

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE
CITY OF PUYALLUP
AND
URBAN PUYALLUP MIXED USE LLC**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into by and between the City of Puyallup, a Washington State non-charter code city (the “City”), and Urban Puyallup Mixed Use LLC, a Washington limited liability company (“Developer” or “Urban Puyallup”), collectively, the “Parties”.

RECITALS

A. WHEREAS, on [date], the City and the Developer entered into a Development Agreement associated with the Developer’s acquisition and development of a City-owned property known as the Former Administration Office Building (“AOB”) Site, located at 330 3rd Street SW, Puyallup, Pierce County, Washington; and

B. WHEREAS, the Developer subsequently acquired real property located at 204 4th Street SW, Puyallup, Washington, Pierce County Assessor Tax Parcel No. 5745001631, 5745001632, and 5745001641 more particularly described in **Exhibit A** (the “Property” or “Bell Place Property”), which is located across W. Pioneer Ave. from the AOB Site; and

C. WHEREAS, the Developer intends to develop a multi-family residential project (the “Project”) on the Bell Place Property; and

D. WHEREAS, the City is authorized to enter into a development agreement with a person or entity having ownership or control of property within its jurisdiction pursuant to RCW 36.70B.170 and Puyallup Municipal Code (“PMC”) Ch. 1.15.010; and

E. WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to and govern and vest the development, use, and mitigation of the development of the real property for the duration specified in the agreement; and

F. WHEREAS, for purposes of this Agreement, the term “development standards” includes, but is not limited to, all of the standards listed in PMC 1.15.020; and

G. WHEREAS, PMC 1.15.030 requires that a development agreement be consistent with applicable development regulations to the fullest extent possible; provided, however, that a development agreement may allow development standards different from those otherwise imposed under the Puyallup Municipal Code in order to provide flexibility to achieve public benefits, respond to changing community needs, or encourage modifications which provide the functional equivalent or adequately achieve the purposes of otherwise applicable city standards; and

H. WHEREAS, the Project will develop approximately 100 units of market rate multi-family housing in downtown Puyallup consistent with the goals and strategies in the City’s adopted Comprehensive Plan (Puyallup 2044) and the 2021 Housing Action Plan; and

I. WHEREAS, Puyallup’s Downtown is designated as a Regional Growth Center (“RGC”) by the Puget Sound Regional Council (“PSRC”), and so is expected to play a significant role in accommodating future housing over time; and

J. WHEREAS, the Developer has developed several successful infill multi-family projects in other local cities and desires to partner with the City to redevelop the Property at a density and using design principles which are consistent with the City’s adopted plans and vision for Downtown; and

K. WHEREAS, the Developer has agreed to replace approximately 357 linear feet of existing undersized City sewer main and approximately 579 linear feet of existing undersized water main in Pioneer Avenue in conjunction with development; and

L. WHEREAS, in order to achieve the public benefit of the new utility lines and new urban density housing on the Property consistent with the Downtown RGC designation and City planning goals, the Project requires modifications to certain City standards as authorized by PMC 1.15.030 and approved as part of this Agreement; and

M. WHEREAS, the City Council of the City of Puyallup held a duly noticed public hearing on the proposed Development Agreement on December 9, 2025, in accordance with applicable law; and

N. WHEREAS, following the public hearing, the City Council approved this Development Agreement by [Ordinance/Resolution] No. [number] on [approval date];

NOW, THEREFORE, based on the foregoing recitals, and in consideration of the mutual promises set forth herein, the Parties agree as follows:

