



Snohomish County

Planning and Development Services

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MEMORANDUM

TO: Councilmember Jared Mead, Council Chair, District 4
Councilmember Nate Nehring, Council Vice-Chair, District 1
Councilmember Megan Dunn, District 2
Councilmember Strom Peterson, District 3
Councilmember Sam Low, District 5

Dave Somers
County Executive

VIA: Michael McCrary, Director
Planning and Development Services

FROM: Eileen Canola, Senior Planner

SUBJECT: Town of Woodway Proposed Point Wells Annexation – BRB File No. 2023-04

DATE: December 12, 2023

INTRODUCTION

The purpose of this staff report is to provide the County Council with a review and recommendation, as required by section 2.77.040 of the Snohomish County Code (SCC), for the Town of Woodway's (Town) proposed Point Wells Annexation of approximately 67.59 acres. The Town filed a notice of intention (NOI) to the Snohomish County Boundary Review Board (BRB) – File No. BRB 2023-04 on November 27, 2023, for which the 45-day review period ends on January 12, 2024. The BRB, consistent with its annexation review procedures outlined in Chapter 2.77 SCC, distributed the NOI to County departments including Planning and Development Services (PDS). Per SCC 2.77.040(4) within this 45-day review period, the County Council must determine whether to invoke BRB jurisdiction ('file a request for review').

If BRB jurisdiction is invoked during the 45-day review, by the county or another party, the BRB is required to hold a public hearing and issue a decision to approve, deny, or modify the proposed annexation. BRB decisions must be consistent with Growth Management Act (GMA) provisions including the planning goals and framework for urban growth areas (UGAs) and countywide planning policies (CPPs). State law also defines objectives (RCW 36.93.180) for board review and provides factors (RCW 36.93.170) for board consideration in making its decision. If BRB jurisdiction is not invoked, the annexation would be deemed approved. If the annexation is approved by the BRB either following a public hearing or because no party invokes BRB jurisdiction, the annexation would become effective according to the terms in Section 3 of the Interlocal Agreement entered into under RCW 35A.14.296.

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

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

REVIEW

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

1. Annexation Method

The Town has chosen the Interlocal Agreement method of annexation per RCW 35A.14.296, which requires an interlocal agreement (ILA) between the Town and Snohomish County (County) with the option for certain entities to be parties. The Town, County, City of Shoreline (City), and Olympic View Water and Sewer District (District) negotiated an ILA for this annexation titled *“Interlocal Agreement Between the Town of Woodway, Snohomish County, the City of Shoreline and Olympic View Water and Sewer District Concerning An Annexation and the Orderly Transition of Services Pursuant to RCW 35A.14.296”*, with an effective date of October 10, 2023 (Attachment B to Motion). The ILA is consistent with and meets the requirements of RCW 35A.14.296.

- Section 1 of the ILA lists the Parties to the ILA: the Town, County, City, and District.
- Section 2 establishes the purpose of the ILA and establishes the annexation area.
- Section 3 provides an effective date for the annexation; lists the agreements referenced for the annexation; covers the public hearing each Party held with proper public notice; and demonstrates consistency of the existing agreements with RCW.
- Section 4 amends the existing master annexation interlocal agreement (MAILA) between the County and Town that covers:
 - Urban density requirements under the Town’s Urban Village regulations in Chapter 14.40 of the Woodway Municipal Code that will become effective upon annexation.
 - The requirement of RCW 35A.14.296 to maintain for a period of five years, a residential zoning designation on parcels zoned for residential development in the annexation area.
 - Flood hazard regulations for the Town that will provide equal or greater restrictions as those provided by the County’s regulations.
- Section 5 amends the existing interlocal agreement between the Town and City regarding the Point Wells Area to:
 - Coordinate their comprehensive plans prior to and post annexation.
 - Coordinate on project permit applications
 - Coordinate and work collaboratively on the effects of development and redevelopment using land use and transportation strategies.
 - Consultation on vested permit application to the County
- Section 6 Covers the transfer of County facilities and properties to the Town.

- Sections 7-21 cover procedural and standard clauses for an interlocal agreement.

