Capital Plan 2014 - 2019

Project for the	Water Department	#	W1
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PROJECT TITLE	Springs & River Crossing Rehab. Project	13.06
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DESCRIPTION Improvements to the City's spring collection facilities. Replacement of 1,300 lineal ft. of piping from the springs across the Green River to the North Bank Pump Station. Install a series of new pumps for greater pumping efficiency. Replace the chlorine injection system. Upgrade the controls and telemetry. Restoring the power generation capability has been moved to a separately tracked project.

BACKGROUND This is a capacity and system reliability project funded by the Water Supply and Facilities Funding Agreement (WSFFA). The Funding agreement anticipated the seeking low interest financing for this project. There is a very good opportunity to obtain a PWTF loan this next year which will secure the funding for this project no matter what happens to the economy. The Property Owners funding the WSFFA projects will make the Public Works Trust Fund payments with back up surety guaranteeing payment.

COMMENTS The project described above is proposed as the first phase of the WSFFA springs project. The second phase is the project **W5**.

CAPITAL PROJECT COSTS

Preliminary Engineering
Design Engineering
Project Management
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

Water Syst & Fac. Fndg Agrmt.

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
-						
100,000	100,000					
200,000	75,000	125,000				
2,800,000	1,000,000	1,800,000				
3,100,000	1,175,000	1,925,000	-	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
3,100,000	1,175,000	1,925,000	-			
3,100,000	1,175,000	1,925,000	-	-	-	-



swinging bridge river crossing

Capital Plan 2014 - 2019

Project for the **Water Department** # **W2**

PROJECT TITLE **Reservoir Painting and Maintenance** 13.07

DESCRIPTION Repaint the 0.5 MG reservoir inside and out.

BACKGROUND The paint job has lasted over twenty years but must be repainted soon before sandblasting to metal is needed. A PWTF loan still is a possibility and could provide financing on a 10 year term at a 0.5% interest rate.

COMMENTS The budget was increased from the 2013 budget because of the paint condition, need for an additional access port, tank mixing and staff costs. The preliminary engineering will start in 2013 as budgeted. Loan for five years at .5 % interest will be repaid from water operating revenue.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Design Engineering & bid docs	27,000	27,000					
specialty inspection	5,000	5,000					
Tank Painting & improvements	141,000	141,000					
Project management	26,000	26,000					
TOTAL COSTS	199,000	199,000	-	-	-	-	-
REQUESTED FUNDING							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Sewer Loan	187,000	187,000					
Real Estate Excise Tax II	12,000	12,000					
TOTAL SOURCES	199,000	199,000	-	-	-	-	-
DEBT FUNDING							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Internal Sewer Loan	189,814		37,963	37,963	37,963	37,963	37,963
TOTAL DEBT FUNDING	189,814	-	37,963	37,963	37,963	37,963	37,963



Old Lawson Hill 500,000
Gallon Tank

Capital Plan 2014 - 2019

Project for the	Water Department	#	W3
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PROJECT TITLE	Expanded Power Generation	14.09
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DESCRIPTION	Replace the turbine, gear box and pump with a new larger turbine, electrical generator and connections to the power grid. The penstock and spring overflow pipes needs to be replaced and upsized. The tail race discharge needs to be replaced.
BACKGROUND	This project will provide a source of green energy, prevent south bank erosion, reduce the risk of landslides into the Green River, reduce turbidity in the Green River and protect the stability of the spings collection sites. The City hopes to partner with an environmental group or a local tribe for the construction of a salmon spawning bed with the cool clean discharge water from the power generation.
COMMENTS	Once the City has a back up power generation functioning at the spring site again, the project will reduce the water systems power costs by approximately \$20,000 per year. The City has not yet determined how much additional clean energy could be generated.

		Capital Plan 2014 - 2019					
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Permitting & Grants	40,000		40,000				
Engineering	100,000		100,000				
Project Management	40,000			40,000			
Construction Costs	500,000			500,000			
TOTAL COSTS	680,000	-	140,000	540,000	-	-	-
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Low interest energy loan	680,000		140,000	540,000			
TOTAL SOURCES	680,000	-	140,000	540,000	-	-	-
DEBT FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
WSFFA Partners	113,047				37,682	37,682	37,682
TOTAL DEBT FUNDING	113,047	-	-		37,682	37,682	37,682



Capital Plan 2014 - 2019

Project for the	Water Department	#	W4
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PROJECT TITLE	Fire Flow Loop - North Commercial Area	13.08
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DESCRIPTION Replace 200 feet of 4 inch asbestos concrete with 100 feet of 12 inch ductile iron water main across SR 169 at the power substation; Complete a 900 foot 12 inch ductile iron water main loop from Cedar Brook Mobile Home Park to the 6 inch asbestos water main behind Boots Tavern

BACKGROUND This is a capacity and system reliability project. Other commercial properties development along SR-169 may also be contributing or constructing portions of this project.

COMMENTS This project does not describe what is needed to provide fire flow and redundant service to the north triangle but rather is the minimum to provide a looped system for the north part of the existing city system. Yarrow Bay commercial development in the North Triangle with required water line looping will make this project a lower priority.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Construction Costs	800,000					800,000	
TOTAL COSTS	800,000	-	-	-	-	800,000	-
	Total \$ Requested 2014-2019						
		2014	2015	2016	2017	2018	2019
REQUESTED FUNDING							
Developer Funded	800,000					800,000	
TOTAL SOURCES	800,000	-	-	-	-	800,000	-



Capital Plan 2014 - 2019

Project for the **Water Department** # **W5**

PROJECT TITLE **Downtown Water Main Replacement** **14.10**

DESCRIPTION

Replace 750 feet of 6 inch asbestos water main with 750 feet of 8 inch ductile iron pipe RR Ave north of Morgan Street. Extend the 8 inch water main on first Ave 200 feet to complete a loop and eliminate a dead end line in the King County Housing Authority project. Replace 350 feet of 1.25 inch iron pipe and loop the line to Park Street or Miner Street.

BACKGROUND

This project will improve water quality by eliminating three dead end lines, Improve system reliability by removing substandard pipe material (asbestos), Improve water system functionality by providing a well connected grid of watermains and Improve fire flow by better connectivity.

COMMENTS

It should be noted that asbestos water pipe does not present a health hazard to the public water supply. The city has tests for asbestos in the water system and has found that the water supplied to the general public meets all the public health standards.

CAPITAL PROJECT COSTS

Engineering
Project Management
Construction
Inspection

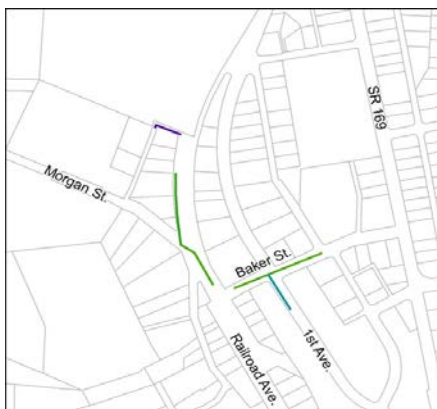
TOTAL COSTS

REQUESTED FUNDING

Com Dev Block Grant
REET II

TOTAL SOURCES

Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
Engineering	50,000					
Project Management	15,000	5,000	10,000			
Construction	175,000		175,000			
Inspection	10,000		10,000			
TOTAL COSTS	250,000	55,000	195,000	-	-	-
Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
Com Dev Block Grant	225,000	50,000	175,000			
REET II	25,000	5,000	20,000			
TOTAL SOURCES	250,000	55,000	195,000	-	-	-



Capital Plan 2014 - 2019

Project for the **Water Department** # **W6**

PROJECT TITLE *Springs Trans Main Replacement* **13.09**

DESCRIPTION

Replace 8000 feet of 8 inch asbestos concrete (AC) with 12 inch ductile iron (DI) from the North Bank Pump Station to tie in to the existing 12" Spring Supply Main.

BACKGROUND

This is a capacity and system reliability project funded by the Water Supply Facilities Funding Agreement.

COMMENTS

It should be noted that asbestos water pipe does not present a health hazard to the public water supply. The city has tested for asbestos in the water system and found that the water supplied to the general public meets all the public health standards.

CAPITAL PROJECT COSTS

Design Engineering
Project Management/inspection
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

Water Syst & Fac. Funding Agrmt.

TOTAL SOURCES

Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
	2014	2015	2016	2017	2018	2019
Design Engineering					90,000	
Project Management/inspection						110,000
Construction Costs						600,000
TOTAL COSTS	800,000	-	-	-	90,000	710,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
	2014	2015	2016	2017	2018	2019
Water Syst & Fac. Funding Agrmt.	800,000				90,000	710,000
TOTAL SOURCES	800,000	-	-	-	90,000	710,000



Capital Plan 2014 - 2019

Project for the **Water Department** # **W8**

PROJECT TITLE **Water Comprehensive Plan Update** **14.12**

DESCRIPTION The Department of Health requires an update of the Water Comprehensive Plan every 6 years. The City is due to update the Water Comprehensive Plan in 2015.

COMMENTS The Public Works Department will update the Water Comprehensive Plan primarily with in house staff with assistance from an outside consultant for water system modeling.

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Project Management	130,000		80,000	50,000			
TOTAL COSTS	130,000	-	80,000	50,000	-	-	-
REQUESTED FUNDING							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Water Rates	80,000		80,000				
Developer Funded	50,000			50,000			
TOTAL SOURCES	130,000	-	80,000	50,000	-	-	-

City of Black Diamond

Water System Comprehensive Plan



Capital Plan 2014 - 2019

Project for the	Water Department	#	W9
PROJECT TITLE	4.3 Mil Gal Tank Maintenance & Repairs		14.11

DESCRIPTION

The 4.3 million gallon water tank will be 10 years old in 2016. The tank will need be drained and any and all spots of corrosion or paint damage will need to be spot treated to help preserve the over all inside and exterior coatings.

