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**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF MUKILTEO AND SNOHOMISH COUNTY  
CONCERNING ANNEXATION AND URBAN DEVELOPMENT WITHIN  
THE MUKILTEO MUNICIPAL URBAN GROWTH AREA AND ADJACENT  
MUGA GAP AREAS OF LAKE STICKNEY AND MEADOWDALE**

**GENERAL RECITALS**

**1. PARTIES**

This Interlocal Agreement (hereinafter "AGREEMENT" or "ILA") is made by and between the City of Mukilteo (hereinafter referred to as the "CITY"), a Washington municipal corporation, and Snohomish County (hereinafter referred to as the "COUNTY"), a political subdivision of the State of Washington, pursuant to Chapter 36.70A RCW (the Growth Management Act), Chapter 36.115 RCW (the Governmental Services Act), Chapter 43.21C RCW (SEPA), Chapter 36.70B RCW (Local Project Review), Chapter 58.17 RCW (Subdivisions), RCW 36.70A.480 (Shorelines of the State), Chapter 82.02 RCW (Excise Taxes), and Chapter 39.34 RCW (the Interlocal Cooperation Act).

**2. PURPOSE AND RECITALS**

2.1 Purpose of Agreement. The purpose of this AGREEMENT is to facilitate an orderly transition of services and responsibility for capital projects from the COUNTY to the CITY at the time of annexation of unincorporated areas of the COUNTY to the CITY. This AGREEMENT between the CITY and the COUNTY also addresses joint park planning and transportation system planning and the policies and procedures for reciprocal review and mitigation of interjurisdictional transportation system impacts of land development.

2.2 Snohomish County Tomorrow Annexation Principles. The COUNTY and the CITY intend that this AGREEMENT be interpreted in a manner that furthers the

objectives articulated in the Snohomish County Tomorrow Annexation Principles. For the purpose of this AGREEMENT, the Snohomish County Tomorrow Annexation Principles means that document adopted by the Snohomish County Tomorrow Steering Committee on February 28, 2007, and supported by the Snohomish County Council in Joint Resolution No. 07-026 passed on September 5, 2007. The Snohomish County Tomorrow Annexation Principles are attached to this Agreement as Exhibit A. As used in this Agreement, the term "Six Year Annexation Plan" means the six-year time schedule which will guide annexation goals, as described in the Snohomish County Tomorrow Annexation Principles.

- 2.3 Agreement application. This AGREEMENT applies to all annexations that are approved after the effective date of this AGREEMENT.
- 2.4 Geographic areas eligible for annexation.
  - 2.4.1 Appendix B of the Snohomish County Countywide Planning Policies, as now existing or hereafter amended, identifies the Mukilteo Municipal Urban Growth Area (MUGA) in the Southwest Snohomish County MUGA Boundaries Map. The Southwest Snohomish County MUGA Boundaries map also identifies two areas adjacent to the Mukilteo MUGA known as the Lake Stickney and Meadowdale Gap Areas. It is within the current Mukilteo MUGA and the Lake Stickney and Meadowdale Gap Areas that Mukilteo may consider future annexations under the terms of this AGREEMENT.
  - 2.4.2 If Mukilteo proposes any annexation that includes territory located in the Meadowdale Gap Area and/or the Lake Stickney Gap Area and the cities adjacent to the affected gap area(s) and Mukilteo have reached formal agreement on the proposed annexation boundaries, the County may not oppose the annexation based solely on such territory being outside of the Mukilteo MUGA.
  - 2.4.3 If Mukilteo proposes any annexation that includes territory located within another city's MUGA, as adopted in the Snohomish County Countywide Planning Policies (as shown in Exhibit B), and the city in whose MUGA such territory is located and Mukilteo have reached formal agreement on the proposed annexation boundaries, the County may not oppose the annexation based solely on such territory being outside of the Mukilteo MUGA boundary.
  - 2.4.4 Pursuant to RCW 35A.14.410, the boundaries arising from an annexation of territory shall not include a portion of the right-of-way of any public street, road, or highway except where the boundary runs from one edge of the right-of-way to the other edge of the right-of-way. When such right-of-way of any public street, road, or highway is included in an annexation

proposal, it shall be considered within the CITY'S MUGA.

2.4.5 References to the Mukilteo MUGA within this AGREEMENT shall mean both the formal MUGA, as well as any or all portions of the Meadowdale and Lake Stickney Gap Areas. The Mukilteo area of the Southwest Snohomish County MUGA Boundaries Map that shows the Mukilteo MUGA, as well as the above referenced gap areas, is attached to this AGREEMENT as Exhibit B. This map identifies Paine Field as an area "Under discussion between Cities and County. May be reviewed under separate interlocal agreement." This AGREEMENT is not intended to prepare or transition any portion of the Snohomish County Airport for annexation to the CITY. The parties agree that nothing in this AGREEMENT alters or promotes the alteration of the MUGA boundary as adopted in the Snohomish County Comprehensive Plan. Neither the CITY nor the COUNTY shall use this AGREEMENT or any provision of this AGREEMENT as evidence or support for their respective positions on annexation of any portion of the Snohomish County Airport in any proceeding whatsoever.

2.5 Addenda and other agreements. The CITY and COUNTY recognize that this framework AGREEMENT includes general statements of principle and policy, and that addenda to existing interlocal agreements or government service agreements or additional agreements on specific topical subjects relating to annexation and service transition may be developed subsequently. Separate interlocal or government service agreements on specific annexation issues will supersede the specific language in this AGREEMENT only for that specific issue. Potential topics for additional agreements include, but are not limited to: roads and traffic impact mitigation; surface water management; parks, recreation, and open space; police services; and fire marshal services.

2.6 Consistency of Annexation. If the COUNTY legislative authority finds that a proposed annexation within the Mukilteo MUGA is consistent with this AGREEMENT and that an addendum pursuant to Section 12 of this AGREEMENT is completed or is not necessary, the COUNTY will not oppose the proposed annexation and will send a letter to the Boundary Review Board in support of the proposed annexation.

2.7 Establish a framework for annexations. The CITY and COUNTY wish to establish a generalized, framework interlocal agreement to implement urban development standards within the Mukilteo MUGA prior to annexation, for the planning and funding of capital facilities in the unincorporated portion of the MUGA, and to enable consistent responses to future annexations.