AGREEMENT

1. Development Agreement; Effective Date

This Agreement is a Development Agreement pursuant to RCW 36.70B.170 through .210 and PMC Chapter 1.15. It shall establish the project elements, design standards, and mitigation measures in accordance with the State Environmental Policy Act (SEPA). This Agreement must be interpreted consistent with RCW Chapter 36.70A, Chapter 36.70B generally, 36.70B.170 specifically, and the City of Puyallup adopted 2044 Comprehensive Plan. This Agreement must also be interpreted consistent with all applicable development regulations adopted by the City planning under chapter 36.70A RCW, to the fullest extent possible. This Agreement specifies the permitted uses of the property, the density and intensity of use, and the design, improvement, and construction standards and specifications. Any issues or matters not addressed by this Agreement shall be determined

consistent with City Code and other applicable law. This Agreement shall become effective on the Effective Date, which shall be the later of (1) the date which is ten days after the day of the City's approval of the Agreement by ordinance or resolution as provided for in RCW 36.70B.170 or (2) the date a fully executed version of the Agreement is recorded with the Pierce County Auditor.

2. Term of Agreement

This Agreement commences upon the Effective Date and continues in force for a period of five (5) years, terminating five (5) years after the Effective Date, unless extended or terminated as provided herein.

3. The Project

The Project consists of development of a multi-family residential project with structured parking and resident amenities on the approximately 0.75 acre Property. The Project will include a minimum of ninety-five (95) and a maximum of one hundred-five (105) market-rate residential units, structured parking, and other amenities and improvements as generally depicted on **Exhibit B**.

4. Vested Rights of Developer; Uses and Standards

- a. Vesting.** During the term of this Agreement, unless sooner terminated in accordance with the terms hereof, in developing the Property consistent with the Project described herein, Developer is assured, and the City agrees, that the Developer is vested to the ordinances adopted by the City Council in effect on the Effective Date governing the permitted uses of land, the density and intensity of use, and the design, improvement, construction standards, and specifications applicable to the development of the Property, including, but not limited to, the Comprehensive Plan (Puyallup 2044), City of Puyallup Municipal Code, Downtown Design Guidelines (Updated July 9, 2019), City Standards for Public Works Engineering and Construction Manual (with revisions through September 2025), and all other ordinances, codes, rules, and regulations of the City establishing standards for the use and development of the Property. This provision shall not apply to any building or fire code that is state-mandated (*see* RCW 19.27.031); drainage and water quality requirements mandated by the state under the city's National Pollutant Discharge Elimination System (NPDES); impact fees, mitigation fees; permit application fees; or any other fees or charges, except as specifically described or provided for in this Agreement.
- b. Public Health and Safety Exception.** Notwithstanding the vesting provisions set forth in this Section 4, the City reserves the right, pursuant to RCW 36.70B.170(4), to impose new or different regulations to the extent required by a serious threat to public health and safety. This reservation of authority applies throughout the Term of this Agreement.

- c. **Term of Vesting.** The vesting period established under this Agreement is coterminous with the Term set forth in Section 2 unless extended as provided herein.

5. Authorized Modifications to Development Standards

The City agrees to the following authorized modifications to City development standards for the Project as allowed in PMC 1.15.030, consistent with all applicable adopted development regulations:

- a. **Required Parking.** PMC 20.55.011(1) requires the Developer to provide one off-street parking stall per dwelling unit. In order to achieve the City's desired housing density for the Project, no more than 0.7 off-street parking stalls per dwelling unit can be required. The City has determined that modifying off-street parking requirements to allow 0.7 off-street parking stalls per dwelling unit for the Project will provide a public benefit and respond to changing community needs by improving housing affordability, increasing density, and encouraging the use of transit and alternate modes of transportation to reduce climate impacts.
- b. **Parking Stall and Drive Aisle Dimensions.** PMC 20.55.035 requires the Developer to comply with specified dimensions for parking stalls and drive aisles unless a variation is authorized. Development of parking facilities with these dimensions at the Project will not provide the City's desired housing density for the Project. The City has determined that modification of the parking stall and drive aisle dimensions to those provided in **Exhibit C (Parking Stall Dimensions)** attached hereto will provide a public benefit, is consistent with good engineering practices, and will not result in a traffic safety hazard or hinder vehicle access and egress.
- c. **Off-Street Loading Facilities.** PMC 20.55.061(3) requires the Developer to provide a commercial off-street loading space for retail uses with a minimum size of 10 feet in width, 30 feet in length, and 14 feet high. The City has determined that modification of this off-street loading requirement to provide one 8 feet x 30 feet on-street loading space on W. Meeker Street as shown on the concept site plan attached at **Exhibit D (Concept Site Plan)** will provide a public benefit and achieves the purposes of City code.
- d. **Design Guidelines - Setbacks.** Section 3.B.5 of the Downtown Design Guidelines requires (a) any building greater than three (3) floors or 35 feet in height to provide a minimum 5-foot setback and a maximum 10-foot setback at the story where 30 feet in height is reached and for all stories above and (b) for a building with a height greater than the street right-of-way width it fronts to incorporate a setback at either the second or top level of the building. The City has determined that modification of these setback requirements to incorporate a variety of horizontal and vertical setbacks as depicted in **Exhibit D** improves the quality of the overall design of the Project while achieving the purposes of the setback requirements in the Downtown Design Guidelines. Therefore,

