

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF MUKILTEO AND
SNOHOMISH COUNTY CONCERNING ANNEXATION AND THE ORDERLY
TRANSITION OF SERVICES FOR AN AREA LYING EAST OF SR 525 WITHIN THE
MUKILTEO MUNICIPAL URBAN GROWTH AREA PURSUANT TO RCW 35A.14.296**

1. PARTIES

This Interlocal Agreement (“Agreement” or “ILA”) is made by and between the City of Mukilteo (“City”), a Washington municipal corporation, and Snohomish County (“County”), a political subdivision of the State of Washington, collectively referred to as the “Parties,” pursuant to Chapter 36.70A RCW (Growth Management Act), Chapter 36.115 RCW (Governmental Services Act), Chapter 43.21C RCW (State Environmental Policy Act), Chapter 36.70B RCW (Local Project Review), Chapter 58.17 RCW (Subdivisions), Chapter 82.02 RCW (Excise Taxes), Chapter 39.34 RCW (Interlocal Cooperation Act), and Chapter 35A.14 RCW (Annexation by Code Cities).

2. PURPOSE, INTENT, AND APPLICABILITY

2.1 Purpose. The purpose of this Agreement is to facilitate the annexation of a portion of the Mukilteo Municipal Urban Growth Area (MUGA) lying east of SR 525 by the City pursuant to RCW 35A.14.296 and to facilitate the orderly transition of services and, if applicable, 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 Parties also addresses the transition of permit review; joint planning for urban development; joint transportation system planning; and the policies and procedures for reciprocal review and mitigation of inter-jurisdictional transportation system impacts of land development.

2.2 Snohomish County Tomorrow Annexation Principles. The Parties intend that this Agreement be interpreted in a manner that furthers the objectives articulated in the Snohomish County Tomorrow Annexation Principles; however, in the event of a conflict between such Principles and this Agreement, this Agreement shall prevail. 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 Subsequent agreements and interpretations. The Parties recognize, that amendments to existing interlocal agreements or government service agreements may be executed. In the event that any term or provision in this Agreement conflicts with any term or provision in any subsequent agreement or amendment, the term or provision in the subsequent agreement or amendment shall prevail unless specifically stated otherwise in this Agreement.

2.4 Applicability

This Agreement shall apply to annexation by the City and to joint planning for urban development in anticipation of annexation, only for that geographic area described in Subsection 2.5 of this Agreement. This Agreement will become operational after the effective date of this Agreement.

2.5 Geographic areas eligible for annexation

2.5.1 This agreement shall only be applicable to that portion of the Mukilteo Municipal Urban Growth Area (MUGA) known as the Phase I Annexation Area herein referred to as the “Annexation Area” as depicted in Exhibit B and legally described in Exhibit C, and incorporated herein by this reference. The Annexation Area is generally described as follows, however, in the event of a discrepancy between the legal description contained in Exhibit C and the description below, Exhibit C governs:

- a) The east side of SR 525 located south of South Perimeter Road, proceeding southerly to Beverly Park Road and then north from Beverly Park Road to the southern boundary of Paine Field Airport, including the Beverly Park Road right-of-way; and
- b) The adjacent properties east of Beverly Park Rd identified by the County Assessor with the following parcel numbers: 00538000005200, 28042700100900, 28042700100700, 28042700100800, 28042700100801, 28042700100500, 28042700100600, and 28042700101300, as well as the portion of Gibson Rd from Beverly Park Rd roughly one-tenth of a mile to the east to where the road turns to the south.

The Annexation Area lies wholly within Mukilteo’s Municipal Urban Growth Area (“MUGA”) and does not lie within an overlap planning area with another city.

2.5.2 The Annexation Area does not include airport property owned by Snohomish County (Paine Field), nor does the Annexation Area include 100-year flood hazard areas, Snohomish County transfer of development rights receiving areas, and lands designated as an Urban Center, Transit Pedestrian Village, or Urban Village by the County in its comprehensive plan.

- 2.5.3 The Southwest Snohomish County MUGA Boundaries Map in Appendix A of the Snohomish County Countywide Planning Policies, as now existing or hereafter amended, identifies the Mukilteo MUGA in the Southwest Snohomish County MUGA Boundaries Map. The City and County acknowledge that annexation of unincorporated territory beyond the boundaries of the Annexation Area depicted in Exhibit B shall require a separate Annexation Interlocal Agreement (ILA).
- 2.5.4 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 a part of the Mukilteo MUGA.
- 2.5.5 The Annexation Area map attached to this Agreement as Exhibit B shows the Paine Field Area that is adjacent to the Annexation Area and Mukilteo MUGA. Consistent with Countywide Planning Policy DP-24, Paine Field is a County-administered regional essential public facility. The Paine Field Area is not assigned to a city. This Agreement does not include the Paine Field Area as a geographic area eligible for annexation and this Agreement does not represent an approved agreement for the Paine Field Area.

3. GENERAL PROVISIONS

- 3.1 Consistency of annexation. If the Snohomish County Council finds that a proposed annexation within the Annexation Area is consistent with this Agreement and the factors and objectives established in RCW 36.93.170 and 36.93.180, and that the health, safety, and general welfare of Snohomish County citizens is not adversely affected by the annexation, the County may not oppose the proposed annexation and may send a letter to the Boundary Review Board in support of the proposed annexation.
- 3.2 Public facilities and services. The Parties share a commitment to ensure that public facilities and services which are within the funding capacities of the Parties will be adequate to serve development within the MUGA at the time such development is available for occupancy and use without decreasing current service levels below locally established minimum standards.
- 3.3 Reciprocal mitigation and impact fees. The Parties believe it is in the best interest of the citizens of both jurisdictions to enable reciprocal imposition of impact mitigation requirements and regulatory conditions for improvements in the respective jurisdictions. A separate interlocal agreement known as the *“Interlocal Agreement Between Snohomish County and City of Mukilteo Regarding Interjurisdictional Review and Mitigation for Development Impacts on Their Respective Transportation Infrastructure,”* as amended effective on February 16, 2020, addressing reciprocal transportation impact mitigation, exists between the

Parties. Whether impact fees can be collected and transferred between the Parties will depend, in part, on the circumstances of any individual annexation and the plans of the jurisdictions to provide improvements for the benefit of the annexed area.

- 3.4 Joint planning provision. The Parties recognize there may be a need for joint planning to establish local and regional facilities the jurisdictions have planned or anticipate for the Annexation Area, to identify ways to jointly provide these facilities, and to identify transition of ownership and maintenance responsibilities as annexations occur. This need may result in mutual ongoing planning efforts, joint capital improvement plans, and reciprocal impact mitigation. By way of example only, and not by way of limitation, joint planning issues may 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; permit review services; revenue and cost-sharing; adoption of common zoning and development standards; and sub-area planning.
- 3.5 Adoption of County codes and ordinances. The City agrees to consider in good faith the adoption by reference of the County codes and ordinances listed in Exhibit D of this Agreement solely for the purpose of allowing the County to process and complete permits in annexed areas. Any such adoption of the County's codes by the City in no way affects applications submitted after the effective date of an annexation within the annexed area. The County shall be responsible for providing copies of all the codes and ordinances listed in Exhibit D of this Agreement, 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.
- 3.6 City and County responsibilities. Within their own jurisdictions, the Parties each have responsibility and authority derived from the Washington State Constitution, state statutes, and any local charter to plan for and regulate uses of land and resultant environmental impacts.
- 3.7 Intergovernmental cooperation for extra-jurisdictional impacts. The Parties recognize that land use decisions and transportation planning can have extra-jurisdictional impacts and that intergovernmental cooperation is an effective manner to deal with impacts and opportunities that transcend local jurisdictional boundaries.
- 3.8 Coordinated planning. The Parties recognize that sub-area planning related to inter-jurisdictional coordination as outlined in the Snohomish County Tomorrow Annexation Principles facilitates the transition of services from the County to the City in the event of an annexation. Amendments to existing interlocal agreements or government service agreements, or subsequent agreements on specific topical subjects relating to annexation and service transition, as described in Subsection 2.3 of this Agreement, will reflect joint planning between the Parties relative to the Snohomish County Tomorrow Annexation Principles.

3.9 Taxes, fees, rates, charges, and other monetary adjustments. In reviewing annexation proposals, the Parties 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 regulated by state statute.

