

LINDEN GOLF AND COUNTRY CLUB

2519 East Main, Puyallup, Washington 98372

October 18, 2022

Owners of land leased to Linden Golf and Country Club
Care of Ronald G. Housh
ron@housh.org

Phone: 206-235-2459
sent via email

Re: Potential purchase of golf course property

Ron,

As you know, we have had some informal discussion regarding the potential purchase of the portion of the golf course that is currently leased.

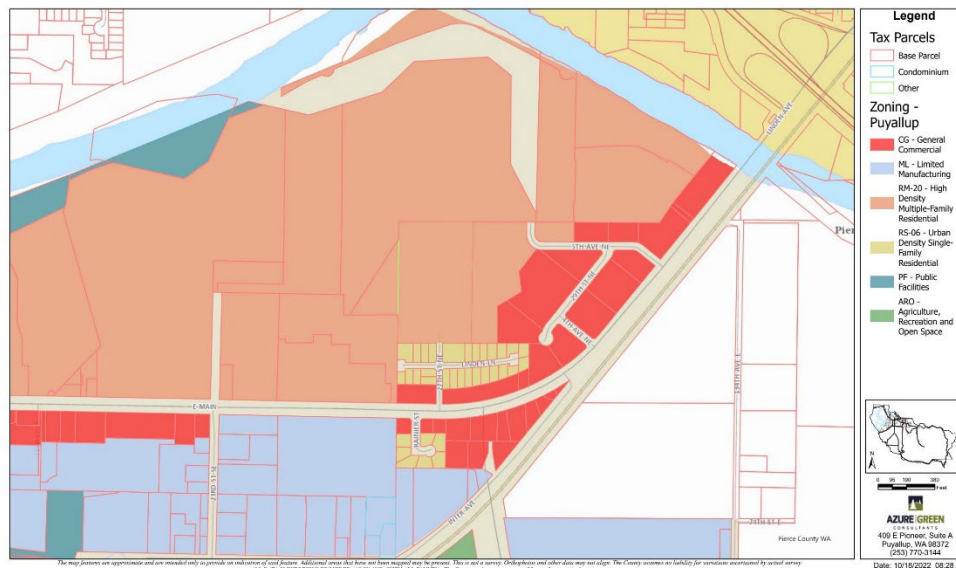
The current lease was executed on December 22, 2015 and has a termination date of September 30, 2045.

It is in the best interest of Linden Golf and Country Club to purchase the leased property. We desire to maintain the golf course in perpetuity. Ownership of the property will give us more certainty moving forward.

There are many things to consider in negotiation of a purchase and sale agreement.

Existing Zoning

CVWeb



The property is currently zoned RM-20 by the City of Puyallup. The portion of the property that currently has no tax parcel designation has no current zoning designation on the City GIS maps.

As you know, when we executed the new lease, we included additional property that was not in the old lease or your old deed. This property is land that was added to the original homestead by accretion when the river moved north and east from the old riverbed location.

The property that was added is shaded in below: The existing parcels in the Assessors data base did not show this property being owned by anyone. This is the same area referenced above with no parcel number and no zoning (solid tan shading).