the City has determined that the Design Review & Historic Preservation Board shall not review section 3.B.5 under the proposed Downtown Design Guidelines or the related height/stepback standards of 3.B.3(1)(b) or 3.B.4.

- e. **Private Open Space Dimensions.** PMC 20.25.020, Table 20.25.020 requires that multi-family development in the RM zoning district provide a 10' x 6' private open space per upper story dwelling unit dimensions on the east, west, and south elevations. The City has determined that modification of this open space requirement to provide a 6' depth at Level 2 Balconies and a 4' depth at Level 3 Balconies and above, while providing additional width on all Level 2 Balconies as depicted in **Exhibit E (Private Open Space Dimensions)**, will provide a public benefit and achieves the purposes of City code.

6. Required Conditions of Approval

The City hereby establishes conditions of approval or references approved plans, conditions, or existing codes for the following items as required pursuant to PMC 1.15.060:

- a. *A site plan for the entire project, showing locations of sensitive areas and buffers, required open spaces, perimeter buffers, location and range of densities for residential development, and location and size of nonresidential development.* A site plan for the Project containing these elements is attached at **Exhibit B**.
- b. *The expected build-out time period for the entire project and the various phases.* The expected build-out time period for the entire project is five (5) years. No phasing is proposed.
- c. *Project phasing and other project-specific conditions to mitigate impacts on the environment, on public facilities and services including transportation, utilities, drainage, police and fire protection, schools, and parks.* No project phasing is proposed. The Project will pay park, street, and school impact fees under PMC Ch. 21.20 pursuant to the adopted City impact fee schedule in place at the time of building permit issuance. The Project will also include reimbursement provisions, inspection fees, and other financial contributions or dedications as required by the City. The Project will comply with all applicable plans, codes, and standards to mitigate impacts to other public facilities and services. In addition, the SEPA mitigation measures incorporated by Section 8 shall apply.
- d. *Road and storm water design standards that shall apply to the various phases of the project.* The Project will comply with City codes and standards for road and stormwater design.
- e. *Bulk design and dimensional standards that shall be implemented throughout subsequent development within the project.* The Project will comply with adopted City codes and standards for bulk design and dimension except as expressly modified in Section 5 of this Agreement.

- f. *The size and range of uses authorized for any nonresidential development within the project.* No non-residential tenant uses are proposed. Ancillary service uses accessory to the residential use (including leasing and property management offices, resident amenities, and maintenance/support areas) are permitted. The on-street loading space authorized in Section 5(c) is limited to loading/unloading activities in support of the residential use and permitted ancillary service uses.
- g. *The minimum and maximum number of residential units for the project.* The Project will provide a minimum of ninety-five (95) and a maximum of one hundred five (105) multi-family dwelling units.
- h. *Any sewer and/or water comprehensive utility plans or amendments required to be completed before development can occur.* No such amendments are required for the proposed development.
- i. *Provisions for the applicant's surrender of an approved development agreement before commencement of construction or cessation of development based upon causes beyond the applicant's control or other circumstances, with the property to develop thereafter under the base zoning in effect prior to the development agreement approval.* See Section 10, Surrender.

