

November 27, 2006

Rich Conrad  
City Manager  
City of Mercer Island

Re: PEAK Development Agreement

Dear Rich:

We at the Mercer Island School District appreciate the City's continuing and concerted efforts to address the land use issues raised by the proposed PEAK project. We understand the City and the School District share the common goal of providing a first class recreational and social facility for the Island's young people, on the High School campus, assuming of course that the land use issues can be satisfactorily addressed.

The draft First Amendment to Development Agreement (Amendment) is appropriate, the School District agrees, to ensure that the PEAK project provides adequate parking for its various uses, and to encourage shared parking between School District and PEAK parking facilities. Shared parking in this situation will minimize the creation of new impervious surfaces and increase the efficient use of the scarce public land resource at the High School site.

With that said, there are several modifications to the draft Amendment which, after consultation with the Board of the School District, are important to ensure the Board's approval of the Amendment.

The first modification relates to Section 1.b.iii.1 "SEPA Addendum." The School District agrees that the 1996 SEPA Decision recommends the School District to construct an additional 35 parking spaces on the High School site. The School District, in submitting its 2006 Addendum, has committed to providing that additional parking. The School District agrees that parking will be installed by August 31, 2006. By the same token, the School District considers this obligation to be legally distinct from the issues addressed in the Amendment, which is designed to regulate the PEAK Project, not the existing High School use. In this light, Section 1.b.iii.1 should be deleted.

The second modification relates to Section 1.b.iv "Restrictions on Operations." That section requires 15 days written notice of District Special Events. There will be occasions where District Special Events are planned less than 15 days in advance. The School District therefore requests that the 15 day notice period be changed to a 5 day notice period.

The third modification relates to Section 1.b.v "Traffic Management Programs." The School District agrees to work together in good faith with the City to institute a Demand Management Agreement. The School District considers it to be part of its responsibility as a good neighbor, as a steward of public resources, and as an educational

institution, to undertake reasonable measures to reduce traffic and parking demand at the High School site, and looks forward to partnering with the City to achieve that objective. However, again, the elements of that plan will need to be worked out with the City and evaluated by the School Board over the coming months. That plan, too, is legally distinct from the Amendment, which is designed to address the parking impacts of the PEAK proposal, and to assure that those impacts will not adversely affect the neighboring community. Accordingly, Section 1.b.v should be deleted.

The fourth modification relates to Section 1.b.vii "Penalty." This section also should be deleted. The School District, like the City, takes its legal responsibilities very seriously, and of course intends fully to comply with the terms of the Amendment. The School District recognizes that if the amendment should be breached, existing City code provides for enforcement and penalty provisions. To include a penalty provision in this Amendment, however, suggests that the City questions whether the School District will comply with its terms. That suggestion erodes the mutual good faith which must be the true bedrock of City-School District cooperation. As a reflection of that good faith and in recognition of the City-School District partnership which is a component of the PEAK proposal as it is in so many other common endeavors, Section 1.b.vii should be deleted.

Thank you for your consideration of these comments.

Sincerely,

Liz Dodd  
Associate Superintendent, Business Services