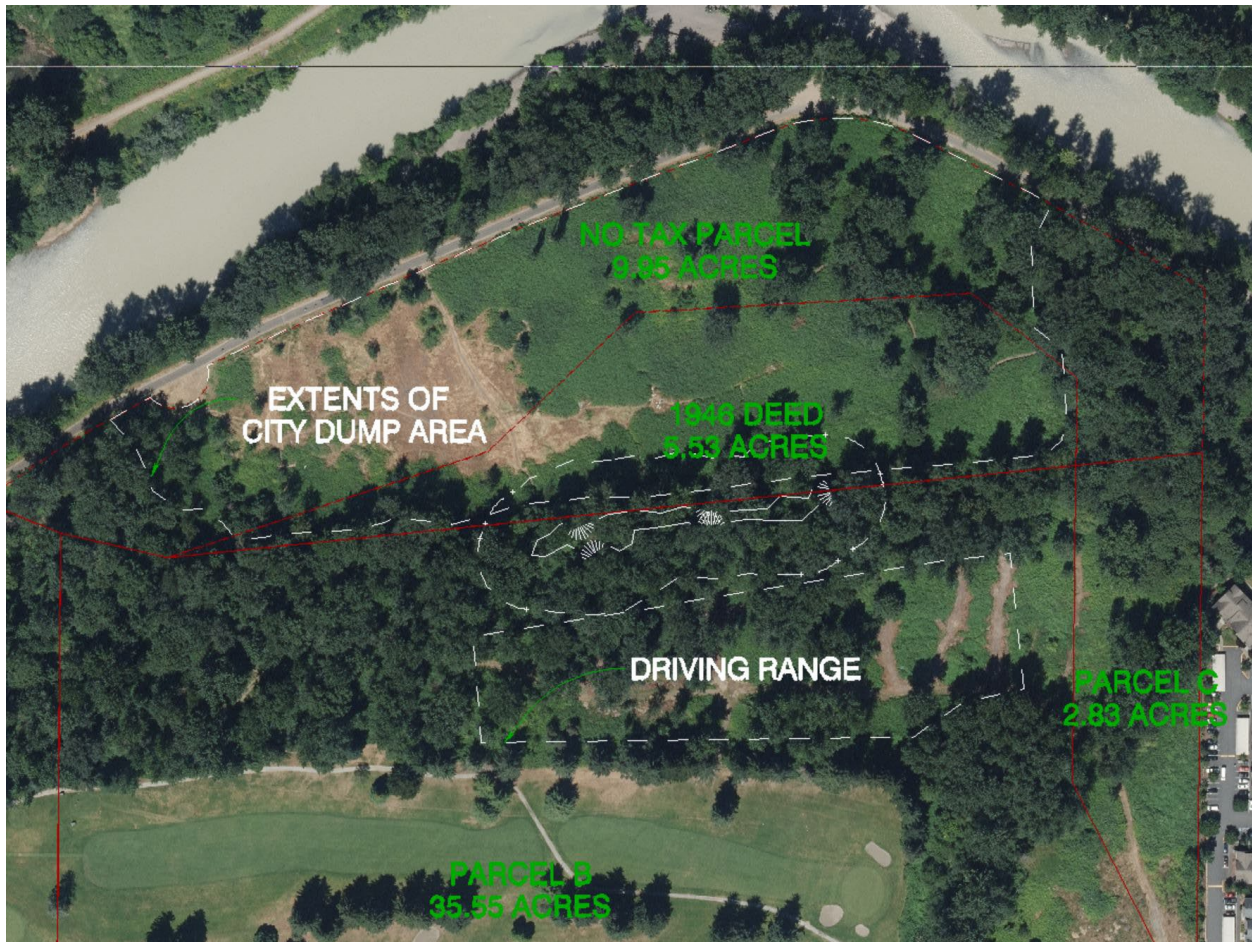
Old City Dump

Cardno ENTRIX prepared a letter report evaluating Landfill B dated January 25, 2012. This report stated that Landfill B is approximately 14.5 acres in size and is owned by the City of Puyallup. The photo below is from that report.



Exhibit 1 – Landfill B in Operation (date unknown)

This shows the extents of Landfill B.



