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05/23/2025 08:54 AM Pages: 1 of 13 Fees: \$315.50
Skagit County Auditor

AFTER RECORDING, RETURN TO:
CITY OF SEDRO-WOOLLEY
PLANNING DEPARTMENT
325 METCALF STREET
SEDRO-WOOLLEY, WA 98284

DOCUMENT TITLE: Development Agreement Between the City of Sedro-Woolley and Gateway Village, LLC
GRANTOR: City of Sedro-Woolley, a Washington municipal corporation
GRANTEE: Gateway Village, LLC, a Washington limited liability company; and Sedro Woolley, LLC, a Washington limited liability company
ABBREV. LEGAL: S23/T35N/R4E.W.M.
TAX PARCEL NOS: P37331; P37206; P120424

DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND GATEWAY VILLAGE, LLC

Pursuant to the authority granted by RCW 36.70B.170 through .210, the City of Sedro-Woolley, a Washington municipal corporation (the "City"), Gateway Village, LLC, a Washington limited liability company, and Sedro Woolley, LLC, a Washington limited liability company (Gateway Village, LLC and Sedro Woolley, LLC are collectively referred to herein as "Gateway"), enter into this Development Agreement in order to facilitate and promote the development of certain real property (the "Project") located within the City, the legal description of which is set forth in Exhibit A hereto (the "Property"), consistent with the terms, conditions and provisions of this Development Agreement. The Effective Date of this Development Agreement shall be the date all Parties have affixed their signature hereto. The City and Gateway each shall hereinafter from time to time be referred to as a "Party" or collectively as the "Parties" to this Development Agreement.

RECITALS

A. The State legislature, through the enactment of RCW 36.70B.170 through .210, has granted the City the authority to enter into a development agreement with a person or entities having ownership or control of real property within its jurisdiction.

B. Pursuant to RCW 36.70B.170(1) & (3), the City and Gateway recognize that the effect of this Development Agreement shall be to fix the development standards and other

provisions that shall apply to and govern and vest the development, use, and mitigation of the Project (hereinafter, "**Development Standards**") and the Property for the duration specified herein.

C. Pursuant to RCW 36.70B.170 (4), the City and Gateway recognize and agree that the execution of a development agreement is a proper exercise of the City's police power and contract authority, that a development agreement may obligate a party to fund or provide services, infrastructure, or other facilities, and that a development agreement shall reserve to the City the authority to impose new or different regulations to the extent required by a serious threat to public health and safety.

D. Gateway intends to develop the Property into one Mixed-Use building ("**Project**").

E. Gateway has submitted, and the City has approved, civil construction drawings dated April 5, 2024 and as subsequently amended, from Freeland and Associates ("**Civils**").

F. The Project is required to meet the requirements of SWMC 17.21.050 for open space and useable open space.

G. The Project will require stormwater management conforming to the requirements of SWMC Title 13. As outlined in the "Stormwater Site Plan Batey Square" August 2023 by Freeland Associates and the "Stormwater Site Plan Gateway Village – Phase 1" May 2020 by Davido Consulting group, the Project discharges to an exempt water body through manmade conveyances and is therefore exempt from flow control requirements.

H. The City has a preexisting bioretention facility ("**Bioretention Facility**") located entirely within City right-of-way and directly adjacent to the Property that is used to treat and detain stormwater that comes partially from the City right-of way and partially from the existing Development, known as the Depot (aka Gateway Village Phase 1), located on Skagit County Assessors Tax Parcel Number P135489; 8103-000-003-0000, owned by Hodgin Corner, LLC, a Washington limited liability company. The location of the Bioretention Facility relative to the Project is shown on the engineering drawings dated April 2024.

I. The City has stormwater conveyance and detention infrastructure in the public right-of-way and on easements located on properties to the north of the Project site.

J. The City has an existing storm drainage, open ditch conveyance on the north side of Stendal Street that does not have positive drainage and needs to be replaced with an enclosed system.

K. Sidewalk, curb, and stormwater infrastructure currently exists only along the south side of the Stendal Street right-of-way and the east side of the Hodgin Street right-of-way. The engineering drawings dated April 2024 show Gateway will be installing frontage improvements, to include sidewalk, curb, and stormwater improvements along the west side of Hodgin Street where adjacent to the Property.