2.8 Infrastructure and levels of service. The CITY and COUNTY share a commitment to ensure that infrastructure which is within the funding capacities of the CITY and COUNTY will be in place within the MUGA to serve development as it is

ready for occupancy and use without decreasing service levels below locally established minimum standards.

- 2.9 Reciprocal impact and other interlocal agreements. The CITY and COUNTY believe it is in the best interest of the citizens of both jurisdictions to enable reciprocal imposition of impact mitigation requirements and regulatory conditions that affect improvements in the respective jurisdictions. Separate interlocal agreements on other specific issues may be negotiated after the effective date of this AGREEMENT.
- 2.10 Joint planning provision. The CITY and COUNTY recognize the need for joint planning to establish local and regional facilities and services the jurisdictions have planned or anticipate for the area; to identify ways to jointly provide these facilities and services; and to identify transition of ownership and maintenance responsibilities as annexations occur. This may result in mutual ongoing planning efforts, joint capital improvement plans, contracting for services, and reciprocal impact mitigation. Joint planning issues could include: planning, design, funding right-of-way acquisition, construction, and engineering for road projects; regional transportation plans; infrastructure coordination; watershed management planning; capital construction and related services; and parks, recreation, and open space.
- 2.11 CITY to adopt COUNTY codes. The CITY agrees to adopt the COUNTY codes listed in Exhibit C by reference for the purpose of allowing the COUNTY to process and complete permits and fire inspections in annexed areas. Adoption of the COUNTY's codes in no way affects projects applied for under the CITY's jurisdiction. The COUNTY shall be responsible for providing copies of all the codes listed in Exhibit C in addition to all the updates thereto to the Mukilteo City Clerk, so that the City Clerk may maintain compliance with RCW 35A.12.140.
- 2.12 CITY and COUNTY responsibilities. Within their own jurisdictions, the COUNTY and the CITY each have responsibility and authority derived from the Washington State Constitution, State laws, and any local charter to plan for and regulate uses of land and resultant environmental impacts, and by law must consider the impacts of governmental actions on adjacent jurisdictions.
- 2.13 Intergovernmental cooperation for extra-jurisdictional impacts. The CITY and the COUNTY recognize that land use, transportation, stormwater management, and other planning and decisions can have extra-jurisdictional impacts and that intergovernmental cooperation is an effective manner to deal with impacts and opportunities that transcend local jurisdictional boundaries.

## ANNEXATION RELATED ISSUES

### 3. GMA AND LAND USE

- 3.1 Urban density requirements. Except as may be otherwise allowed by law, the CITY agrees to adopt and maintain land use designations and zones for the annexation areas that will accommodate within its jurisdiction, at a minimum, the population and employment allocation assigned by the COUNTY under the GMA for the subject area. This shall not be deemed as a waiver of the CITY's right to appeal the assignment of population and employment allocation by any means provided by law.
- 3.2 Imposition of CITY Standards. The COUNTY agrees to encourage development applicants within the Mukilteo MUGA to design projects consistent with the CITY's urban design and development standards. The CITY agrees to make written recommendations to the COUNTY on how proposed new land use permit applications could be changed to make them consistent with CITY standards. The CITY agrees that the COUNTY can only impose code standards and conditions in addition to those that the COUNTY would impose under COUNTY codes, if the applicant agrees in writing or testifies to such in a public hearing on the development application; EXCEPT that in the case of impacts identified through the SEPA process, it is agreed that the COUNTY has the authority, at the discretion of the COUNTY Responsible Official, to impose appropriate mitigation measures suggested by the CITY as conditions to mitigate such impacts.

### 4. TRANSFER OF PERMITS IN PROCESS BY THE COUNTY

- 4.1 Land use permit application consultation. After the effective date of this AGREEMENT, the COUNTY agrees to give the CITY timely written notice and review opportunity related to all land use permit applications, as defined in Subsection 4.5.1, inside the Mukilteo MUGA as soon as the COUNTY is aware of such applications. The COUNTY will invite the staff representatives from the CITY to attend staff meetings with the applicant relating to the permit, including pre-application meetings.
- 4.2 Review of COUNTY land use permit applications. All land use applications submitted to the COUNTY within the unincorporated Mukilteo MUGA that are subject to SEPA will be reviewed under the terms of Sections 3 and 7 of this AGREEMENT, the provisions of SEPA, and any other interlocal agreements relating to interjurisdictional coordination.
- 4.3 COUNTY will process permits. The COUNTY agrees to continue processing both building and land use permit applications in areas annexed to the CITY, for which complete applications were filed before the effective date of the annexation, as provided below.

4.4 Building permits.

4.4.1 Definitions. For the purposes of this AGREEMENT, the following definitions apply: "building permits" are defined as printed permission issued by the authorizing jurisdiction that allows for the construction of a structure, and includes repair, alteration, or addition of or to a structure. "Associated permits" means mechanical, electrical, plumbing, sign, and demolition permits for the building being permitted. "Completion" means final administrative or quasi-judicial approvals, including final inspection and issuance of an occupancy permit.

4.4.2 Completion of building permits. In areas that have been annexed, the COUNTY agrees, at no cost to the CITY, to complete processing of building permit applications that were deemed complete prior to the effective date of the annexation, subject to the limitations in Subsections 4.4.4 and 4.4.5 of this AGREEMENT. In addition, the COUNTY agrees to accept, process, and conduct inspections through completion for any associated permits for which it receives an application and accompanying fees before the effective date of the annexation. Where legislative approval by the Mukilteo City Council is required, the COUNTY will provide appropriate staff for the City Council's meeting, if deemed necessary by the CITY. Permit renewals shall be governed by Subsection 4.4.7.

4.4.3 Appeals of building permits. The COUNTY agrees to be responsible for defending, at no cost to the CITY, any administrative, quasi-judicial or judicial appeals of building permits issued or denied by the COUNTY in the annexed area.

4.4.4 Building permits may be issued up to four months following annexation in areas that have been annexed. The COUNTY agrees to continue processing building permit applications pursuant to Subsection 4.4.2 of this AGREEMENT for up to four months following the effective date of the annexation. On or about the effective date of the annexation, the COUNTY and CITY will determine, in consultation with the applicant(s), whether any pending building permit applications will be transferred to the CITY for completion.