A follow up detailed study was completed in June, 2012. The executive summary of that report follows:

Executive Summary

This report presents a feasibility study and preliminary design for the Linden Golf Course Oxbow Setback Levee Project. Pierce County (County) completed the Levee Setback Feasibility Analysis for the Puyallup River watershed in 2008 identifying the Linden Golf Course Oxbow Setback Levee Project site as one of thirty-two potential project sites in the Puyallup River system. Utilizing grant funds from the Salmon Recovery Funding Board (SRFB), the City of Puyallup (City) contracted with Cardno ENTRIX to prepare this feasibility study and preliminary design for the project area, which is located on the left bank of the Puyallup River from river mile (RM) 9.6 to RM 10.5 at the confluence with the White River. Salmonid species listed for federal protection under the Endangered Species Act (ESA) use this section of the Puyallup River. The site also has several unique and important features associated with historic development including inactive landfill sites, the Linden Golf and Country Club, and a popular segment of the Riverwalk Trail. Landowners of parcels within the affected area include the City of Puyallup, Linden Golf and Country Club, and six other individuals.

The Linden Golf and Country Club is located south of the study area and is flanked by residential developments (multi-unit apartment complexes) to the east and west. The Riverwalk Trail, a popular multi-use recreational facility, sits on top of the levee and follows the left bank of the Puyallup River throughout the study area. The proposed project site is, however, constrained by the presence of three historic landfill sites adjacent to the river in the study area. Furthermore, the Sumner Wastewater Treatment Plant, located along the right bank of the Puyallup River at the White River confluence, is a flood hazard concern.

The purpose of this report is to:

1. assess the primary objectives of the project: Restore floodplain connectivity;
2. Enhance habitat conditions for juvenile salmonids by creating off-channel habitats and increasing channel complexity;
3. Sustain geomorphic processes such as channel migration which are essential to the formation and maintenance of aquatic habitats; and
4. Increase flood conveyance in the project reach.

A one-dimensional hydraulic model of the Puyallup River was developed for the feasibility study using the U.S. Army Corps of Engineers River Analysis System (HEC-RAS) software (version 4.1). The objectives of the hydraulic modeling task were to:

1. Characterize existing stage-discharge relationships in the project area;
2. Evaluate the area of potential salmonid habitat available for the proposed alternatives; and
3. Evaluate flood conveyance for the proposed alternatives.
4. Assess flood hazards.

Four potential restoration alternatives were evaluated to assess pros and cons related to the ability to achieve these objectives. Analyses include preliminary geotechnical investigations, hydraulic modeling, current and future habitat quantification, cultural resources review, and landfill conditions investigations. The alternatives, other than the no action alternative, share the same general project objectives but range in terms of relative habitat benefit, scale, complexity and cost.

The location of historic landfills within the proposed setback area adds a level of complexity to the project design that is unique to the study area. The alternatives developed in this study are primarily differentiated by the approach taken to address constraints posed by the historic landfills. The different approaches to address landfill constraints ultimately limit the potential benefits to habitat and flood hazard management in the project reach.

The four alternatives included:

1. No action;
2. Localized breaches to the levee/revetment as described in grant application;
3. Localized breaches with more substantial excavation to increase the frequency/duration of flow in the floodplain area between Landfill B and golf course, while protecting landfill area; and
4. Floodplain restoration including removing Landfill B and the levee/revetment in

the project area.

Alternative 1 provides no benefits to salmonid habitat conditions and constrains geomorphic processes by restricting channel migration and limiting wood recruitment. The no action alternative does not increase flood conveyance and conveyance is expected to decrease due to observed trends toward aggradation in the main channel. Landfill risk factors would not be reduced and contamination to area resources remains a possibility. Alternative 1 maintains access to the Riverwalk Trail along its existing alignment, does not require permits, and has minimal O & M requirements.

Alternative 2 ranks as the third highest in terms of habitat enhancement potential (see below for details on the ranking and evaluation process). Reconnected floodplain habitats include a total area of approximately 4.6 acres and the side channels will be inundated for approximately 10% of the time. The levee breaches provide little benefit to restoration of natural geomorphic processes and limit the longevity and sustainability of the restored habitat conditions. Proposed modifications have little impact on flood conveyance and produce no measurable reductions in the 100-year flood water surface elevations. Landfill risk factors would not be reduced and contamination to area resources remains a possibility. Alternative 2 maintains access to the Riverwalk Trail along its existing alignment and has moderate O & M requirements associated with levee breaches and environmental monitoring. Estimated costs of the proposed Alternative 2 approach total \$2.7million (M).