7. Off-Site Utility Main Replacement; No SDC Credit; Acceptance

a. Description and Scope of Work.

- i. **Water Main.** Developer shall remove and replace approximately five hundred seventy-nine (579) linear feet, as generally depicted on Exhibit B, of existing undersized City water main within the W. Pioneer Avenue right-of-way, and service connections and all appurtenances reasonably necessary to connect to existing City infrastructure and maintain service continuity, as shown on City-approved construction plans. The replacement main shall comply with the City Standards for Public Works Engineering and Construction Manual and any City-approved project-specific details.
- ii. **Sewer Main.** Developer shall remove and replace approximately three hundred fifty-seven (357) linear feet, as generally depicted in Exhibit B, of existing undersized City sewer main within the W. Pioneer Avenue right-of-way, and service connections and all appurtenances reasonably to necessary to connect to existing City infrastructure and maintain service continuity, as shown on City-approved construction plans. The replacement main shall comply with City Standards for Public Works Engineering and Construction Manual and any City-approved project-specific details.

- iii. Plan Approval. Final scope, alignment, materials, diameters, and appurtenances shall be as shown on civil construction plans approved by the City through the City's standard review process.

b. Conveyance; Warranty; Acceptance.

- i. Conveyance. Upon City acceptance, the water and sewer mains and appurtenances constructed under this Section shall be dedicated to and become the property of the City without cost to the City, free and clear of all liens and encumbrances.
- ii. Warranty. Developer shall warrant all materials and workmanship for a period of two (2) years from the date of City acceptance, correcting defects at Developer's sole cost within reasonable timeframes specified by the City.
- iii. As-Builts and O&M. As a condition of acceptance, Developer shall deliver record drawings (as-builts) in formats required by the City and any operation and maintenance documentation reasonably requested by the City.
- iv. Acceptance. City acceptance shall occur upon: (i) completion of construction in accordance with approved plans and City standards; (ii) satisfactory test results; (iii) delivery of as-builts and required documentation; and (iv) correction of all punch list items.

c. Financial Terms; No SDC Credit.

- i. No System Development Charge Credit. Developer acknowledges and agrees that the cost of design, permitting, construction, inspection, and warranty for the utility main replacements required by this Section are the Developer's sole responsibility and that Developer shall not seek, and is not entitled to, any credit or offset against water or sewer system development charges under PMC Ch. 14.10 or any other fee or charge, nor any reimbursement from the City.
- ii. Fees. Developer shall pay all applicable permit and inspection fees associated with the work.
- iii. Performance and Maintenance Security. Developer shall provide performance and maintenance securities in forms and amounts acceptable to the City to guarantee completion and warranty obligations for the utility work described herein.

8. SEPA Mitigation; Planned Action EIS Incorporation.

The Property is located within the Downtown Puyallup Planned Action area established by the City's adopted Downtown Planned Action Ordinance pursuant to RCW 43.21C.440, with the March 2018 Planned Action Environmental Impact Statement (the "Planned Action EIS") serving as the environmental document for that Ordinance. The mitigation measures, development standards, and applicable regulations identified in the Planned Action EIS and the Planned Action Ordinance are hereby incorporated as binding development standards applicable to the Project, and the Project shall comply with them. If the Project is consistent with the thresholds, standards, and mitigation identified in the Planned Action EIS and the Planned Action Ordinance, no further project-specific review under the State Environmental Policy Act will be required, except as otherwise provided by law or to address elements that are outside the scope of, or not sufficiently analyzed by, the Planned Action EIS and the Planned Action Ordinance. Review of the Project's consistency with the Planned Action EIS will occur after the parties enter into this Agreement, therefore, post-agreement supplemental SEPA mitigation may be necessary and may be imposed if warranted. Prior to issuance of project permits, Developer shall implement all applicable SEPA mitigation measures identified for the Project whether identified before or after approval of this Agreement. Any such additional SEPA review or mitigation shall not constitute an amendment of this Agreement or a default by any Party, and any required mitigation will be incorporated at the time of Planned Action consistency review, concurrent with Site Plan review.