2. Comments Received

The NOI for the proposed Point Wells Annexation was circulated for review to County departments and agencies. Responses were received from the Solid Waste and Transportation and Environmental Planning divisions of the Department of Public Works (DPW) and the Parks and Surface Water Management divisions of the Department of Conservation and Natural Resources (DCNR). All responses received indicated that the proposed annexation would have no impact or minimal impact on County services or functions. These responses have been incorporated into this staff report along with the Planning and Development Services (PDS) review under the relevant sections.

3. Locations/Acreage/Total Assessed Value / Residences

The proposed Point Wells Annexation area is in the southwest corner of Snohomish County, south and west of the Town's corporate limits, and is within the Town's Municipal Urban Growth Area (MUGA). The acreage is approximately 67.59. The assessed valuation is \$8,973,700. There are no residences, and the population is 0.

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

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

- a. **GMA planning goals (RCW 36.70A.020):** The proposal for the Point Wells Annexation, as contained in BRB file no 2023-04, is consistent with GMA planning goal (1) Urban growth. This goal states, "Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner." The entirety of the area proposed for annexation is within the Town's MUGA. The proposed annexation area is currently served by Olympic View Water and Sewer District (District) for water and sewer service, Snohomish County Sheriff-South Precinct Office for law enforcement, and Fire service is provided by the Shoreline Fire Department with a private contract with the property owner. Upon annexation, the transition in services would occur from Snohomish County Sheriff to the Town's Police Department for law enforcement with the same dispatch services and fire service would be provided by the Town, which contracts with Shoreline Fire Department for all fire services. There will be no change in water and sewer services. The services provided to the proposed annexation area upon annexation are consistent with the planning goals of the GMA and with RCW 36.70A.110(4), which provides in relevant part, "In general, cities are the units of local government most appropriate to provide urban governmental services."
- b. **UGA designations:** The Point Wells Annexation, as proposed in BRB file No. 2023-04, is consistent with the designations and zoning that support an urban level of density and development. The existing County's Future Land Use Map (FLUM) designations for the proposed annexation area are Urban Village and Urban Industrial with zoning of Planned Community Business and Heavy Industrial, respectively. As indicated in Section 4 of the ILA (Attachment B to the Motion), the Town will, for a period of 5 years after annexation,

maintain a residential zoning on any parcel zoned residential within the annexation area and not have the minimum gross residential density reduced below the density allowed for by the zoning designation prior to annexation. Upon annexation, the Town's future land use designation of Urban Village and zoning of Urban Village will be implemented.

- c. **Countywide Planning Policies (CPPs):** The Point Wells Annexation proposal is consistent with the Snohomish County Countywide Planning Policies (CPPs) in particular, Joint Planning (JP)-1 and JP-4, and Development Patterns (DP) -21:

CPP Joint Planning (JP)-1: "Coordination of county and municipal planning particularly for urban services, governance, and annexation is fundamental in implementing the Regional Growth Strategy and GMA directives related to urban growth areas in RCW 36.70A.110. Interlocal agreements for this purpose are encouraged pursuant to the Interlocal Cooperation Act (chapter 39.34 RCW). These agreements should emphasize the importance of early and continuous public participation, focus on decision-making by elected or other appropriate officials, and review the consistency of comprehensive plans with each other and the Growth Management Act, where applicable. Appendix F provides an illustrative list of issues that could be considered appropriate for Interlocal Agreements."

CPP JP-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."

CPP-DP-21: "Where the Municipal Urban Growth Area (MUGA) map in Appendix A portrays agreement – meaning in places that do not include areas of gap, overlap, or other special notation – the MUGAs shall be used to designate future annexation areas for each of the nine cities in the Southwest Urban Growth Area. An interlocal agreement should be executed by the County and city addressing transition of services."

Consistent with CPP- JP-1, the County and Town maintain a Master Annexation Interlocal Agreement (MAILA) that serves to help coordinate and guide the Town's annexations and covers the general transfer of services and jurisdiction from the County to the Town including, permits and applications in progress, violations and code enforcement cases, surface water management services, and road maintenance. Further, as required by the interlocal annexation method in RCW 35A.14.2936, a distinct interlocal agreement has been developed, to ensure coordinated planning between all parties of the ILA. Further, as required under RCW 35A.14.296 method of annexation, the County, Town, City, and District finalized an ILA (Attachment B to Motion) that builds upon and amends the existing agreements and helps meet public participation requirements.