3.10 Public hearings on annexation. In compliance with RCW 35A.14.296(3) and (4), properly noticed hearings on this agreement were held on the following dates:

Snohomish County: February 26, 2025

City of Mukilteo: December 16, 2024

The public was afforded the opportunity to be heard at all public hearings, and the Parties considered all public comments relating to the annexation of the Annexation Area by the City prior to approval of this Agreement by their legislative bodies.

3.11 Effective date of annexation. The annexation of the Annexation Area by the City shall become effective the later of fifteen (15) days after the annexation is deemed approved under RCW 36.93.100 or five (5) days after passage and publication of the City's adoption of an annexation ordinance pursuant to RCW 35A.14.296.

4. GROWTH MANAGEMENT ACT ("GMA") AND LAND USE

4.1 Urban density requirements. Except as may be otherwise allowed by law, the City agrees to accommodate the Annexation Area's GMA population and employment allocations assigned by the County within the new City limits resulting from annexation of the Annexation 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.

4.2 Airport compatibility regulations. The City shall adopt airport and land use compatibility regulations that apply to the Annexation Area substantially in the form shown in the draft regulations in Exhibit E to this Agreement prior to submitting a Notice of Intention for the annexation.

4.3 Imposition of City standards. For land use permit applications submitted prior to annexation, the County agrees to encourage land use permit applicants within the Annexation Area to design projects consistent with the City's urban design and development standards. The City agrees to review land use permit applications and may make written recommendations to the County on how proposed new land use permit applications could be made consistent with City standards.

- 4.4 Compliance with RCW 35A.14.296 – Residential Zoning. Under the annexation method in RCW 35A.14.296, the annexation agreement must ensure for a period of five (5) years after the annexation that any parcel zoned for residential development with the annexed area shall maintain a zoning designation that provides for residential development and that the minimum gross residential density of such parcel(s) not be reduced below the density allowed for by the zoning designation for that parcel prior to Annexation. The parcels in the Annexation Area are zoned Light Industrial (LI) and Business Park (BP) by the County. Residential use is not permitted in the LI zone. Residential use is permitted in the BP zone, but only when a site contains a minimum of 25 contiguous acres under the same ownership or control. The Annexation Area does not contain 25 contiguous acres zoned BP that are under the same ownership or control. Therefore, the residential density requirements of RCW 35A.14.296 are inapplicable to this annexation.

5. PROCESSING OF PERMITS IN THE MUKILTEO ANNEXATION AREA

- 5.1 Definitions. For the purposes of this Agreement, the following definitions apply:

“Building permit application” shall mean an application for 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 permit application” shall mean an application for mechanical, electrical, plumbing and/or sign permit for a structure authorized pursuant to a building permit.

“Land use permit application” shall mean an application for any land use or development permit or approval and shall include, by way of example and not by way of limitation, any of the following: subdivisions, planned residential developments, short subdivisions, binding site plans, single family detached unit developments, conditional uses, special uses, rezones, shoreline substantial development permits, grading or land disturbing activity permits, and variances. A “land use permit application” shall not include a “building permit application” except for non-single family building permits for structures greater than 4,000 square feet in size.

“Pending permit applications” shall mean all building permit applications, associated permit applications, and land use permit applications relating to real property located in an annexation area that are either (i) still under review by the County on the effective date of the annexation, or (ii) for which a decision has been issued but an administrative appeal is pending on the effective date of the annexation.

“Permit review phase” shall mean a discrete stage of or discrete activity performed during a jurisdiction’s review of a pending permit application that has logical starting and stopping points. By way of example, and not by way of limitation, applications for subdivisions and short subdivisions are deemed to have the following permit review phases: (i) preliminary plat approval; (ii) plat construction plan approval; (iii) revision, alteration or modification of a preliminary plat approval; (iv) construction inspection; (v) final plat processing; and (vi) final plat approval and acceptance. When it is not clear which activities related to the

review of a particular pending permit application constitute a distinct permit review phase, the Parties shall determine same by mutual agreement, taking into account considerations of convenience and efficiency.

- 5.2 City consultation on County land use permit applications. After the effective date of this Agreement, the County agrees to give the City timely written notice and opportunity to view all land use permit applications, inside the Annexation Area, as defined in Subsection 5.1 of this Agreement. When required and provided for in Title 30 of Snohomish County Code, the County will invite City staff to attend meetings between County staff and the applicant relating to such permit applications.
- 5.3 Review of County land use permit applications. The County will review all land use permit applications under County jurisdiction in the Annexation Area consistent with all applicable laws, regulations, rules, policies, and agreements including, but not limited to, the applicable provisions of this Agreement, the State Environmental Policy Act (Chapter 43.21C RCW) and the Snohomish County Code.
- 5.4 Permits issued by County prior to effective date of annexation. All building permits, associated permits, and land use permits and approvals relating to real property located in an annexed area that were issued or approved by the County prior to the effective date of an annexation shall be given full effect by the City after the annexation becomes effective. Any administrative appeals of such decisions that are filed after the effective date of the annexation shall be filed with the City and handled by the City pursuant to the City's municipal code. The County agrees that it shall reasonably make its employees available as witnesses at no cost to the City if necessary to provide assistance on appeals of decisions made by the County prior to the effective date of an annexation.
- 5.5 Enforcement of County conditions. Any conditions imposed by the County relating to the issuance or approval of any of the permits described in Subsection 5.4 shall be enforced by the City after the effective date of an annexation to the same extent the City enforces its own permit conditions. The County agrees that it shall reasonably make its employees available, at no cost to the City, to provide assistance in enforcement of conditions on permits originally processed and issued by the County.
- 5.6 Pending permit applications.
 - 5.6.1 Vesting. The Parties agree that any complete building permit application, associated permit application or land use permit application relating to real property located in the Annexation Area, that is submitted to the County prior to the effective date of an annexation and that has vested under Washington statutory, common law, or the Snohomish County Code shall remain subject to the development regulations of the County that were in effect at the time the

permit application was deemed complete by the County, notwithstanding any subsequent annexation.

- 5.6.2 Automatic transfer of authority regarding permits. The Parties understand and agree that the police power relating to real property located in the Annexation Area automatically transfers from the County to the City on the effective date of an annexation. The parties understand and agree that it is the police power that provides local jurisdictions with the authority to impose and implement building and land use regulations. Accordingly, the parties understand and agree that, as a matter of law, all responsibility for and authority over pending permit applications automatically transfers from the County to the City on the effective date of an annexation.
- 5.6.3 Completing the active phase of review. The Parties agree that to facilitate an orderly transfer of pending permit applications to the City after the effective date of the annexation, it is desirable for the County to continue processing all pending permit applications through the completion of the permit review phase that was in progress on the effective date of the annexation. Accordingly, beginning on the effective date of the annexation governed by this Agreement, the County shall act as the City's agent for the limited purpose of reviewing and processing all pending permit applications until such time as County personnel have completed the permit review phase that was in progress on the effective date of the annexation at issue. Upon completion of such permit review phase relating to any particular pending permit application, the County shall transfer all materials relating to the pending permit application to the City. After such transfer, the City shall perform all remaining permit review, approval, and issuance activities.
- 5.6.4 Administrative appeals. Notwithstanding anything to the contrary contained in Subsection 5.6.3, the Parties agree that it is not desirable for the County's quasi-judicial hearing officers or bodies to act as agents for the City for the purposes of hearing and deciding administrative appeals of permit decisions on behalf of the City, but it is also not desirable to disrupt an administrative appeal that is already in progress on the effective date of an annexation. Accordingly, if the permit review phase that was in progress on the effective date of the annexation was an administrative appeal of a decision made by the County, then that administrative appeal shall be handled as follows:
- (i) If the appeal hearing has not yet occurred as of the effective date of the annexation, then all materials related to the appeal shall be transferred to the City as soon as reasonably possible after the effective date of the annexation and the appeal shall be handled by the City pursuant to the procedures specified in the City's municipal code. The County agrees that it shall reasonably make its employees available as witnesses at no cost to the City if necessary to provide assistance to the City on appeals for decisions that were made by the County prior to the effective date of an annexation;

(ii) If the appeal hearing has already occurred as of the effective date of the annexation, but no decision has yet been issued by the County's quasi-judicial hearing officer or body, then the County's quasi-judicial hearing officer or body shall act as an agent for the City and issue a timely decision regarding the administrative appeal on behalf of the City; or

(iii) If a decision regarding the administrative appeal was issued by the County's quasi-judicial hearing officer or body prior to the effective date of the annexation, but a timely request for reconsideration was properly filed with the County prior to the effective date of the annexation, then the County's quasi-judicial hearing officer or body shall act as an agent for the City and issue a timely decision on reconsideration on behalf of the City.