4.4.5 Transfer by request of permit applicant. Upon receipt of a written request by a permit applicant, the CITY may at any time request the COUNTY to transfer pending building permit applications. The COUNTY will contact applicants for pending permit applications to provide advance notification of the transfer date. The CITY will honor any intermediate approvals (such as building plan check approval) that are effective prior to transfer of the permit application. Following consultation with the COUNTY, CITY staff

must approve extension of intermediate approvals following the annexation.

- 4.4.6 Transfer of permit fees. The CITY and COUNTY agree to proportionately share the permit application fees for any transferred cases. The COUNTY agrees to transfer a proportionate share of the application fee collected to the CITY, commensurate with the amount of work left to be completed on the permit. The proportionate share will be based on the COUNTY's permitting fee schedule.
- 4.4.7 Permit renewal or extension. After the effective date of annexation, any request to renew a building permit issued by the COUNTY in the annexation area is to be made to and administered by the CITY.

#### 4.5 Land use permits.

- 4.5.1 Definitions. For the purposes of this AGREEMENT, the following definitions apply: "land use permits" are defined as non-single family building permits for structures greater than 4,000 square feet in size, subdivisions, planned residential developments, short subdivisions, conditional uses, special uses, rezones, shoreline substantial development permits, and variances. "Review stage" is defined for subdivisions and short subdivisions to include the following elements which will individually be regarded as a distinct "stage": preliminary plat approval, plat construction plan approval, inspection or final plat processing. "Review stage" for all other land use permits includes preliminary approval, construction plan approval, construction inspections or final sign-off, but does not include related building permit applications unless applied for in the COUNTY prior to the effective date of the annexation.
- 4.5.2 COUNTY will process land use permits as defined in Subsection 4.5.1. The COUNTY shall complete the review of a land use permit, as defined in Subsection 4.5.1 that has been filed with the COUNTY prior to the effective date of an annexation, through full completion of that "review stage." At the completion of the review stage, the permit/project shall be transferred to the CITY for all further permitting, review and approval.
- 4.5.3 Land use dedications, deeds or conveyances. Final plats or other dedications of public property will be transmitted to the CITY for City Council acceptance of dedication of right-of-way or public easements, if dedication occurs after the effective date of annexation. Dedications, deeds or conveyances will be in the name of the CITY after the effective date of the annexation and will be forwarded to the City Council for acceptance by the CITY even if the COUNTY is continuing to process the permit.

4.5.4 Appeals of land use permits. The COUNTY agrees to be responsible for defending, at no cost to the CITY, any administrative, quasi-judicial or judicial appeals of land use permits issued or denied by the COUNTY in the annexed area.

4.5.5 Permit renewal or extension. After the effective date of annexation, any request to renew or extend a land use permit issued by the COUNTY in the annexation area is to be made to and administered by the CITY.

4.5.6 Transfer of permit fees. The CITY and COUNTY agree to proportionately share the permit application fees for any transferred cases. The COUNTY agrees to transfer a proportionate share of the application fee collected to the CITY, commensurate with the amount of work left to be completed on the permit. The proportionate share will be based on the COUNTY's permitting fee schedule.

4.6 Land use code enforcement cases. Any land use code enforcement cases in the annexation area pending in the COUNTY will be transferred to the CITY on the effective date of the annexation, unless the COUNTY has issued a notice of order and/or commenced litigation. Any further action in those cases will be the responsibility of the CITY and at the CITY'S discretion. The COUNTY agrees to make its employees available as witnesses at no cost to the CITY if necessary to prosecute transferred cases. Upon request, the COUNTY agrees to provide the CITY with copies of any files and records related to any transferred case. In the cases where the COUNTY has issued a notice of order and/or commenced litigation the COUNTY agrees to process the case through completion.

4.7 Enforcement of COUNTY conditions. Following the effective date of the annexation, the CITY agrees to enforce any conditions imposed by the COUNTY relating to the issuance of a building or land use permit in an area that has been annexed to the same extent it enforces its own conditions. The COUNTY agrees to make its employees available, at no cost to the CITY, to provide assistance in enforcement of conditions on permits originally processed by COUNTY personnel.

4.8 Administration of bonds. Any performance, maintenance or other bonds issued to the COUNTY to guarantee performance, maintenance or completion of work associated with the issuance of a permit will be administered by the COUNTY to completion. Any additional bonding required after annexation occurs will be determined, accepted, and administered by the CITY, along with responsibility for enforcement of conditions tied to said bonds. It shall be the CITY's responsibility to notify the COUNTY of the acceptance of said bonds in order for the COUNTY to release interest in any bonds the COUNTY may still hold.

## 5. RECORDS TRANSFER AND ACCESS TO PUBLIC RECORDS FOLLOWING ANNEXATION

5.1 Procedure for copying. Before the CITY sends a written request for specific records, it is recommended that the CITY records staff set up a meeting with the appropriate COUNTY records staff to discuss the types of records available, the format of the records, the number of records, and any additional information pertinent to request of records. When practical, the appropriate COUNTY department or office may provide the CITY with an index or list of the available files or records in its custody in response to the CITY's written request. From said index or list, the CITY may select the records it requires that are affected by the annexation and request their transfer as set forth herein. Following a written request by the CITY for identifiable records, the COUNTY shall have a reasonable time to collect, copy, and prepare for transfer of the requested records. All copying costs associated with this process shall be borne by the CITY. When the copied records are available for transfer to the CITY, the COUNTY shall notify the CITY and the CITY shall arrange for their delivery.

5.2 Records to be transferred. Prior to and following annexation of unincorporated area into the CITY, and upon the CITY's request in writing, copies of applicable COUNTY records relevant to jurisdiction and provision of government services within the annexation area may be copied and transferred to the CITY. Said records shall include, but are not limited to, the following records from the Department of Public Works, the Department of Planning and Development Services, and the Business Licensing Department of the Snohomish County Auditor's office: all permit records and files, inspection reports and approved plans, approved zoning files, code enforcement files, fire inspection records, easements, plats, databases for land use, drainage, street lights, streets, regulatory and animal license records, records relating to data on the location, size and condition of utilities, and any other records pertinent to the transfer of services and jurisdiction from the COUNTY to the CITY. The COUNTY reserves the right to withhold privileged and confidential records. In such cases where the COUNTY opts to withhold such records, it shall provide the CITY with a list identifying the record(s) withheld.

5.3 Electronic data. In the event that electronic data or files are requested by the CITY, the CITY shall be responsible for acquiring any software licenses that are necessary to use the transferred information.