9. Default

Subject to extensions of time by mutual consent, in writing, failure or delay by any Party to this Agreement to perform any term or provision of this Agreement constitutes a default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days' notice, in writing, specifying the nature of the alleged default and the manner in which said default may be cured. During this thirty (30)-day period, the Party charged may not be considered in default for purposes of termination or institution of legal proceedings. After notice and expiration of the thirty (30)-day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the complaining Party may, at its option, institute legal proceedings pursuant to this Agreement.

10. Surrender.

- a. **Surrender Prior to Construction.** Prior to commencement of construction of the Project, Developer may surrender this Agreement by written notice to the City. Upon such surrender, this Agreement terminates and is of no further force or effect, except for provisions expressly stated to survive.
- b. **Surrender Upon Cessation Beyond Developer's Control.** If Developer ceases development due to circumstances beyond Developer's reasonable control, Developer may request surrender by written notice describing the circumstances. The City shall not unreasonably withhold acceptance. Upon acceptance, this

Agreement terminates and is of no further force or effect, except for provisions expressly stated to survive.

- c. **Effect of Surrender.** Following termination pursuant to this Section, the Property is subject to the base zoning and development regulations in effect at that time. The City shall record a notice of termination.

11. Termination

Unless otherwise specified herein, this Agreement shall terminate and be of no further force and effect if any of the following occur:

- a. Term of this Agreement expires; or
- b. The Parties mutually agree that this Agreement should terminate.

Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney that this Agreement has been terminated.

12. Effect upon Termination on Developer Obligations

Termination of this Agreement does not affect any of the Developer's obligations to comply with City Code, other land use entitlements approved with respect to the Property, any other conditions of any other development specified in this Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees, or taxes.

13. Assignment and Assumption

The Developer may sell, assign, or transfer its rights in this Agreement to any Related Entity without the City's consent. A "Related Entity" means any entity in which the ownership or membership of the entity is controlled by Developer or the majority owners or members of Developer.

14. Covenants Running with the Land

The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits, run with the land and the benefits and burdens bind and inure to the benefit of the Parties. The Developer, and every purchaser, assignee, or transferee of an interest in the Property, or any portion thereof, is obligated and bound by the terms and conditions of this Agreement and is the beneficiary thereof and a party thereto. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred to it. This Agreement shall be recorded with the Pierce County Auditor.

15. Amendment to Agreement; Effect of Agreement on Future Actions

- a. This Agreement may be amended by mutual written consent of the Parties, provided that any such amendment must follow the process established by law for the adoption of a development agreement.
- b. Nothing in this Agreement prevents the City Council from making any amendment to its Comprehensive Plan, Puyallup Municipal Code, or other regulations affecting the Property during the term of this Agreement to the extent required by a serious threat to public health and safety (see subsection 4(b), above), or as a result of superseding state or federal law.

16. Notices.

Notices, demands, or other communications under this Agreement shall be in writing and are sufficiently given if sent by hand delivery, First Class mail, or email to the addresses of the Parties designated below.

To City:
333 S. Meridian
Puyallup, Washington 98371
Attn: Steve Kirkelie, City Manager
Email: skirkelie@puyallupwa.gov

To Developer:
Urban Puyallup Mixed Use LLC
P.O. Box 7534
Olympia, WA 98507
Attn: Walker John
Email: walker@urbanolympia.com

If deposited in the mail, notice shall be deemed delivered 72 hours after being deposited. The City is required to give notices to subsequent property owners only if the City is given written notice of their address for such Notice. The Parties may, from time to time, advise the other of new addresses for such Notices, demand, or correspondence.