L. The Project is located adjacent to the property owned by the Sedro-Woolley School District used by the community and known as “Janicki Fields.”

M. The City desires to enclose the drainage ditches on Hodgkin Street and Stendal Street and to provide additional stormwater quality treatment for runoff from the public roadway to provide positive flow and reduce litter entering the system.

N. The City desires to have standard sidewalk, curb, and stormwater infrastructure installed along the north side of Stendal Street to enhance walkability and pedestrian safety in the area.

O. Gateway has completed a stormwater site plan that meets the requirements of the municipal code and in addition provides for treatment of runoff generated on Hodgkin Street, Stendal Street, and the Gateway Village Phase 1 (aka The Depot) using a water quality vault located in the public right-of-way as shown in Fig 6 of the Stormwater Site Plan Batey Square” August 2023 by Freeland Associates included as “Exhibit C.”

P. Gateway desires to replace the existing Bioretention Facility with a stormwater water quality vault, install hardscaping and landscaping over the vault, and extend an enclosed drainage east along the Stendal Street right-of-way to the point of discharge from the Gateway Phase 1 project site at no cost to the City.

Q. Replacement and enclosure of the storm drainage conveyance and treatment systems by Gateway in the public right-of-way are a benefit to the City in meeting its obligations as an NPDES phase II MS4 permittee by minimizing maintenance and ensuring safe and reliable drainage conveyance.

R. The City has identified housing as a high priority for the community and that the Project can provide a high level of new housing coupled with retail and services in the urban village overlays.

S. The City benefits from the enhancement of public rights-of-way through the creation of pedestrian amenities, including landscaping, benches, bicycle racks, pedestrian scale lighting and similar amenities and that said improvements, when located in public rights-of-way, can be located above underground stormwater facilities maintained by the City.

T. The enhanced public right-of-way provides a public amenity for pedestrian access to the publicly accessible area known as “Janicki Fields” and provides an enhanced connection to the urban village area.

U. Pursuant to RCW 36.70B.200, on 23rd of April, 2025, the City held a public hearing regarding the form and substance of this Development Agreement before the City Council, and the City Council has enacted a resolution authorizing the Mayor to enter into this Development Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

TERMS OF AGREEMENT

The Parties hereby incorporate the Recitals as material terms to this Development Agreement as if fully set forth in this paragraph.

1. Use of Bioretention Facility. Gateway shall remove the existing Bioretention Facility and install a stormwater water quality vault as generally shown on the engineering drawings (dated April 5, 2024 and as subsequently amended) and as shown in Exhibit B of this agreement. The Parties agree that the stormwater vault shall be designed to receive, treat and detain, (as needed to comply with relevant regulations) all existing stormwater runoff and drainage from City improvements and right-of-way, the project known as Gateway Village Phase 1 (aka The Depot) and from new stormwater runoff from the Property resulting from the development of the Project. Gateway shall also install hardscape and landscaping over the top of the vault as generally shown on the engineering and landscape drawings dated April 5, 2024, and as subsequently amended, which will effectively function as usable public open space. Gateway shall provide a suitable surface in the plaza to provide for access to the underground water quality vault from the public road capable of supporting an HS-20 loading, or equivalent. Gateway shall also design and construct an enclosed storm drainage conveyance (e.g., a 12-inch diameter pipe, catch basins and appurtenant structures) from the discharge from Gateway Village Phase 1 on Stendal Street west to the water quality vault. Gateway shall also install standard sidewalk, curb, and stormwater infrastructure along the north side of the Stendal Street right-of-way from the plaza to the southeast corner of Skagit County Assessors Tax Parcel Number P37341; 350423-4-005-0203, owned by the Sedro-Woolley School District.
2. Dedication of Improvements. Upon completion and acceptance of the improvements, Gateway shall submit a bill of transfer for all improvements associated with the stormwater, the public plaza area, and the sidewalk, curb and stormwater infrastructure located within the public right-of-way after which the City shall be responsible for all maintenance and operation of all stormwater facilities, the plaza area, and the sidewalk, curb, and stormwater infrastructure located in public right-of-way.
3. Timing for Improvements. Gateway shall have twenty-four (24) months from the date of recording of this agreement to complete the improvements and provide a bill of transfer to the City. The City may at its sole discretion authorize a single six-month extension.
4. Recording. Per RCW 36.70B.190, following execution by all Parties, this Development Agreement shall be recorded with the Skagit County Auditor by Gateway and a recorded copy provided to the City within 15 days.
 - 4.1 Covenant Running with the Land. It is the Parties' intent that this Development Agreement, so long as it is in force, be considered, interpreted and regarded as a covenant running with the Property.