COMMENTS

This project while it is a maintenance project does extend the life of the asset by about 5 to 10 years and therefore is included in this Capital Improvement Plan

	Total \$ Requested 2014-2019	Capital Plan 2014 - 2019					
		2014	2015	2016	2017	2018	2019
CAPITAL PROJECT COSTS							
Water Tank Maintenance	30,000						30,000
TOTAL COSTS	30,000	-	-	-	-	-	30,000
	Total \$ Requested 2014-2019						
		2014	2015	2016	2017	2018	2019
REQUESTED FUNDING							
REET II	30,000						30,000
TOTAL SOURCES	30,000	-	-	-	-	-	30,000



Project for the

PROJECT TITLE

Water Department

Water Main Replacement Morgan Street

W10

14.13

DESCRIPTION

Replace 3350 feet of 6 inch asbestos water main from Commission to Roberts Drive including the 350 feet of 6 inch asbestos pipe in Terrace Place.

BACKGROUND

This project will improve fire flows to the Morganville area and replace substandard pipe that is nearing its useful performance life. This is a maintenance project funded by existing customers. The PWTF loan will run 20 years with the first payment of \$31,642.14 per year beginning in 2020.

COMMENTS

It should be noted that asbestos water pipe does not present a health hazard to the public water supply. The city has tests for asbestos in the water system and has found that the water supplied to the general public meets all the public

CAPITAL PROJECT COSTS

Preliminary Engineering
Engineering, design, bid docs
Project Mngmt/insp
Construction
Contingency
Capital Outlay
Other (Specify)

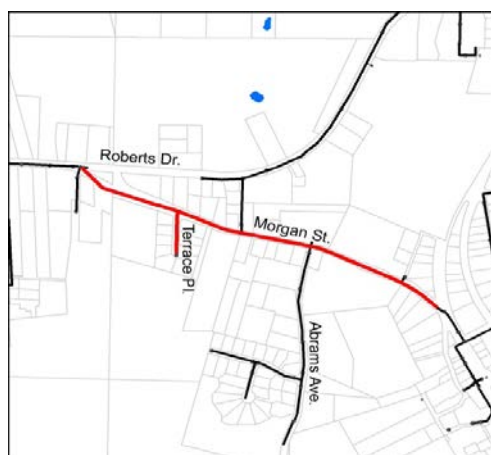
TOTAL COSTS

REQUESTED FUNDING

REET II
PWTF Loan

TOTAL SOURCES

		Capital Plan 2014 - 2019					
Capital Plan 2014 - 2019		2014	2015	2016	2017	2018	2019
Preliminary Engineering	20,000			20,000			
Engineering, design, bid docs	62,000			62,000			
Project Mngmt/insp	40,000						40,000
Construction	481,000						481,000
Contingency	50,000						50,000
Capital Outlay	0						
Other (Specify)	0						
TOTAL COSTS	653,000	-	-	82,000	-	-	571,000
Capital Plan 2014 - 2019		2014	2015	2016	2017	2018	2019
REET II	82,000			82,000			
PWTF Loan	571,000						571,000
TOTAL SOURCES	653,000	-	-	82,000	-	-	571,000



CAPITAL PROJECT SUMMARY

Expenditure Summary by Project							
SEWER DEPARTMENT	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
S1 Infiltration and Inflow Reduction Program	180,000	30,000	30,000	30,000	30,000	30,000	30,000
S2 Public Works Facilities and Equipment	3,100,000				100,000	500,000	2,500,000
S3 Morganville Force Main Reroute	460,000			20,000	440,000		
S4 Cedarbrook Sewer Main	250,000			250,000			
SEWER DEPT TOTAL PROJECTS	3,990,000	30,000	30,000	300,000	570,000	530,000	2,530,000
Funding Sources							
REET II	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
S2 Public Works Facilities and Equipment	100,000				100,000		
S3 Morganville Force Main Reroute	20,000			20,000			
Total REET II	120,000			20,000			
REET I	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
S2 Public Works Facilities and Equipment	500,000					500,000	
Total REET I	500,000					500,000	
Sewer Reserves, New Customers & Conn. Fees							
S1 Infiltration and Inflow Reduction Program	180,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Sewer Reserves, New Customers & Conn. Fees	180,000	30,000	30,000	30,000	30,000	30,000	30,000
Public Works Trust Fund Loan							
S2 Public Works Facilities and Equipment	2,500,000						2,500,000
S3 Morganville Force Main Reroute	440,000				440,000		
S4 Cedarbrook Sewer Main	250,000			250,000			
Total Public Works Trust Fund Loans	3,190,000			250,000	440,000		2,500,000
TOTAL FUNDING FOR SEWER PROJECTS	3,990,000	30,000	30,000	280,000	470,000	530,000	2,530,000
DEBT FUNDING							
S2 Public Works Facilities and Equipment	38,791					5,542	33,249
S3 Morganville Force Main Reroute	48,765					24,383	24,383
S4 Cedarbrook Sewer Main	41,561				13,854	13,854	13,854
TOTAL DEBT FUNDING FOR SEWER PROJECTS	129,118				13,854	43,778	71,486

Capital Plan 2014 - 2019

Project for the	Sewer Department	#	S1
PROJECT TITLE	Infiltration and Inflow Reduction Program		13.10

DESCRIPTION

Funding for I & I includes investigations, such as: TV inspections, smoke testing, flow monitoring, and then Repair Work such as: pipe rehabilitation, sealing, requiring private line replacement, manhole repair and sewer line replacement.

BACKGROUND

The City needs to reduce the infiltration and inflow as good stewardship and maintenance of the existing sewer system. The City also desires to preserve and recapture capacity in the wastewater system by reducing and controlling the peak flows.

CAPITAL PROJECT COSTS

Design & Construction

TOTAL COSTS

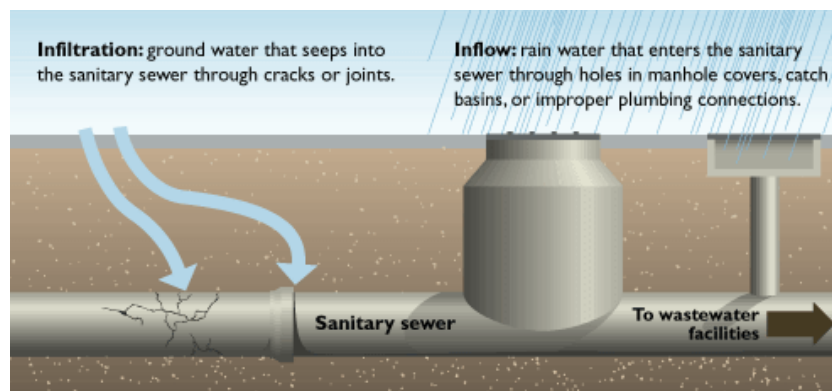
REQUESTED FUNDING

REQUESTED FUNDING

Sewer Reserve

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
180,000	30,000	30,000	30,000	30,000	30,000	30,000
180,000	30,000	30,000	30,000	30,000	30,000	30,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
180,000	30,000	30,000	30,000	30,000	30,000	30,000
180,000	30,000	30,000	30,000	30,000	30,000	30,000



Capital Plan 2014 - 2019

Sewer Department		S2
PROJECT TITLE	Public Works Facilities and Equipment	13.13

DESCRIPTION

The City is in need for several additional facilities and equipment. Such as better and larger materials handling and storage facilities; a street sweeper/vactor equipment; shop improvements; and maintenance employee facilities. As the City grows these needs will increase.

BACKGROUND

The City intends to out-source vactor and sweeping services as long as this method is cost effective. The City will also be evaluating the potential of equipment sharing with Maple Valley and Covington.

COMMENTS

Costs and timing will be revisited in the next annual update of the CIP after the results of the General Government Facilities Mitigation Charge Study is complete. The PWTF loan will be for 20 years at 1% interest. The payment will be approximately \$144,079.82 split among the utilities; 13% for Street, and 29% each will come from Water, Sewer and Stormwater. The General Facility Charge may pay for a portion of the debt service. Land purchases will need a transfer from REET I.

Engineering and Environmental
Site Improvements & Property costs
Construction Costs
Major Equipment Purchases
TOTAL COSTS

REQUESTED FUNDING

REET I
REET II
PWTF Loan

TOTAL SOURCES

DEBT FUNDING

PWTF Loan

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
200,000				100,000		100,000
500,000					500,000	
2,000,000						2,000,000
400,000						400,000
3,100,000	-	-	-	100,000	500,000	2,500,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
500,000					500,000	
100,000				100,000		
2,500,000						2,500,000
3,100,000	-	-	-	100,000	500,000	2,500,000
	38,791				5,542	33,249



Capital Plan 2014 - 2019

Project for the	Sewer Department	#	S3
PROJECT TITLE	Morganville Force Main Reroute		13.12

DESCRIPTION

Reroute the flows from the Morgan Street Sewer pump station from pumping to the Jones Lake Pump Station to pump to the new King County western storage facility. The new force main will be about 3500 feet from Morgan Street west along Roberts Drive and northwest along Lake Sawyer Road East.

BACKGROUND

This project is necessary to reduce sewer flows to the Black Diamond pump station (Jones Lake pump station) to provide capacity for infill in the old part of Black Diamond.

COMMENTS

If there is an interim MPD need for directing flows from the Villages to Jones Lake pump station, most of this project might be constructed by the MPD developer. The Public Works Trust Fund Loan of 20 years generates a debt payment of \$24,382.74 per year at 1%.

CAPITAL PROJECT COSTS

Preliminary Engineering
Design Engineering
Construction Costs
TOTAL COSTS

Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
20,000			20,000			
40,000				40,000		
400,000				400,000		
460,000	-	-	20,000	440,000	-	-

Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
20,000	-	-	20,000		-	-
440,000				440,000		
460,000	-	-	20,000	440,000	-	-

REQUESTED FUNDING

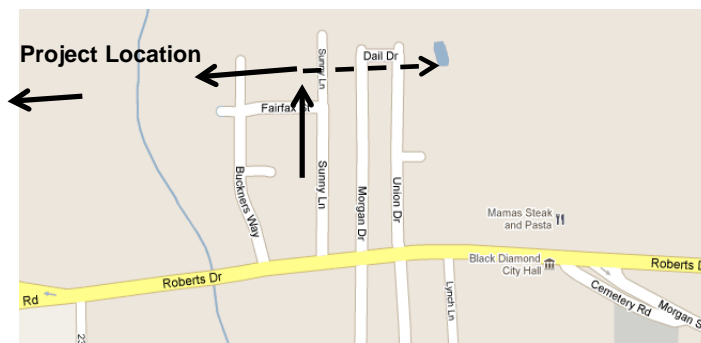
Reet II
PWTF

TOTAL SOURCES

DEBT FUNDING

PWTF

48,765	24,383	24,383
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Capital Plan 2014 - 2019

Project for the	Sewer Department	#	S4
PROJECT TITLE	Cedarbrook Sewer Main		13.11

DESCRIPTION

Acquire City easement through the trailer park. Rehabilitate the existing sewer main to provide reliable public sewer service to the customers in the north east portion of the City.