5.4 Custody of records. The COUNTY shall retain permanent custody of all original records. No original records shall be transferred from the COUNTY to the CITY. As the designated custodian of original records, the COUNTY shall be responsible for compliance with all legal requirements relating to public records, including, but not limited to, records retention and destruction, as more specifically described below.

- 5.5 Records retention and destruction. The COUNTY agrees to retain and destroy all public records pursuant to this AGREEMENT consistent with the applicable provisions of Chapter 40.14 RCW and the applicable rules and regulations of the Secretary of State, Division of Archives and Records Management.
- 5.6 Public records requests. Any requests for copying and inspection of public records shall be the responsibility of the party receiving the request. Requests by the public shall be processed in accordance with Chapter 42.56 RCW and other applicable law. The CITY agrees to give the COUNTY notice pursuant to RCW 42.56.540 of requests for disclosure of records the COUNTY has identified as confidential.
- 5.7 Intergovernmental cooperation. Both parties shall maintain adequate records to document the obligations performed under this Section. Upon reasonable notice, both parties shall have the right to review the other party's records with regard to the subject matter of this Section.

## **6. COUNTY CAPITAL FACILITIES REIMBURSEMENT**

- 6.1 Reimbursement for capital facilities investment. The CITY recognizes that the COUNTY can request reimbursement for the depreciated value of certain capital facilities expenditures made in the five-year period preceding the effective date of an annexation based on a negotiated repayment schedule. At the effective date of this AGREEMENT, the CITY and the COUNTY understand that there are no capital facilities that the COUNTY would seek reimbursement for, although projects may be added in the future. However, the CITY and COUNTY agree to use their best efforts to pursue cost sharing where feasible, when planning for new local and regional capital construction projects. Nothing in this paragraph shall be construed as imposing a duty to share costs or reimburse capital expenditures.
- 6.2 Consultation on capital expenditures for active and future projects. The COUNTY will consult with the CITY in planning for new local and regional capital construction projects within the Mukilteo MUGA. The COUNTY and CITY agree to begin consultation regarding existing active COUNTY projects within sixty (60) days of approval of this AGREEMENT. At the time of this consultation, or at the project planning stage, the parties will discuss the need for shared responsibilities in implementing capital projects, including the potential for indebtedness by bonding or loans. The CITY and COUNTY will pursue cooperative financing for capital facilities where appropriate. Interlocal agreements addressing shared responsibilities for capital projects within the MUGA will be negotiated, where appropriate.
- 6.3 Continued planning, design, funding, construction, and services for active and future capital projects. Separate interlocal agreement(s) for specific projects will address shared responsibilities for local capital projects and local share of

regional capital facilities within the Mukilteo M UGA and continued COUNTY services relating to the planning, design, funding, property acquisition, construction, and engineering for local capital projects within an annexation area. An annexation addendum under Section 12 of this AGREEMENT will document appropriate interlocal agreements relating to planning, design, funding, property acquisition, construction, and other architectural or engineering services for active and future capital projects within an annexation area.

- 6.4 Capital facilities finance agreements. The CITY and COUNTY will discuss project-specific interlocal agreements for major new local capital facility projects and local share of regional capital facilities within the Mukilteo MUGA. Depending on which jurisdiction has collected revenues, these agreements may include: transfers of future revenues from the CITY to the COUNTY, or from the COUNTY to the CITY; proportionate share reimbursements from the CITY to the COUNTY, or from the COUNTY to the CITY; and/or CITY assumption of COUNTY debt service responsibility, or COUNTY assumption of CITY debt service responsibility for loans or other financing mechanisms for new local capital projects and existing local capital projects with outstanding public indebtedness within the annexation area at the time of annexation. Both parties agree in principle that there should not be any reimbursement for projects that have already been paid for by the citizens of the annexing area (e.g., through special taxes or assessments, traffic mitigation, or other attributable funding sources).
- 6.5 Continuation of latecomers cost recovery programs and other capital facility financing mechanisms. After annexation, the CITY agrees to continue administering any non-protest agreements, latecomer's assessment reimbursement programs established pursuant to Chapters 35.72 RCW and 35.91 RCW, or other types of agreements or programs relating to future participation or cost-share reimbursement, in accordance with the terms of any agreement recorded with the Snohomish County Auditor relating to property within the Mukilteo MUGA. In addition to the recorded documents, the COUNTY will provide available files, maps, and other relevant information necessary to effectively administer these agreements or programs. If a fee is collected for administration of any of the programs or agreements contained in this Section, the COUNTY agrees to transfer a proportionate share of the administration fee collected to the CITY, commensurate with the amount of work left to be completed on the agreement. The proportionate share will be based on the COUNTY's fee schedule.

## 7. ROADS AND TRANSPORTATION

- 7.1 Annexation of road right-of-ways. Except for noncontiguous municipal purpose annexations under RCW 35.13.180 or RCW 35A.14.300, the CITY agrees to propose annexation of the entire right-of-way of COUNTY roads adjacent to an

annexation boundary. The CITY agrees to assume full legal control and maintenance responsibility for roads and associated drainage facilities within the annexed area upon the effective date of annexation, unless otherwise mutually agreed in writing.

7.2 Road maintenance responsibility. Where annexation of segments of road are unavoidable, the CITY and COUNTY agree to consider a governmental services agreement providing for maintenance of the entire road/street segment by the jurisdiction best able to provide maintenance services on an efficient and economical basis.

7.3 Taxes, fees, rates, charges, and other monetary adjustments. In reviewing annexation proposals, the CITY and COUNTY must consider the effect on the finances, debt structure, and contractual obligations and rights of all affected governmental units. Tax and revenue transfers are generally provided for by state statute.

7.4 Traffic Mitigation and Capital Facilities

7.4.1 Reciprocal impact mitigation. The CITY and COUNTY agree to mutually enforce each other's traffic mitigation ordinances and policies to address multi-jurisdictional impacts under the terms and conditions as provided for in the *"Interlocal Agreement between Snohomish County and the City of Mukilteo on Reciprocal Mitigation of Transportation Impacts,"* which will be adopted at or near the time of this AGREEMENT. In addition to reciprocal impact mitigation, the subagreement may address implementation of common UGA development standards (including access and circulation requirements), level of service standards, concurrency management systems, and other transportation planning issues.