5.6.5 Effect of decisions by the County regarding permit review phases. Without waiver or limitation of the City's own appeal rights, the City shall respect and give effect to all decisions made by the County regarding those permit review phases for a pending permit application that are completed by the County prior to the transfer of the pending permit application to the City, regardless of whether such decisions were made by the County on its own behalf prior to the effective date of annexation, or on behalf of the City after the effective date of annexation.

5.6.6 Proportionate sharing of permit application fees. The Parties agree to proportionately share the Title 30 Snohomish County Code (SCC) permit application fees for pending permit applications. Proportionate shares will be calculated based on the County's permitting fee schedule. Relating to each pending permit application, the County shall retain that portion of the permit application fees that may be allocated to the phases of review completed by the County prior to the effective date of the annexation. In compensation for the County's work in reviewing pending permit applications on behalf of the City, the County shall also retain that portion of the Title 30 SCC permit application fees that may be allocated to the phase(s) of review completed by the County while acting as an agent of the City. Within a reasonable time after the completion of a permit review phase, the County shall transfer to the City any remaining portion of the Title 30 SCC permit application fees collected, which shall be commensurate with the amount of work left to be completed relating to the pending permit application at the time the pending permit application is transferred to the City.

5.6.7 Deferred impact fees. Impact fees that were deferred under the provisions of Chapter 30.66A, 30.66B, or 30.66C SCC for building permits issued by the County on properties located in an annexed area prior to the effective date of an annexation shall be owed to the County per the requirements of the liens recorded against those properties. For permit applications submitted to the County but not yet issued prior to the effective date of annexation, the City agrees to review any requests for impact fee deferral that were submitted to the County.

- 5.6.8 Dedications or conveyances of real property. The Parties acknowledge and agree that after the effective date of the annexation the County Council will have no authority to accept dedications or other conveyances of real property to the public relating to real property located in the area that has been annexed by the City; provided, however, that the County may accept dedication or other conveyances of real property when granted, dedicated, or otherwise conveyed specifically to Snohomish County, for such purposes, that include but are not limited to, expanding County owned and operated facilities that were retained by the County within the annexed area. Accordingly, notwithstanding anything to the contrary contained elsewhere in this Section 5, after the effective date of any annexation governed by this Agreement, the approval and acceptance of final plats, final short plats, or other instruments or documents dedicating or conveying to the public an interest in real property located in the annexed area will be transmitted to the City for acceptance by the City.
- 5.7 Judicial appeals of permit decisions. The County shall be responsible for defending, at no cost to the City, any judicial appeals of decisions regarding building permit applications, associated permit applications, and/or land use permit applications relating to real property located in an annexed area that were made or issued by the County prior to the effective date of the annexation. The City shall be responsible for defending, at no cost to the County, any judicial appeals of decisions regarding building permit applications, associated permit applications, and/or land use permit applications relating to real property located in an annexed area that are made or issued after the effective date of the annexation, regardless of whether such decisions are made or issued by City personnel or by the County in its capacity as an agent for the City pursuant to Subsection 5.6 of this Agreement, except that the County agrees that it shall reasonably make its employees available as witnesses at no cost to the City if necessary to provide assistance on appeals of decisions made by the County prior to the effective date of an annexation or in its capacity as an agent for the City.
- 5.8 Permit renewal or extension. After the effective date of annexation, any request or application to renew or extend a building permit, an associated permit or a land use permit relating to real property located in an annexed area shall be submitted to and processed by the City, regardless of whether such permit was originally issued by the County or the City.
- 5.9 Administration of bonds. The County's interest in any outstanding performance security, maintenance security or other bond or security device issued or provided to the County to guarantee the performance, maintenance or completion by a permittee of work authorized by or associated with a permit relating to real property located in the annexed area, will be assigned or otherwise transferred to the City upon the effective date of the annexation if such assignment or transfer is reasonably feasible. If it is not reasonably feasible for the County to transfer any outstanding bond or security device to the City,

whether due to the terms of the bond or security device at issue or for some other reason, then the County shall continue to administer the bond or security device until the earlier to occur of the following: (i) the work guaranteed by the bond or security device has been properly completed; (ii) the City has been provided with an acceptable substitute bond or security device; or (iii) the bond or security device has been foreclosed. For bonds and security devices that the County continues to administer after the effective date of annexation, the City shall notify the County when either the work guaranteed by the bond or security device is completed, or when the City is provided with an acceptable substitute bond or security device, at which time the County shall release the original bond or security device. Should it become necessary to foreclose any bond or security device the County continues to administer after the effective date of annexation, the Parties shall cooperate to perform such foreclosure.

- 5.10 Building and land use code enforcement cases. Any pending building or land use code enforcement cases relating to real property located in an annexed area, will be transferred to the City on the effective date of the annexation. Any further action in those cases will be the responsibility of the City at the City's discretion. The County agrees that it shall reasonably make its employees available as witnesses at no cost to the City if necessary to prosecute transferred code enforcement cases. Upon request, the County agrees to provide the City with copies of any files and records related to any transferred case.

6. RECORDS TRANSFER AND ACCESS TO PUBLIC RECORDS FOLLOWING ANNEXATION

- 6.1 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 County records relevant to jurisdiction, the provision of government services, and permitting within an annexed area may be copied and transferred to the City in accordance with the procedure identified in Subsection 6.2 of this Agreement. The County will make a reasonable effort to provide the records in a format acceptable to the City. Said records shall include, but are not limited to, the following records from the Snohomish County Department of Public Works, the Snohomish County 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, GIS data and maps in both printed and electronic versions, approved zoning files, code enforcement files, fire inspection records and code enforcement files, stormwater inspection records, pavement, streetscape and right-of-way inspection records, easements, plats, databases for land use, drainage, and street lights, streets, street signs, regulatory and animal license records, records relating to data on the location, size and condition of utilities, NPDES inspections and program records, delinquent stormwater accounts, and any other records pertinent to the transfer of services, permitting and jurisdiction from the County to the City. The County reserves the right to withhold confidential or privileged records. In such

cases where the County opts to withhold such records, it shall provide the City with a list identifying the records withheld and the basis for withholding each record.

- 6.2 Procedure for copying. The City records staff shall discuss with the County records staff the types of records identified in Subsection 6.1 of this Agreement that are available for an annexed area, the format of the records, the number of records, and any additional information pertinent to a request of records. Following this discussion, the County shall provide the City with a list of the available files or records in its custody. The City shall select records from this list and request in writing their transfer from the County to the City. The County shall have a reasonable time to collect, copy, and prepare for transfer 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.
- 6.3 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.
- 6.4 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 their retention and destruction as set forth in Subsection 6.5 of this Agreement.
- 6.5 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.
- 6.6 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. If the County considers any portion of a record provided to the City to be confidential, the County shall clearly identify the portion of the record it claims to be confidential. If the City receives a request for any portion of a record the County has identified as confidential, the City agrees to withhold from disclosure documents which the County has requested remain confidential and not be disclosed where disclosure is not, in the City's sole determination, mandated by law. In the event the City determines the release of the record is required, the City shall notify the County (i) of the request and (ii) of the date the record will be released unless the County obtains a court order to enjoin the disclosure pursuant to RCW 42.56.540. If the County fails to timely obtain a court order, the City will release the record on the date specified.

