

Appellant's Exhibit 37

(as referenced in June 30, 2017

Appellant WPDC Cleveland LLC's Witness and Exhibit List)

From: Kevin Wallace
To: [Robert Wallace](#); [Laing, Aaron M.](#); "[Lee Keller](#)"
Subject: FW: Prime Steakhouse/Pot Shop
Date: Thursday, June 15, 2017 3:25:02 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

See below.

From: Kevin Wallace
Sent: Thursday, June 15, 2017 3:25 PM
To: John Marchione <jmarchione@redmond.gov>
Subject: RE: Prime Steakhouse/Pot Shop

Thanks John. I appreciate the response, and I share your view on political relationships. I look forward to continuing to work with you in the future.

I still think that allowing work in the warehouse is an inappropriate thing to do because it allows a change of use without appropriate land use processes, but I can appreciate the position the city is in at this point.

From: John Marchione [<mailto:jmarchione@redmond.gov>]
Sent: Thursday, June 15, 2017 3:12 PM
To: Kevin Wallace <kwallace@wallaceproperties.com>
Subject: RE: Prime Steakhouse/Pot Shop

Kevin,

Thank you for giving me the time to fully consider your email about the old warehouse on 164th and Cleveland. I am aware of the remodeling work that is currently being done to the building and have been briefed several times on the Origins project. It is no secret that the owners have announced they want to transfer their State license to sell marijuana to this location. However, we need to follow due process to be fair to the applicant and the surrounding neighbors. As to date, Origins has only applied for building permits to change the use from warehouse to retail by bringing the building up to applicable codes, which includes parking requirements. I am also aware that you have filed an appeal on the Origins building permit and that many of the items that you have put forth in your email are also addressed in your appeal. This appeal is scheduled to be heard by the Hearing Examiner on August 2.

At this time, the City of Redmond has not received a business license for the retail sale of marijuana at this location. We have received the Change of Location Application from the State and have not responded. It is our practice not to respond until there is a business license application. Once this occurs, the City will evaluate and determine if the application meets our zoning regulations and can be approved at

this location. Yes, the City is aware that a retail tenant may wish to pursue this type of use; however, we do not have an application that we can review. As you are aware, government must follow the established process, and at this time, there is no action that we can take on the marijuana use.

I can assure you that our Planning staff is not intentionally piece-mealing the application or circumventing our zoning code. I have full faith that our staff has been and will continue to professionally review this application according to our codes and regulations.

Kevin, I have no ax to grind with you. I cannot be an effective elected official without an occasional disagreement and I cannot carry grudges if I want to accomplish anything.

John



John Marchione
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From: Kevin Wallace [<mailto:kwallace@wallaceproperties.com>]

Sent: Friday, June 09, 2017 12:05 PM

To: Mayor (Internet) <Mayor@redmond.gov>

Cc: Robert Wallace <rwallace@wallaceproperties.com>

Subject: Prime Steakhouse/Pot Shop

Lee Keller forwarded your email in regard to her efforts on our behalf to protest Redmond's attempts to permit a pot shop in the old warehouse on 164th and Cleveland without requiring any parking. You wrote, "our records indicate the identified property has applied for and all work being done is under a building permit for tenant improvements." My hope is that you have not been fully informed. It's hard to believe you would take that position if you had all of the facts in front of you, particularly given the relationship between you and my father over the last generation.

This is not just a project to renovate a warehouse. The Origins/Andorra group are quite clear about their intent to open a marijuana retail use in the building. Perhaps the attached Change of Location Application they sent you serves as a reminder? It is quite obvious the city is working with Origins to piecemeal the permitting in an effort to change a warehouse into a marijuana store without calling it a change in use, so that the building doesn't have to provide parking or otherwise comply with applicable code requirements.

The warehouse has no parking (not one stall), the building structure takes up their entire site, and it is directly adjacent to/abutting our property on two sides (we surround them to the north and west). Our property is leased to Prime Steakhouse, who depends on our surface parking stalls for its business.

Marijuana retail stores have a greater traffic/parking impact than a fast food restaurant. With the short-term nature of marijuana sales it will be impossible to cost effectively police the parking. Even now the Prime Steakhouse operator, Jason Bailey, has had to make parking enforcement a second job in order to move Andorra's contractor's cars and building materials off of our property. At one point Sean Miller of Andorra told Jason Bailey of Prime that they may as well lease them parking stalls because his customers were going to park on our lot anyway.

Recently Prime lost a \$500 reservation because Andorra had illegally taken up a row of parking and his customers could not find a place to park. Simply put, if the pot shop opens, their customers will steal our parking and Prime Steakhouse will go out of business.

One would expect that we could depend the city staff to enforce Redmond's adopted code to protect us and the rest of the downtown businesses. Not so. Your staff has, to this point, worked with Origins/Andorra to subvert the code to enable the warehouse to be turned into a marijuana retail store without calling it a change of use. Apparently the idea is to pretend the building is not a warehouse and issue them a building permit (without any notice to neighbors) so they can turn the interior and exterior into something that looks like retail, even though it has never been used as such. Then the city will conclude it is a retail building instead of a warehouse. Once it's a retail building with no parking or garbage storage, the next step will be to turn retail into marijuana retail, even though that's a new use under the code (separate from general retail). This is piecemealing, and it is not legal. See the second attachment, a March 23, 2017 email from Sean Miller (Andorra) to Gary Lee saying "...we have decided we want to proceed with including the use change to allow cannabis within a section of the building. It was suggested by our attorney to do the following: Revise the site plan entitlement/admin mod application to say the use is general retail (for coffee shop and retail closing store) with future potential conversion of one 1,500 square foot space to marijuana retail use." So piecemealing is precisely what Andorra plans to do. What's shocking is the city is collaborating to allow them to do it with full knowledge of the plan.

Four years ago Gary Lee told the prior owner of the warehouse, in writing, that converting the warehouse to a retail fruit stand would require compliance with all current codes because "the building was originally constructed for storage, and not for retail/commercial occupancy, and thus the building was not originally improved to retail/commercial occupancy standards." But apparently selling a leafy-green (formerly illegal) vegetable instead of fruit means the new owner doesn't have to comply; or at least pretending to turn the warehouse into a general retail building (but not marijuana) while at the same time asking you to sign off on a marijuana license application to the WSLCB, means the warehouse does not have to be brought up to code for a retail building.

If it is not the city's intent to piecemeal the permits in order to subvert the code then the city should state in writing that it will require Origins/Andorra to apply for a change in use from warehouse to marijuana retail, and require them to provide the requisite onsite parking and comply with other

applicable code requirements prior to opening a marijuana retail store in the warehouse.

Consider this from our perspective. There was never any reason for us to anticipate that your staff would try to go around its own rules to allow the warehouse to be used for retail (or any use but a warehouse) without providing parking. We made a multi-million dollar investment in your community, and now we have to spend hundreds of thousands of dollars to protect it -- not just from the pot shop, but from the city staff too. But the choice is either to continue to litigate and protect our tenant, or turn our property into a free parking lot for the neighbor that your staff favors. Obviously we're going to continue to litigate, and we're going to rally the people and businesses of Redmond to join our cause.

While you and I have been on opposite sides on the light rail issue over the last decade, I do appreciate your leadership as Mayor of Redmond and have been supportive of you and Redmond notwithstanding our differences. But even if you have an ax to grind with me, you don't with Bob. And in any event we deserve fair treatment as much as any other constituent in your city. To date this has been anything but fair.

I hope you'll look into this further. Your staff is clearly wrong here. We shouldn't have to resort to the courts to clear this up.

Kevin R. Wallace

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