7.4.2 Transfer of transportation impact mitigation fee payments. The COUNTY collects impact fees payments as a condition of land development permits pursuant to Chapter 30.66B of the Snohomish County Code (SCC) for roads in the impact fee cost basis. Where the annexation area includes system improvement(s) for which impact fees have been collected and which remain programmed for improvement(s), the COUNTY and CITY will negotiate fee transfers of all or a portion of these payments to the CITY for the improvements. Any issues relating to unbudgeted improvements for the annexation area will be resolved prior to the transfer of any funds for roads. Impact mitigation funds for roads will be transferred to the CITY upon resolution of the maintenance and ownership responsibilities.

7.4.3 Reimbursement for capital facilities investment. Consistent with Subsection 6.1, there will be no reimbursement from the CITY to the

COUNTY for existing capital improvements. However, the COUNTY and the CITY may agree to develop separate agreements for cost sharing for new capital improvement projects.

- 7.5 Joint planning for transit-oriented development implementation. The CITY and COUNTY agree to cooperate on the development of transit-oriented development (TOD) regulations and transit supportive policies to implement the COUNTY and CITY comprehensive planning policies.
- 7.6 Maintenance services. The CITY and COUNTY agree to evaluate whether an interlocal agreement addressing maintenance of streets, traffic signals, or other transportation facilities will be appropriate. Any COUNTY maintenance within an annexation area after the effective date of the annexation will be by separate service agreement negotiated between the CITY and COUNTY.

## **8. SURFACE WATER MANAGEMENT**

- 8.1 Legal control and maintenance responsibilities. If the annexed area includes surface water drainage improvements or facilities the COUNTY currently owns or maintains, the CITY and COUNTY agree to negotiate the disposition of legal control and maintenance responsibilities by the end of the year in which the annexation becomes effective. The COUNTY agrees to provide a list of regional facilities prior to the start of negotiations. Residential detention facilities over which the COUNTY holds maintenance easements will be transferred to the CITY. If the COUNTY's current Annual Construction Program or Surface Water Management Division budget includes major surface water projects in the area to be annexed, the CITY and COUNTY will determine how funding, construction, programmatic and/or subsequent operational responsibilities, and legal control and responsibilities will be assigned for these improvements, and the timing thereof, under the provisions of RCW 36.89.050, RCW 36.89.120, and all other applicable authorities.
- 8.2 Taxes, fees, rates, charges and other monetary adjustments. The CITY recognizes that service charges are collected by the COUNTY for unincorporated areas within designated Watershed Management Areas and/or the Clean Water District. Watershed management service charges are collected at the beginning of each year through real property tax statements. Upon the effective date of the annexation, the CITY hereby agrees that the COUNTY may continue to collect and, pursuant to Chapter 25.20 SCC and to the extent permitted by law, to apply the service charges collected during the calendar year in which the annexation occurs to the provision of watershed management services designated in that year's budget. These services will be provided through the year in which the annexation becomes effective and will be of the same general level and quality as those provided to other property owners subject to service charges in the COUNTY.

8.3 Drainage Needs Report Cost Recovery. The CITY recognizes that drainage engineering studies and inventory have benefited the annexation area. The CITY recognizes that the COUNTY has incurred bonded debt to fund the engineering studies and/or facilities listed in the Drainage Needs Report. The CITY and COUNTY agree to enter into an agreement within one year of the annexation to determine the annexation area's fair share of the bond debt, and to develop and implement a repayment plan for that share of bond debt.

8.4 Government service agreements. The COUNTY and CITY intend to work toward one or more interlocal agreements for joint watershed management planning, capital construction, infrastructure management, habitat/river management, water quality management, outreach and volunteerism, and other related services.

## **9. PARK, OPEN SPACE AND RECREATIONAL FACILITIES**

9.1 Local or community parks. If an annexed area includes parks, open space or recreational facilities that are listed as a local or community park, the CITY agrees to assume maintenance, operation and ownership responsibilities for the facility upon the effective date of the transfer of the park or facility. The only exception is if prior to the annexation, the COUNTY declares its intention to retain ownership of such local or community parks. At this point, the COUNTY has declared its intention to retain ownership of the Picnic Point and Paine Field Community Park Facilities and adjacent County-owned open space.

9.2 Criteria for COUNTY to retain ownership. The COUNTY, in consultation with the CITY, will make the decision on whether to retain ownership based on the following criteria and consistent with the Snohomish County Comprehensive Parks and Recreation Plan:

- The park has a special historic, environmental or cultural value to the citizens of Snohomish County, as determined by the Snohomish County Department of Parks and Recreation;
- There are efficiencies with the COUNTY's operation and/or maintenance of the park property;
- The COUNTY has made a substantial capital investment in the park property, including the purchase of the property, the development of the park, and/or the construction of facilities;
- There are specialized stewardship or maintenance issues associated with the park that the COUNTY is best equipped to address;
- The property generates revenue that is part of the larger COUNTY park operation budget; and/or
- The facility serves as a regional park or is part of the COUNTY'S trail system and would be better included in the COUNTY's regional network.

9.3 Joint planning for parks, recreation and open space. The CITY and COUNTY may, upon the effective date of this AGREEMENT, establish an interlocal agreement for parks, open space and recreational facilities. In the event such an interlocal agreement is established, it shall be based upon the CITY and COUNTY's efforts to provide parks, recreational and open space within the MUGA and surrounding area. This agreement shall establish the nature and type of facilities the jurisdictions have planned or anticipate for the area, identify ways to jointly provide these services and identify transition of ownership and maintenance responsibilities as annexations occur. This effort will result in a mutual ongoing planning effort, joint capital improvement plans and reciprocal impact mitigation.

## **10. POLICE SERVICES**

As necessary, the CITY and COUNTY agree to discuss the needs for amending the existing contract for police services to accommodate any needed transfer of police services within an annexed area and the unincorporated MUGA. Agreements between the CITY and COUNTY will be made consistent with RCW 41.14.250 through 41.14.280 and RCW 35.13.360 through 35.13.400. Upon request of the CITY, the County Sheriff's Department will provide detailed service and cost information for the area to be annexed.

## **11. FIRE MARSHAL SERVICES**

11.1 COUNTY to complete certain annual fire inspections. The COUNTY agrees to process and complete fire inspections in an annexed area that were scheduled before the effective date of annexation and occur within four months following the effective date of the annexation.