BACKGROUND

There is a possibility that this area will redevelop and sewer collection improvements will be required through the permitting process that may reduce the scope of this project.

COMMENTS

This project reflects rehabilitation costs of the existing sewer not total replacement. A 20 year Public Works Trust Fund Loan will generate a debt payment of \$13,853.83 per year at 1%.

CAPITAL PROJECT COSTS

Design Engineering

TOTAL COSTS

REQUESTED FUNDING

PWTF

TOTAL SOURCES

DEBT FUNDING

PWTF

Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
250,000			250,000			
250,000	-	-	250,000	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
250,000	-	-	250,000		-	-
250,000	-	-	250,000	-	-	-
41,561				13,854	13,854	13,854



Stormwater Department

CAPITAL PROJECT FUNDING SUMMARY

Expenditure Summary by Project

Project Name		Capital Plan 2014 - 2019						
		Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
D1	13.14 Lake Sawyer Road Culvert and Guardrail	320,000		70,000	250,000			
D2	13.15 North Commercial and SR 169 Stormwater T	870,000	40,000	80,000	750,000			
D3	14.15 5th Ave Reconstruction	75,000					75,000	
D4	14.16 Ginder Creek Headwall	70,000					20,000	50,000
D5	14.17 1st Ave & RR Ave & Miner Street	80,000						80,000
TOTAL EXPENDITURES		1,415,000	40,000	150,000	1,000,000		95,000	130,000

Funding Sources

Project Name		Total \$ Requested 2013-2018	2014	2015	2016	2017	2018	2019
GRANTS								
D1	13.14 Lake Sawyer Road Culvert and Guardrail	290,000		40,000	250,000			
D2	13.15 North Commercial and SR 169 Stormwater T	650,000			650,000			
Total Ecology Grants		940,000		40,000	900,000			
REET II								
D1	13.14 Lake Sawyer Road Culvert and Guardrail	30,000		30,000				
D2	13.15 North Commercial and SR 169 Stormwater T	60,000	40,000	20,000				
D3	14.15 5th Ave Reconstruction	75,000					75,000	
D4	14.16 Ginder Creek Headwall	70,000					20,000	50,000
D5	14.17 1st Ave & RR Ave & Miner Street	80,000						80,000
Total REET II		315,000	40,000	50,000			95,000	130,000
Developer Funded								
D2	13.15 North Commercial and SR 169 Stormwater T	160,000		60,000	100,000			
Total Developer Funded		160,000		60,000	100,000			
TOTAL FUNDING FOR STORMWATER		1,415,000	40,000	150,000	1,000,000		95,000	130,000

Capital Projects 2014 - 2019

Project for the	Stormwater Department	#	D1
PROJECT TITLE	Lake Sawyer Road Culvert and Guardrail		13.14

DESCRIPTION Replacing Stormwater Infrastructure: Replace the three 72 inch corrugated metal culverts with a bottomless concrete box culvert and install guard rails to protect vehicles from running into the creek. The summer 2012 inspections found the culverts to be structurally sound, but with serious corrosion and pitting in the lower third of the culverts and a few areas where corrosion has opened holes in the culvert. The culverts could be lined to preserve their structural integrity at about a third of the cost of replacement.

BACKGROUND The existing three culverts may impede the upstream migration of salmon. The existing corrugated metal culverts are showing signs of corrosion. The guard rails will protect the environment from errant stray vehicles.

COMMENTS Grant funding is anticipated and included in the financing for this project. If grant funding is not received, in the next couple of years the culvert lining project will need to be scheduled with City funds before the culverts deteriorate too much more.

Capital Projects 2014 - 2019							
	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
Design Engineering	70,000		70,000				
Construction	250,000			250,000			
TOTAL COSTS	320,000	-	70,000	250,000	-	-	-
	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
Grants (Dept of Ecology)	290,000		40,000	250,000			
Reet II	30,000		30,000				
TOTAL SOURCES	320,000	-	70,000	250,000	-	-	-



Capital Projects 2014 - 2019

Project for the	Stormwater Department	#	D2
PROJECT TITLE	North Commercial and SR 169 Stormwater Treatment Pond		13.15

DESCRIPTION

Construct a wetpond and bioswale combined treatment facility to provide maximum phosphorous removal along Roberts Drive on existing City property. The facility will provide treatment and detention for commercial property and road runoff from the Roberts Drive intersection with SR 169 north to the Cedarbrook Mobile Home Park.

BACKGROUND

Whereas there is a total maximum daily load (TMDL) on Lake Sawyer for phosphorous, the city should look for opportunities to reduce phosphorous inputs from existing untreated stormwater discharges. Stormwater outfall discharges from the commercial area and the state route appear to have the highest pollutant loadings as compared to other City stormwater outfalls.

COMMENTS

The City should look for grant opportunities and private developer contribution opportunities to upgrade the treatment of the stormwater discharges into Ginder Creek. A joint project with a developer may also be possible.

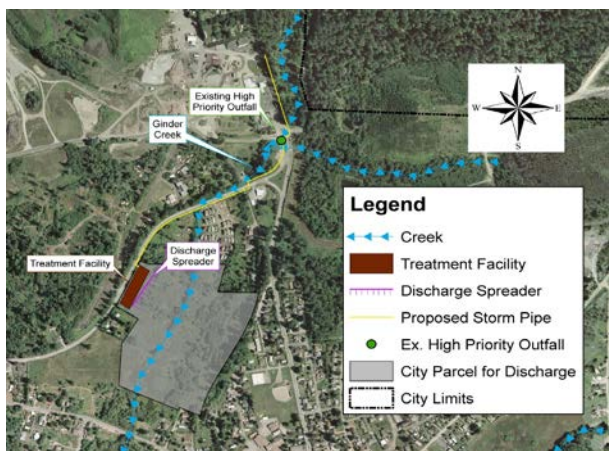
Preliminary Engineer/Permitting
Design Engineering
Construction

TOTAL COSTS

Grant
REET II
Developer Funded

TOTAL SOURCES

Capital Projects 2014 - 2019						
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
40,000	40,000					
80,000		80,000				
750,000			750,000			
870,000	40,000	80,000	750,000	-	-	-
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
650,000			650,000			
60,000	40,000	20,000				
160,000		60,000	100,000			
870,000	40,000	80,000	750,000	-	-	-



Example of a Bioswale to Help Filter Storm Water

Capital Projects 2014 - 2019

Project for the	Stormwater Department	# D3
PROJECT TITLE	5th Ave Reconstruction	14.15

DESCRIPTION

This is the storm water treatment and detention project for the roadway runoff from the 5th Ave Reconstruction project. Approximately 1000 feet of storm pipe, catch basins and a wet pond and dispersal trench. Locating the wet pond on the City's Public Works lot may be an option.

BACKGROUND

Whereas this project will require treatment and detention of the storm water runoff according to the department of Ecology storm water manual for the entire street, the Storm water utility needs to fund the improvements to the storm water system bringing treatment and detention up to code.

COMMENTS

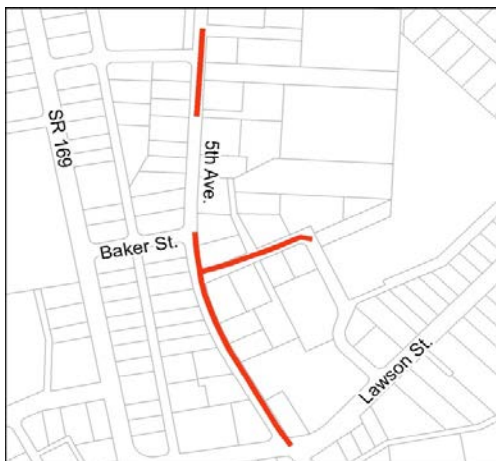
Construction

TOTAL COSTS

REET II

TOTAL SOURCES

Capital Projects 2014 - 2019						
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
75,000					75,000	
75,000	-	-	-	-	75,000	-
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
75,000					75,000	
75,000	-	-	-	-	75,000	-



Capital Projects 2014 - 2019

Project for the	Stormwater Department	#	D4
<i>PROJECT TITLE</i>	Ginder Creek Headwall		14.16

DESCRIPTION

Reconstruct an 80 foot section of the Ginder Creek Headwall along the north side of Roberts Drive

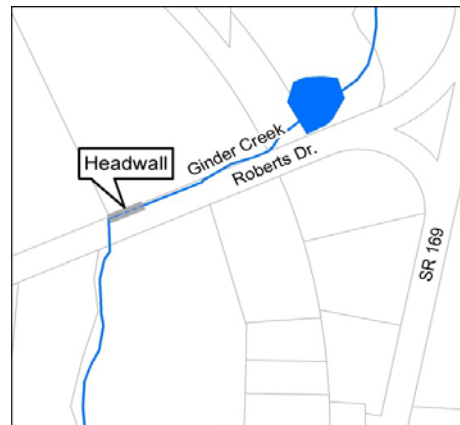
BACKGROUND

The base of the existing concrete headwall was not constructed deep enough so that high flows in Ginder Creek have undermined the headwall destabilizing the wall. The headwall has been slowly tilting into the Creek. Staff has braced the headwall as an interim step to hold the wall in position.

COMMENTS

This project is needed to protect the roadway and prevent the erosion that would occur if the headwall tipped over. A significant amount of the cost of this project will be related to environmental permitting.

