



Snohomish County

Planning and Development Services

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MEMORANDUM

TO: Councilmember Nate Nehring, Council Chair
Councilmember Megan Dunn, Council Vice-Chair
Councilmember Strom Peterson, District 3
Councilmember Jared Mead, District 4
Councilmember Sam Low, District 5

Dave Somers
County Executive

VIA: Mike McCrary, Director
Planning and Development Services

FROM: Frank Slusser, Senior Planner
Planning and Development Services

SUBJECT: City of Mukilteo Phase 1 Annexation – BRB File No. 2025-01

DATE: June 10, 2025

INTRODUCTION

The purpose of this staff report is to provide the Snohomish County Council with a review and recommendation for the proposal by the City of Mukilteo (“City”) to annex an area of approximately 88.1 acres east of the City known as the Phase 1 Annexation area. This review is required by section 2.77.040 of the Snohomish County Code (SCC). The City submitted a Notice of Intention (NOI) to the Washington State Boundary Review Board for Snohomish County (BRB), File No. 2025-01. The BRB has distributed the NOI to affected parties for review during the 45-day review period ending June 30, 2025.

Within this 45-day review period, the options for the County Council on this proposed annexation are to invoke, or not invoke, the jurisdiction of the BRB to hold a public hearing on the proposed annexation. The County Council also has the option to state a position to oppose, or not oppose, the proposed annexation, or to not state a position. If BRB jurisdiction is invoked by the County Council or another party with standing to invoke jurisdiction, the position that the County Council adopts will be provided to the BRB in writing prior to the hearing on the proposed annexation. 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 still 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 County and the City have adopted an interlocal agreement (ILA) titled *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 (Phase 1 Annexation ILA) effective March 12, 2025, agreeing to the annexation. The recommendation to the County Council from PDS is to **not oppose** the annexation and to **not invoke** the jurisdiction of the BRB.

BACKGROUND

The proposed Phase 1 Annexation area is approximately 88.1 acres with 26 residences, an estimated population of 111, and an assessed valuation of \$139,367,100 according to the NOI. The City is proposing to annex an area east of the City in the unincorporated portion of the Mukilteo Municipal Urban Growth Area (MUGA). The area is located east of, and adjacent to, the existing city limits, east of Mukilteo Speedway, also known as SR 525, and along Beverly Park Road, south of Paine Field, as shown in the map in Exhibit A. The area is primarily designated Urban Industrial within the Manufacturing/Industrial Center on the future land use map in the 2024 Comprehensive Plan, with a small area at the intersection of Mukilteo Speedway and Beverly Park Road at the southern end of the annexation area designated Urban Commercial. The zoning for the area is mainly Light Industrial (LI) with some Business Park (BP) zoning at the eastern part of the annexation area. The City proposes Community Business (S) zoning for the commercial area, and Light Industrial for the rest of the annexation area to maintain consistency with existing development and zoning, as described in the NOI.

Annexation Method

The annexation method proposed by the City is the “Annexation of Unincorporated Territory Pursuant to Interlocal Agreement” per RCW 35A.14.296, which requires the development and approval of an ILA with a hearing on the proposed Agreement by all entities considered a party to the Agreement. Table 1 summarizes how the requirements of RCW 35A.14.296 have been met or are anticipated to be met.