11.2 COUNTY to complete certain fire code enforcement cases. The COUNTY will complete any pending fire code enforcement cases within the annexation area until final disposition of the case. After final disposition, any further action or enforcement will be at the discretion of the CITY.

## **LEGALLY REQUIRED LANGUAGE**

## **12. ADDENDA AND AMENDMENTS**

12.1 Addenda related to annexation. An addendum to this AGREEMENT may be prepared for each annexation, if necessary, to address parks, transportation, surface water management, capital facilities, or other issues specific to that annexation. The CITY and COUNTY will negotiate the addendum prior to or during the forty-five (45) day review period following the date the Boundary Review Board accepts the CITY's Notice of Intention for the annexation.

- 12.2 Amendments. The CITY and COUNTY recognize that amendments to this AGREEMENT may be necessary to clarify particular sections or to update and expand the AGREEMENT. Either party may pursue an amendment, as necessary.
- 12.3 Process for addending or amending this AGREEMENT. An addendum or amendment must be mutually agreed upon by the parties and executed in writing before becoming effective. Any addendum or amendment to the AGREEMENT will be executed in the same manner as provided by law for the execution of the AGREEMENT.
- 12.4 Additional agreements. Nothing in this AGREEMENT limits parties entering into interlocal agreements on additional issues not covered by, or in lieu of, the terms of this AGREEMENT.

### **13. THIRD PARTY BENEFICIARIES**

There are no third party beneficiaries to this AGREEMENT, and this AGREEMENT shall not be interpreted to create such rights.

### **14. DISPUTE RESOLUTION**

The CITY and COUNTY mutually agree to use a formal dispute resolution process such as mediation, through an agreed upon mediator and process, if agreement cannot be reached regarding interpretation or implementation of any provision of this AGREEMENT. All costs for mediation services would be divided equally between the CITY and COUNTY. Each jurisdiction would be responsible for the costs of their own legal representation. The CITY and COUNTY agree to mediate any disputes regarding the annexation process or responsibilities of the parties prior to any Boundary Review Board hearing on a proposed annexation, if possible. The parties shall use the mediation process in good faith to attempt to come to agreement early in the annexation process and prior to any hearings that may be required before the Boundary Review Board.

### **15. HONORING EXISTING AGREEMENTS, STANDARDS, AND STUDIES**

Unless otherwise specified in this AGREEMENT and attachments, the CITY and COUNTY mutually agree to honor all existing mitigation agreements, interlocal agreements and appropriate interjurisdictional studies and agreed upon standards which affect an annexation area and to which the CITY or COUNTY is a party.

### **16. RELATIONSHIP TO EXISTING LAWS AND STATUTES**

This AGREEMENT in no way modifies or supersedes existing state laws and statutes. In meeting the commitments encompassed in this AGREEMENT, all parties will comply with the requirements of the Open Meetings Act, Public Records Act, Growth

Management Act, State Environmental Policy Act, Annexation Statutes, and other applicable state or local laws. The COUNTY and CITY retain the ultimate authority for land use and development decisions within their respective jurisdictions as provided herein. By executing this AGREEMENT, the COUNTY and CITY do not purport to abrogate the decision-making responsibility vested in them by law.

## **17. EFFECTIVE DATE, DURATION AND TERMINATION**

- 17.1 This AGREEMENT shall become effective upon recording with the Snohomish County Auditor following the approval of the AGREEMENT by the official action of the governing bodies of each of the parties hereto and the signing of the AGREEMENT by the duly authorized representative of each of the parties hereto.
- 17.2 This AGREEMENT shall be in full force and effect through December 31, 2017. If the parties desire to continue the terms of the existing AGREEMENT after the AGREEMENT is set to expire, the parties may either negotiate a new agreement or extend this AGREEMENT through the amendment process.
- 17.3 Either party may terminate its obligations under this AGREEMENT upon 90 days advance written notice to the other party and subject to the following condition. Following a termination, the COUNTY and CITY are mutually responsible for fulfilling any outstanding obligations under this AGREEMENT incurred prior to the effective date of the amendment or termination.

## **18. INDEMNIFICATION AND LIABILITY**

- 18.1 The CITY shall protect, save harmless, indemnify and defend, at its own expense, the COUNTY, its elected and appointed officials, officers, employees and agents, from any loss or claim for damages of any nature whatsoever arising out of the CITY's performance of this AGREEMENT, including claims by the CITY's employees or third parties, except for those damages caused solely by the negligence or willful misconduct of the COUNTY, its elected and appointed officials, officers, employees, or agents.
- 18.2 The COUNTY shall protect, save harmless, indemnify, and defend at its own expense, the CITY, its elected and appointed officials, officers, employees and agents from any loss or claim for damages of any nature whatsoever arising out of the COUNTY's performance of this AGREEMENT, including claims by the COUNTY's employees or third parties, except for those damages caused solely by the negligence or willful misconduct of the CITY, its elected and appointed officials, officers, employees, or agents.
- 18.3 In the event of liability for damages of any nature whatsoever arising out of the performance of this AGREEMENT by the CITY and the COUNTY, including claims by the CITY's or the COUNTY's own officers, officials, employees,

agents, volunteers, or third parties, caused by or resulting from the concurrent negligence of the COUNTY and the CITY, their officers, officials, employees and volunteers, each party's liability hereunder shall be only to the extent of that party's negligence.

18.4 No liability shall be attached to the CITY or the COUNTY by reason of entering into this AGREEMENT except as expressly provided herein. The CITY shall hold the COUNTY harmless and defend at its expense any legal challenges to the CITY's requested mitigation and/or failure by the CITY to comply with chapter 82.02 RCW. The COUNTY shall hold the CITY harmless and defend at its expense any legal challenges to the COUNTY's requested mitigation and/or failure by the COUNTY to comply with Chapter 82.02 RCW.

## **19. SEVERABILITY**

If any provision of this AGREEMENT or its application to any person or circumstance is held invalid, the remainder of the provisions and/or the application of the provisions to other persons or circumstances shall not be affected.

## **20. EXERCISE OF RIGHTS OR REMEDIES**

Failure of either party to exercise any rights or remedies under this AGREEMENT shall not be a waiver of any obligation by either party and shall not prevent either party from pursuing that right at any future time.

