



Snohomish County

Planning and Development Services

3000 Rockefeller Ave., M/S 604
Everett, WA 98201-4046
(425) 388-3311
www.snoco.org

MEMORANDUM

TO: Councilmember Stephanie Wright, Council Chair
Councilmember Megan Dunn, Council Vice-Chair
Councilmember Nate Nehring, District 1
Councilmember Jared Mead, District 4
Councilmember Sam Low, District 5

Dave Somers
County Executive

VIA: Michael McCrary, Director
Planning and Development Services

FROM: Eileen Canola, Senior Planner

SUBJECT: City of Lake Stevens Proposed Southeast Interlocal Annexation – BRB File Nos. 03-2021 and 04-2021

DATE: July 8, 2021

INTRODUCTION

The purpose of this staff report is to provide the County Council with a review and recommendation for the City of Lake Stevens' (City) proposed Southeast Interlocal Annexation of approximately 500 land acres and 1,000 lake acres as required by section [2.77.040](#) of the Snohomish County Code (SCC). The City submitted two notices of intention (NOIs) to the Snohomish County Boundary Review Board (BRB) – File Nos. BRB 03-2021 and 04-2021 (Attachment A to Motion), for which the 45-day review period ends on August 9, 2021. The BRB, consistent with its annexation review procedures outlined in Chapter 2.77 SCC, distributed the NOIs to County departments including Planning and Development Services (PDS). Per SCC 2.77.040(4) within this 45-day review period, the County Council must determine whether to invoke BRB jurisdiction ('file a request for review').

If BRB jurisdiction is invoked during the 45-day review, by the county or another party, the BRB may hold public hearings and approve, deny, or modify the proposed annexation. BRB decisions must be consistent with Growth Management Act (GMA) provisions including the planning goals and framework for urban growth areas (UGAs) and countywide planning policies (CPPs). State law also defines objectives (RCW 36.93.180) for board review and provides factors (RCW 36.93.170) for board consideration in making its decision. If BRB jurisdiction is not invoked, the annexation would be deemed approved. If the annexation is approved by the BRB either following a public hearing or because no party invokes BRB jurisdiction, the annexation would need to be finalized by City ordinance setting the

effective date. The authority of the County Council for reviewing annexations is set forth in Revised Code of Washington (RCW) 36.93.100 and SCC 2.77.040.

The recommendation to the County Council from PDS is to support the annexation and to not invoke the jurisdiction of the BRB. The rationale for this recommendation is discussed within the Review section below that analyzes how the proposed annexation complies or is consistent with all requirements.

REVIEW

The following review and information on this proposed annexation is required by SCC 2.77.040, and provides: how the annexation meets the factors and objectives of the BRB under RCW 36.93.170 and 36.93.180; consistency of the annexation with the GMA, regional, and local policies; and the impacts to county operations and services.

1. Annexation Method

The City has chosen the Interlocal Agreement method of annexation per [RCW 35A.14.296](#), which requires an interlocal agreement (ILA) between the City, the county, and, optionally, certain types of affected jurisdictions. Agreement by all parties on the ILA must be accomplished by a public hearing for which public notice is provided weekly for at least four consecutive weeks. The ILA must state the annexation boundaries and the effective date. Further, this method requires that for five years after annexation, any parcel zoned for residential development within the annexation area (a) maintain a zoning designation that provides for residential development and (b) not have its minimum gross residential density reduced below that provided by the zoning designation for that parcel prior to annexation. The City, county, and the Lake Stevens Sewer District (District) have negotiated an ILA for this annexation effective May 12, 2021 (Attachment B to Motion) for which a joint hearing was held on March 9, 2021 with the required 4-weeks of public noticing. The adopted ILA is consistent with the requirements of RCW 35A.14.296.