17. Applicable Law

This Agreement must be construed and enforced in accordance with the laws of the state of Washington. Venue for any action related to this Agreement is Pierce County Superior Court.

18. Third Party Legal Challenge

In the event any legal action or special proceeding is commenced by any person or entity other than a Party to challenge this Agreement or any provision herein, each Party will bear their own cost of defense and all expenses incurred in the defense of such actions including, but not limited to, attorneys' fees and expenses of litigation, and damages awarded to the prevailing Party or Parties in such litigation.

19. Specific Performance

The Parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and the Parties are entitled to compel specific performance of all material terms of this Agreement by any Party in default hereof.

20. Severability

If any phrase, provision, or Section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the state of Washington that became effective after the effective date of the Resolution adopting this Agreement, and either Party in good faith determines that such provision or provisions are material to its entering into this Agreement, that Party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

21. Authority

Each Party warrants that it has the respective power and authority to enter into this Agreement and to execute, deliver, and perform its obligations under this Agreement.

22. Entire Agreement

This Agreement, together with all Exhibits, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement is specifically intended by the Parties to supersede all prior agreements, whether written or oral.

23. Counterparts

This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

24. Exhibits

The Exhibits to this Agreement are as follows, and are incorporated herein by reference:

- Exhibit A** – Legal Description of Property
- Exhibit B** – Overall Site Plan
- Exhibit C** – Parking Stall Dimensions
- Exhibit D** – Concept Site Plan
- Exhibit E** – Private Open Space Dimensions

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates set forth below.

**CITY:
CITY OF PUYALLUP**

Date: _____

By: _____
Steve Kirkelie
Its: City Manager

ATTEST:

By: _____
Dan Vessels, Jr.
Its: City Clerk

APPROVED AS TO FORM:

By: _____
Joseph Beck
Its: City Attorney

**DEVELOPER:
URBAN PUYALLUP MIXED USE LLC**

Date: _____

By: _____
Walker John
Its: Governor

STATE OF WASHINGTON)
) ss:
County of Pierce)

I certify that I know or have satisfactory evidence that Steve Kirkelie is the person who appeared before me, said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the City Manager for the City of Puyallup, a Washington municipal corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: this _____ day of _____, 202_.

Print Name: _____
Notary Public in and for the state of
Washington, residing at: _____
My appointment expires: _____

STATE OF WASHINGTON)
) ss:
County of _____)

I certify that I know or have satisfactory evidence that Walker John is the person who appeared before me, said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Governor of Urban Puyallup Mixed Use 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.

DATED: this _____ day of _____, 202_.

Print Name: _____
Notary Public in and for the state of
Washington, residing at: _____
My appointment expires: _____

Exhibit A

Legal Description of Property

Lots 1 to 8, inclusive, Block 31, MEEKER'S 1ST AND 2ND ADDITION TO THE TOWN OF PUYALLUP, according to the plat thereof recorded in Volume 2 of Plats at Page 93, records of the Pierce County Auditor;

Situate in the City of Puyallup, County of Pierce, State of Washington.