4.2 Relationship of Parties. It is understood and agreed by the Parties hereto that the contractual relationship created between the Parties hereunder is that Gateway is an independent party and not an agent of the City. Nothing contained herein or in any document executed in connection herewith shall be construed as making City and Gateway joint-venturers or partners.

4.3 Amendment or Termination. Per RCW 36.70B.180, unless amended or terminated, this Development Agreement shall be enforceable by any Party hereto or by any person or entity that succeeds to a Party's interest in this Development Agreement. This Development Agreement and the Development Standards herein shall allow for the build-out period specified herein. A permit or approval issued by the City after the date all Parties have affixed their signature hereto shall be consistent with this Development Agreement.

4.4 Recordation of Agreement. This Agreement and any amendment or termination to it shall be recorded with the Skagit County Auditor.

4.5 Reservation of Authority. The City shall reserve authority to impose new or different regulations on the Property to the extent required by a serious threat to public health and safety per RCW 36.70B.170(4). In such event, the remaining provisions of this Development Agreement shall remain in full force and effect to the extent it is not inconsistent with such regulations and to the extent such regulations do not render such remaining provisions impractical to enforce.

4.6 No Impairment or Commitment of City's Regulatory Discretion. Nothing in this Development Agreement shall be interpreted to limit the exercise by the City of its regulatory powers with respect to approval of pending or new applications in accordance with applicable law. Nor shall this Development Agreement be interpreted as a determination as to the consistency of this Development Agreement with applicable plans, codes and ordinances, or any commitment whatsoever by the City with respect to any future City discretionary decisions that may be required for this Development Agreement.

4.7 Applicable Law. This Development Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington, and any action to enforce its terms shall be brought to the Skagit County Superior Court. In the event a dispute arises from this Development Agreement, the Parties shall participate in at least one (1) day of mediation with a trained mediator prior to commencing any action in the Skagit County Superior Court; PROVIDED, however, that no such mediation shall be required prior to commencing an action under the Land Use Petition Act, RCW Chapter 36.70C, an action for injunctive relief, or when a party reasonably believes that emergency or expedited relief is necessary.

4.8 Transfer of Ownership. A conveyance of all or any portion of the Property through any means shall not impair, extinguish or otherwise affect any right, obligation, duty, term or provision of this Development Agreement. Any purchaser and/or assignee of all or any portion of the Property shall have the same rights, obligations and/or duties under this Development Agreement as the Party, person or entity from which it purchased or otherwise obtained an interest in all or a

portion of the Property and shall have the right to enforce this Development Agreement against the City.

4.9 Severability. If any provision of this Development Agreement is determined to be unenforceable or invalid by a court of law, then this Development Agreement shall thereafter be modified to implement the purpose and intent of the Parties to the maximum extent allowable under the law.

4.10 Review and Consultation. The Parties acknowledge that they have been afforded an opportunity to consider this Agreement and the terms and conditions set forth herein, and that they have read and understood the terms of the Agreement and have been given an opportunity to consult with their respective legal counsel prior to executing this Agreement.

4.11 Voluntary Agreement. The Parties hereby represent and acknowledge that this Agreement is given and executed voluntarily and is not based upon any representation by any of the Parties to another Party as to the merits, legal liability, or value of any claims of the Parties or any matters related thereto.

4.12 Non-Enforcement not Waiver. Failure by any one of the Parties to enforce this entire agreement or any provision of it with regard to any provision contained herein shall not be construed as a waiver by that Party of any right to do so.

4.13 Entire Agreement; Modification. This Development Agreement consists of nine (9) pages exclusive of exhibits and represents the entire agreement of the Parties with respect to the subject matter thereof. There are no other agreements, oral or written, except as expressly set forth herein. This Development Agreement may not be altered, changed, modified, or amended except by an instrument in writing signed by all Parties hereto.

4.14 Construction. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Development Agreement or any amendments thereto, and the same shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

4.15 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of evidence or consummate the transactions contemplated by this Agreement.