Capital Projects 2014 - 2019						
Total Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
Preliminary Engineer/Permitting					10,000	
Design Engineering					10,000	
Construction						50,000
TOTAL COSTS	70,000	-	-	-	20,000	50,000
Total Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
REET II	70,000				20,000	50,000
TOTAL SOURCES	70,000	-	-	-	20,000	50,000



Capital Projects 2014 - 2019

Project for the	Stormwater Department	#	D5
PROJECT TITLE	1st Ave & RR Ave & Miner Street		14.17

DESCRIPTION

Provide Storm pipe, catch basins, and storm pond for the collection and treatment of stormwater transportation project T10. Vacant portions of Railroad Ave may be able to be used for storm water treatment and discharge.

BACKGROUND

Whereas this project will require treatment and detention of the storm water runoff according to the department of Ecology storm water manual for the entire street, the Storm water utility needs to fund the improvements to the storm water system bringing treatment and detention up to code.

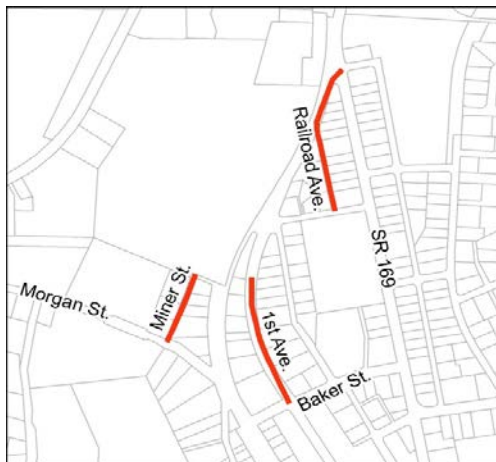
Construction

TOTAL COSTS

Reet II

TOTAL SOURCES

Capital Projects 2014 - 2019						
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
80,000						80,000
80,000	-	-	-	-	-	80,000
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
80,000						80,000
80,000	-	-	-	-	-	80,000

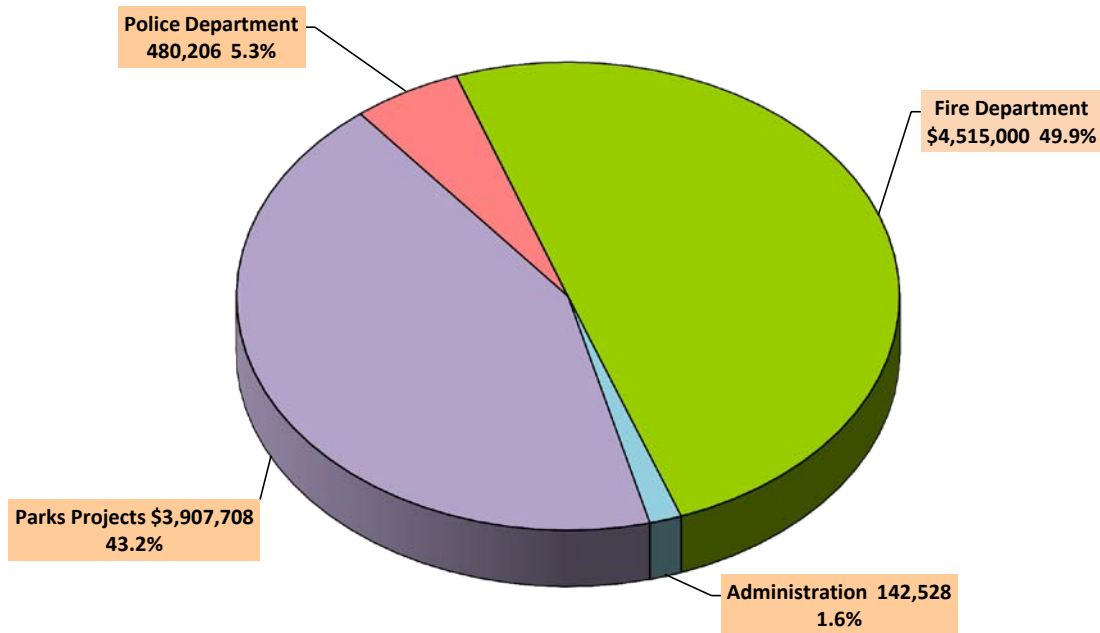


General Government Department Summary

Capital Improvement Plan 2014 - 2019

	Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
Parks Department	3,907,708	137,708	15,000	140,000	615,000	365,000	2,635,000
Public Safety							
Police Department (incl Tech)	480,206	70,710	124,180	128,125	68,339	70,407	18,445
Fire Department	4,515,000	390,000	600,000	-	125,000	450,000	2,950,000
Subtotal	4,995,206	460,710	724,180	128,125	193,339	520,407	2,968,445
General Government							
City Technology (not Police)	117,528	20,113	19,763	19,713	18,513	19,713	19,713
Reroof Police Building	25,000	25,000	-	-	-	-	-
Subtotal	142,528	45,113	19,763	19,713	18,513	19,713	19,713
TOTAL Projected Expenditures	\$ 9,045,442	\$ 505,823	\$ 743,943	\$ 147,838	\$ 211,852	\$ 540,120	\$ 2,988,158

General Government CIP by Type of Funding Total: \$9,045,442



CAPITAL IMPROVEMENT PLAN 2014 - 2019

CIP General Government Summary of Projects								
		Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
POLICE PROJECTS								
L1	Police Technology	106,270	15,060	16,763	18,333	18,425	19,245	18,445
L2	Patrol Car Replacement Plan	339,836	46,350	95,018	97,393	49,914	51,162	
L3	Police Radio Replacement	34,100	9,300	12,400	12,400			
TOTAL POLICE PROJECTS		480,206	70,710	124,180	128,125	68,339	70,407	18,445
FIRE DEPARTMENT PROJECTS								
F1	Replace Primary Fire Engine 98	365,000	365,000					
F2	Replace Reserve Engine	600,000		600,000				
F3	Replace Aid Car	225,000					225,000	
F4	Replace Brush Truck Chassis	85,000					85,000	
F5	New Fire Station and Equipment (Growth)	3,240,000	25,000			125,000	140,000	2,950,000
TOTAL FIRE PROJECTS		4,515,000	390,000	600,000		125,000	450,000	2,950,000
PARKS PROJECTS								
P1	Lake Sawyer Boat Launch Park Upgrades	481,425	81,425		50,000	350,000		
P2	Ginder Creek Trail Construction	41,283	41,283					
P3	Grant Matching Funds	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P4	Forestry Management (Tree Fund)	30,000	5,000	5,000	5,000	5,000	5,000	5,000
P5	Regional Trail System	200,000					100,000	100,000
P6	Lake Sawyer Regional Park Enhancements	3,075,000			75,000	250,000	250,000	2,500,000
P7	Union Stump Memorial Parking	20,000						20,000
TOTAL PARKS PROJECTS		3,907,708	137,708	15,000	140,000	615,000	365,000	2,635,000
ADMINISTRATION & CITY PROJECTS								
A1	City Technology Upgrades	117,528	20,113	19,763	19,713	18,513	19,713	19,713
A2	Reroof Police Building	25,000	25,000					
TOTAL ADMINISTRATION & CITY PROJECTS		142,528	45,113	19,763	19,713	18,513	19,713	19,713
TOTAL GENERAL GOVT CAPITAL PROJECTS		9,045,442	643,531	758,943	287,838	826,852	905,120	5,623,158

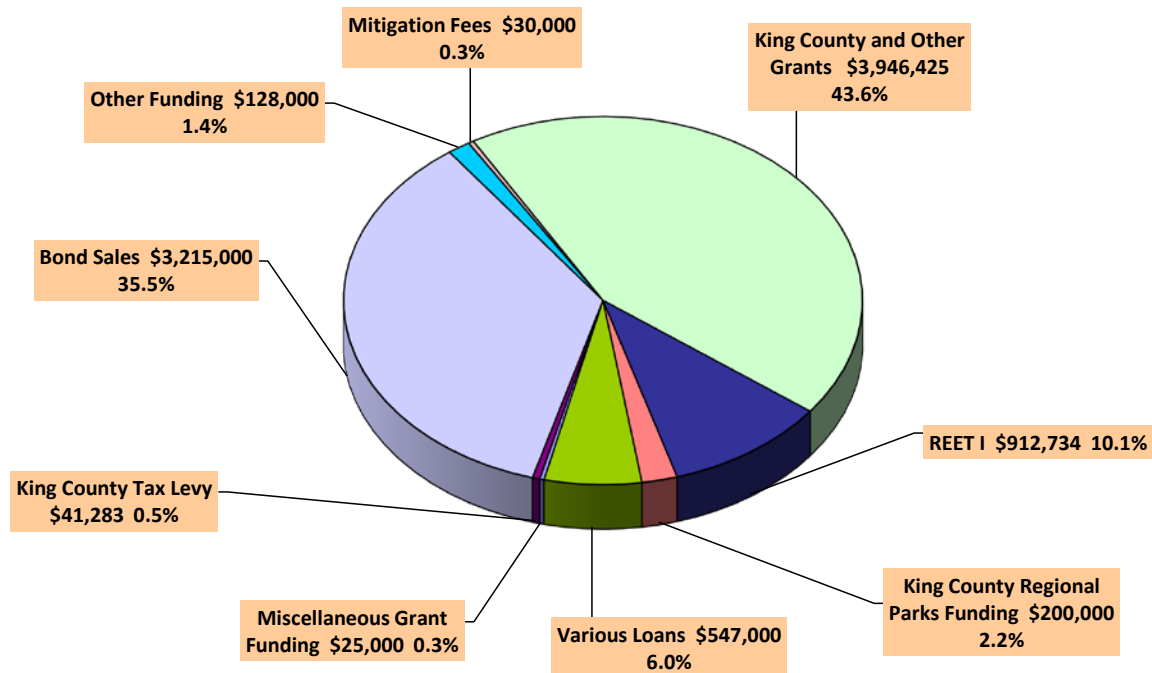
CIP General Government FUNDING Summary									
Capital Improvement Plan 2013 - 2018			Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
REET I FUNDING									
L1	Police Technology	106,270	15,060	16,763	18,333	18,425	19,245	18,445	
L2	Patrol Car Replacement Plan	339,836	46,350	95,018	97,393	49,914	51,162		
L3	Police Radio Replacement	34,100	9,300	12,400	12,400				
F2	Replace Reserve Engine	60,000		60,000					
F5	New Fire Station Study	25,000	25,000						
P1	Lake Sawyer Boat Launch Park Upgrades	50,000			50,000				
P3	Grant Matching Funds	60,000	10,000	10,000	10,000	10,000	10,000	10,000	
P6	Lake Sawyer Regional Park Improvements	75,000				75,000			
P7	Union Stump Memorial Park	20,000							20,000
A1	City Technology Upgrades	117,528	20,113	19,763	19,713	18,513	19,713		
A2	Reroof Police Building	25,000	25,000						
Total REET I Funding for Gen Govt CIP PROJECTS			912,734	150,823	213,943	207,838	171,852	100,120	68,158
LOANS FOR FINANCING									
F1	Engine 98 Replace (Loan Payment 10 yr)	240,000	240,000						
F3	Replace Aid Car (Loan Payment 12 yr)	225,000					225,000		
F4	Replace Brush-Truck Chassis	82,000					82,000		
Total Loans			547,000	240,000			307,000		
GRANT FUNDING									
F2	Replace Reserve Engine	540,000	540,000						
P1	Lake Sawyer Boat Launch Park Upgrades	406,425	56,425			350,000			
P6	Lake Sawyer Regional Park Improvements	3,000,000					250,000	2,750,000	
Total Grant Funding			3,946,425	56,425	540,000	350,000	250,000	2,750,000	
KING COUNTY CONSERVATION DISTRICT FUNDING									
P5	Regional Trail Systems	200,000	100,000	100,000					
Total King County Conservation District Funding			200,000	100,000	100,000				
MISCELLANEOUS GRANT FUNDING									
P1	Lake Sawyer Boat Launch Park Improvements	25,000	25,000						
Total Miscellaneous Grant Funding			25,000	25,000					