5745001631, 5745001632 and 5745001641

204 4th St SW, XXX W Meeker St
Puyallup, Washington

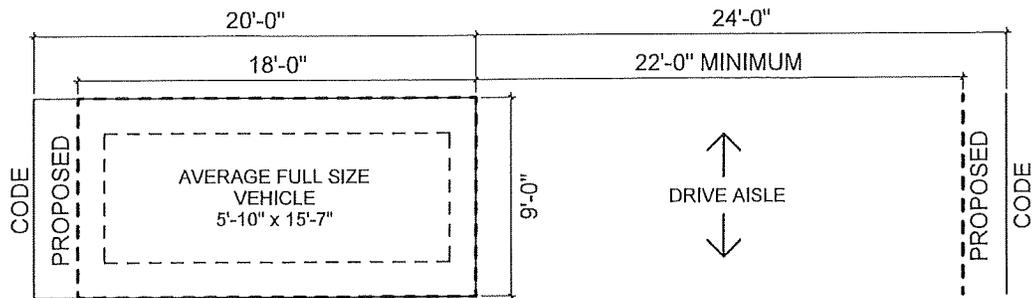


DIAGRAM A - STANDARD PARKING STALL & DRIVE AISLE

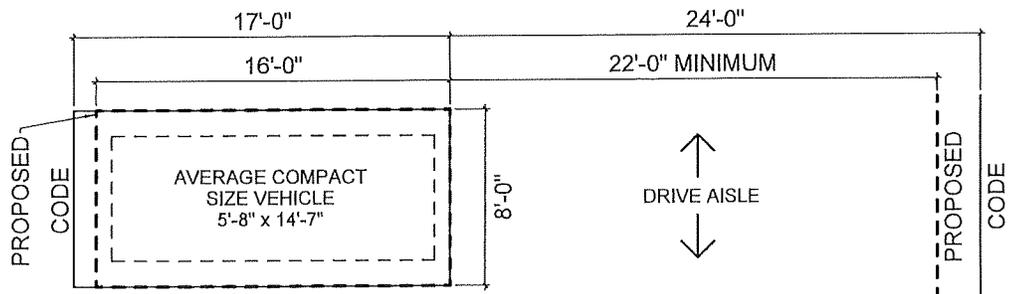


DIAGRAM B - COMPACT PARKING STALL & DRIVE AISLE

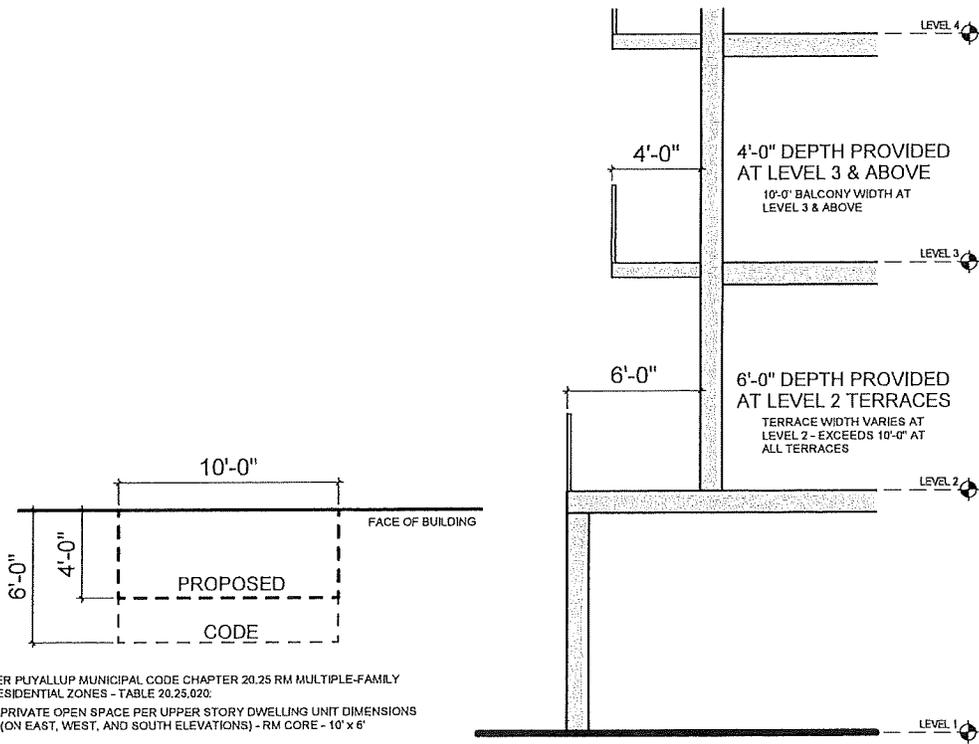


DIAGRAM A - RM CORE PRIVATE OPEN SPACE DIMENSIONS