7. COUNTY CAPITAL FACILITIES REIMBURSEMENT

- 7.1 Consultation regarding capital expenditures. The County will consult with the City in planning for new local and regional capital construction projects within the Annexation Area. The Parties agree to begin consultation regarding existing active County projects within sixty (60) days of approval of this Agreement. Consultation shall include discussions between the Parties regarding the need for shared responsibilities in implementing capital projects, including the potential for indebtedness by bonding or loans. The Parties shall pursue cooperative financing for capital facilities where appropriate. Interlocal agreements addressing shared responsibilities for capital projects within the Annexation Area shall be negotiated, where appropriate.
- 7.2 Continued planning, design, funding, construction, and services for active and future capital projects. Separate interlocal agreements for specific projects will address shared responsibilities for local capital projects and local share of regional capital facilities within an annexed area and the continued provision of County services relating to the planning, design, funding, property acquisition, construction, and engineering for local capital projects within an annexed area. An annexation-specific amendment under Section 15 of this Agreement may 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 area to be annexed.
- 7.3 Capital facilities finance agreements. The Parties will discuss project-specific interlocal agreements for major new local capital facility projects and local share of regional capital facilities within the Annexation Area. 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 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 an annexed area at the time of annexation. The Parties agree that there should not be any reimbursement for capital facility projects that have already been paid for by the citizens of an annexed area by means such as special taxes or assessments, traffic mitigation, or other attributable funding sources.
- 7.4 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 Chapter 13.95 SCC and Chapter 35.72 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 or posted on the

Snohomish County website relating to property within the Annexation Area. 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 described in this Subsection 7.4, 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.

8. ROADS AND TRANSPORTATION

8.1 Annexation of County road right-of-way. Except for noncontiguous municipal purpose annexations under RCW 35.13.180 or 35A.14.300 or that right-of-way identified pursuant to Subsection 8.1.1, the City, pursuant to RCW 35A.14.410, agrees to propose annexation of all County right-of-way within and adjacent to the Annexation Area. As used in Section 8 of this Agreement, "County right-of-way" means "County right-of-way" as defined in SCC 13.02.340. The City agrees to assume full ownership, legal control, maintenance, monitoring, and other responsibilities for all County right-of-way and associated drainage facilities within the Annexation Area upon the effective date of annexation, unless otherwise mutually agreed in writing.

8.1.1 County retention of right-of-way. The County, in its sole discretion, may identify and retain ownership of certain segments of County right-of-way based on consideration of the criteria provided below. The County's retention of right-of-way under this provision requires mutual written agreement with the City:

- (i) The right-of-way has a special transportation or environmental value to the citizens of Snohomish County, as determined by the Snohomish County Department of Public Works;
- (ii) There are efficiencies with the County's operation or maintenance of the right-of-way;
- (iii) The County has made a substantial capital investment in the right-of-way, including but not limited to the purchase of the right-of-way property, the development of the facility, and the construction of the right-of-way; and/or
- (iv) There are specialized stewardship or maintenance issues associated with the right-of-way that the County is best equipped to address.

8.2 Annexation of continuous road sections and road maintenance responsibility. Where the Parties agree annexation of certain segments of County road right-of-way adjacent to an area to be annexed are not practicable or desirable, the Parties agree to consider a governmental services agreement providing for

maintenance of the entire County road segment by the jurisdiction best able to provide maintenance services on an efficient and economical basis.

8.3 Traffic Mitigation and Capital Facilities

8.3.1 Reciprocal impact mitigation and common road standards. The Parties agree to mutually enforce each other's traffic mitigation ordinances and policies to address multi-jurisdictional impacts, as adopted in the *"Interlocal Agreement Between Snohomish County and City of Mukilteo Regarding Interjurisdictional Review and Mitigation for Development Impacts on Their Respective Transportation Infrastructure"* (as amended effective February 16, 2020) or through subsequent agreement. The Parties may enter into a separate or subsequent agreement that addresses reciprocal impact mitigation, implementation of common UGA development standards (including access and circulation requirements), level of service standards, concurrency management systems, or other transportation planning issues.

8.3.2 Transfer of road impact fees. The County collects road impact fees pursuant to Chapter 30.66B of the Snohomish County Code for system improvements identified in the Transportation Element (TE) of the County's Comprehensive Plan and the road system impact fee cost basis established in the County's Transportation Needs Report (TNR). Only those fees associated with system improvements located within that portion of the County's Transportation Service Areas (TSAs) in which an area to be annexed is located may be eligible for transfer of fees collected. If there are any eligible unencumbered fees, the transfer of all or a portion of any eligible unencumbered fees will be negotiated in a separate annexation-specific interlocal agreement.

The separate interlocal agreement shall require the City to include in the City's Capital Facilities Plan and impact fee cost basis one or more of the road system improvements for which the fees were collected. Road system impact fees shall not be transferred to the City until the City has amended their Capital Facilities Plan and impact fee cost basis to include the road system improvement(s), and the road(s) system improvements maintenance and ownership responsibilities have been transferred to the City.

Any issues relating to the transfer of road impact fees shall be resolved prior to the effective date of the separate interlocal agreement, which shall be in effect prior to the effective date of the annexation.

8.3.3 Reimbursement for transportation-related capital facilities investment. There will be no reimbursement from the City to the County for existing capital improvements. However, the Parties may agree to develop separate agreements for cost sharing for new capital improvement projects.

- 8.4 Maintenance services. The Parties agree to evaluate whether an interlocal agreement addressing maintenance of roads, traffic signals, or other transportation facilities will be appropriate. Any County maintenance within an annexed area after the effective date of the annexation will be by separate service agreement negotiated between the Parties.

9. SURFACE WATER MANAGEMENT

- 9.1 Legal control and maintenance responsibilities. If an area to be annexed includes surface water management improvements or facilities (i) in which the County has an ownership interest, (ii) over or to which the County has one or more easements for access, inspection and/or maintenance purposes, and/or (iii) relating to which the County has maintenance responsibilities, all such rights and responsibilities shall be transferred to the City, effective by the date of the annexation, except as otherwise negotiated between the Parties in any subsequent agreements. The County agrees to provide a list of all such known surface water management improvements and facilities to the City, as well as known and resolved drainage related issues. If the County's current Annual Construction Program or Surface Water Management Division budget includes surface water projects in the area to be annexed, the Parties will determine how funding, construction, programmatic and subsequent operational responsibilities, 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.
- 9.2 Snohomish County Airport. The City agrees to take all necessary steps to maintain the surface water management facilities and structures, as described in Subsection 9.1, in the areas annexed by the City to prevent any adverse or detrimental impacts to the County Airport.
- 9.3 Beverly Park Rd Drainage Facilities and York Creek Mitigation Site. Both parties agree that the City will take ownership of the County-owned drainage facilities on parcel number 00538000005200 that manage stormwater from the road system that is being annexed. This property also includes the York Creek wetland mitigation site and ownership and stewardship shall be transferred to the City upon annexation. Prior to the end of the calendar year of annexation and transfer of ownership, the County agrees to perform maintenance activities per the Snohomish County Drainage Manual, so that when transferred the facilities are considered to be in good operating condition per the 2021 Snohomish County Drainage Manual, which is equivalent to the 2019 Stormwater Management Manual for Western Washington.
- 9.4 Taxes, fees, rates, charges and other monetary adjustments. The City recognizes that service charges are collected by the County for unincorporated areas within the County's Surface Water Management Utility District. Surface water management service charges are collected at the beginning of each

calendar year through real property tax statements. Upon the effective date of an annexation, the City hereby acknowledges that the County, at its sole risk, may continue to collect and, pursuant to Title 25 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 surface water services designated in that year's budget. These services, which do not include servicing of drainage systems in road right-of-way, will be provided through the calendar 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. If the City intends for the County to continue providing surface water services beyond the calendar year after annexation, a separate interlocal agreement must be negotiated between the Parties.

- 9.5 Compliance with NPDES Municipal Stormwater Permit. The Parties acknowledge that upon the effective date of any annexation, the annexation area will become subject to the requirements of the City's Phase II NPDES Municipal Stormwater Permit, and will no longer be subject to the requirements of the County's Phase I NPDES Municipal Stormwater Permit. Notwithstanding the County's continued provision of stormwater management services in the Annexation Area pursuant to Section 9.4, the City expressly acknowledges, understands and agrees that from and after the effective date of any annexation (i) the City shall be solely responsible for ensuring the requirements of the City's NPDES Permit are met relating to the Annexation Area, and (ii) any stormwater management services the County continues to provide in the Annexation Area pursuant to Section 9.4 will not be designed or intended to ensure or guarantee compliance with the requirements of the City's Phase II NPDES Permit.
- 9.6 Access during remainder of calendar year in which annexation occurs. To ensure the County is able to promptly and efficiently perform surface water management services in the Annexation Area after the effective date of annexation, as described in Section 9.4, the City shall provide the County with reasonable access to all portions of the Annexation Area in which such services are to be performed. Reasonable access shall include, by way of example and not by way of limitation, allowing the temporary closing to traffic of streets, or portions thereof, if such closing is reasonably necessary to perform the service at issue.
- 9.7 Surface Water Facility Data. In addition to the list of County facilities and assets provided in Section 9.1, the County shall provide:
- 9.7.1 Available data on surface water facilities which the County has in its database, which may include but not be limited to: inspection and maintenance records, spatial and attribution data (ArcGIS), As-Built construction plans, ownership status (private, public), and current maintenance responsibility.