Table 1. Summary of Requirements of ILA Method of Annexation

| Requirement of RCW 35A.14.296 | How Requirement Has / Will be Met |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City initiates annexation by notifying affected County, service providers. | City and County have been working on an annexation ILA for many years. City notified County and other affected service providers of intent to use RCW 35A.14.296 on 2/16/24. |
| Affected service providers indicate in writing their interest in being party. | Initially, South County Fire and Rescue responded, but later resolved to support the annexation and not be party to the agreement. |
| The ILA must ensure that for a period of five years after the annexation any parcel zoned for residential development within the annexed area shall: (a) Maintain a zoning designation that provides for residential development; and (b) Not have its minimum gross residential density reduced below the density allowed | Subsection 4.4 of the ILA identifies that the existing zoning of LI and BP does not allow residential development in the Annexation Area, and this requirement is not applicable to this annexation. |
| The County and City shall jointly agree on the boundaries of the annexation and its effective date. The ILA shall describe the boundaries of the territory to be annexed and set a date for a public hearing on such agreement for annexation. | The City Council held a public hearing and approved the ILA on 12/16/24, the County on 2/26/25. The ILA became effective March 12, 2025. The effective date of the annexation would follow BRB review and passage of an ordinance by the City finalizing the annexation. |
| Following the hearing, if the City determines to effect the annexation, they shall do so by ordinance. Upon the date fixed in the ordinance of annexation the area annexed shall become part of the City. | It is anticipated that the City will proceed to effectuate the annexation after Notice of Intention is submitted to the BRB, that review process is completed successfully, and all requirements are met. |

The County and the City have adopted the Phase 1 Annexation ILA, effective March 12, 2025, agreeing to the annexation. There is no Master Annexation ILA adopted between the City and County, so the conditions of annexation and the transfer of services are governed by this ILA alone. The ILA will not apply to any other annexations. A copy of the ILA is included in the NOI.

Subsection 4.2 of the ILA includes the pre-condition for County support of the annexation that the City must adopt airport and land use compatibility regulations that apply for the annexation area prior to submitting an NOI for the annexation. On March 3, 2025, the City adopted Ordinance No. 1514 adopting new Chapter 17.86 Mukilteo Municipal Code - Airport Compatibility, satisfying that pre-condition.

Note also that during the BRB determination of sufficiency for the NOI, the BRB requested minor revisions to the legal description for the annexation area. State law governing the contents of NOIs provides that the BRB may make minor revisions to legal descriptions, and this does not require re-adoption of previous actions taken by the City or County to initiate the annexation, per RCW 36.93.130(3):

- (3) The legal description of the boundaries proposed to be created, abolished or changed by such action: PROVIDED, That the legal description may be altered, with concurrence of the initiators of the proposed action, if a person designated by the county legislative authority as one who has expertise in legal descriptions makes a determination that the legal description is erroneous; and...

The legal description for the annexation included in the NOI is therefore different than the legal description in the adopted ILA in that it corrects a typographical error where an 8 was transcribed as a 3 in identifying Auditor File No. 9308185002 in the fifth paragraph of the legal description, and it clarifies that the annexation area boundary along Mukilteo Speedway does not include any portions of the right-of-way already within the City. By not opposing the annexation or invoking the jurisdiction of the BRB, the County concurs with the alterations.

REVIEW

Following is a review of the information required under SCC 2.77.040(2):

A. Comments Received

The NOI was circulated for review to County departments and agencies, and there were no concerns expressed opposing the annexation. Information provided by the departments has been included in the review in this staff report. The County has not received any comments from the community regarding the proposed annexation.

B. Total Assessed Value

The assessed valuation of the proposed annexation area is \$139,367,100 according to the NOI.

C. Consistency of the proposal with growth management act (GMA) planning goals, urban growth area (UGA) designations, countywide planning policies (CPPs), and the county's comprehensive plan

The proposed annexation is consistent with GMA planning goals, UGA designations, CPPs, and the County's comprehensive plan, as required under RCW 36.93.157.

1. GMA planning goals (RCW 36.70A.020): The proposed Phase 1 Annexation is consistent with the GMA planning goals, including goals (1) Urban Growth and (5) Economic Development.

The proposed annexation area is designated within the Mukilteo MUGA, and the City is the logical provider of public facilities and services. Annexation by the City would allow efficient provision of services consistent with the industrial designation of the area, promoting expansion of existing businesses or potential establishment of new businesses in the area.

2. UGA designations: The proposed annexation area is designated within the Southwest UGA on the County Future Land Use Map, within the Mukilteo MUGA, and the City is the logical provider of public facilities and services.
3. CPPs: The annexation proposal is consistent with the CPPs. The proposal allows for the transition of unincorporated areas to incorporated areas within the UGA which is supported by the following CPP policies:

JP-4 – The County and cities shall develop comprehensive plan policies and development regulations that provide for the orderly transition of unincorporated Urban Growth Areas (UGAs) to incorporated areas in UGAs. Mutual agreements may be utilized to address governance issues and expedite the transition.