The City adopted Resolution 2020-17, declaring its intent to initiate negotiations for annexation of the subject area via interlocal agreement. The District subsequently notified the City of its intent to be party to the agreement. The City, the county, and the District have since negotiated a proposed ILA, effective May 12, 2021, that included a joint hearing on March 9, 2021 with the required public noticing. The ILA builds from and modifies the 2005 master annexation interlocal agreement (MAILA) between the City and the county. The ILA meets the requirements of RCW 35A.14.296 and addresses an orderly transition of public services and facilities from the county to the City including Sunset Park and surface water management facilities and maintenance, addresses processing and transition of any active permit applications, and identifies areas that the District intends to annex in the future.

As part of its NOI submittals in File Nos. BRB 03-2021 and 04-2021, the City updated the legal descriptions from the time the ILA was negotiated between the City, county and District. The county, through Motion No. 21-237 is formally recognizing and adopting the City's revised legal descriptions, which replace the legal descriptions in the ILA.

2. Comments Received

The NOIs for the proposed Southeast Interlocal Annexation were circulated for review to county departments and agencies. Several county departments including the Department of Public Works (DPW) and the Department of Conservation and Natural Resources (DCNR) provided input as part of the ILA. These and other comments have been incorporated into this staff report along with the Planning and Development Services (PDS) review under the relevant sections.

3. Locations/Acreage/Total Assessed Value / Residences

The proposed Southeast Interlocal Annexation area is comprised of a north area and south area that are adjacent to the existing city limits. The north and south areas are bisected by a previous City annexation (Rhodera Annexation). The assessed valuation of the north area is \$279,437,800 and the south area is \$231,877,900. For the entire annexation area, the estimated population 3,000 with 1,100 residences and the total acreage is 500 land acres and 1,000 lake acres (Lake Stevens).

4. Consistency of the proposal with growth management act planning goals, urban growth area designations, countywide planning policies, and the county's comprehensive plan

The following describes how the annexation proposal is consistent or inconsistent with GMA goals, UGA designations and local policies.

- a. **GMA planning goals (RCW 36.70A.020):** The Southeast Interlocal Annexation, as proposed in File Nos BRB. 03-2021 and 04-2021, is consistent with GMA planning goal (1) Urban growth. This goal states, "Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner." The entirety of the area proposed for annexation is within the Lake Stevens urban growth area. The proposed annexation area is currently served by the Snohomish County Public Utilities District (PUD) for water, Snohomish Regional Fire and Rescue for fire and emergency services, Snohomish County Sheriff for law enforcement, and Snohomish County Public Works for Roads service. Upon annexation, the transition in services would occur from Snohomish County Public Works to the City's Department of Public Works for road maintenance and from the Snohomish County Sheriff to the City's Police Department for law enforcement. In terms of sewer service, the Lake Stevens Sewer District recently completed the Batchelder Annexation which annexed 3 parcels comprising approximately 16 acres that are within the Southeast Interlocal Annexation area. As indicated in the ILA (Attachment B to the Motion) the District has plans to expand its sewer service area. The services provided to the proposed annexation area upon annexation are consistent with the planning goals of the GMA and with RCW 36.70A.110(4) (4) "In general, cities are the units of local government most appropriate to provide urban governmental services. In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development."

- b. **UGA designations:** The Southeast Interlocal Annexation, as proposed in File Nos. BRB 03-2021 and 04-2021, is consistent with the designations and zoning that support an urban level of density and development. The existing County's Future Land Use Map (FLUM) designations

for the proposed annexation area are: Public Institutional for Sunset Park, Urban Low Density Residential (4 dwelling units (DU)/Acre) and Urban Low Density Residential 6 (DU/Acre). As indicated in the ILA (Attachment B to the Motion), the City will, for a period of 5 years after annexation, maintain a residential zoning on any parcel zoned residential within the annexation area and not have the minimum gross residential density reduced below 4 dwelling units per acre.

- c. **Countywide Planning Policies (CPPs):** The Southeast Interlocal Annexation, in File Nos. BRB 03-2021 and 04-202, is consistent with the Snohomish County Countywide Planning Policies (CPPs) in particular JP-1 and JP-3, which reference the Interlocal Cooperation Act (chapter 39.34 RCW) as a means to facilitate annexation procedures in the county.