CIP General Government FUNDING Summary (Continued)							
Capital Improvement Plan 2013 - 2018	Total \$ Project 2013 - 2018	2013	2014	2015	2016	2017	2018
DEVELOPER/MITIGATION							
P4 Forestry Management Funds	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Developer/Mitigation Funding	30,000	5,000	5,000	5,000	5,000	5,000	5,000
BOND SALES							
F5 New Fire Station and Equipment	3,215,000				125,000	140,000	2,950,000
Total Bond Sales	3,215,000				125,000	140,000	2,950,000
COUNTY TAX LEVY FOR PARKS							
P2 Ginder Creek Trail Construction	41,283	41,283					
Total County Tax Levy For Parks	41,283	41,283					
OTHER FUNDING							
F1 Replace Engine 98 (Surplus Funding)	125,000	125,000					
F4 Brush Truck Chassis (Surplus Funding)	3,000					3,000	
Total Other Funding	128,000	125,000				3,000	
TOTAL GEN GOV CIP FUNDING (less REET I Loan Payments)	9,045,442	643,531	858,943	312,838	651,852	805,120	5,773,158
LOAN PAYMENTS (REET I) *							
F1 Engine 98 Replace (Loan Payment 10 yr)	152,760		30,552	30,552	30,552	30,552	30,552
F3 Replace Aid Car (Loan Payment 12 yr)	24,972						24,972
F4 Replace Brush-Truck Chassis	16,647						16,647
Total REET I Funding for Loan Payments	194,379		30,552	30,552	30,552	30,552	72,171

CIP General Government Funding Summary

Capital Improvement Plan 2014 - 2019

REQUESTED FUNDING <i>Includes Debt Repayments</i>	Total \$ Project 2014 - 2019	2014	2015	2016	2017	2018	2019
King County and Other Grants	3,946,425	56,425	540,000		350,000	250,000	2,750,000
REET I - Direct	912,734	150,823	213,943	207,838	171,852	100,120	68,158
King County Regional Parks Funding	200,000		100,000	100,000			
Various Loans	547,000	240,000				307,000	
Miscellaneous Grant Funding	25,000	25,000					
King County Tax Levy	41,283	41,283					
Bond Sales	3,215,000				125,000	140,000	2,950,000
Other Funding	128,000	125,000				3,000	
Mitigation Fees	30,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL SOURCES	\$9,045,442	\$643,531	\$858,943	\$312,838	\$651,852	\$805,120	\$5,773,158



REET I ANALYSIS SUMMARY (Fund 310)

Capital Improvement Plan 2014 - 2019

REET I - REVENUE

			Capital Improvement Plan 2014 - 2019					
	2013 REET I Budgeted & Funded	2014-2019 Summary Total	2014	2015	2016	2017	2018	2019
Beg Fund Balance 104	170,890		170,890	148,448	212,520	532,691	985,851	1,627,618
REET Revenue (annual)								
1/4 of 1% REET - Existing Property		383,875	40,625	47,813	55,250	62,938	81,000	96,250
1/4 of 1% REET - Other new homes		43,075	3,125	6,375	6,500	7,288	8,100	11,688
1/4 of 1% REET - Phase 1A		2,708,394	59,631	194,379	446,812	585,339	683,339	738,894
Subtotal REET I Revenue		3,135,344	103,381	248,567	508,562	655,564	772,439	846,832
Reet II Transfer								
TOTAL Avail. Balance for Gen Govt Projects	170,890	3,135,344	274,271	397,015	721,082	1,188,255	1,758,290	2,474,450
REET I - PROJECT EXPENDITURES			Capital Improvement Plan 2014 - 2019					
	2013 REET I Budgeted & Funded	2014-2019 Summary Total	2014	2015	2016	2017	2018	2019
General Government								
A1 City Technology Upgrades		117,528	20,113	19,763	19,713	18,513	19,713	19,713
A2 Reroof Police Building		25,000	25,000					
Subtotal General Government	-	142,528	45,113	19,763	19,713	18,513	19,713	19,713
Parks								
P1 Lake Sawyer Boat Launch Park Improvements		50,000			50,000			
Total		60,000	10,000	10,000	10,000	10,000	10,000	10,000
REET		75,000				75,000		
P1 Lake Sawyer Boat Launch Park Upgrades		20,000						20,000
Subtotal Parks Projects with REET I		205,000	10,000	10,000	10,000	85,000	10,000	30,000
Public Safety								
L1 Police Technology		106,270	15,060	16,763	18,333	18,425	19,245	18,445
L2 Patrol Car Replacement Plan		339,836	46,350	95,018	97,393	49,914	51,162	
L3 Police Radio Replacement		34,100	9,300	12,400	12,400			
Subtotal Police		480,206	70,710	124,180	128,125	68,339	70,407	18,445
F2 Replace Reserve Engine		60,000		60,000				
F5 New Fire Station Study		25,000	25,000					
Subtotal Fire		85,000	25,000	60,000				
Subtotal Public Safety Proj. with REET I		565,206	95,710	184,180	128,125	68,339	70,407	18,445
Public Works Projects								
S2 Public Works Facilities and Equipment		500,000					500,000	
SUBTOTAL PUBLIC WORKS		500,000					500,000	
Total REET I Projects		1,065,206	125,823	153,943	157,838	171,852	100,120	68,158
Total REET I Debt		194,379		30,552	30,552	30,552	30,552	72,171
TOTAL REET I		1,259,585	125,823	184,495	188,390	202,404	130,672	140,329
REET I left for next year (Ending Balance)	170,890	2,070,138	148,448	212,520	532,691	985,851	1,627,618	2,334,121
REET based on Houses sold			2014	2015	2016	2017	2018	2019
Existing Property Sales (in 000's)			62 @\$250	75 @\$255	85 @\$260	95 @\$265	120 @\$270	140 @\$275
Other new home sales (in 000's)			5 @\$250	10 @\$255	10 @\$260	11 @\$265	12 @\$270	17 @\$275
MPD Phase 1 Resulting Sales - Per Fiscal Analysis			59,631	194,379	446,812	585,339	683,339	738,894

NR/Parks Department

CAPITAL PROJECT SUMMARY

Expenditure Summary by Project							
Project Name	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
P1 Lake Sawyer Boat Launch Park Upgrades	481,425	81,425		50,000	350,000		
P2 Ginder Creek Trail Construction	41,283	41,283					
P3 Grant Matching Funds	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P4 Forestry Management (Tree Fund)	30,000	5,000	5,000	5,000	5,000	5,000	5,000
P5 Regional Trail System	200,000					100,000	100,000
P6 Lake Sawyer Regional Park Enhancements	3,075,000			75,000	250,000	250,000	2,500,000
P7 Union Stump Memorial Parking	20,000						20,000
TOTAL PLANNED EXPENDITURES	\$3,907,708	\$137,708	\$15,000	\$140,000	\$615,000	\$365,000	\$2,635,000
Funding Sources							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Recreation & Conservation Grant (RCO)							
P1 Lake Sawyer Boat Launch Park Upgrades	406,425	56,425			350,000		
P6 Lake Sawyer Regional Park Improvements	3,000,000					250,000	2,750,000
Total RCO Grant Funding	\$3,406,425	\$56,425			\$350,000	\$250,000	\$2,750,000
King County Tax Levy							
P2 Ginder Creek Trail Construction	41,283	41,283					
Total King County Levy Funding	\$41,283.00	\$41,283					
Tree Mitigation Funds							
P4 Forestry Management Funds	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Tree Mitigation Funding	\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
King Conservation District Grant Funds							
P5 Regional Trail Systems	200,000					100,000	100,000
Total KCD Grant Funds	\$200,000					\$100,000	\$100,000
Miscellaneous Grant							
P1 Lake Sawyer Boat Launch Park Improvements	\$25,000	\$25,000					
Total Matching Funds	\$25,000	\$25,000					
REET I Funding							
P1 Lake Sawyer Boat Launch Park Upgrades	50,000			50,000			
P3 Grant Matching Funds	60,000	10,000	10,000	10,000	10,000	10,000	10,000
P6 Lake Sawyer Regional Park Improvements	75,000				75,000		
P7 Union Stump Memorial Park	20,000						20,000
Total REET I Funding	\$205,000	\$10,000	\$10,000	\$60,000	\$85,000	\$10,000	\$30,000
TOTAL NR/PARKS PROJECT FUNDING	\$3,907,708	\$112,708	\$15,000	\$65,000	\$440,000	\$365,000	\$2,885,000
Ongoing Maintenance and Operating Costs							
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Trail Maintenance (salaries)	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Trail Maintenance (Salaries)	\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000

Capital Improvement Plan 2014 - 2019

Project for the	Parks Department	#	P1
PROJECT TITLE	Lake Sawyer Boat Launch Park Improvements		

DESCRIPTION Existing boat launch facility on the west end of Lake Sawyer off of 296th Avenue.