PS-1 – Jurisdictions should support cities as the preferred urban service providers.

4. County Comprehensive Plan: Snohomish County has adopted a comprehensive plan under the authority of chapter 36.70A RCW (GMA). The proposed annexation area is identified as urban and within the Mukilteo MUGA, intended to be eventually annexed to the City.

D. Impacts relevant to BRB considerations as established by state law

1. The following section provides comments on comments related to RCW 36.93.170 – Factors to be considered by the BRB:

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. The County and the City have both adopted comprehensive plans under the authority of chapter 36.70A RCW (GMA). Under both plans, the proposed annexation area is identified as urban and within the Mukilteo MUGA, intended to eventually be annexed to the City.
- b. The County and the City have adopted the Phase 1 Annexation ILA, effective March 12, 2025, agreeing to the annexation. There is no Master Annexation ILA adopted between the City and County, so the conditions of annexation and the transfer of services are governed by this ILA alone. The ILA will not apply to any other annexations.
 - Subsection 4.2 of the ILA includes the pre-condition for County support of the annexation that the City must adopt airport and land use compatibility

regulations that apply for the annexation area prior to submitting an NOI for the annexation. On March 3, 2025, the City adopted Ordinance No. 1514 adopting new Chapter 17.86 Mukilteo Municipal Code - Airport Compatibility, satisfying that pre-condition.

- Note also that during the BRB determination of sufficiency for the NOI, the BRB requested minor revisions to the legal description for the annexation area. State law governing the contents of NOIs provides that the BRB may make minor revisions to legal descriptions, and this does not require re-adoption of previous actions taken by the City or County to initiate the annexation, per RCW 36.93.130(3). The legal description for the annexation included in the NOI is therefore different than the legal description in the adopted ILA in that it corrects a typographical error where an 8 was transcribed as a 3 in identifying Auditor File No. 9308185002 in the fifth paragraph of the legal description, and it clarifies that the annexation area boundary along Mukilteo Speedway does not include any portions of the right-of-way already within the City. By not opposing the annexation or invoking the jurisdiction of the BRB, the County concurs with the alterations.

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. The County is not a full municipal service provider. The City of Mukilteo is a provider of urban municipal services as identified under chapter 36.70A RCW.
- b. The Surface Water Management Division commented that the annexation will affect surface water revenues and facilities. Substantial revenue impact (>\$95k) is anticipated in year 2 and subsequent years. SWM services and programs will adjust to the service area and program reductions. Two County drainage facilities (DF 1864 and DF 1874) transfer to the City upon annexation. Drainage easements and servitudes (DFMCs) for a number of private drainage facilities will also transfer with the annexation, and unknown easements and servitudes (i.e., where no documentation exists) will also need to be transferred upon annexation. An easement granted to the County for DF 1797, which the County maintains, will transfer to the City upon annexation and the facility will no longer be maintained by the County.
- c. The proposed annexation is expected to have minimal impact to the overall County budget or County services. The general fiscal impacts would be a loss of REET revenue and sales tax revenue from the area if annexed, according to the Office of Finance.

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.

There were no comments applicable to factor 3.

- 2. The following comments relate to RCW 36.93.180 - Objectives of the BRB:

Objective 1. Preservation of natural neighborhoods and communities.

The proposed annexation area is within the Mukilteo MUGA and contiguous to the City. The proposed annexation area is a natural part of the adjacent community.

The proposed annexation therefore furthers this objective.

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

The Paine Field airport and Paine Field Park form a physical boundary to the north of the annexation area. The western boundary and southern boundary of the proposed annexation area run along right-of-way boundaries. The proposed boundary uses property lines in the southeast that account for drainage facilities in the Beverly Park Road right-of-way and primary catchment areas for those drainage facilities.

