

From: Tom McCormick <tomccormick@mac.com>
Sent: Wednesday, November 15, 2017 5:47 PM
To: MacCready, Paul
Cc: Countryman, Ryan
Subject: BSRE Letter Re: Pt. Wells, Woodway & the Upper Bluff
Attachments: I-Rubstello.pdf

Paul,

FYI. See attached.

Thank you.

Tom McCormick



Gary D. Huff
Attorney at Law
701 Fifth Avenue, Suite 3300
Seattle, Washington 98104
Direct: (206) 224 8024
Main: (206) 223 1313
Fax: (206) 682 7100
ghuff@karrtuttle.com

October 24, 2017

Gregory A. Rubstello
Ogden Murphy Wallace
1601 5th Ave., Ste. 2100
Seattle, WA 98101

RE: Point Wells Urban Center, Upper Bluff Project and Woodway

Dear Greg:

Earlier this year we exchanged a series of emails and held meetings to discuss mutually beneficial proposals between our client, BSRE Point Wells, LP, your client, the Town of Woodway, and representatives of the developer of the Upper Bluff, Point Wells, LLC.

The proposal made on behalf of our client included (and still includes) the following elements:

- BSRE would grant to the necessary party or parties the right to construct and maintain underground utility services through BSRE's property (including storm water drainage, water and sewer services. We understand that utility services would benefit not only the Upper Bluff development, but also other properties adjoining our and your clients' properties, as well as the Woodway Highlands development.
- BSRE would agree to undertake and pay for the construction of the secondary access road from the Point Wells Urban Center to 116th Ave., such work to be undertaken in compliance with both Snohomish County and Woodway road standards and to include reasonable screening from neighboring homes.
- Point Wells, LLC would grant in fee, or as an easement, to BSRE rights over and along a portion of the Southern-most corner of the Point Wells, LLC property so that the Point Wells Urban Center secondary access road could be constructed. (See Exhibit A for a preliminary design drawing showing the approximate location of the Secondary Access Route.)
- The Town would agree to the construction of such secondary access and would grant construction permits for the secondary access road as required by Snohomish County.

- The Town would agree to allow Point Wells, LLC to modify its plans for the Upper Bluff development to eliminate the proposed bridge connecting the main portion of the Upper Bluff parcel with the Southern-most portion (on which is currently proposed residential lots).

The advantage of this proposal to the Town is (a) the resolution of the storm water drainage issues that now confound the Town and threaten its residents who live within critical areas near the edge of the bluff and (b) the avoidance of the legal costs, delays, and acquisition costs of obtaining the desired utility easements by means of adverse possession.

We understand that the Town's counter-proposal includes the following elements:

- The Town would agree to grant construction permits and allow for the construction of the secondary access route as proposed.
- BSRE would agree to pay to the Town \$2,000,000 for mitigation of traffic impacts (which you explained included \$1,650,000 for asphalt overlays of the affected roadways).
- BSRE would agree to provide the Town with a Power of Attorney empowering the Town to file a petition to annex all of the BSRE owned property at Point Wells into the Town, and to refrain from granting Shoreline such right.
- BSRE would agree to acquire property for a fire station at approximately 195th and 20th (in Shoreline), such fire station to be owned and operated by the Town.
- BSRE would resubmit its development application to reduce the proposed residential unit count from 3,081 to 1,400.
- BSRE would create a local improvement district or similar to cover the area of the Point Wells Urban Center site for the purpose of imposing new property taxes to pay for on-site traffic calming, beach beautification, and on-site roadway maintenance.

While we appreciate the Town's efforts to present its collective desires on this subject, our client is constrained by the reality of the present circumstances. Thus, we offer the following counter proposal:

- BSRE resubmits its settlement proposal as set forth above.

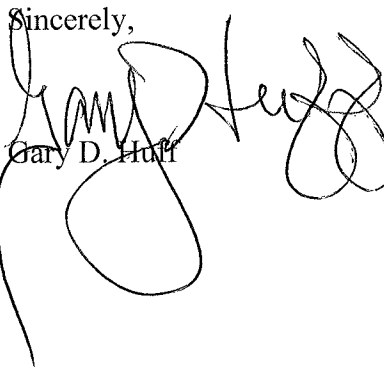
Mr. Greg Rubstello
October 24, 2017
Page 3

- BSRE will pay for the costs of appropriate off-site mitigation, including both to the roads of the Town and those in the City of Shoreline, but such costs must be realistically related to the impacts of the proposed project.
- BSRE will work with the County Fire Marshall's office and the applicable fire district (which we expect will be the Shoreline Fire Department) to assist in the siting and establishment of an ancillary fire station, whether located at the Point Wells Urban Center or off-site, at the recommendation of the County's Fire Marshall and/or the local fire district.
- BSRE intends to create one or more associations for the purpose, among others, of collecting fees for the ongoing maintenance of all common spaces within the project, including the roads, sidewalks, open spaces and beaches. These private associations would therefore eliminate the need for a government run local improvement district.