BACKGROUND A low-impact parking addition was completed in 2009 with the use of grants awarded by King County and the King Conservation District. A small portion of City funds were utilized in order to complete the project. The ramp was repaired in the Summer of 2011 by the Public Works Department utilizing grant matching funds. Based on the conceptual site plan produced in 2009 by Anchor Environmental Services, items remaining to be completed include the addition of a pier, beach slope stabilization, play-ground equipment and parking improvements to the trailer parking area.

CAPITAL PROJECT COSTS

Design/Permitting Costs
Playground/Other Equipment
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

Miscellaneous Grant
REET1
RCO Grant

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
56,425	56,425					
25,000	25,000					
400,000			50,000	350,000		-
\$481,425	81,425	-	50,000	350,000	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
25,000	25,000					
50,000			50,000			
406,425	56,425			350,000		
481,425	81,425	-	50,000	350,000	-	-

Capital Improvement Plan 2014 - 2019

Project for the	NR/Parks Department	#	P2
PROJECT TITLE	Ginder Creek Trail Restoration		

DESCRIPTION

Restoration of the riparian buffer along the City's Ginder Creek property, property or easement acquisition and the construction of a graveled trail to link Roberts Drive with Morgan Street.

BACKGROUND

A major focus in Black Diamond has been creating a town that is walkable and pedestrian friendly with natural amenities that appeal to everyone. This project will focus on developing this along the City's property on it's Ginder Creek property. As future King County tax levy funds are subject to approval by the voters in 2013, future funding is not assured. Hence, no future funding after 2014 are shown in this years Capital Improvement's Program. Shown funds include the accrual of previous years allocations and an estimate for 2014. These funds need to be utilized prior to December of 2014.

CAPITAL PROJECT COSTS

Trail Improvements
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

King County Tax Levy

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
\$16,000	\$16,000					
\$25,283	\$25,283					
\$41,283	\$41,283	\$0	\$0	\$0	\$0	\$0
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
\$41,283	\$41,283					
\$41,283	\$41,283	-	-	-	-	-



Ginder Creek

Capital Improvement Plan 2014 - 2019

Project for the

NR/Parks Department

P3

PROJECT TITLE

Grant Matching Funds

DESCRIPTION

Funds earmarked for matching grant resources to be utilized in the design and construction of Parks and Natural Resource enhancement projects. This project has a 2012 carry-over balance of \$33,283 available.

CAPITAL PROJECT COSTS

Transfer Reserves

TOTAL COSTS

REQUESTED FUNDING

REET I

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
60,000	10,000	10,000	10,000	10,000	10,000	10,000
\$60,000	10,000	10,000	10,000	10,000	10,000	10,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
60,000	10,000	10,000	10,000	10,000	10,000	10,000
\$60,000	10,000	10,000	10,000	10,000	10,000	10,000

What is a matching grant?

A matching grant is a contingent grant awarded only if the receiving entity is able to put up (or independently raise) a sum equal to the amount provided by the granting entity.



Capital Improvement Plan 2014 - 2019

Project for the **NR/Parks Department** # **P4**

PROJECT TITLE **Tree Mitigation Fund**

DESCRIPTION

Tree mitigation fund for planting trees where needed within the City.

BACKGROUND

A tree mitigation fund was developed with the passage of Black Diamond's Tree Preservation Ordinance in 2011. Revenue is shown to be consistent each year through 2019, but as the MPD's move forward, these contributions will increase based on site development progress and cannot be predicted accurately at this time.

CAPITAL PROJECT COSTS

Reforestation Program NR

TOTAL COSTS

REQUESTED FUNDING

Tree Mitigation Funds

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$30,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000



The City planted a young Sequoia Tree at the corner of HWY 169 & Roberts Drive in late 20

Capital Improvement Plan 2014 - 2019

Project for the	NR/Park: Department	#	P5
PROJECT TITLE	Regional Trail System Development		

DESCRIPTION

Regional trail concept devised by King County and the City of Black Diamond, running north to south and vice versa. The trail follows the old rail line to the north, through Lake Sawyer Park, eventually connecting to Flaming Geyser State Park along the Green River to the south.

BACKGROUND

A major focus in Black Diamond has been creating a town that is walkable and pedestrian friendly. This program will help further this focus. In 2011, a comprehensive trail plan was completed and adopted that allows the City more flexibility in applying for grant resources. In 2012, King County completed a conceptual design for the trail corridor, with cost estimates based on ground-truthing completed by Parametrix, Inc.

CAPITAL PROJECT COSTS

Construction Costs

TOTAL COSTS

REQUESTED FUNDING

RCO Grant Match with KC

TOTAL SOURCES

NON CAPITAL OPERATING COSTS

Trail System Maintenance

TOTAL OPERATING

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
200,000					100,000	100,000
\$200,000	-	-	-	-	100,000	100,000

Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
200,000					100,000	100,000
\$200,000	-	-	-	-	100,000	100,000

Total \$ Requested	2014	2015	2016	2017	2018	2019
30,000	5,000	5,000	5,000	5,000	5,000	5,000
\$30,000	5,000	5,000	5,000	5,000	5,000	5,000



A well maintained King County Trail

Capital Improvement Plan 2014 - 2019

Project for the

NR/Parks Department

#

P6

PROJECT TITLE

Lake Sawyer Regional Park Enhancement

DESCRIPTION

BACKGROUND

COMMENTS

CAPITAL PROJECT COSTS

Preliminary Engineering
Construction Engineering
Design Engineering
Construction Costs

TOTAL COSTS

REQUESTED FUNDING

REET I

RCO Grant w/KC Matching Funds

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
75,000			75,000			
\$250,000					250,000	
\$250,000				250,000		
\$2,500,000						2,500,000
\$3,075,000			75,000	250,000	250,000	2,500,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
75,000				75,000		
3,000,000					250,000	2,750,000
\$3,075,000	-	-	-	\$ 75,000	\$ 250,000	\$ 2,750,000



Lake Sawyer Park land

Capital Improvement Plan 2014 - 2019

Project for the	NR/Parks Department	#	P7
PROJECT TITLE	Union Stump Memorial Park		

DESCRIPTION

Union Stump Memorial Park is located at the corner of Cemetery Road and Roberts Drive covering approximately 10,000 square feet.

BACKGROUND

This Memorial Park was established at the turn of the century after mine workers organized and utilized an old growth Douglas fir stump for discussing unionization. The split rail Cedar fencing was repaired in 2009, with future plans to establish a low impact designed parking area for approximately 4-5 cars.

CAPITAL PROJECT COSTS

Construction Costs

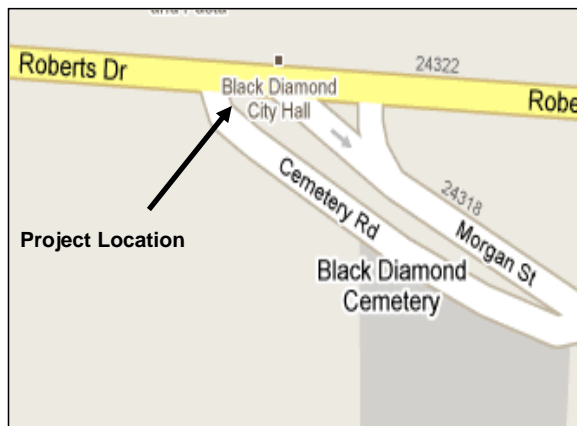
TOTAL COSTS

REQUESTED FUNDING

REET I

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
20,000						20,000
\$20,000						20,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
20,000						20,000
\$20,000						20,000



Union Stump Memorial Park



Police Department

CAPITAL PROJECT SUMMARY

Project Title	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Police Technology	106,270	15,060	16,763	18,333	18,425	19,245	18,445
Patrol Car Replacement Plan	339,836	46,350	95,018	97,393	49,914	51,162	
Police Radio Replacement	34,100	9,300	12,400	12,400			
POLICE DEPT TOTAL EXPENDITURES	480,206	70,710	124,180	128,125	68,339	70,407	18,445
Funding Sources							
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
REET I							
Police Technology	106,270	15,060	16,763	18,333	18,425	19,245	18,445
Patrol Car Replacement Plan	339,836	46,350	95,018	97,393	49,914	51,162	
Police Radio Replacement	34,100	9,300	12,400	12,400			
total REET I	480,206	70,710	124,180	128,125	68,339	70,407	18,445
TOTAL FUNDING FOR POLICE PROJECTS	480,206	70,710	124,180	128,125	68,339	70,407	18,445

Capital Plan 2014 - 2019

Project for Police Department **#** L1

PROJECT TITLE Police Technology

DESCRIPTION Variety of technology for Police including PC purchases, network upgrades for hard and software, and replacement of radios, printers and copiers.

COMMENTS Laptops for all officers. General technology needs in years after.