CPP Joint Planning (JP)-1: "Coordination of county and municipal planning particularly for urban services, governance, and annexation is important. Interlocal agreements for this purpose are encouraged pursuant to the Interlocal Cooperation Act (chapter 39.34 RCW). These agreements should emphasize the importance of early and continuous public participation, focus on decision-making by elected or other appropriate officials, and review the consistency of comprehensive plans with each other and the Growth Management Act, where applicable. Appendix F provides an illustrative list of issues that could be considered appropriate for Interlocal Agreements."

CPP JP-3: "In the event of a proposed annexation of unincorporated lands in Snohomish County by a city or special district with no incorporated or district territory currently located in Snohomish County, an interlocal agreement between Snohomish County and any jurisdiction determined necessary by the County shall be in place, consistent with CPP JP-1 and Appendix F. This agreement shall be in effect before the city or district submits a Notice of Intent to Annex to the State Boundary Review Board (BRB) of Snohomish County or, if not subject to BRB review, prior to approval of the annexation to the city or special district."

The City of Lake Stevens and the county maintain a Master Annexation Interlocal Agreement (MAILA) that was recorded on November 10, 2005 and applies to all annexations after that date. Under the MAILA agreement, as stated in Section 2.2, annexations may only occur in the Lake Stevens UGA and the entirety of the proposed annexation area is contained within the Lake Stevens UGA. The MAILA between Snohomish County and the City is guiding the transfer of services and jurisdiction from the county to the City including, permits and applications in progress, violations and code enforcement cases, surface water management services, and road maintenance. The county has generated a report of the pending permits, violations, and code enforcement cases withing the proposed annexation area and has shared this information with City staff.

Moreover, as required under RCW 35A.14.296 for this interlocal agreement method of annexation, the county, City, and the District finalized an ILA (Attachment B to Motion) that builds upon and amends the existing 2005 MAILA. The ILA meets the requirements

of RCW 35A.14.296: it provides a description of the annexation area boundaries; states an annexation effective date; requires the City to maintain a residential zoning and residential density of not less than 4 dwelling units per acres for those properties that had a residential zoning prior to annexation; transfers jurisdiction of Sunset Park; and states the jurisdictional transfer of surface water management services and facilities and clarifies relevant service agreements.

d. Snohomish County Comprehensive Plan: The Southeast Interlocal Annexation is consistent with the county's comprehensive plan, and in particular with the following policies of the General Policy Plan (GPP) that require the county and an annexing city to have in effect an annexation agreement that speaks to the orderly transfer of facilities, services, and that ensures that a minimum urban residential density will be maintained. The City and county have drafted an ILA consistent with the requirements of RCW 35A.14.296 and have an existing Master Annexation Interlocal Agreement in effect.

- Land Use (LU) Policy 2.A.1, "Maintain development regulations that will require that new residential subdivisions achieve a minimum net density of 4 dwelling units per acre in all unincorporated UGAs, except (1) in the UGAs of Darrington, Index, and Gold Bar as long as those cities do not have sanitary sewer systems and (2) in areas without sanitary sewers which the sewer purveyor with jurisdiction, or in nearest reasonable servicing proximity will certify are either an unsewered urban enclave or are not capable of being connected to public sewers via annexation within the next six years or by the improvements provided pursuant to its adopted six year capital facilities plan, (3) where regulations for development on steep slopes require reduced lot or dwelling unit yields, or (4) where a lower density is necessary because of the existence of critical areas that are large in scope, with a high rank order value, and are complex in structure and function. Lot size averaging, planned residential developments, sewerage regulations and other techniques may be used to maintain minimum density or to ensure later development at minimum densities is not inhibited when sanitary sewers become available."
- LU Policy 2.A.2, "The county shall not support any proposed annexation by a city unless and until an annexation agreement has been signed by the county and said city ensuring the continued implementation of Policy LU 2.A.1 for the area to be annexed."
- Interjurisdictional Coordination (IC) Policy 1.B.1, "The county shall work with cities in planning for orderly transfer of service responsibilities in anticipation of potential or planned annexations or incorporations within UGAs."
- IC 1.B.3, "The county shall seek interlocal agreements with the cities to establish a process for transferring authority over pending projects, permits, and records and establishes reciprocal impact mitigation for transportation, parks, and schools prior to potential or planned annexations or incorporations."
- IC 1.B.4, "The county shall not support any proposed annexation of unincorporated lands in Snohomish County by a city or special district situated predominantly outside of Snohomish County unless and until an annexation agreement has been