Alternative 3 ranks slightly higher than Alternative 2 in terms of habitat enhancement potential. The higher score is driven by an increase in the total area of reconnected floodplain habitats (17.6 acres) and by increased duration of inundation (>90% of the time for side channel areas). The design approach to breach the left bank levee/revetment inhibits natural geomorphic processes and limits the longevity and sustainability of the restored habitat conditions. Moderate increases in flood conveyance are provided by the proposed design and the predicted 100-year flood water surface is reduced by 0.8 feet at the Sumner Wastewater Treatment Plant.

Alternative 3 limits contamination risks from Landfill B by containing the landfill inside of a barrier wall; however, potential for contamination from source areas outside of the landfill are not reduced. Recreational access to the Riverwalk Trail is maintained along its existing alignment. O & M requirements are high and include components for the containment facility, levee breaches, and environmental monitoring. Estimated costs of the proposed Alternative 3 approach total \$16M.

Alternative 4 scored highest for all habitat enhancement criteria evaluated as it will reconnect 17.6 acres of floodplain habitat. Near perennial (>90% of the time for side channel areas) inundation will maintain connectivity to the floodplain during a variety of life history stages for juvenile salmonids. Alternative 4 removes significant constraints from the floodplain and reestablishes geomorphic processes that will sustain salmon habitat in the study area. Removal of the historic landfill generates a significant increase in flood conveyance and reduces the predicted water surface elevation at the Sumner Wastewater Treatment Plant by approximately 2 feet. Removal of landfill materials and remediation of contaminated areas provides the best approach to limit further contamination from the landfill. Alternative 4 requires relocation of the Riverwalk Trail as maintenance of the existing alignment would not be compatible with the landfill and levee removal components. O & M requirements are minimized by removing infrastructure from the floodplain. Estimated costs of the proposed Alternative 4 approach total \$43M.

An alternatives analysis was completed to evaluate each approach regarding the relative effectiveness in achieving project objectives in an effort to support selection of the preferred alternative. The primary project objectives focus on salmonid habitat enhancement. As such, the alternatives analysis prioritized the evaluation of specific habitat criteria and scored the alternatives numerically based on habitat enhancement potential. Additional parameters received qualitative evaluations and rankings. Table ES-1 summarizes the results of the alternatives analysis.

Table ES-1. Matrix of habitat enhancement score for the five criteria evaluated. Scores range between 0 and 5 with 5 being the maximum habitat benefit for a given criteria.

	Habitat Enhancement Score			
	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Total area of inundation	0	2	3	5
Total duration of inundation	0	3	5	5
Connectivity and the fish access	0	2	3	5
Habitat complexity	0	3	3	5
Thermal Refugia	0	1	2	5
Total (out of 25 possible points)	0	11	16	25

The City, with consensus from stakeholders, selected Alternative 4 as the preferred alternative to advance to preliminary design. Once selection was confirmed, input from the City and project stakeholders guided refinement of the conceptual design for Alternative 4.

A key refinement of the preferred alternative was the development of a phased approach acknowledging that the costs associated with removal of landfill materials would require a substantial planning effort. Project elements that can be implemented in the near term would be conducted as Phase I and would focus on the area downstream of Landfill B. Phase I actions are limited to the area downstream of Landfill B and include streambank modifications along approximately 1,400 feet of the Puyallup River. The top of the existing levee along the Phase I treatment area is now generally above the water surface elevation of the 100-year flood; however, the area landward of the existing levee is inundated during flows approximating the 10 year event due to a combination of backwater from downstream areas and flow overtopping the left bank between Landfill B and Landfill A. Phase II would augment the project with removal of Landfill B and subsequent restoration of a dynamic, alluvial river throughout the project reach.