The proposed annexation therefore furthers this objective to the extent it is applicable.

Objective 3. Creation and preservation of logical service areas.

The proposed annexation area is within the Mukilteo MUGA and contiguous to the City and is a natural part of the adjacent community. The proposed boundary uses property lines in the southeast that account for drainage facilities in the Beverly Park Road right-of-way and primary catchment areas for those drainage facilities. The proposed annexation would bring the area into the City, the logical service provider for municipal services in this area.

The proposed annexation therefore furthers this objective.

Objective 4. Prevention of abnormally irregular boundaries.

The proposed annexation does not create abnormally irregular boundaries. The Paine Field airport and Paine Field Park form a physical boundary to the north of the annexation area. The western boundary and southern boundary of the proposed annexation area run along right-of-way boundaries. The proposed boundary uses property lines in the southeast that account for drainage facilities in the Beverly Park Road right-of-way and primary catchment areas for those drainage facilities.

The proposed annexation therefore furthers this objective to the extent that it applies.

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 existing City and unincorporated boundaries are not impractical. However, the proposed annexation uses a combination of physical features and logical service areas as boundaries and avoids abnormally irregular boundaries as described under objectives 2 through 4 in order to not create impractical boundaries.

The proposed annexation therefore furthers this objective to the extent that it applies.

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

The area is within the Mukilteo MUGA and designated in both the County and City comprehensive plans as urban, intended to be eventually annexed to the City.

The proposed annexation therefore furthers this objective.

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, nor is it adjacent to any designated resource lands.

E. Impacts to County facilities and other County-owned property

The Surface Water Management Division commented that the annexation will affect surface water facilities. Two County drainage facilities (DF 1864 and DF 1874) transfer to the City upon annexation. Drainage easements and servitudes (DFMCs) for a number of private drainage facilities will also transfer with the annexation, and unknown easements and servitudes (i.e., where no documentation exists) will also need to be transferred upon annexation. An easement granted to the County for DF 1797, which the County maintains, will transfer to the City upon annexation and the facility will no longer be maintained by the County.

The annexation includes the Beverly Park Road and associated right-of-way that runs at the edge or through the south and east part of the annexation area.

F. Impacts to the provision of public facilities and services

The proposed annexation is expected to have minimal impact to the overall County budget or County services. The general fiscal impacts would be a loss of REET revenue and sales tax revenue from the area if annexed, according to the Office of Finance.

The Surface Water Management Division commented that the annexation will affect surface water revenues and services. Substantial revenue impact (>\$95,000) is anticipated in year 2 and subsequent years. SWM services and programs will adjust to the service area and program reductions. The annexation will also lead to transfer of facilities and reduced maintenance responsibilities as identified under section E above.

A comment was provided by the Auditor related to concerns about the effective date of the annexation relative to an August 8, 2025, election. Because the City is responsible for setting the effective date for the annexation by ordinance after the annexation is either deemed approved by the BRB following the 45-day review period, or approved following a hearing by the BRB, that concern was forwarded to the City for their consideration.

STAFF RECOMMENDATION

Based on the review detailed above, the proposed annexation is consistent with the GMA, the CPPs, local comprehensive plans, the factors and objectives of the BRB, and will have minimal impact to County budget and services. In addition, the City's proposal would satisfy the requirements for the ILA method of annexation, and the County and City have adopted an ILA to provide for the annexation and govern the transition of services pursuant to RCW 35A.14.296.

The County and the City have adopted the Phase 1 Annexation ILA, effective March 12, 2025, agreeing to the annexation. There is no Master Annexation ILA adopted between the City and County, so the conditions of annexation and the transfer of services are governed by this ILA alone. The ILA will not apply to any other annexations.

The annexation proposal furthers the GMA goal and CPP policy 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 **not oppose** the annexation and to **not invoke** the jurisdiction of the BRB.

cc: Ken Klein, Executive Director
Mike McCrary, Director, PDS
Darren Groth, Manager, PDS
Ryan Hembree, Council Legislative Analyst

Exhibit A: Map of Proposed Phase 1 Annexation