## **21. RECORDS**

Both parties shall maintain adequate records to document obligations performed under this AGREEMENT. Both parties shall have the right to review the other party's records with regard to the subject matter of this AGREEMENT, upon reasonable notice. Such rights last for six (6) years from the date of permit issuance for each specific development subject to this AGREEMENT.

## **22. ENTIRE AGREEMENT**

This AGREEMENT constitutes the entire AGREEMENT between the parties with respect to the framework issues for annexations. It is anticipated that the parties will enter into further interlocal agreements on specific subject areas, as indicated in the text of the AGREEMENT.

## **23. GOVERNING LAW AND STIPULATION OF VENUE**

This AGREEMENT shall be governed by the laws of the State of Washington. Any action hereunder must be brought in the Superior Court of Washington for Snohomish County.

## **24. CONTINGENCY**

The obligations of the CITY and COUNTY in this AGREEMENT are contingent on the availability of funds through legislative appropriation and allocation in accordance with law. In the event funding is withdrawn, reduced or limited in any way after the effective date of this contract, the CITY or COUNTY may terminate the contract under Part 18 of this AGREEMENT, subject to renegotiation under those new funding limitations and conditions.

## **25. ADMINISTRATORS AND CONTACTS FOR AGREEMENT**

The Administrators and contact persons for this AGREEMENT are:

Heather McCartney  
Planning & Comm. Dev. Director  
City of Mukilteo  
4480 Chennault Beach Rd.  
Mukilteo, WA 98275  
(425) 355-4141 ext. 226

Richard Craig  
Senior Planner  
Snohomish County  
Dept. of Planning & Dev. Services  
3000 Rockefeller Avenue  
Everett, WA 98201  
(425) 388-3311 ext. 2642

IN WITNESS WHEREOF, the parties have signed this AGREEMENT, effective on the date indicated below.

CITY OF MUKILTEO

By Joe Marine  
Joe Marine, Mayor

Date 3/5/09

ATTEST:

Christina J. Boughman  
Christina J. Boughman, City Clerk

Approved as to form:

Office of the City Attorney

Angela Belluk  
Attorney for the City of Mukilteo

SNOHOMISH COUNTY

**MARK SOINE**  
~~Deputy Executive~~  
By Aaron G. Reardon, County Executive  
for Aaron G. Reardon, County Executive

Date 3/19/09

ATTEST:

Kathryn Bratcher  
Kathryn Bratcher  
Clerk of the County Council

Approved as to form:

Snohomish County Prosecuting  
Attorney

Daniel Vassili 1/21/09  
Deputy Prosecuting Attorney for  
Snohomish County

COUNCIL USE ONLY	
Approved: <u>3-18-09</u>	
Docfile: <u>D-16</u>	

## EXHIBIT A – SNOHOMISH COUNTY TOMORROW ANNEXATION PRINCIPLES

The following principles are intended as a “roadmap” for successful annexations but are not intended to require cities to annex all UGA lands. The desired outcome will reduce Snohomish County’s current delivery of municipal services within the urban growth area while strengthening the County’s regional planning and coordinating duties. Likewise, cities/towns will expand their municipal services to unincorporated lands scattered throughout the UGAs in Snohomish County. These principles propose altering historical funding and service delivery patterns. All parties recognize that compromises are necessary.

1. The county and all Snohomish County cities will utilize a six-year time schedule which will guide annexation goals. This work will be known as the Six Year Annexation Plan. As follow-up to the county’s Municipal Urban Growth Area (MUGA) policies, those cities that have a (MUGA) land assignment, should designate this land assignment a priority. Each jurisdiction shall conduct its normal public process to ensure that citizens from both the MUGA areas and city proper are well informed. All Snohomish County cities have the option of opting in or out of this process. Cities that opt in will coordinate with the county to establish strategies for a smooth transition of services and revenues for the annexations proposed in the accepted Six Year Plan.
2. Each city will submit a written report regarding priority of potential annexation areas to the county council every two years, at which time each city will re-evaluate its time schedule for annexation. This report will serve as an update to the Six Year Annexation Plan.

The report to the county council should be based upon each city’s internal financial analyses dealing with the cost of those annexations identified for action within the immediate two-year time period. This analysis shall include: current and future infrastructure needs including, but not be limited to, arterial roads, surface water management, sewers, and bridges. A special emphasis should be given to the financing of arterial roads, including historical county funding and said roads’ priority within the county’s current 6-year road plan. Where financing and other considerations are not compelling, the city and county may “re-visit” the annexation strategies at the next two-year interval.