A second important refinement developed with stakeholder input was a change to the design for setback flood and erosion protection. The Levee Setback Feasibility Analysis (2008) assumed construction of a continuous levee/revetment along the boundary of the undeveloped area to the north of the Linden Golf and Country Club. However, property owners expressed interest in adjusting the plan such that designs consider incorporating areas within the golf course. As such, locations in the existing golf course property were identified that could be inundated and the hydraulic model simulations show that the removal of existing levees would not increase the water surface elevation at a given flow and that flood flows of up to a 200-year event would be contained within the golf course playing area throughout most of the project area.

The cost estimate for Alternative 4 of the Feasibility Study was modified to reflect these changes in design for the preferred alternative. The estimated costs for each project phase are shown below and include contingency, sales tax, design, permitting, and construction oversight.

Landfill removal costs are the large majority of the total costs for project (Table ES-2). Due to the higher uncertainty associated with landfill removal a greater contingency was utilized in the cost estimate for Phase II (25%) as compared to Phase I (20%). Estimated costs by project phase for the preliminary design.

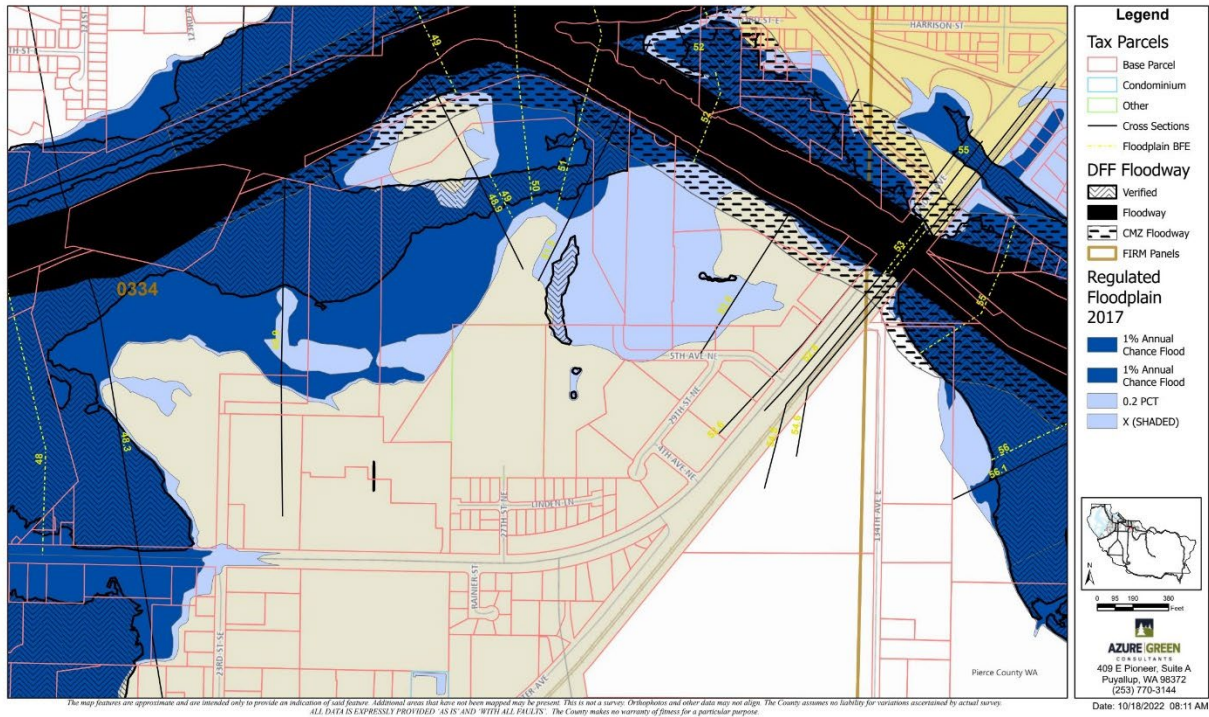
Table ES-2. Cost Estimate for Alternative 4 of the Feasibility Study.