- 9.7.2 Available data on surface water programs concerning the area to be annexed, which may include but not be limited to: drainage complaints; water quality complaints; business inspections; facility inspections; education and outreach; monitoring; salmon recovery; and special studies.
- 9.8 Surface Water Management cases referred to PDS code enforcement for county code violations. Any pending Surface Water Management cases referred to PDS code enforcement for county code violations relating to real property located in an area to be annexed will be transferred to the City on the effective date of the annexation. Any further action in those cases will be the responsibility of the City at the City's discretion. The County agrees to make its employees available as witnesses at no cost to the City if necessary to assist with transferred code enforcement cases. Upon request, the County agrees to provide the City with copies of any files and records related to any transferred case.
- 9.9 Transfer of Federal and State Permits. If there are structures or work related to County surface water management improvements or facilities that are authorized under active federal or state permits located in the Annexation Area, as the new owner the City, if allowed by the federal or state permit, agrees to execute documents validating the transfer of the permit(s) and accept the responsibility and liabilities associated with compliance with the permit(s) terms and conditions, unless otherwise mutually agreed to in writing. Active federal or state permits are those permits under which there are responsibilities and duties that have not been completed by the permittee according to the permit terms and conditions, including but not limited to, monitoring and maintenance responsibilities and duties.
- 9.10 Interlocal Agreement for the Watershed Basins within the Water Resource Inventory Area 8, (WRIA 8 ILA, effective January 1, 2016). Subject to the continued participation of the City and County in the WRIA 8 ILA, the City shall assume the County's cost-share payments for any areas annexed by the City. The revised City and County cost-share amounts shall be calculated using the methods provided in the WRIA 8 ILA. The modification in the cost-share amounts shall become effective the next calendar year after annexation. The City and County agree to take all necessary steps to modify the cost-share amounts as provided in Section 7.1 of the WRIA 8 ILA.

10. ANNEXATION OF COUNTY PROPERTY

The City shall accept and approve deeds, easements, bills of sale and other conveyance instruments with respect to all properties, improvements and facilities specifically mentioned in Sections 8 and 9 as well as any other County property interest identified by the County for transfer. The Parties shall reasonably endeavor to complete all necessary paperwork related to the transfer and acceptance of County property within 90 days after the effective date of the annexation.

11. POLICE SERVICES

As provided by law, at the effective date of annexation the responsibility for police services will transfer to the City.

12. CRIMINAL JUSTICE SERVICES

All misdemeanor crimes that occur within an area to be annexed prior to the effective date of annexation will be considered misdemeanor crimes within the jurisdiction of Snohomish County for the purposes of determining financial responsibility for criminal justice system services, including but not limited to prosecution, court costs, jail fees and services, assigned counsel, jury and witness fees, and interpreter fees. After the effective date of annexation, the County shall continue, at its cost and expense, to prosecute such misdemeanor crimes to completion in accordance with the then-existing policies, guidelines, and standards of the Snohomish County Prosecuting Attorney's Office. On and after the effective date of any annexation, all misdemeanor crimes that occur in the area that has been annexed will be considered crimes within the jurisdiction of the City for purposes of determining financial responsibility for such criminal justice system services.

13. FIRE MARSHAL SERVICES

After the effective date of an annexation, the County shall no longer be responsible for fire inspections, fire code enforcement, or fire investigations within the annexed area. Any further actions or enforcement will be at the discretion of the City.

14. STATUS OF COUNTY EMPLOYEES

Subject to City civil service rules and state law, the City agrees to consider the hiring of County employees whose employment status is affected by the change in governance of the annexed area where such County employees make application with the City per the City hiring process and meet the minimum qualifications for employment with the City. The City's consideration of hiring of affected sheriff department employees shall be governed by the provisions set forth in RCW 35.13.360 through 35.13.400. The County shall in a timely manner provide the City with a list of those employees expressing a desire to be considered for employment by the City.

15. AMENDMENTS

15.1 Amendments. The Parties recognize that amendments to this Agreement may be necessary.

15.2 Process for amending this Agreement. An amendment to this Agreement must be mutually agreed upon by the Parties and executed in writing. Any amendment to this Agreement shall be executed in the same manner as this Agreement.

- 15.3 Additional agreements. Nothing in this Agreement limits the Parties from entering into interlocal agreements on issues not covered by, or in lieu of, the terms of this Agreement.

16. THIRD PARTY BENEFICIARIES

There are no third party beneficiaries to this Agreement, and this Agreement shall not be interpreted to create any third party beneficiary rights.

17. DISPUTE RESOLUTION

Except as herein provided, no civil action relating to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the dispute, claim or controversy has been submitted to a mutually agreed upon mediator. The Parties agree that they will participate in the mediation in good faith, and that they will share equally in its costs. Each jurisdiction shall be responsible for the costs of their own legal representation. Either party may seek equitable relief prior to the mediation process, but only to preserve the status quo pending the completion of that process. The Parties 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.

18. HONORING EXISTING AGREEMENTS, STANDARDS AND STUDIES

In the event a conflict exists between this Agreement and any agreement between the Parties in existence prior to the effective date of this Agreement, the terms of this Agreement shall govern the conflict.

19. RELATIONSHIP TO EXISTING LAWS AND STATUTES; RESERVATION OF AUTHORITY

- 19.1 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 all applicable state or local laws. The Parties retain the ultimate authority for land use and development decisions within their respective jurisdictions. By executing this Agreement, the Parties do not intend to abrogate the decision-making responsibility or police powers vested in them by law.
- 19.2 Without limitation of the foregoing, nothing in this Agreement shall be construed as waiving, abridging or otherwise limiting the future legislative discretion or authority of either the Snohomish County Council or the Mukilteo City Council.

20. EFFECTIVE DATE, DURATION AND TERMINATION

- 20.1 Effective Date. As provided by RCW 39.34.040, this Agreement shall not take effect unless and until it has: (i) been duly executed by both parties, and (ii) has

either been filed with the County Auditor or posted on the County's Interlocal Agreements website.

20.2 Duration. This Agreement shall be in full force and effect through December 31, 2040. 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.

20.3 Termination. Either party may terminate this Agreement upon ninety (90) days advance written notice to the other party. Notwithstanding termination of this Agreement, the Parties are responsible for fulfilling any outstanding obligations under this Agreement incurred prior to the effective date of the termination.

21. INDEMNIFICATION AND LIABILITY

21.1 Indemnification of County. The City shall protect, save harmless, indemnify and defend, at its own expense, the County, its elected and appointed officials, officers, employees, volunteers, and agents, from any loss, suit or claim (collectively "Claims") for damages of any nature whatsoever, including attorneys' fees, 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 of the County, its elected and appointed officials, officers, employees, volunteers, or agents. The City's obligations under this subsection 21.1 shall expressly exclude any Claims challenging or otherwise concerning the validity and/or substantive content of any ordinances, regulations, policies or rules (collectively "Enactments") originally enacted by the County, including without limitation any such Enactments that are subsequently adopted by reference by the City.

21.2 Indemnification of City. The County shall protect, save harmless, indemnify, and defend at its own expense, the City, its elected and appointed officials, officers, employees, volunteers, and agents from any loss, suit or claim (collectively "Claims") for damages of any nature whatsoever, including attorneys' fees, 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 of the City, its elected and appointed officials, officers, employees, volunteers, or agents. The County's obligations under this subsection 21.2 shall expressly exclude any Claims challenging or otherwise concerning the validity and/or substantive content of any ordinances, regulations, policies or rules (collectively "Enactments") originally enacted by the City, including without limitation any such Enactments that are adopted by subsequently reference by the County.