The proposal is consistent with CPP- JP-4, as the City and Town, as indicated in the adopted ILA, have coordinated their planning documents for annexation and development of the Point Wells Area. The adopted ILA also documents the level of coordinated planning between the County and Town, which includes the Town's

adoption of an Urban Village Zoning District and intent to maintain or exceed the County's flood hazard regulation for the annexation area.

Consistent with DP-21, the Point Wells annexation area is within the Town's MUGA, as shown in Appendix A of the CPPs, recognizing the Town as the annexing jurisdiction for the area, and the County and Town have adopted a MAILA and the Point Wells annexation ILA to coordinate the annexation.

d. **Snohomish County Comprehensive Plan:** The Point Wells annexation proposal is consistent with the General Policy Plan (GPP) of the County's comprehensive plan. The annexation area is depicted as being within the Town's MUGA in Map 3 of the GPP and policies Land Use (LU) 2.A.1 and 2.A.2 and Interjurisdictional Coordination (IC) 1.B.1 and 1.B.3 of the GPP support the annexation proposal. The existing MAILA and adopted ILA for the Point Wells annexation demonstrate the level of coordination and requirements stated in the GPP policies including the residential density requirement.

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

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

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

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

a. Population and territory; population density; land area and land uses; assessed valuation: The proposed Point Wells Annexation area is in the southwest corner of Snohomish County, south and west of the Town's corporate limits, and is within the Town's Municipal Urban Growth Area (MUGA). The acreage is approximately 67.59. The assessed valuation is \$8,973,700. There are no residences, and the population is 0.

b. Comprehensive plans and zoning: The existing County's FLUM designations for the proposed annexation area are: Urban Village and Urban Industrial with zoning of Planned Community Business and Heavy Industrial. The Town's future land use designation for the annexation area is Urban Village, and the Town has adopted an Urban Village zone that will be implemented upon annexation. In addition, the Town's comprehensive plan includes planning for the Point Wells area in its Subarea Plan in its Land Use Element.

c. Applicable service agreements: The Town and County have existing service agreements related to surface water management, law enforcement, and emergency management. As described in BRB file no. 2023-04, upon annexation, the Town will provide police service that includes coverage by the City of Edmonds and experienced officers from other local jurisdictions, and Snohomish County 911 will continue to provide dispatch service. Regarding surface water management, there are no County surface water management projects, facilities, or known surface water or drainage easements in the annexation area. The existing MAILA between the County and Town covers legal control and maintenance responsibilities, transition from the County's NPDES Phase I stormwater permit requirements to the Town's stormwater management requirements, access for the County to the annexed area during the calendar year of annexation, and governmental service agreements.

d. Applicable interlocal annexation agreements: As previously mentioned, the County and Town have an existing MAILA and adopted an ILA for the Point Wells annexation as required by the ILA annexation method per RCW 35A.14.296. Together these agreements provide for the coordinated transfer of jurisdiction and service from the County to the Town, establish coordinated planning for the development of the annexation proposal, and meet the requirements of RCW 35A.14.296.

e. Topography, natural boundaries, and drainage basins, proximity to other populated areas; the existence and preservation of prime agricultural soils and productive agricultural uses: The area proposed for annexation is predominately flat, with steep slopes present west and east of Richmond Beach Drive. The annexation area is bordered by the Town's corporate limits on the east, northeast, and southeast, King County and the City of Shoreline are to the south and the Puget Sound/Salish Sea is to the west. A BNSF right of way bisects the subject site and there is an outfall portal for King County's Brightwater sewer treatment system. The subject site does not contain prime agricultural land or productive agricultural uses.

f. Likelihood of significant growth in the area and adjacent incorporated and unincorporated areas during the next ten years. As noted in the BRB file no. 2023-04, due to the extensive environmental remediation required within the annexation area from the industrial uses, development of the site is not anticipated within the next several years. The area is pre-planned and zoned per policies in the Snohomish County and Woodway Comprehensive Plans as an Urban Village. The County has assigned a population growth target to the area of approximately 141 residential units and 271 new residents in the County's adopted 2021 Buildable Lands Report.