CAPITAL PROJECT COSTS

Laptops - Replacements
PC Software
Networking Hardware
Networking Software
Other Purchases

TOTAL COSTS

REQUESTED FUNDING

REET I

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
40,920	-	7,360	8,180	8,180	9,000	8,200
12,150	1,360	4,703	1,453	1,545	1,545	1,545
30,500	5,000	2,500	5,000	6,500	5,000	6,500
11,900	6,900	400	1,900	400	1,900	400
10,800	1,800	1,800	1,800	1,800	1,800	1,800
106,270	15,060	16,763	18,333	18,425	19,245	18,445
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
106,270	15,060	16,763	18,333	18,425	19,245	18,445
106,270	15,060	16,763	18,333	18,425	19,245	18,445



Servers, Routers and Laptops

Technology Police Updated 4/11/13								
	Yr	Total	2014	2015	2016	2017	2018	2019
	Total Workstations (rugged laptops)	CIP Total	12	13	13	14	14	14
			8	9	9	10	10	10
PCs								
Purchase	1250							
Replacement	800			800	800	800	800	
Rugged Laptops	4650							
Replacement	4100			6,560	7,380	7,380	8,200	8,200
				7,360	8,180	8,180	9,000	8,200
PC Software								
Software Purchase	75		450	488	488	525	525	525
MS Office	250			3,250				
Software Upgrades	250		250	250	250	250	250	250
Anti-virus/SPAM	50		660	715	715	770	770	770
			1,360	4,703	1,453	1,545	1,545	1,545
Network								
Server purchases	5000		5,000		5,000		5,000	
Server Upgrades	4000					4,000		4,000
NW/Security Devices	2500			2,500		2,500		2,500
			5,000	2,500	5,000	6,500	5,000	6,500
Network Software								
Operating Systems	1500		1,500		1,500		1,500	
Backup/WWW/other	400		400	400	400	400	400	400
Spillman			5,000					
			6,900	400	1,900	400	1,900	400
Other purchases								
Video/Audio	200		200	200	200	200	200	200
Mobile Devices	800		1,600	1,600	1,600	1,600	1,600	1,600
			1,800	1,800	1,800	1,800	1,800	1,800
Totals		106,270	15,060	16,763	18,333	18,425	19,245	18,445

Capital Plan 2014 - 2019

Project for the	Police Department	#	L2
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PROJECT TITLE Patrol Car Replacement Plan

DESCRIPTION The City has created and maintained a vehicle replacement plan with planned expenditures for patrol cars in an effort to replace aging patrol cars before becoming too expensive to maintain and to assure officer safety.

BACKGROUND This rotation plan will allow the force to spend more time on the street and less time delivering them for repairs and maintenance. This plan will allow for replacement roughly every 110,000 miles.

Capital Plan 2014 - 2019							
CAPITAL PROJECT COSTS	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Capital Outlay	339,836	46,350	95,018	97,393	49,914	51,162	
TOTAL COSTS	339,836	46,350	95,018	97,393	49,914	51,162	-
REQUESTED FUNDING	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
REET I	339,836	46,350	95,018	97,393	49,914	51,162	-
TOTAL SOURCES	339,836	46,350	95,018	97,393	49,914	51,162	-

Replacement Schedule		2014	2015	2016	2017	2018	2019
Car 20	2006 Blk/White	46,350					
Car 22	2007 Black		47,509				
Car 27	2007 Black		47,509				
Car 23	2008 Black/White			48,696			
Car 28	2009 Black/White			48,696			
Car 29	2009 Black/White				49,914		
Car 24	2009 Black/White					51,162	



Police Vehicles and Replacement Schedule																					
Police Vehicles		MODEL	VIN #	Mileage								2012 Ins Value		Rolling Average							
#	License	YEAR		2009	Jan 2010	April 2010	March 2011	March 2012	March 2013	Last Year Milage	ASSIGNED	includes Equipment	Years in Service	Milage Projected	2014	2015	2016	2017	2018	2019	
30	54094D	2012 K-9 Tahoe	Chev Tahoe	16NLC2EO5CR227457						13,034	13,034	Chatterson	44,000	1	13,034	26,068	39,102	52,136	65,170	78,204	91,238
20	42030D	2006 Blk/White	Ford C/V	2FAHP71W96X152580	40,000	46,500	52,120	67,283	79,800	90164	10,364	Vacant	21,800	5	10,364	100,528	10,364	20,728	31,092	41,456	51,820
22	43927D	2007 Black	Dodge Charger	2B3LA43H27H818033	30,100	40,056	43,500	55,000	72,300	82644	10,344	Kiblinger	23,500	5	10,509	93,153	103,662	10,509	21,018	31,526	42,035
24	46801D	2008 Black/White	Dodge Charger	2B3LA43H98H255032	10,300	17,700	19,300	29,000	34,500	46856	12,356	Martinez	24,530	5	12,356	59,212	71,568	83,924	96,280	108,636	12,356
23	45553D	2007 Black	Dodge Charger	2B3LA43H27H818034	16,500	30,600	36,670	51,860	69,913	77300	7,387	Goral	24,775	5	12,160	89,460	101,620	113,780	12,160	24,320	36,480
27	47720D	2009 Blk/White	Dodge Charger	2B3LA43T09H590203	2,010	11,221	13,800	32,048	45,300	65523	20,223	Lynch	25,460	5	20,223	85,746	105,969	20,223	40,446	60,669	80,892
28	49285D	2009 Blk/White	Dodge Charger	2B3LA43T29H590204	888	10,900	15,101	26,832	39,200	55519	16,319	Macdonald	25,460	5	16,319	71,838	88,157	104,476	16,319	32,638	48,957
29	54171D	2011 B/W	Chev Tahoe	1GNLC2E03BR245096				3,000	14,500	32163	17,663	Tapec	43,000	2	17,663	49,826	67,489	85,152	102,815	17,663	35,326

Capital Plan 2014 - 2019

Project for	Police Department	#	L3
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PROJECT TITLE	Police Radio Replacement
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DESCRIPTION Portable Radio Replacements to replace 20 year old radios with the 2015 750 MegaHertz update requirement.

COMMENTS

CAPITAL PROJECT COSTS

Portable Radio-Replacements

TOTAL COSTS

Total Units Replaced.....

REQUESTED FUNDING

REET I

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
34,100	9,300	12,400	12,400			
34,100	9,300	12,400	12,400	-	-	-
Total Units Replaced.....						
	3	4	4			
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
34,100	9,300	12,400	12,400		-	-
34,100	9,300	12,400	12,400	-	-	-

Fire Department

CAPITAL PROJECT SUMMARY

Expenditure Summary by Project

Project Title	Capital Plan 2014 - 2019						
	Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
F1 Replace Primary Fire Engine 98	365,000	365,000					
F2 Replace Reserve Engine	600,000		600,000				
F3 Replace Aid Car	225,000					225,000	
F4 Replace Brush Truck Chassis	85,000					85,000	
F5 New Fire Station and Equipment (Growth)	3,240,000	25,000			125,000	140,000	2,950,000
TOTAL EXPENDITURES	4,515,000	390,000	600,000		125,000	450,000	2,950,000
Funding Sources							
Loans to Finance Projects							
F1 Engine 98 Replace (10 yr)	240,000	240,000					
F3 Replace Aid Car (12 yr)	225,000					225,000	
F4 Replace Brush Truck Chassis (5 yr)	82,000					82,000	
Total Loans	547,000	240,000				307,000	
REET I							
F2 Replace Reserve Engine	60,000		60,000				
F5 New Fire Station Study	25,000	25,000					
Total REET I Funding	85,000	25,000	30,552	30,552	30,552	30,552	55,524
FEMA-AFG Grant							
F2 Replace Reserve Engine	540,000		540,000				
Total FEMA-AFG Grant	540,000		540,000				
Bond Sales							
F5 New Fire Station and Equipment	3,215,000				125,000	140,000	2,950,000
Total Bond Sales	3,215,000				125,000	140,000	2,950,000
Other Financing							
F1 Replace Engine 98 (Surplus Funding)	125,000	125,000					
F4 Brush Truck Chassis (Surplus Funding)	3,000					3,000	
Total Other Financing	128,000	125,000				3,000	
FIRE DEPT SUBTOTAL	4,515,000	390,000	30,552	30,552	155,552	480,552	3,005,524
Loans to Finance Projects							
REET I							
F1 Engine 98 Replace (Loan Payment 10 yr)	152,760		30,552	30,552	30,552	30,552	30,552
F3 Replace Aid Car (Loan Payment 12 yr)	24,972						24,972
F4 Replace Brush-Truck Chassis	16,647						16,647
Total Loan Payments	194,379		30,552	30,552	30,552	30,552	72,171
TOTAL FIRE PROJECTS	4,709,379	390,000	61,104	61,104	186,104	511,104	3,077,695

Capital Plan 2014 - 2019

Project for the

Fire Department

F1

PROJECT TITLE

Replace Primary Fire Engine (2000)

DESCRIPTION

This project replaces the newest engine in the fleet with a suitable, demo pumper having better long-term maintenance prospects.

BACKGROUND

The present vehicle experienced a major mechanical malfunction during 2010 annual service testing. Repairs cost over \$21,000 and required more than four months to complete. Only one service center bid on the overhaul because of difficulties obtaining replacement parts.

COMMENTS

The Fire Maintenance Supervisor recommends replacing the current pumper now with a 3 to 4 year old used one, to offset the higher cost of replacement. A State sponsored loan is one means of funding this project. Cost projections below are based on 5% interest rate over a 10 year term.

CAPITAL PROJECT COSTS

Capital Outlay

TOTAL COSTS

REQUESTED FUNDING

Loan Plan

Surplus Equipment Sale

TOTAL SOURCES

NON CAPITAL OPERATING COSTS

REET I Debt Repay (5yr @5%)

TOTAL OPERATING

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Capital Outlay	365,000					
TOTAL COSTS	365,000	-	-	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Loan Plan	240,000					
Surplus Equipment Sale	125,000					
TOTAL SOURCES	365,000	-	-	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
REET I Debt Repay (5yr @5%)	152,760	30,552	30,552	30,552	30,552	30,552
TOTAL OPERATING	152,760	-	30,552	30,552	30,552	30,552



Engine 98 to be sold and replaced

Capital Plan 2014 - 2019

Project for the

Fire Department

#

F2

PROJECT TITLE

Replace Reserve Engine

DESCRIPTION

Replace reserve engine # 981 and extend the service life of front-line engine.

BACKGROUND

Engine 981 is a Pierce brand engine custom built for Kent Fire in 1986. The City later purchased this engine used. It has more than 155,000 miles on the odometer and 12,000 hours in use.

COMMENTS

Black Diamond will apply for a FEMA-AFG (Assistance for Firefighters Grant). This will require the City produce a resolution for a 10% City match. If this grant is not received loan funds will be required.

CAPITAL PROJECT COSTS

Capital Outlay

TOTAL COSTS

REQUESTED FUNDING

FEMA-AFG Grant

REET I for City Match

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
600,000		600,000				
600,000	-	600,000	-	-	-	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
540,000		540,000				
60,000		60,000				
600,000	-	540,000	-	-	-	-



Engine #981

Capital Plan 2014 - 2019

Project for the

Fire Department

F3

PROJECT TITLE

Replace Aid Car

DESCRIPTION

Replace Aid 98 to provide reliable patient transport capability.