	Estimated Cost (2012 dollars)
Phase I	\$3,405,000
Phase II	\$37,190,000
Total	\$40,595,000

Floodplain and Wetlands

The property is seriously encumbered by the current floodplain and wetlands.

CVWeb



Probable Wetlands as delineated by John Comis



Current ownership excluding landfill property

Parcel A

1. PROPERTY DESCRIPTION:

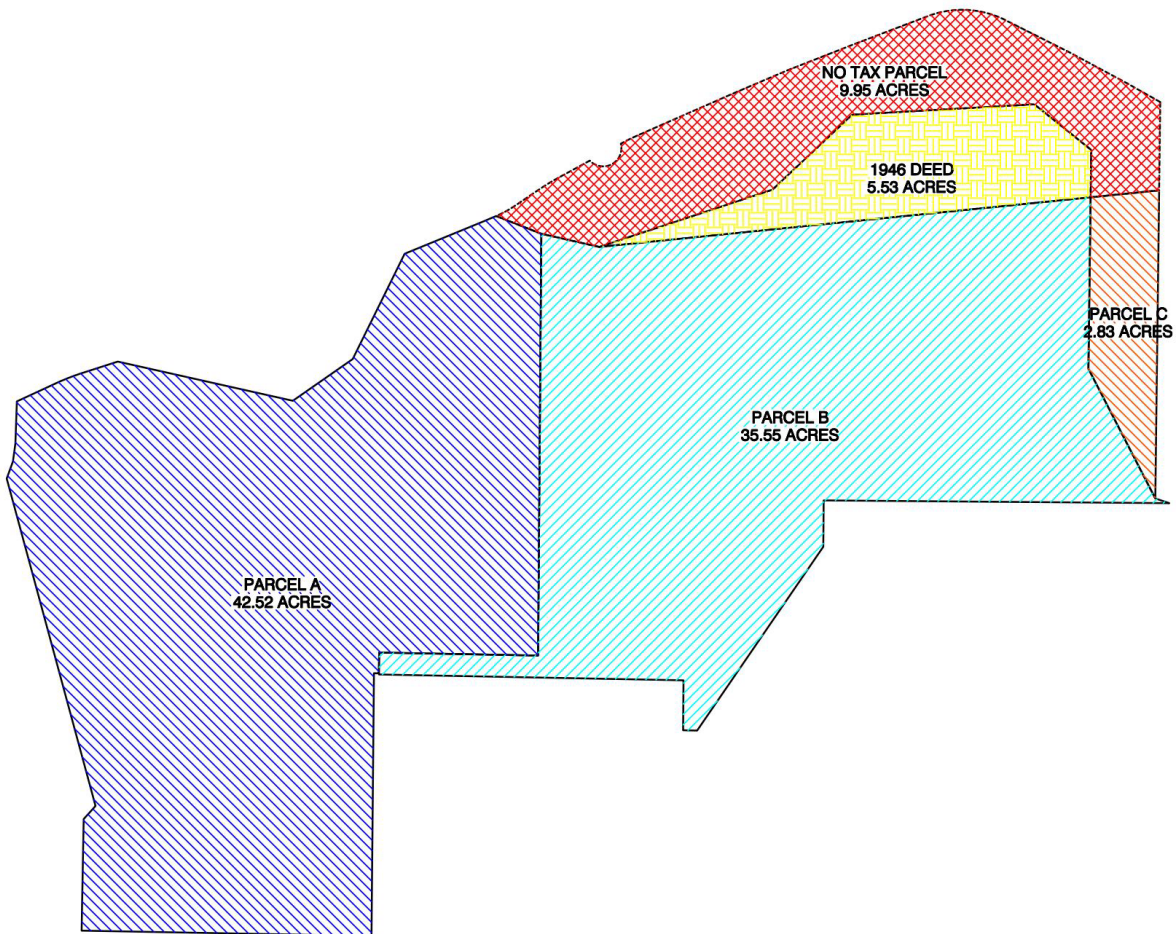
Parcel A Tax Parcels 0420262702 and 0420262026, containing approximately 42.52 acres.