21.3 Extent of liability. In the event of liability for damages of any nature whatsoever arising out of the performance of this Agreement by the Parties, 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 Parties, their officers, officials, employees, and volunteers, each party's liability hereunder shall be only to the extent of that party's negligence.

- 21.4 Industrial Insurance. For purposes of indemnification only, the parties, by mutual negotiation, hereby waive, as respects the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.
- 21.5 Hold harmless. 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 or failure by the County to comply with Chapter 82.02 RCW, and any liability for any loss or claim of damage of any nature whatsoever arising out of the County's processing of building permit applications, associated permit applications and land use permit applications prior to annexation.
- 21.6 Survivability. The provisions of this section shall survive the expiration or termination of this Agreement with respect to acts and omissions occurring during the effective term hereof.

22. SEVERABILITY

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

23. 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.

24. RECORDS

The Parties shall maintain adequate records to document obligations performed under this Agreement. The Parties shall have the right to review each other's records with regard to the subject matter of this Agreement, except for privileged documents, upon reasonable written notice. Public records will be retained and destroyed according to Subsection 6.5 of this Agreement.

25. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the Parties concerning annexation of the Annexation Area, except as set forth in Subsection 2.3 and Sections 15 and 18 of this Agreement.

26. 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.

27. FILING

A copy of this Agreement shall be filed with the Mukilteo City Clerk and posted on the Snohomish County website pursuant to RCW 39.34.040.

28. ADMINISTRATORS AND CONTACTS FOR AGREEMENT

The Administrators and contact persons for this Agreement are:

Steve Powers, City Administrator
City of Mukilteo
City Hall
11930 Cyrus Way
Mukilteo, WA 98275
(425) 263-8001

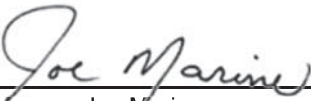
Mike McCrary, Director
Snohomish County
Department of Planning and Development Services
3000 Rockefeller Avenue
Everett, WA 98201
(425) 388-3311

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have signed this Agreement, effective on the later date indicated below or when the provisions of Section 20.1 are met, whichever date is later.

THE CITY:

The City of Mukilteo, a Washington municipal corporation

By 
Name: Joe Marine
Title: Mayor

Date: _____

THE COUNTY:

Snohomish County, a political subdivision of the State of Washington

By Klein, Ken Digitally signed by Klein, Ken
Date: 2025.03.11 15:39:25
-07'00'
Name: Ken Klein
Title: Executive Director


Date: _____

ATTEST:




City Clerk

Approved as to Form:


City Attorney

ATTEST:



Deputy Clerk of the County Council

Approved as to Form:

Laura Kisiolius 1/13/25
Deputy Prosecuting Attorney

Reviewed by Risk Management:

APPROVED (x) OTHER ()

Explain. Barker,

Signed: Sheila Digitally signed by Barker, Sheila
Date: 2025.01.21 14:56:46
-08'00'

Date: _____

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.

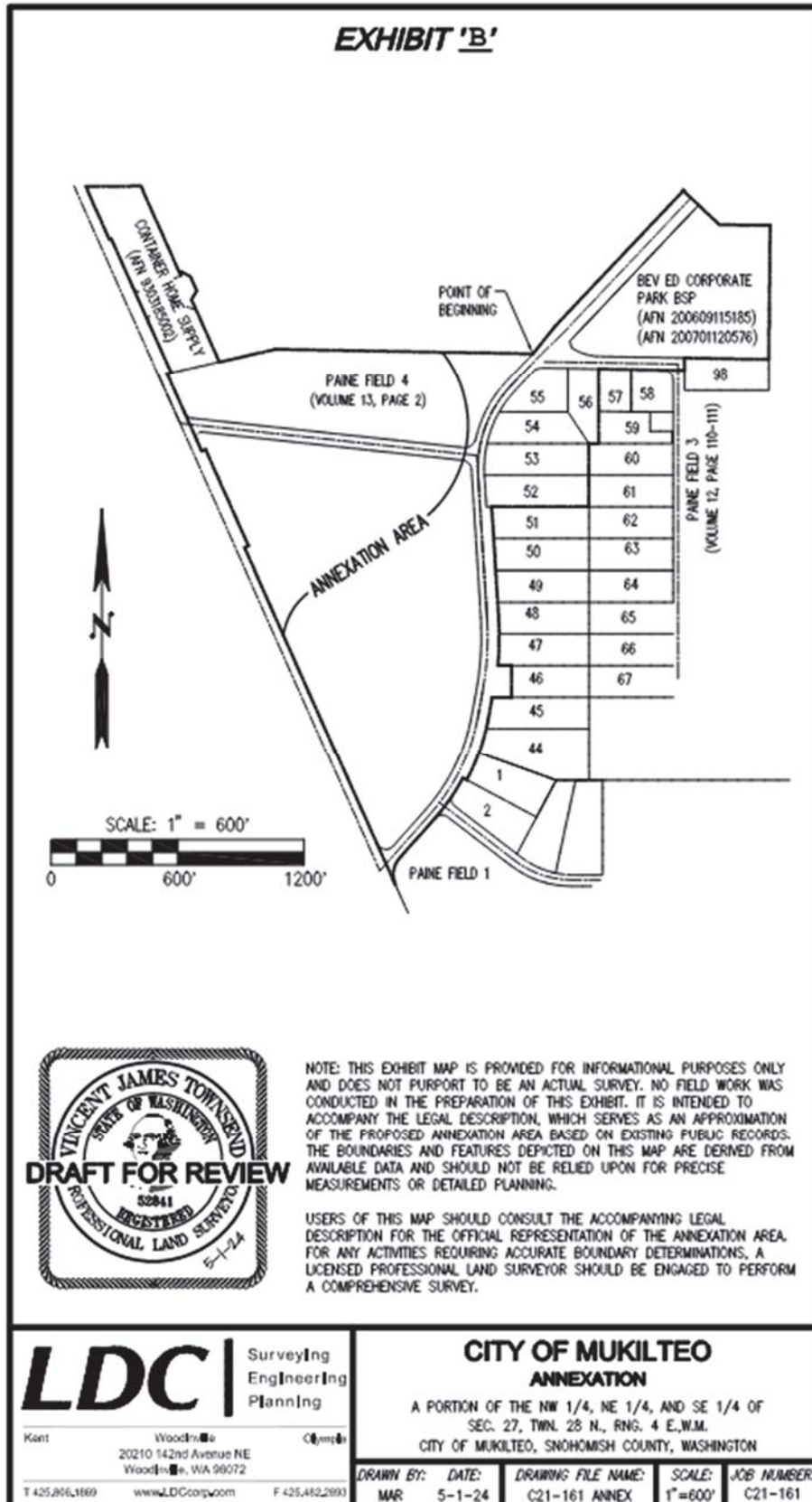
3. To facilitate annexation within urban growth areas (UGAs), the host city and the county may negotiate an Interlocal agreement providing for sub-area planning to guide the adoption of consistent zoning and development regulations between the county and the city. Coordination of zoning densities between 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.

[The remainder of this page is intentionally left blank.]

EXHIBIT B – MUKILTEO PHASE I ANNEXATION AREA MAP



INTERLOCAL AGREEMENT BETWEEN THE CITY OF MUKILTEO AND SNOHOMISH COUNTY CONCERNING ANNEXATION AND THE ORDERLY TRANSITION OF SERVICES FOR AN AREA LYING EAST OF SR 525 WITHIN THE MUKILTEO MUNICIPAL URBAN GROWTH AREA PURSUANT TO RCW 35A.14.296

EXHIBIT C – LEGAL DESCRIPTION

CITY OF MUKILTEO ANNEXATION AREA LEGAL DESCRIPTION

A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, NORTHEAST QUARTER OF THE NORTHWEST QUARTER, AND THE NORTHEAST QUARTER OF SECTION 27. TOWNSHIP 28 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, SNOHOMISH COUNTY, WASHINGTON;

SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT ON THE NORTH LINE OF LOT 1 OF THE PLAT OF PAINE FIELD NUMBER 4, VOLUME 13, PAGE 2, SNOHOMISH COUNTY, WASHINGTON, SAID POINT BEING ON THE WESTERLY RIGHT OF WAY MARGIN OF BEVERLY PARK ROAD.