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

- a. **Municipal services:** The Town is a provider of urban municipal services as identified under chapter 36.70A RCW, however, the Town is not a full municipal service provider. Upon annexation, the City will assume jurisdiction for the annexation area and provide road maintenance, surface water management services, and law enforcement. Sewer and water service will continue to be provided by Olympic View Water and Sewer District (District). Fire service will be provided by the Town which contracts with Shoreline Fire Department for service. At this time, the annexation area has minimal service needs as it has no residences and a population of 0.
- b. **Present cost and adequacy of governmental services and controls in the area:** The Town conducted a fiscal analysis for the proposed Point Wells annexation area as indicated in BRB file no. 2023-04 anticipating an expenditure increase of approximately \$14,525 a year for fire/EMS service costs. The Town does not anticipate significant expenditures as a result of the annexation.
- c. **Effect of finances:** As noted above, the Town does not foresee significant expenditures resulting from annexation. The County expects minimal general fund impact as the County considered fiscal impacts of potential annexation during its review and approval of the ILA for this annexation. The County would lose any potential Real Estate Excise Tax

when the annexation area is developed. The Surface Water Management (SWM) division of the Department of Natural Resources (DCNR) estimated a revenue loss as the annexation agreement provides for the County to collect surface water management services charges and provide surface water services during the calendar year of annexation. There will be an estimated impact of \$71,711.51 annual revenue loss after the calendar year of annexation. SWM services will adjust to the revenue loss; however, some programs may have a disproportionate impact due to funding structure.

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.

Section 5 of the adopted ILA for the Point Wells annexation, covers mitigation agreements between the Town and the City of Shoreline regarding development of the annexation area.

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

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

Objective 1. Preservation of natural neighborhoods and communities.

Once annexed, the Town and City of Shoreline will have more local control over the impacts of future development to their respective communities which will help preserve the existing neighborhoods and communities surrounding the Point Wells annexation area.

The annexation, as proposed, would further this objective.

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

The annexation area is bordered by the Town's corporate limits on the east, northeast, and southeast, King County and the City of Shoreline are to the south and the Puget Sound/Salish Sea is to the west.

The proposed annexation furthers this objective.

Objective 3. Creation and preservation of logical service areas.

The proposed annexation area will have minimal effect on service areas as the Town will assume responsibility for fire and police services. The annexation proposal will not affect the Olympic View Water and Sewer District's service area for water and sewer service.

The annexation as proposed furthers this objective.

Objective 4. Prevention of abnormally irregular boundaries.

The proposed annexation boundaries do not create abnormal or irregular boundaries. The annexation would create a continuous Town jurisdiction.

The annexation as proposed furthers this objective.

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

This objective does not apply to the proposed annexation.

Objective 6. Dissolution of inactive special purpose districts.

This objective does not apply to the proposed annexation.

Objective 7. Adjustment of impractical boundaries.

The annexation, as proposed in BRB file no. 2023-04 provides practical boundaries.

The annexation does further this objective.

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

The area proposed for Point Wells annexation is within the Town's MUGA and as such is designated to be annexed per the CPPs and the Town and County's comprehensive plans. This is consistent with the GMA that supports and directs cities to be the providers of urban services and counties to fulfill the role as a provider of regional services.

As proposed, the annexation does further Objective 8.

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

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

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

There are no known County-owned facilities or property within the area proposed for the Point Wells annexation.

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

County departments were provided the opportunity to provide input on drafting the ILA that is required by RCW 35A.14.296 and to review BRB file no. 2023-04. The following comments were received from County departments related to the annexation's effect on the County's provision of public services:

- a. The Department of Conservation and Natural Resources (DCNR) – Surface Water Management (SWM) division estimated an impact of \$71,711.51 annual revenue loss after the first calendar year of annexation. SWM services will adjust to the revenue loss; however, some programs may have a disproportionate impact due to funding structure.
- b. The Parks division of DCNR found no impacts to its services.
- c. The Department of Public Works found no impacts to its services.

STAFF RECOMMENDATION

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

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

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

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