Owners Truman Johnson Family LLC

Parcel B Tax Parcels 0420262701 and 0420261701 less land conveyed to the City of Puyallup by unrecorded deed dated 8/8/1946, containing approximately 35.55 acres.

Owners Frances Nix, Gary Kolano, Larry Kolano, Allison Vartabedian, Ronald Housh, Jeffrey Nix and Ron Nix. Some of these owners have executed quit claim deeds to several LLC's.

Parcel C (no tax parcel assigned) A portion of land created by accretion to Parcel B containing approximately 2.83 acres.





Pierce County Tax Assessor Information

The property currently has a taxable value of \$1,484,214.

Owner	Acres	Tax Parcel	Assessed Land	Assessed Improvements	Current Use Land	Taxable Value	Annual Taxes
Truman Johnson Family LLC	41.09	0420262702	\$5,985,300	\$824,200	\$41,090	\$865,290	\$8,489.49
Truman Johnson Family LLC	1.604	0420262026	\$233,600	\$0	\$1,600	\$1,600	\$27.40
Nix LLC's	11.13	0420262701	\$1,621,200	\$0	\$11,130	\$11,130	\$63.81
Nix LLC's	40.15	0420261701	\$5,848,400	\$461,900	\$144,294	\$606,194	\$2,386.98
Totals	93.974		\$13,688,500	\$1,286,100	\$198,114	\$1,484,214	\$10,967.68

Current Lease Payment Valuation Analysis

Lease Amounts for 9/1/2021 thru 8/31/2022

	Monthly	Annual	Value based on cap rate
Truman Johnson	\$4,798.16	\$57,577.92	\$822,541.71
Francis Nix	\$1,199.54	\$14,394.48	\$205,635.43
Gary Kolano	\$599.76	\$7,197.12	\$102,816.00
Larry Kolano	\$599.76	\$7,197.12	\$102,816.00
Allison Vartabedian	\$599.76	\$7,197.12	\$102,816.00
Ronald Housh	\$599.76	\$7,197.12	\$102,816.00
Jeffrey Nix	\$599.76	\$7,197.12	\$102,816.00
Ron Nix	\$599.76	\$7,197.12	\$102,816.00
Total	\$9,596.26	\$115,155.12	\$1,645,073.14

Annual Lease Total \$115,155.12

Cap Rate 7.00%

Value based on Cap Rate \$1,645,073.14

Acreage of Parcels based on current survey compilation

TRUMAN AREA (Parcel A)	42.52	ACRES
NIX AREA (Parcel B)	35.55	ACRES
ACCRETION AREA (Parcel C)	2.83	ACRES

Development Potential of Accretion Area

The title on the 2.83-acre accretion area that is south of the City of Puyallup landfill will need to be cleaned up by filing a Quiet Title action with the Superior Court.

I doubt this will be a problem, but it will take time and money to accomplish.

If we decide to develop condominium units on this property we will need to move forward with this process.

Approximate valuation of accretion area if title is cleared and it is developed.

NIX ACCRETION USEABLE AREA	
106113.00	SQUARE FEET
2.44	ACRES
20.53	UNITS PER ACRE
50	UNITS
\$20,000	IMPROVED LAND VALUE PER UNIT
\$1,000,000	IMPROVED LAND VALUE
\$16,000	IMPROVEMENT COST PER UNIT
\$800,000	IMPROVEMENT COST
\$200,000	VALUE UNIMPROVED

Summary

In summary, in the short term the property is probably only saleable to Linden Golf and Country Club or entities associate with the club due to the 24 plus years left on the existing lease.