signed by the county and said district or city. Such agreement shall address and substantially resolve issues of land use, applicable development regulations, permit processing, public services delivery, facilities financing, transportation planning, concurrency management, solid waste management, and any other similar jurisdictional issues identified by the county. Such agreement should be approved prior to city acceptance of an annexation petition.”

5. Impacts relevant to boundary review board considerations as established by state law.

The following comments relate to RCW 36.93.170 – Factors to be considered by the Boundary Review Board.

Factor 1. Population and territory; population density; land area and land uses; comprehensive plans and zoning, as adopted under chapter 35.63, 35A.63, or 36.70 RCW; comprehensive plans and development regulations adopted under chapter 36.70A RCW; applicable service agreements entered into under chapter 36.115 or 39.34 RCW; applicable interlocal annexation agreements between a county and its cities; per capita assessed valuation; topography, natural boundaries and drainage basins, proximity to other populated areas; the existence and preservation of prime agricultural soils and productive agricultural uses; the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next ten years; location and most desirable future location of community facilities.

a. **Population and territory; population density; land area and land uses; assessed valuation.** The proposed Southeast Interlocal Annexation area is comprised of a north area and south area that are adjacent to the existing city limits. According to File Nos. BRB 03-2021 and 04-2021, the assessed valuation of the north area is \$279,437,800 and the south area is \$231,877,900. For the entire annexation area, the estimated population 3,000 with 1,100 residences and the total acreage is 500 land acres and 1,000 lake acres (Lake Stevens). Aside from the lake, the annexation area is primarily residential in use and the terrain ranges from flat to hilly. According to the 2012 Snohomish County Buildable Lands Report, the density (average) of 5.87 units per acre was being achieved in the annexation area with the county’s Urban Low Density Residential land use designation.

b. **Comprehensive plans and zoning:** The existing county comprehensive plan Future Land Use Map designations and zoning for the annexation area are: Urban Low Density Residential (ULDR) 4 DU/Acre; ULDR 6 DU/Acre; and Public Institutional (P/I). The Public Institutional designation applies to Sunset Park. The existing county zoning is R-7,200 and R 9,600. The City has adopted land use pre-designations of Waterfront Residential and Medium Density Residential and pre-zoning of Waterfront Residential and R6 for the annexation area as detailed in City Ordinances Nos. 1105 and 1106.

Completion of this Southeast Interlocal Annexation is consistent with and fulfills the City’s goal of “One City Around the Lake” that is embedded in the City of Lake Stevens comprehensive plan. In 2016, the City Council adopted Resolution No. 2016-21 that provides a phased annexation strategy that includes the area proposed in this Southeast Interlocal Annexation area. The Lake Stevens Comprehensive Plan

documents the City's efforts to achieve its 20-year growth targets that includes a supportive annexation framework intent on unifying the community around the lake. The annexation is consistent with the Goal 2.9 and associated policies of the City's comprehensive plan:

- GOAL 2.9, "PROMOTE ANNEXATIONS OF LANDS INTO THE CITY IN A MANNER THAT IS FISCALLY RESPONSIBLE TO ENSURE THE CITY IS ABLE TO PROVIDE A HIGH LEVEL OF URBAN SERVICES."

