

# School Mitigation Agreement

## *Working With the School District and the Community*

The City of Black Diamond, Enumclaw School District, BD Village Partners LP and BD Lawson Partners LP have jointly developed an agreement that supports strong schools long into the future of Black Diamond. The agreement mitigates the impacts of two approved Master Planned Developments on school facilities through a combination of land conveyance for school sites and the payment of mitigation fees to the Enumclaw School District. As a result of this agreement, the future properties needed for schools are secured while flexibility regarding when and where to build each school is maintained.

Schools are a vital part of the success of the projects. The term of the agreement is 15 years or four years after the last subdivision is approved, whichever is longer. The District also has the option to extend the term of the agreement for one year if the District needs to present a bond measure to the public to finance school construction on one of the identified school sites.

### Number and Size of Schools Sites

#### Elementary School Sites

- Three 10-acre elementary school sites
- One 13-acre elementary school site

#### Middle School Sites

- One 20-acre middle school site
- One 24-acre middle school site

#### High School Site

- One 40-acre high school site.

In addition, YarrowBay has offered to set aside additional land to accommodate larger elementary schools, increasing from 10-acre sites to 12.5-acre sites. This provides the District with the option to build three larger schools instead of four smaller schools. The District must make this decision before construction begins on the first elementary school.

### Timing

YarrowBay is ready to convey the first elementary school site to the District, once there is a resolution of all related appeals. For example, YarrowBays' obligation to convey the remaining elementary school sites to the District is contingent on final plat approval for the following number of total homes:

- \* 2nd Elementary School Site - 1,750 units approved
- \* 3rd Elementary School Site - 3,000 units approved
- \* 4th Elementary School Site - 4,500 units approved



Once YarrowBay receives final plat approval for the required number of homes, the elementary school sites will be conveyed as the District secures construction financing. If the District does not receive financing approval for each elementary school by the end of the term of the agreement, YarrowBay will still convey the second elementary school property, but would use the other sites for alternative purposes.

### School Mitigation Fees and Developers Credit for School Sites

As part of the agreement, YarrowBay will pay mitigation fees for each home that is developed. The total will be between \$35 million and \$55 million, presuming all planned units are approved and built. YarrowBay will receive credits against the mitigation fees in an amount equal to the appraised value of the land for school sites that is conveyed to the School District. The mitigation fee payments will be made over time as building permits are requested, and the fees will remain in place even if construction occurs after the term of this agreement.