The value of the property for multi-family use once the lease expires is heavily impacted by floodplains, wetlands, cost of offsite improvements for roads, sanitary sewer, storm and dry utilities. We have no intention of ever abandoning the golf course and developing anything other than potential multi-family on the 2.83-acre accretion area.

We have prepared a draft letter of intent that we feel is financially feasible for Linden if there are no hurdles associated with the Phase One or Phase Two environmental reports.

Draft Letter of Intent

October 18, 2022

VIA EMAIL ONLY

Re: Letter of Intent to Purchase: Land currently leased by Sellers to Linden Golf and Country Club

The summary of terms (“Letter of Intent”) that follows provides a general, non-binding framework under which “Purchaser” is willing to proceed with negotiations to purchase and acquire the above-referenced “Property”, subject to the execution of definitive documentation under the following terms and conditions:

1. PURCHASER:

Linden Golf and Country Club a Washington non-profit corporation and/or assignee. It is intended to form an LLC that the negotiated purchase and sale agreement will be assigned to.

2. PROPERTY DESCRIPTION:

Parcel A Tax Parcels 0420262702 and 0420262026, containing approximately 42.52 acres.
Parcel B Tax Parcels 0420262701 and 0420261701 less land conveyed to the City of Puyallup by unrecorded deed dated 8/8/1946, containing approximately 35.55 acres.
Parcel C (no tax parcel assigned) A portion of land created by accretion to Parcel B containing approximately 2.83 acres.

3. SELLERS:

Parcel A Truman Johnson Family LLC
Parcel B Frances Nix, Gary Kolano, Larry Kolano, Allison Vartabedian, Ronald Housh, Jeffrey Nix and Ron Nix. Some of these owners have executed quit claim deeds to several LLC’s.

4. PURCHASE PRICE:

\$1,645,073.14

5. EXISTING LAND LEASE:

At closing, the existing land lease to Linden Golf and Country Club will be assigned to Purchaser. The expiration of the land lease will be extended to January 1, 2124, all other conditions of the lease will remain unchanged except for the legal description in the current land lease will be modified to Parcel A and Parcel B defined in paragraph 2 above.

6. PURCHASE CONTRACT:

Within ten (10) business days after Sellers agreement to this letter of intent, Purchaser will deliver a formal Purchase and Sale Agreement incorporating the terms and conditions of this letter.

7. **EARNEST MONEY:**
Within 10 days of execution of a negotiated purchase and sale agreement, Purchaser shall deposit \$25,000 into escrow.
8. **TITLE AND ESCROW:**
Sellers shall provide a preliminary title report from First American Title within 10 days of execution of a negotiated purchase and sale agreement. Purchaser shall notify Sellers of any exceptions that need to be removed from title at closing within 10 days of receipt of preliminary title report. Purchaser will require an extended coverage title policy at closing. Purchaser will retain a surveyor to prepare an ALTA survey as required for an extended coverage title policy.
9. **INSPECTION PERIOD:**
Purchaser shall have 90 days to perform due diligence and remove contingencies after Sellers have provided the preliminary title report and agreed to remove exceptions Purchaser objected to. Purchaser to engage consultant to prepare Phase One Environmental Report. If Phase One Report indicates further study in a Phase Two Environmental Report is required, Purchaser shall have 90 days additional time to prepare and review said report.
10. **CLOSING:**
Closing shall occur within 30 days after removal of contingencies.
11. **BROKERAGE:**
Purchaser and Sellers acknowledge that there are no real estate brokers representing either party.

We look forward to meeting with you to discuss this proposal. We hope that we can come to an agreement regarding this matter that is mutually beneficial to the family and Linden Golf and Country Club.

If you or the other owners have further questions, please contact me at any time.

Respectfully

Paul E. Green

Paul E. Green, President
Linden Golf and Country Club

paul@mailagc.com

253.209.0571