Policies

- Policy 2.91, "Affiliate all urban unincorporated lands appropriate for annexation with an adjacent city or identify those that may be feasible for incorporation."
- Policy 2.9.2, "It is the city's intent to annex the entire Lake Stevens Urban Growth Area over the planning horizon to become one city, considering the following:
 - a. To manage growth in the UGA it is important to note that elected officials who reside within and represent the Lake Stevens community make the best land use and Comprehensive Plan decisions for the Lake Stevens area.
 - b. To keep locally generated sales tax revenues within the community to meet local needs rather than allowing those revenues to be distributed throughout the entire county.
 - c. To provide an accessible and open forum in which citizens may participate in their own governance.
 - d. To create a larger city which can have greater influence on regional and state policy decisions and can be more competitive for grants.
 - e. To stabilize the development environment, striving to bring land use predictability to residents and property owners.
- c. **Applicable service agreements:** The City and county have existing service agreements related to surface water management, law enforcement, and emergency management. Mutual aid agreements will continue post annexation.
- d. **Applicable interlocal annexation agreements:** The City and county have a Master Annexation Interlocal Agreement (MAILA) in effect since 2005 that provides for the orderly transition of services and facilities, and addresses processing and transition of any active permit applications and permit violations. Further, as required by the interlocal agreement annexation method per RCW 35A.14.296, the annexation ILA (Attachment B to the Motion) describes the annexation boundaries, the annexation effective date, identifies areas that the sewer district intends to annex in the future,

and specifically mentions the transfer of Sunset Park and surface water management facilities and maintenance requirements.

e. **Likelihood of growth in the area and adjacent incorporated and unincorporated areas during the next ten years.** It is anticipated that once annexed, the area will be developed as allowed under the City's zoning of R-6. Per the draft 2021 Buildable Lands Report, the area has capacity for approximately 371 residential units. A recent sewer district annexation (Batchelder Annexation) was completed for approximately 16 acres in the annexation area that will facilitate land development.

Factor 2. Municipal services; need for municipal services; effect of ordinances, governmental codes, regulations and resolutions on existing uses; present cost and adequacy of governmental services and controls in area; prospects of governmental services from other sources; probable future needs for such services and controls; probable effect of proposal or alternative on cost and adequacy of services and controls in area and adjacent area; the effect on the finances, debt structure, and contractual obligations and rights of all affected governmental units.

- a. **Municipal services:** The City of Lake Stevens is a provider of urban municipal services as identified under chapter 36.70A RCW, however, the City is not a full municipal service provider. Upon annexation, the City will assume jurisdiction for the annexation area and provide road maintenance, surface water management services, and law enforcement. Sewer service is currently provided to some areas of the annexation area by the Lake Stevens Sewer District and fire protection will continue to be provided by Snohomish Regional Fire and Rescue. Water and electricity will continue to be provided by the Snohomish County Public Utilities District (PUD). The ILA (attachment B to the Motion) provides a map of proposed sewer service expansion by the Lake Stevens Sewer District. As indicated in File Nos. 03-2021 and 04-2021, Some of the properties in the annexation area are served by public sewer, water and garbage service is optional. Future development will be required to extend sewer and water services and garbage service will be required. General governmental services such as public works (street and storm maintenance) planning and zoning, building inspection and administration will be provided by the City of Lake Stevens.
- b. **Present cost and adequacy of governmental services and controls in the area:** The City conducted a fiscal analysis for proposed annexation areas including the areas in the Southeast Interlocal Annexation, and as indicated in File Nos. 03-2021 and 04-2021 (Attachment A to Motion), the City assesses it has adequate funding and reserves to provide city services to the proposed annexation area.
- c. **Effect of finances:** As noted above, the City indicated in File Nos. 03-2021 and 04-2021 (Attachment A to Motion), that it conducted a fiscal analysis for potential annexation areas including the Southeast Interlocal Annexation, and the report found that, "... there will be a temporary deficit to the general fund, but at full buildout of the larger area over the 25-year planning period, the estimated revenues would exceed expenditures with collection of taxable retail sales, property taxes and REET revenue. The report indicates

that there may be deficit to street funds by the end of 2042 without identifying new funding sources.”