THENCE NORTHWESTERLY ALONG THE NORTH LINE OF LOTS 1 THROUGH 9 OF SAID PLAT OF PAINE FIELD NUMBER 4, TO THE NORTH SIXTEENTH CORNER OF SAID SECTION 27;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF LOTS 9 AND 10 OF SAID PLAT OF PAINE FIELD NUMBER 4, TO THE SOUTHEAST CORNER OF LOT 5 OF CONTAINER HOME SUPPLY SUBDIVISION RECORDED UNDER SNOHOMISH COUNTY AUDITOR'S FILE NUMBER 9303185002;

THENCE NORTHWESTERLY ALONG THE EASTERLY MARGIN OF LOTS 5 AND 4 OF SAID CONTAINER HOME SUPPLY SUBDIVISION, TO THE RIGHT OF WAY MARGIN OF HARBOR POINTE BLVD SW, AS DEDICATED ON THE FACE OF SAID CONTAINER HOME SUPPLY SUBDIVISION;

THENCE NORTHWESTERLY ALONG THE EASTERLY MARGIN OF SAID OF HARBOR POINTE BLVD SW TO THE SOUTHEAST CORNER OF LOT 3 OF SAID CONTAINER HOME SUPPLY SUBDIVISION;

THENCE NORTHWESTERLY ALONG THE EASTERLY LINES OF LOTS 3 AND 2 OF SAID CONTAINER HOME SUPPLY SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 1 OF SAID CONTAINER HOME SUPPLY, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF PARCEL 1 OF SNOHOMISH COUNTY BOUNDARY LINE

ADJUSTMENT NO. 95-103442, RECORDED UNDER RECORDING NUMBER 9506130206;

THENCE NORTHWESTERLY ALONG THE EASTERLY LINES OF PARCEL 1 AND PARCEL 2 OF SAID BOUNDARY LINE ADJUSTMENT TO THE NORTHEAST CORNER OF SAID PARCEL 2;

THENCE WESTERLY ALONG THE NORTH LINE OF SAID PARCEL 2 OF SAID BOUNDARY LINE ADJUSTMENT TO THE EAST RIGHT-OF-WAY MARGIN OF SR 525 (MUKILTEO SPEEDWAY);

THENCE SOUTHEASTERLY ALONG THE EAST RIGHT-OF-WAY MARGIN OF SR 525 (MUKILTEO SPEEDWAY) TO THE SOUTHEASTERLY RIGHT OF WAY MARGIN OF SAID BEVERLY PARK ROAD

THENCE NORTHEASTERLY ALONG THE EASTERLY RIGHT OF WAY MARGIN OF SAID BEVERLY PARK ROAD TO A POINT ON THE NORTH LINE OF LOT 51 OF THE PLAT OF PAINE FIELD NUMBER 3, VOLUME 12, PAGES 110 AND 111, SNOHOMISH COUNTY, WASHINGTON;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 51 TO THE NORTHEAST CORNER OF SAID LOT 51 AND THE SOUTHWEST CORNER OF LOT 61 OF SAID PLAT OF PAINE FIELD NUMBER 3;

THENCE NORTHERLY ALONG THE WEST LINES OF LOTS 61 AND 60 OF SAID PLAT OF PAINE FIELD NUMBER 3 TO THE NORTHWEST CORNER OF SAID LOT 60;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 60 TO THE SOUTHWEST CORNER OF LOT 57 OF SAID PLAT OF PAINE FIELD NUMBER 3;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 57 TO THE SOUTHERLY RIGHT OF WAY MARGIN OF GIBSON ROAD;

THENCE EASTERLY ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SAID GIBSON ROAD TO THE NORTHWEST CORNER OF LOT 58 OF SAID PLAT OF PAINE FIELD NUMBER 3;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 58, 153.11 FEET MORE OR LESS TO A POINT OF CURVATURE ALONG THE SOUTH RIGHT-OF-WAY MARGIN OF SAID GIBSON ROAD;

THENCE CONTINUING EASTERLY ALONG THE SAME BEARING TO A POINT ALONG THE EASTERLY RIGHT-OF-WAY MARGIN OF SAID GIBSON ROAD AND WEST LINE OF LOT 98 OF SAID PLAT OF PAINE FIELD NUMBER 3;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 98 AND EASTERLY RIGHT-OF-WAY MARGIN OF GIBSON ROAD TO THE NORTHWEST CORNER OF SAID LOT 98;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 98 TO THE NORTHEAST CORNER OF SAID LOT 98, SAID POINT ALSO BEING THE SOUTHEAST CORNER LOT 4 OF BEVED CORPORATE PARK BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 200609115185 AND AMENDED UNDER AUDITOR'S FILE NUMBER 200701120576;

THENCE NORTHERLY ALONG THE EAST LINE OF LOT 4 AND LOT 2 OF SAID BEVED CORPORATE PARK BINDING SITE PLAN RECORDED UNDER AUDITOR'S FILE NUMBER 200609115185 AND AMENDED UNDER AUDITOR'S FILE NUMBER 200701120576 TO THE NORTHEAST CORNER OF SAID LOT 2;

THENCE WESTERLY ALONG THE NORTH LINE OF SAID LOT 2 TO AN ANGLE POINT ALONG THE NORTH LINE OF SAID LOT 2;

THENCE NORTHWESTERLY ALONG THE NORTH LINE OF SAID LOT 2 TO THE SOUTHEASTERLY RIGHT OF WAY MARGIN OF BEVERLY PARK ROAD;

THENCE CONTINUING NORTHWESTERLY ON THE SAME BEARING TO THE NORTHWESTERLY RIGHT-OF-WAY MARGIN OF SAID BEVERLY PARK ROAD;

THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY RIGHT-OF-WAY MARGIN OF SAID BEVERLY PARK ROAD TO A POINT ON THE NORTH LINE OF LOT 1 OF THE PLAT OF PAINE FIELD NUMBER 4, VOLUME 13, PAGE 2, SNOHOMISH COUNTY, WASHINGTON AND POINT OF BEGINNING.

EXHIBIT D – SNOHOMISH COUNTY CODE (“SCC”) PROVISIONS

- 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 Subtitle 30.3, entitled PERFORMANCE STANDARD ZONES, RESOURCE LANDS AND OVERLAYS
- E. SCC Chapter 30.41A, entitled SUBDIVISIONS
- F. SCC Chapter 30.41B, entitled SHORT SUBDIVISIONS
- G. SCC Chapter 30.42B, entitled PLANNED RESIDENTIAL DEVELOPMENTS
- H. SCC Chapter 30.41D, entitled BINDING SITE PLANS
- I. SCC Chapter 30.44, entitled SHORELINE MANAGEMENT
- J. SCC Chapter 30.51A, entitled DEVELOPMENT IN SEISMIC AREAS
- K. SCC Chapter 30.52A, entitled BUILDING CODE
- L. SCC Chapter 30.52B, entitled MECHANICAL CODE
- M. SCC Chapter 30.52C, entitled VENTILATION AND INDOOR AIR QUALITY CODE
- N. SCC Chapter 30.52D, entitled ENERGY CODE
- O. SCC Chapter 30.52E, entitled UNIFORM PLUMBING CODE
- P. SCC Chapter 30.52F, entitled RESIDENTIAL CODE
- Q. SCC Chapter 30.52G, entitled AUTOMATIC SPRINKLER SYSTEMS
- R. SCC Chapter 30.53A, entitled FIRE CODE
- S. SCC Subtitle 30.6, entitled ENVIRONMENTAL STANDARDS AND MITIGATION
- T. SCC Chapter 30.66A, entitled PARK AND RECREATION FACILITY IMPACT MITIGATION
- U. SCC Chapter 30.66B, entitled CONCURRENCY AND ROAD IMPACT MITIGATION
- V. SCC Chapter 30.66C, entitled SCHOOL IMPACT MITIGATION
- W. SCC Chapter 30.67, entitled SHORELINE MASTER PROGRAM

[The remainder of this page is intentionally left blank.]