Our client is unable to undertake the following:

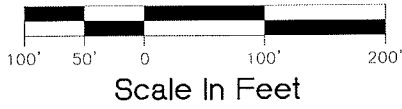
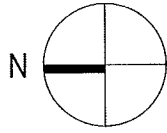
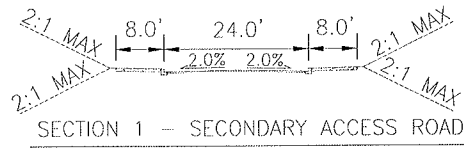
- Revisions to the Urban Center Application to reduce the number of residential units from 3,081 to 1,400.
- The granting of an exclusive Power or Attorney for the application to annex the entire site into the town.

Our client is willing and expects to continue discussions with the County, the Town of Woodway, the owner of the Upper Bluff, the City of Shoreline and the other members of the affected neighborhoods to address their concerns. We look forward to our next discussion with you and your client at a mutually agreeable time in the near future.

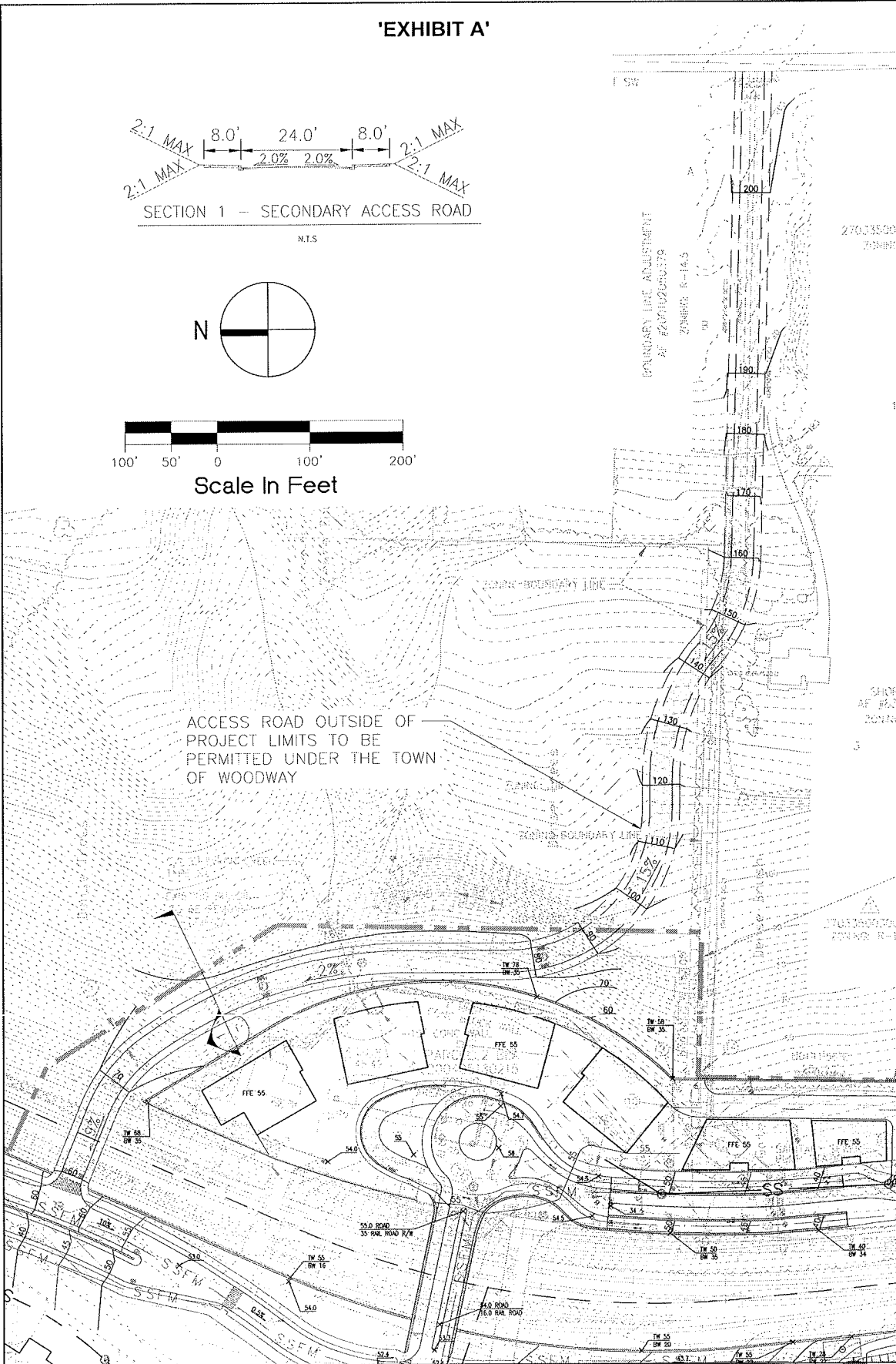
Sincerely,

Gary D. Huff

GDH:slm
cc: Ben Giddings, Point Wells, LLC

'EXHIBIT A'



ACCESS ROAD OUTSIDE OF PROJECT LIMITS TO BE PERMITTED UNDER THE TOWN OF WOODWAY



POINT WELLS

SECOND ACCESS EXHIBIT

Date: 04/12/17

REFERENCE PFN-11-101457 LU

615 SECOND AVE. SUITE 280
SEATTLE, WA 98104
T 206.223.0326
F 206.223.0125
www.svrdesign.com

Drawing Date: 04/12/17
 Checked By: [Signature]
 Design: [Signature]
 Project: [Signature]