4.16 Notices. All notices provided for herein may be delivered by overnight delivery service, mailed registered or certified mail, return receipt requested, or transmitted via facsimile. If a notice is sent via overnight courier, it shall be deemed delivered upon the next business day. If a notice is mailed, it shall be considered delivered three (3) days after deposit in such mail. If a notice is

sent via facsimile, it shall be deemed delivered upon receipt of verification of transmission. The addresses to be used in connection with such correspondence and notices are the following, or such other address as a party shall from time to time direct:

Notices to the City shall be sent to:

City of Sedro-Woolley
Attn: Planning Department
325 Metcalf Street
Sedro-Woolley, WA 98284

Notices to Gateway shall be sent to:

Gateway Village, LLC
Sedro Woolley, LLC
103 N. Township Street
Sedro-Woolley, WA 98284

4.17 Authority. The individuals executing this Development Agreement represent and warrant that they have the authority to execute this Agreement and bind their respective principal.

4.18 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

4.19 Singular and Plural. As used herein, the singular of any word includes the plural.

4.20 Time. Time is of the essence in each and every covenant and condition of this Development Agreement.

4.21 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and shall constitute one and the same instrument. All Exhibits hereto are hereby incorporated by specific reference into this Agreement, and their terms are made a part of this Agreement as though fully recited herein.

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Gateway Village, LLC,
a Washington limited liability company

By: 

Robert W. Janicki
Its: Managing Member

Date: May 9, 2025

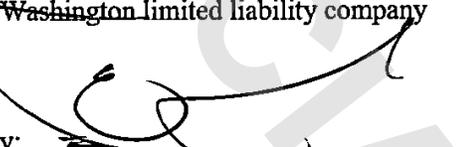
City of Sedro-Woolley, a Washington
municipal corporation

By: 

Its: MAYOR

Date: MAY 13th, 2025

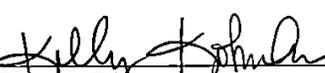
Sedro Woolley, LLC,
a Washington limited liability company

By: 

Robert W. Janicki
Its: Managing Member

Date: May 9, 2025

ATTEST:

By: 
Finance Director

APPROVED AS TO FORM:

By: 
Office of the City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that Robert W. Janicki 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 Member of Gateway Village, LLC, and Sedro Woolley, LLC, both Washington limited liability companies, to be the free and voluntary act of such parties for the uses and purposes mentioned in the instrument.

Dated: May 9-2025



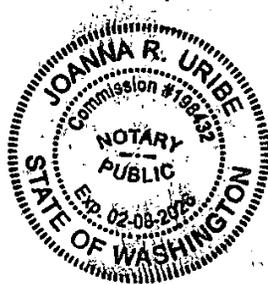
Daisy Ward
(Signature)

DAISY WARD
Printed Name
Notary Public in and for the State of Washington
residing at Bellingham WA
My appointment expires: 03 25 2026

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

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

Dated: 5/13/25



Joanna Uribe
(Signature)

Joanna Uribe
Printed Name
Notary Public in and for the State of Washington
residing at Skagit County
My appointment expires: 02-08-2026

EXHIBIT "A"
Legal Description of Property

P37331

PARCEL A (P37331) of that certain Record of Survey for Boundary Line Adjustment, dated 11/21/2024 and recorded on December 20, 2024, under Skagit County Auditor's File No. 202412200052.

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 23, THENCE NORTH 0° 59' 30" EAST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION A DISTANCE OF 860.63 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 0° 59' 30" EAST ALONG SAID EAST LINE A DISTANCE OF 455.14 FEET TO THE NORTH LINE OF SAID SOUTHEAST QUARTER;

THENCE NORTH 89° 26' 04" WEST ALONG SAID NORTH LINE A DISTANCE OF 420.71 FEET;
THENCE SOUTH 0° 59' 30" WEST, PARALLEL WITH SAID EAST LINE, A DISTANCE OF 452.02 FEET;

THENCE SOUTH 89° 00' 30" EAST A DISTANCE OF 420.70 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE WITHIN THE CITY LIMITS OF SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON.

CONTAINS 190,821 SQUARE FEET ±

P37206

PARCEL B (P37206) of that certain Record of Survey for Boundary Line Adjustment, dated 11/21/2024 and recorded on December 20, 2024, under Skagit County Auditor's File No. 202412200052.