BACKGROUND

Aid 98 is a 1994 Ford purchased by City surplus from King County Medic One. This vehicle shows over 143,160 miles. This is the only aid car owned by the City and maintenance costs are expected to increase with age in continued front-line use.

COMMENTS

At the estimated cost of \$225,000, a twelve year loan assuming a 5% interest rate would be \$24,972 per year.

CAPITAL PROJECT COSTS

Capital Outlay

TOTAL COSTS

REQUESTED FUNDING

Loan Purchase Plan

TOTAL SOURCES

NON CAPITAL OPERATING COSTS

REET I Debt Repay (12yr @5%)

TOTAL OPERATING

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
225,000				-	225,000	
225,000	-	-	-	-	225,000	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
225,000				-	225,000	-
225,000	-	-	-	-	225,000	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
24,972						24,972
24,972						24,972



Aid Car 98



Capital Plan 2014 - 2019

Project for the

Fire Department

F4

PROJECT TITLE

Replace Brush-Truck Chassis

DESCRIPTION

Replace chassis of Brush 98 to improve safety and increase the usefulness of the vehicle. The standard chassis is too small, allowing only a half fill.

BACKGROUND

Present vehicle, while relatively new and low mileage, exceeds manufacturers gross vehicle weight when fully loaded with water. A heavier duty chassis increases the quantity of water safely carried by the vehicle and the "Class A" foam system improves efficiency of the water used.

COMMENTS

Selling the present chassis as surplus equipment helps offset the estimated \$85,000 project cost which includes 5 years of financing at 5% interest rate through the State LOCAL loan Plan.

CAPITAL PROJECT COSTS

Capital Outlay

TOTAL COSTS

REQUESTED FUNDING

Loan Purchase Plan

Surplus Sale of Equip.

TOTAL SOURCES

NON CAPITAL OPERATING COSTS

REET I Debt Repay (5yr @5%)

TOTAL OPERATING

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
85,000					85,000	
85,000	-	-	-	-	85,000	-
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
82,000					82,000	
3,000					3,000	
85,000	-	-	-	-	85,000	-
Total \$ Requested 2013-2018	2014	2015	2016	2017	2018	2019
16,647						16,647
16,647						16,647



Example of a Brush Truck with Chassis

Capital Plan 2014 - 2019

Project for the **Fire Department** # **F5**

PROJECT TITLE **New Fire Station and Equipment - Growth Related**

DESCRIPTION

Provide a satellite fire station sited and equipped to enhance fire and emergency medical service delivery in the community. This initiative begins with a site location study, proceeds to construct the station, and ends with a complement of essential equipment in service at the new facility.

BACKGROUND

Service needs within the community will change with growth. This project seeks to determine the optimal location, build approximately 8,000 square feet of fire station at \$405 per square foot within the next six year at a cost of approximately \$3,240,000. Additional growth related equipment of a Fire Pumper, Aid Car, Brush Truck, & Support Vehicle will be needed in later years after more growth has occurred. Land costs are not included and could add approximately \$750,000 if the station is not built on existing City property.

COMMENTS

Financing for this project may be a 20 year bond issue at 5% interest. Payments of the debt will be 83.73% developer responsibility of approximately \$213,190 (from fire impact fees), and the City portion at 16.27% of the total, with payments of \$41,426. This is per the Fire District Impact Fee Study, (IFS p.17). The City share of payments will need to come from REET, Sales Tax from new construction or other sources.

CAPITAL PROJECT COSTS

Preliminary Engineering 75,000
Construction Engineering 70,000
Design Engineering 145,000
Construction Costs (bldg) 2,950,000

TOTAL COSTS

REQUESTED FUNDING

Bond Sales 3,215,000

REET I 25,000

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Preliminary Engineering 75,000	-			75,000		
Construction Engineering 70,000		-		-	70,000	
Design Engineering 145,000	25,000			50,000	70,000	
Construction Costs (bldg) 2,950,000						2,950,000
TOTAL COSTS 3,240,000	25,000	-	-	125,000	140,000	2,950,000
Total \$ Requested 2014-2019	2014	2015	2016	2017	2018	2019
Bond Sales 3,215,000				125,000	140,000	2,950,000
REET I 25,000	25,000					
TOTAL SOURCES 3,240,000	25,000	-	-	125,000	140,000	2,950,000



New Fire Station 96

CAPITAL PROJECT SUMMARY

City Administration and Facilities							
	Capital Plan 2014 - 2019						
	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
A1 City Technology Upgrades	117,528	20,113	19,763	19,713	18,513	19,713	19,713
A2 Reroof Police Building	25,000	25,000					
ADMIN & FACILITIES DEPT TOTAL EXPENDITURES	142,528	45,113	19,763	19,713	18,513	19,713	19,713
Funding Sources							
	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
REET I							
A1 City Technology Upgrades	117,528	20,113	19,763	19,713	18,513	19,713	19,713
A2 Reroof Police Building	25,000	25,000					
Total REET I Funding	142,528	45,113	19,763	19,713	18,513	19,713	19,713
TOTAL FUNDING FOR ADMIN & FACILITIES	142,528	45,113	19,763	19,713	18,513	19,713	19,713

Capital Plan 2014 - 2019

Project for <i>PROJECT TITLE</i>	Administration and Facilities City Technology - Capital	#	A1
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DESCRIPTION

Variety of technology upgrades to the City including PC purchases, software purchases, network upgrades hard and software and printers. (see next page) These City upgrades exclude Police, as that department has a separate technology project list.

BACKGROUND

This project is for PC replacements and other capital technology for the City. This includes servers, network and network software, disaster software and other technology.

Capital Plan 2014 - 2019							
CAPITAL PROJECT COSTS	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
PC, Printers, Software	69,128	11,213	15,863	10,813	9,613	10,813	10,813
Network	29,500	6,500		6,500	5,000	6,500	5,000
Network Software, Audio & Misc.	12,000	2,000	2,000	2,000	2,000	2,000	2,000
Disaster Recovery Software	6,900	400	1,900	400	1,900	400	1,900
TOTAL COSTS	117,528	20,113	19,763	19,713	18,513	19,713	19,713
REQUESTED FUNDING	Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
REET I	117,528	20,113	19,763	19,713	18,513	19,713	19,713
TOTAL SOURCES	117,528	20,113	19,763	19,713	18,513	19,713	19,713

Technology Non Police

	Yr	2014	2015	2016	2017	2018	2019
	Users	25	25	25	25	25	25
	p/user						
PCs							
Purchase	1250						
Replacement	900	5000	5000	5000	5000	5000	5000
Printers/Mice/Access	100	625	625	625	625	625	625
Mobile Devices	400	2400	800	2000	800	2000	2000
		8025	6425	7625	6425	7625	7625
PC Software							
Software Purchase	150	938	938	938	938	938	938
MS Office	250		6250				
Software Upgrades	100	1000	1000	1000	1000	1000	1000
Anti-virus/SPAM	50	1250	1250	1250	1250	1250	1250
		3188	9438	3188	3188	3188	3188
Network							
Server purchases	5000				5000		5000
Server Upgrades	4000	4000		4000		4000	
NW/Security Devices	2500	2500		2500		2500	
		6500		6500	5000	6500	5000
Network Software							
Operating Systems	1200	1200	1200	1200	1200	1200	1200
Backup/WWW	800	800	800	800	800	800	800
		2000	2000	2000	2000	2000	2000
Other purchases							
Video/Audio	400	400	400	400	400	400	400
Disaster Recovery	1500		1500		1500		1500
		400	1900	400	1900	400	1900
Total	117,528	20,113	19,763	19,713	18,513	19,713	19,713
General Fund Operating Budget							
PD Records Management		12000	12000	12000	12000	12000	12000
Permit Trax		6500	6500	6500	6500	6500	6500
Vision Financial		4500	4500	4500	4500	4500	4500
Prof Services		3000	3000	3000	3000	3000	3000
Subscriptions		500	500	500	500	500	500
Maint/Repair		1500	1500	1500	1500	1500	1500
Training		1500	1500	1500	1500	1500	1500
Maint/Operating		2014	2015	2016	2017	2018	2019

Capital Plan 2014 - 2019

Project for the
PROJECT TITLE

Administration and Facilities
Reroof Police Station

A2

DESCRIPTION

The Police Station will be overdue for a new roof.

CAPITAL PROJECT COSTS

Construction Costs

Contingency

TOTAL COSTS

REQUESTED FUNDING

REET 1

TOTAL SOURCES

Capital Plan 2014 - 2019						
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
25,000	25,000					
25,000	25,000	-	-	-	-	-
Total \$ Requested 2014 - 2019	2014	2015	2016	2017	2018	2019
25,000	25,000					
25,000	25,000	-	-	-	-	-





DRAFT-CIP SCHEDULE

DRAFT

CITY OF BLACK DIAMOND

2013 Schedule-CIP 2014-2019

	Process	Internal Due Date	Committee Meetings	Workstudy	City Council Meetings
1	CIP Planning Meeting with Mayor/Mark/Brenda	Mar 5 or 6			
2	CIP Call letter to affected departments (include goals, rules and timelines)	March 12			
3	Departments prepare detailed requests and submit to City Administration and Finance	March 19 – Apr 5			
4	Finance prepares operating revenue sources for affected funds such as Street, Sewer, Water, Drainage and General Government and provides 2014-2019 worksheets to managers	April 5			
5	Finance prepares draft spreadsheet combining revenues and department requests for internal review with Administration	April 15			
6	Administration and Finance meet departments to review options	Apr 16-Apr 30			
7	1 st CIP Committee Meeting for Public Works		Fri, May 10 10:30-12		
9	CIP Committee Meeting for Parks		May 16 10-11		
10	Finance Committee Meeting-CIP-Canceled by Staff		May 30 9-10		
11	Public Safety Committee Meeting		Fri May 31 9-10		
12	Public Works Committee Meeting-2 nd mtg canceled by Committee				
13	CIP Council Workstudy: Public Works-			June 13 5:30	
14	CIP Council Workstudy: Non-PublicWorks-			June 20 5:30	
15	Public Hearing on proposed 2014-2019 CIP-Council Meeting				
16	Council adopts 2014-2019 CIP				

2014 – 2019 Capital Improvement Plan (CIP)

Regular scheduled Council meetings in **BOLD**)