The annexation will have minimal impact to each of the following county revenue sources: sales tax, real estate excise tax, permit fees, parks fees, grants, animal control, District Court fines, and emergency management. The annexation is expected to have minimal impact to county expenses as indicated by the following county departments:

1. The Finance Department estimated an annual reduction of about \$30,000 in sales tax revenue to the county, and about \$200,000 in real estate excise tax revenue. The reduced sales tax revenue would be at least partially, if not totally, offset by reduced need for county services. No impact to General Fund property tax and no impact to Conservation Futures property tax. The annexation area is mostly residential so the main impacts will be to REET and to the General Fund, sales tax.
2. The Department of Conservation and Natural Resources (DCNR) – Surface Water Management (SWM) division had the following comments related to fiscal impacts: “Assuming the annexation occurs this year, in 2021 there would be no SWM revenue or program impacts per the annexation ILA, which will be adopted for the annexation to take place. SWM continues to collect service charges, estimated at about \$162k in 2021, and will continue to provide services in the annexation area for the remainder of the calendar year. The \$162k figure is about \$4k higher than an earlier \$158k estimate that was given. That revenue will cease being collected in 2022, the year following annexation, and adjustments will be made as needed to SWM programs in the budget planning process for 2022.”
3. The Parks and Recreation division of DCNR estimated a small reduction in maintenance costs associated with the transfer of Sunset park to the city, and a decrease in park impact fee revenue, offset by a reduction in park and recreation development in the area.
4. Planning and Development Services estimated that the fiscal impact would be minimal, including a modest reduction in permit revenue, offset by a reduction in permit processing expenditures.

Factor 3. The effect of the proposal or alternative on adjacent areas, on mutual economic and social interests, and on the local governmental structure of the county.

The City indicated that mutual aid agreements between the City and county will continue post annexation.

6. Impacts relevant to boundary review board considerations as established by state law.

The following comments relate to RCW 36.93.180 - Objectives of the Boundary Review Board:

Objective 1. Preservation of natural neighborhoods and communities.

Once annexed, the City will have achieved its goal of unifying the community around the lake, “One Community Around the Lake” – this annexation includes the entire lake (Lake Stevens), and

hence will allow the City to manage and serve the entirety of the lake and surrounding area. The annexation will provide greater continuity of City services, as the north and south annexation areas are bisected by the City limits, resulting from the Rhodera Annexation, and therefore this annexation will provide greater continuity in service and identity for the land area east of the lake.

The annexation would further this objective.

Objective 2. Use of physical boundaries, including, but not limited to bodies of water, highways and land contours.

The annexation area includes the entire lake (Lake Stevens), and extends east of the lake. The eastern boundary of the annexation is 123rd Ave SE. The north and south annexation areas are bisected by City limits, as a result from a previous annexation, Rhodera Annexation, and the southern boundary of the annexation is 20th St SE.

The proposed annexation furthers this objective.

Objective 3. Creation and preservation of logical service areas.

The proposed annexation area (north and south areas) is within the Lake Stevens UGA and adjacent to the City of Lake Stevens, which lies to the west of the lake, and bisects the north and south annexation areas. The City of Lake Stevens is the logical service provider for municipal services in this area.

The annexation as proposed furthers this objective.

Objective 4. Prevention of abnormally irregular boundaries.

The proposed annexation boundaries do not create abnormal or irregular boundaries. The annexation would create a continuous City jurisdiction including the lake the north and south annexation areas that are currently bisected by the City, as a result of a recent annexation.

The annexation as proposed furthers this objective.

Objective 5. Discouragement of multiple incorporations of small cities and encouragement of incorporations of cities in excess of ten thousand population in heavily populated urban areas.

This objective does not apply to the proposed annexation.

Objective 6. Dissolution of inactive special purpose districts.