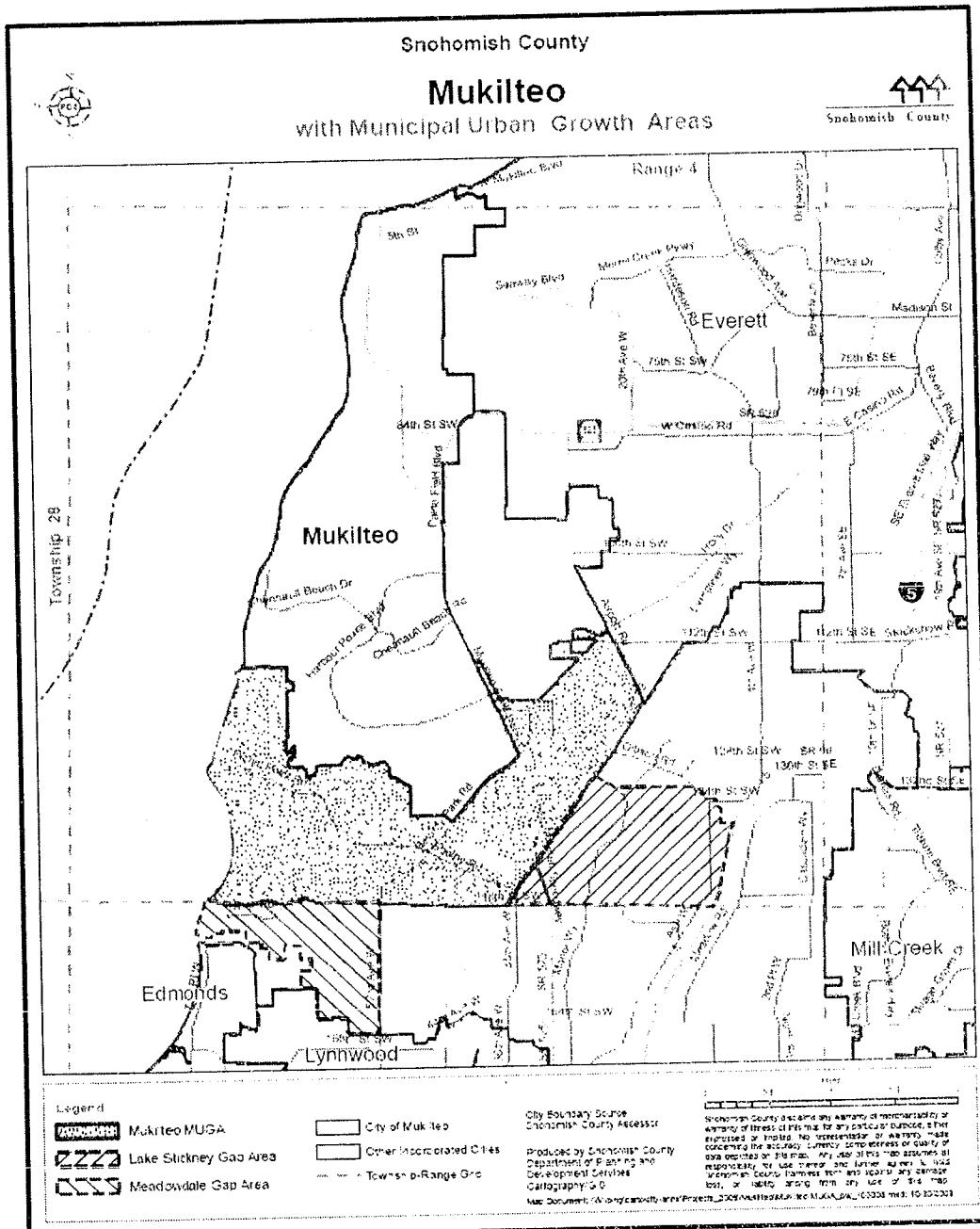
3. To facilitate annexation within urban growth areas (UGAs), the host city and the county may negotiate an Interlocal agreement providing for sub-area planning to guide the adoption of consistent zoning and development regulations between the county and the city. Coordination of zoning densities between the county and the host city may require the revision of land use maps, adoption of transfer rights or other creative solutions. Upon completion of sub-area planning, if densities cannot be reconciled, then the issue would be directed to SCT for

review and possible re- assignment to alternate sites within the UGA.

The Interlocal Agreement would also address development and permit review and related responsibilities within the UGA, apportioning related application fees based upon the review work performed by the respective parties, and any other related matters. The format for accomplishing permit reviews will be guided in part by each city's unique staffing resources as reflected in the Interlocal agreement between the host city and the county.

4. The city and the county will evaluate the financial and service impacts of an annexation to both entities, and will collaborate to resolve inequities between revenues and service provision. The city and county will negotiate on strategies to ensure that revenues and service requirements are balanced for both the city and the county. These revenue sharing and/or service provision strategies shall be determined by individual ILAs to address service operations and capital implementation strategies.
5. The county and the host city will negotiate with other special taxing districts on annexation related issues. Strategies for accomplishing these negotiations will be agreed to by the county and host city, and reflected in the host city's annexation report. (See preceding Principle #2.)
6. To implement the goals of the Annexation Principles regarding revenue sharing, service provision, and permit review transitions, the county and the cities will consider a variety of strategies and tools in developing Interlocal Agreements, including:
  - Inter-jurisdictional transfers of revenue, such as property taxes, Real Estate Excise Taxes (REET), storm drainage fees, sales tax on construction, and retail sales tax. Dedicated accounts may be opened for the deposit of funds by mutual agreement by the county and city;
  - Service provision agreements, such as contracting for service and/or phasing the transition of service from the county to the city;
  - Identifying priority infrastructure improvement areas to facilitate annexation of areas identified in Six Year Annexation Plans.

## EXHIBIT B – MUKILTEO MUNICIPAL URBAN GROWTH AREA AND MUGA GAP MAP



**EXHIBIT C –SNOHOMISH COUNTY CODE (“SCC”) PROVISIONS  
AND SNOHOMISH COUNTY ORDINANCES TO BE ADOPTED BY CITY**

- A. The following portions of SCC Title 13, entitled ROADS AND BRIDGES: Chapters 13.01, 13.02, 13.05, 13.10 through 13.70, 13.95, 13.110 and 13.130
- B. SCC Title 25, entitled STORM AND SURFACE WATER MANAGEMENT
- C. SCC Subtitle 30.2, entitled ZONING AND DEVELOPMENT STANDARDS
- D. SCC Chapter 30.41A, entitled SUBDIVISIONS
- E. SCC Chapter 30.41B, entitled SHORT SUBDIVISIONS
- F. SCC Chapter 30.42B, entitled PLANNED RESIDENTIAL DEVELOPMENTS
- G. SCC Chapter 30.41D, entitled BINDING SITE PLANS
- H. SCC Chapter 30.44, entitled SHORELINE MANAGEMENT
- I. SCC Chapter 30.51A, entitled DEVELOPMENT IN SEISMIC AREAS
- J. SCC Chapter 30.52A, entitled BUILDING CODE
- K. SCC Chapter 30.52B, entitled MECHANICAL CODE
- L. SCC Chapter 30.52C, entitled VENTILATION AND INDOOR AIR QUALITY CODE
- M. SCC Chapter 30.52D, entitled ENERGY CODE
- N. SCC Chapter 30.52E, entitled UNIFORM PLUMBING CODE
- O. SCC Chapter 30.52F, entitled RESIDENTIAL CODE
- P. SCC Chapter 30.52G, entitled AUTOMATIC SPRINKLER SYSTEMS
- Q. SCC Chapter 30.53A, entitled FIRE CODE
- R. SCC Subtitle 30.6, entitled ENVIRONMENTAL STANDARDS AND MITIGATION
- S. SCC Chapter 30.66A, entitled PARK AND RECREATION FACILITY IMPACT MITIGATION
- T. SCC Chapter 30.66B, entitled CONCURRENCY AND ROAD IMPACT MITIGATION
- U. SCC Chapter 30.66C, entitled SCHOOL IMPACT MITIGATION
- V. Ordinance 93-036, entitled SHORELINE MASTER PROGRAM, as amended