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 23, THENCE NORTH 0° 59' 30" EAST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION A DISTANCE OF 501.13 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 56' 10" WEST A DISTANCE OF 636.17 FEET;

THENCE NORTH 0° 59' 12" EAST, PARALLEL WITH THE WEST LINE OF THE EAST HALF OF SAID SOUTHEAST QUARTER, A DISTANCE OF 821.63 FEET TO THE NORTH LINE OF SAID SOUTHEAST QUARTER;

THENCE SOUTH 89° 26' 04" EAST ALONG SAID NORTH LINE A DISTANCE OF 215.44 FEET;

THENCE SOUTH 0° 59' 30" WEST, PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 452.02 FEET;

THENCE SOUTH 89° 00' 30" EAST A DISTANCE OF 420.70 FEET TO A POINT ON SAID EAST LINE;

THENCE SOUTH 0° 59' 30" WEST ALONG SAID EAST LINE A DISTANCE OF 359.50 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE WITHIN THE CITY LIMITS OF SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON.

CONTAINS 329,592 SQUARE FEET ±

P120424

TRACT R, GATEWAY BINDING SITE PLAN, AS APPROVED APRIL 7, 2003, AND RECORDED MAY 19, 2003, UNDER AUDITOR'S FILE NO. 200305190183, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

