



December 27, 2017

Ann Mueller
City of Covington
16720 SE 271st Street, Suite 100
Covington, WA 98042-4964

Re: Lakepointe Annual Report

Ann, attached is a copy of the Lakepointe Annual Report Pursuant to Section 36.1 of the Lakepointe Development Agreement. I would welcome placement on the City Council Agenda early in 2018 to provide a verbal summary and to address any questions.

Thank You

Colin Lund
Director of Development

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2017 Annual Review

Pursuant to Section 36.1 of the Lakepointe Development Agreement (DA), the Master Developer (Oakpointe) must provide an annual report to the City of Covington Designated Official. Below is a listing of each of the areas to be addressed and a response by Oakpointe:

36.1.1 What obstacles, opportunities and/or constraints might exist for the Master Developer that were unexpected when the Agreement was written

The DA is primarily focused on activities that occur during site entitlement, construction and operation. To date, most of Oakpointe's activities are associated with the pre-development process. However, on June 8, 2017, Oakpointe received confirmation from the US Army Corps of Engineers (Corps) that the water-filled gravel pits and associated pre-settling pond area are not waters of the US. This approval satisfies Section 14.4 of the DA, which requires the Corps determination prior to any implementing project or off-site development projects discharging water into the existing pond areas.

While Oakpointe was negotiating and seeking approval of the DA with the City of Covington, it also undertook a significant site planning process in order to understand how the terms and standards of the DA impacted the carrying capacity of the Lakepointe project site. Oakpointe found that additional commercial space and additional residential units are possible within the same footprint of the development area of the Lakepointe project site, as a result of structured parking, the mix of residential product type, and by providing a variety of building heights. An example of this is on the site's peninsula, Section 19.1.3 of the DA requires the peninsula area to be developed with mixed-use, including upper story residential units. Oakpointe had not originally contemplated residential in this area; however, by providing upper story residential units, it provides for additional units that had not originally been considered.

Oakpointe has begun exploring with City of Covington staff opportunities to bring forward a request to increase the amount of commercial and residential units on the Lakepointe project site while retaining the same site footprint as indicated under the DA.

36.1.2 Status of Reclamation

Oakpointe expects that by the end of 2017 approximately 260,000 yards of fill material will have been imported to the site. The fill is primarily being placed on the far easterly portion of the Lakepointe project site and the peninsula area. Golder Associates has been performing on-site geological construction monitoring and compaction testing to ensure compliance with the reclamation plan and industry standard compaction for future construction. The most recent report was submitted to the City of Covington via e-mail on November 11, 2017. Goodfellow Bros. Inc., Oakpointe's general contractor, is on the site everyday managing the import of material and conducting the actual placement and compaction work.

The rate of import of fill dirt in 2017 was significantly less than Oakpointe had originally anticipated. This deficit is the result of a combination of other site's competing for material, the location of the export sites, and inability to accept material during extended hours. To this end, Oakpointe has discussed with City of Covington staff the possibility to request the ability to allow fill material to be accepted on the Lakepointe site during extended hours (just delivered, not placed). Several large urban export projects are only permitted to haul at night due to traffic in and out of the city in which they are located. Having the ability to accept this material would significantly increase the rate of the fill activity at Lakepointe. Allowing the import of fill does, however, require a change to the City code to allow the Designated Official to consider the request and grant approval with necessary conditions. Oakpointe intends to submit a request for City code modification to allow the request to be considered by the Designated Official.

36.1.4 Status of progress and compliance with the Planned Action mitigation measures

(Not applicable at this time)

36.1.5 Parking

(Not applicable at this time)

36.1.6 Traffic

(Not applicable at this time)

36.1.7 Road Construction

Oakpointe has been working with the City of Covington to prepare final engineering plans for the Covington Connector road (Lakepointe Boulevard) that extends from the west off-ramp of Highway 18 at SE 256th Street to the intersection of 204th Avenue SE and SE Kent Kangley Road. The plans have been divided into two sections. The first section includes improvements to 204th Avenue SE (from Maple Hills to SE Kent Kangley Road) as one plan set. The second section includes the Highway 18 interchanges and the portion of the road through the Lakepointe site as a second plan set. Oakpointe's consultant is currently working on construction bid documents and will be providing the City the plans and bid package information for the City's use going forward.

36.1.8 Status of trail construction

(Not applicable at this time)

36.1.9 Status of required focal points

(Not applicable at this time)

36.1.10 What sustainably features have been incorporated into Lakepointe Urban Village development pursuant to Section 6.

(Not applicable at this time)