This objective does not apply to the proposed annexation.

Objective 7. Adjustment of impractical boundaries.

The annexation, as proposed in the File Nos. BRB 03-2021 and 04-2021, provides practical boundaries.

The annexation does further this objective.

Objective 8. Annexation to cities or towns of unincorporated areas, which are urban in character.

The Lake Stevens Southeast Interlocal Annexation, as proposed in File Nos. BRB 03-2021 and 04-2021, promotes urban level of density and development. The existing County's Future Land Use Map (FLUM) designations for the annexation area are: Urban Low Density Residential (ULDR) 4 DU/Acre, ULDR 6 DU/Acre and Public Institutional (for Sunset Park). The City adopted land use pre-designations of Waterfront Residential and Medium Density Residential and pre-zoning of Waterfront Residential and R6 for the annexation area.

As proposed, the annexation does further Objective 8.

Objective 9. Protection of designated agricultural and rural resource lands.

This objective does not apply to the proposed annexation. The proposed annexation area is not designated agricultural land or rural resource land.

7. Impacts to county facilities and other county-owned property:

County departments were provided the opportunity to provide input on drafting the ILA, as required by RCW 35A.14.296, and in reviewing the File Nos. 03-2021 and 04-2021. The following comments were received from county departments:

- a. The Parks and Recreation division of DCNR stated that Sunset Park will be transferred to the City as part of the annexation, as noted in the ILA (Attachment B to Motion).
- b. The Surface Water Management division of DCNR stated that the ILA amends and replaces Section 9.1 of the MAILA to ensure transfer to the City upon annexation the county's surface water management facilities and improvements, and easements for access.

8. Impacts to the provision of public facilities and services:

County departments were provided the opportunity to provide input on drafting the ILA, as required by RCW 35A.14.296, and in reviewing the File Nos. 03-2021 and 04-2021. The following comments were received from county departments:

- a. The Department of Conservation and Natural Resources (DCNR) – Surface Water Management (SWM) division estimated an annual reduction of about \$160,000 in surface water management charges beginning in 2022. The division anticipates that the program service area and functions would adjust to the annexation and decreased revenues, and commented, "Assuming the annexation occurs this year, in 2021 there would be no SWM revenue or program impacts per the annexation ILA, which will be adopted for the annexation to take place. SWM continues to collect service charges, estimated at about \$162k in 2021, and will continue to provide services in the annexation area for the remainder of the calendar year. The \$162k figure is about \$4k higher than an earlier \$158k estimate that was given. That revenue will cease being collected in 2022, the year following annexation, and adjustments will be made as needed to SWM programs in the budget planning process for 2022."
- b. The Sheriff's office estimated only a small impact to call load and patrol needs and noted that there is a mutual aid response plan in effect between the agencies and is used often.
- c. The district court noted that the City of Lake Stevens currently contracts with District Court for municipal court services.
- d. The Department of Public Works wanted to ensure that the City would be taking in all the associated rights of ways (ROWS) as part of the annexation. The City confirmed it would be taking in associated ROWs, as doing so is stated in Section 8 of the MAILA.

STAFF RECOMMENDATION

Based on the review detailed above, the proposed annexation is consistent with the GMA, the CPPs, and local comprehensive plans, the factors and objectives of the BRB, and will have minimal impact to County budget and services. The annexation proposal furthers the GMA goals and CPP policies that cities should be the primary providers of urban services.

This conclusion has been reached by comprehensively reviewing the annexation against the applicable BRB factors and objectives, County codes, and other applicable statutes and determining that the relevant factors and objectives that the BRB must consider would be advanced by the annexation.

The recommendation to the County Council from PDS is to **support** the annexation and to **not invoke** the jurisdiction of the BRB.

cc: Ken Klein, Executive Director
Mike McCrary, Director, PDS
Tom Teigen, Director, DCNR
Kelly Snyder, Director, DPW
Ryan Countryman, Council Legislative Analyst