EXHIBIT "B"
Excerpt from Engineering drawings dated April 2024

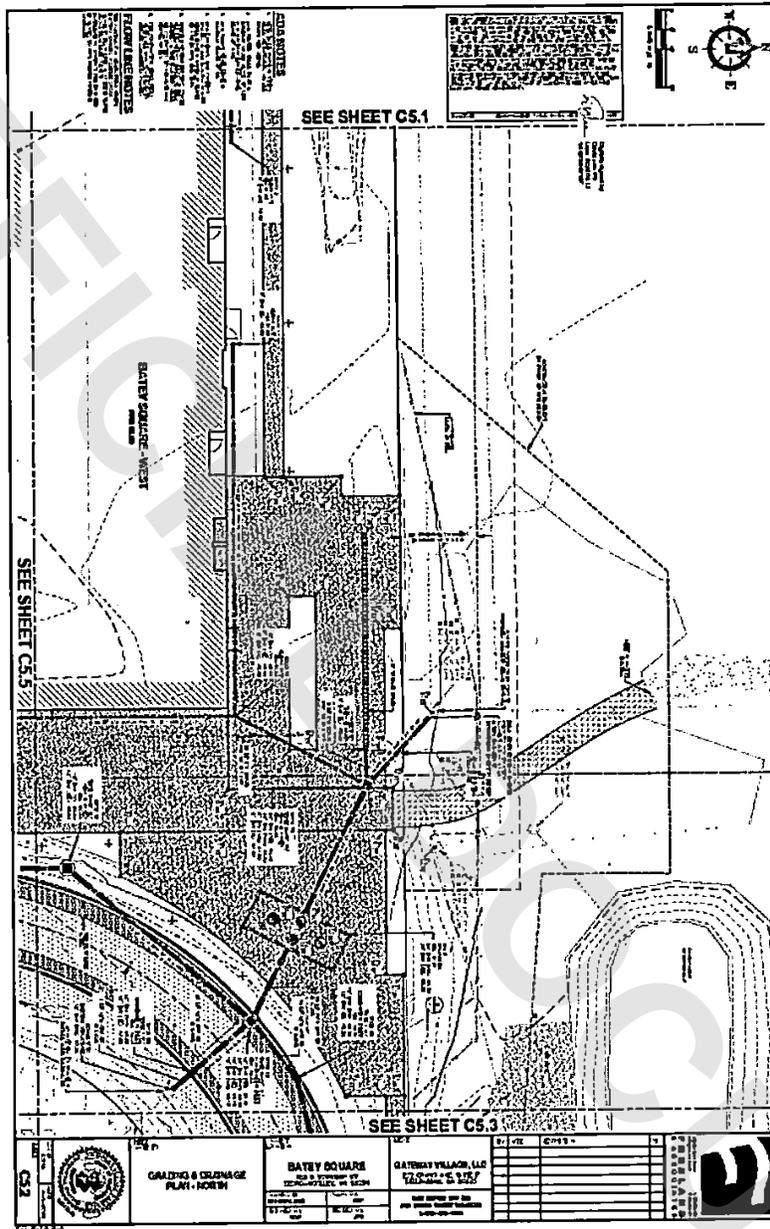
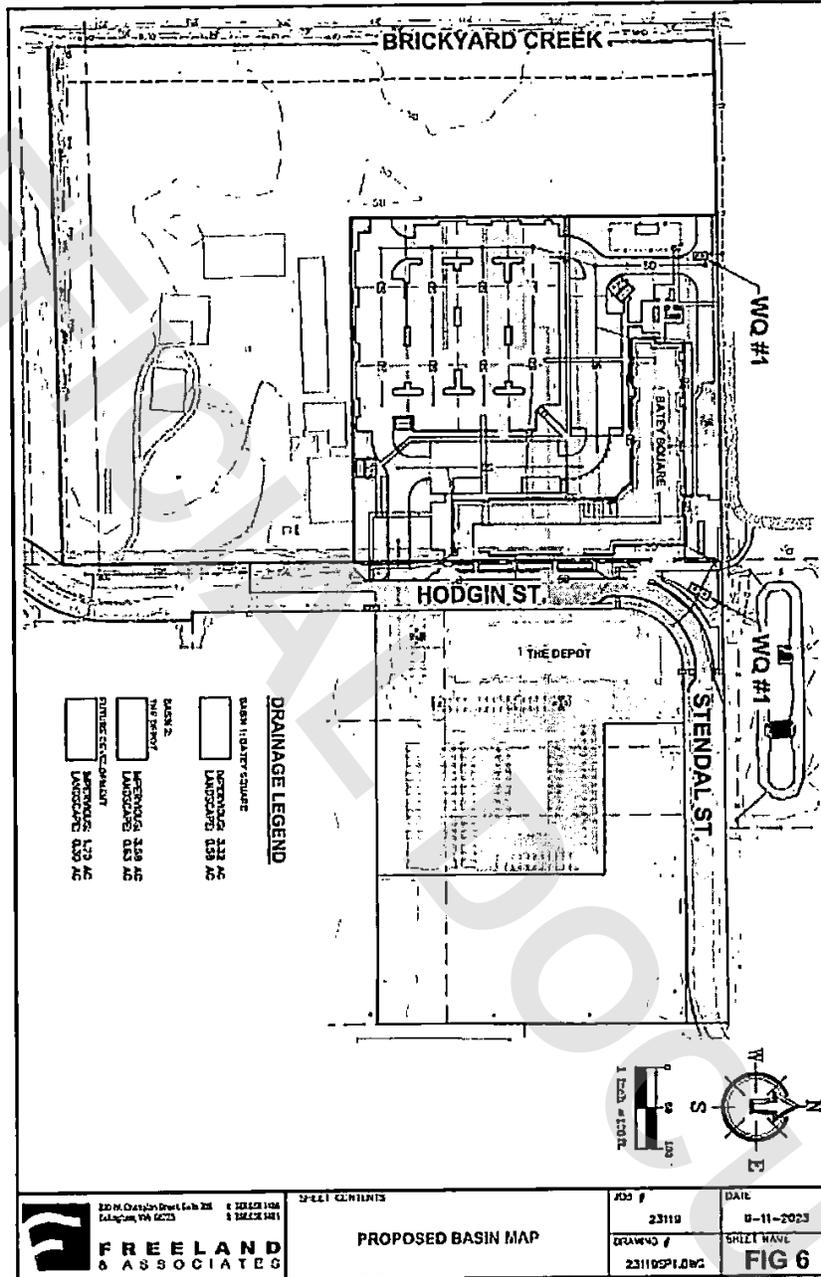


EXHIBIT "C"
 Figure 6 "Stormwater Site Plan Batey Square" August 2023 by Freeland Associates



<p>FREELAND & ASSOCIATES</p> <p>220 N. Clayton Street, Suite 204 Exeter, VA 24540 434.336.1100 434.336.1101</p>	<p>PROPOSED BASIN MAP</p>	JOB # 23119	DATE 8-11-2023
		DRAWN BY 23119SP1.DWG	SHEET NAME FIG 6