EXHIBIT E – DRAFT AIRPORT AND LAND USE COMPATIBILITY REGULATIONS

Chapter 17.86 – Airport Compatibility

17.86.010 Intent.

The intent of this chapter is to:

- A. Address the airport compatibility requirements requested by Snohomish County in the Interlocal Agreement for the Phase 1 Annexation.
- B. Establishing criteria to be used to identify and discourage incompatible uses in the vicinity of Paine Field Airport;
- C. Identifying areas where incompatible uses should be discouraged;
- D. Notifying property owners that their property is located adjacent to Paine Field Airport and that they may experience impacts from airport operations and may be subject to use, height, or other limitations;
- E. Discouraging the siting of uses that attract birds, create visual hazards, discharge particulate matter in the air that could alter atmospheric conditions, emit transmissions that would interfere with aviation communications or instrument landing systems, or otherwise obstruct or conflict with aircraft patterns;
- F. Identifying potential aeronautical hazards and preventing or minimizing the adverse impacts to the safe and efficient use of navigable airspace by requiring proof of an airspace analysis pursuant to Federal Aviation Administration regulations before issuing permits for projects that are proposed for development adjacent to Paine Field Airport.

17.86.020 Applicability

This chapter shall apply only to the Phase 1 Annexation Area. This is defined as the portions of the City which were annexed under Ordinance TBD.

17.86.030 Definitions

"Airport Compatibility Area" means the area within 10,200 feet of the Paine Field runway 16R-34L centerline between runway thresholds.

"Airport Influence Area" means the area within 14,000 feet of the Paine Field runway 16R-34L centerline between runway thresholds.

"Airport manager" means the owner or appointed representative of an airport who is responsible for managing, superintending, controlling and protecting the airport as provided by state and county law.

"Approach Area" is the area under an imaginary approach surface of Paine Field as described in Title 14 of the Code of Federal Regulations Part 77.19(d).

"Transitional Area" is the area under an imaginary transitional surface of Paine Field as described in Title 14 of the Code of Federal Regulations Part 77.19(e).

"Runway protection zone" means a trapezoidal area at ground level off the end of the Paine Field runway, the dimensions of which are defined by the Federal Aviation

Administration to enhance the safety and protection of people and property on the ground.

17.86.040 Exemptions

A. The following development activities and uses are exempt from the requirements of this chapter provided the development activity or use will not interfere with airport operations and the use complies with the underlying zone:

1. Any air navigation use or facility, airport visual approach or aircraft arresting device, meteorological device, or a type of device approach approved by the Federal Aviation Administration, the location and height of which is fixed by its functional purpose.
2. Development activities which are included in an airport layout plan approved by the Federal Aviation Administration.
3. Aeronautical activity, including but not limited to:
 - a. Aerospace industry and aerospace manufacturing; and
 - b. Fixed base operations, and other necessary airport support facilities, as approved by the airport; and
 - c. Aerospace and aviation educational facilities, including technical schools and flight-training schools.
4. Development activities that are determined by the Community Development Director to be minor or incidental in nature and consistent with the purpose of this chapter.

B. Personal wireless service facilities that are subject to the requirements of Chapter 17.17 shall comply with the notice and disclosure requirements of Section 17.86.050 A and D but are exempt from other provisions of this chapter.

17.86.050 Regulations applicable to all development

A. When a project requires a notice of application or a SEPA determination, notice shall be given to the airport manager.

B. When a structure is proposed in excess of 30', the applicant shall be required to provide evidence of one of the following prior to approval:

1. The proposed construction does not require notice to the FAA, per Form 7460-1 as amended, based on standards outlined in Title 14 Code of Federal Regulations Part 77; or

2. The FAA has issued a determination that the height would not create an obstruction by penetrating the Title 14 Code of Federal Regulations Part 77 surfaces; or

3. The FAA has conducted an aeronautical study of the proposed structure and issued a determination that the object would create an obstruction but would not create a hazard to the navigable airspace of the airport or impede operations of the airport. If the FAA determination includes recommendations or conditions to mitigate impacts, the following shall apply:

a. The department shall provide notice of the determination to the airport manager. The airport manager shall be allowed 21 days from the date the notice is transmitted to submit comments to the department to demonstrate that the FAA recommendations or conditions would not be sufficient to address adverse impacts to airport operations and, if so, to recommend additional mitigation strategies to address those impacts; and

b. The applicant shall provide documentation that demonstrates that the project has incorporated all recommendations and conditions included in the FAA determination and any additional recommendations submitted by the airport manager necessary to address any remaining adverse impacts to airport operations demonstrated pursuant to subsection (2)(c)(i) of this section.

C. The applicant shall be responsible for complying with all other FAA regulations.

D. Development approvals and building permits shall not be issued until the owner of the property on which the development activity or use is proposed signs and records with the county auditor a disclosure notice that:

1. Is on a form provided by the city; and
2. Contains a legal description of the property; and
3. Bears a notarized signature of the owner; and
4. Contains the following disclosure text:

"Your real property is located within the Airport Influence Area of Paine Field airport. Occupants of properties within the Airport Influence Area may be subject to inconveniences or discomforts arising from aviation activities, including but not limited to noise, odors, fumes, dust, smoke, hours of operation, low overhead flights and other aeronautical activities. Mukilteo Municipal Code section 17.86.050 requires that you receive this disclosure notice in connection with permits you are or may be seeking. A provision of WAC 173-60-050 provides that " Sounds originating from aircraft in flight and sounds that originate at airports which are directly related to flight operations" are

exempt from noise control regulations. Mukilteo has adopted airport compatibility regulations in chapter 17.86 MMC which may affect you and your land. You may obtain a copy of chapter 17.86 MMC from the City of Mukilteo. In addition, current and future property owners are notified that the Federal Aviation Administration establishes standards and notification requirements for potential height hazards that may be caused by structures, buildings, trees, and other objects affecting navigable air space through 14 Code of Federal Regulations Federal Aviation Regulations Part 77. This disclosure may no longer be applicable if the subject property is removed from the Airport Influence Area.”

17.86.060 Additional Requirements for Specific Uses

A. If permissible by the underlying zoning, the following uses shall be required to obtain a conditional use permit:

1. Health and Social Service Facility, Level II over 5,000 square feet;
2. Day Care Center;
3. School, K-12 and Preschool;
4. Church;
5. Amusement Facility over 5,000 square feet;
6. Racetrack;
7. Motocross Racetrack;
8. Sanitary Landfill; and
9. Utility Facility, Electromagnetic Transmission and Receiving Facility; and
10. Subdivisions

B. Development activities identified in Section A of this chapter shall be subject to the following requirements:

1. The proposal will not locate new structures or the storage of explosives, hazardous waste, fuel, gas or petroleum, or other hazardous materials within the runway protection zone documented in the relevant airport layout plan.
2. The proposal will not result in an average density greater than 100 persons per acre for that portion of the parcel or parcels to be developed within an approach area or transitional area. The average density of persons per acre is to be calculated as follows:

- a. Determine the total size in acres of the parcel or parcels to be developed within an approach area or transitional area. If only a portion of the parcel or parcels lies within an approach area or transitional area, determine the total size in acres of that portion.
- b. Determine the Function of Space for each occupancy type within each proposed and existing structure within an approach area or transitional area, using the fire code, Chapter 15.08 MMC. If only a portion of a structure lies within an approach area or transitional area, determine the Function of Space of that portion.
- c. Determine the total square footage of gross floor area devoted to each Function of Space.
- d. Identify the corresponding Occupant Load Factor for each Function of Space, using the fire code, Chapter 15.08 MCC.
- e. Divide the total square footage of gross floor area devoted to each Function of Space by the corresponding Occupant Load Factor to obtain the maximum occupancy of each Function of Space.
- f. Total the sum of maximum occupancies of each Function of Space and divide by the total size in acres to obtain average density.

3. The applicant shall submit materials with sufficient detail to enable staff to determine that the proposal is compatible with airport operations and consistent with the requirements of this section.

4. In addition to noticing requirements required elsewhere in the code, the department shall distribute notice of the permit application to the airport manager and shall allow the airport manager to submit comments to the department regarding the proposal, including those related to potential adverse impacts on airport operations and FAA standards.

5. The hearing examiner may deny, approve, or approve with conditions an application for a development permit or approval within the annexation area and subject to the hearing examiner's jurisdiction pursuant to any applicable requirements in this title. The application shall be approved only if the hearing examiner finds the proposal will not require a change in airport operations or flight patterns, including but not limited to adverse impacts due to concentrations of people, height hazards, noise abatement procedures, visual hazards such as lighting and reflective building materials, emissions such as smoke, steam, dust, gas or thermal plumes, transmissions that may cause electrical interference, or wildlife attractants.