

After Recording Return to

Barbara Sikorski, Asst. Clerk
Snohomish County Council
3000 Rockefeller, M/S 609
Everett, WA 98201



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**INTERLOCAL AGREEMENT BETWEEN
THE CITY OF LAKE STEVENS AND SNOHOMISH COUNTY
CONCERNING ANNEXATION AND URBAN DEVELOPMENT WITHIN
THE LAKE STEVENS URBAN GROWTH AREA**

GENERAL RECITALS

1. PARTIES

This Interlocal Agreement (hereinafter "AGREEMENT" or "ILA") is made by and between the City of LAKE STEVENS (hereinafter referred to as the "CITY") and Snohomish County (hereinafter referred to as the "COUNTY"), political subdivisions of the State of Washington, pursuant to the Growth Management Act, codified at chapter 36 70A RCW, the Governmental Services Act, codified at chapter 36 11.5 RCW, Chapter 43 21C RCW (SEPA), Chapter 36 70B RCW (Local Project Review), Chapter 58 17 RCW (Subdivisions), Chapter 82 02 RCW (Excise Taxes), and the Interlocal Cooperation Act, codified at chapter 39 34 RCW

2. PURPOSE AND RECITALS

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

2.1 This AGREEMENT applies to all annexations that are approved after the effective date of this AGREEMENT

2.2 The City of Lake Stevens's Growth Management Act (GMA) Comprehensive Plan, as now existing or hereafter amended, identifies the Lake Stevens Urban Growth Area (UGA), within which potential future annexations may occur (Exhibit A)

2.3 The CITY and COUNTY recognize that this framework AGREEMENT includes general statements of principle and policy, and that addenda to existing interlocal agreements or government service agreements or additional agreements on specific topical subjects relating

to annexation and service transition may be developed subsequently. Separate interlocal or government service agreements on specific annexation issues will supersede the specific language in this AGREEMENT only for that specific issue. Potential topics for additional agreements include roads and traffic impact mitigation, surface water management, parks, recreation and open space, police services, and fire marshal services.

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

2.5 The CITY and COUNTY share a commitment to ensure that infrastructure which is within the funding capacities of the CITY and COUNTY will be in place within the UGA to serve development as it is ready for occupancy and use without decreasing service levels below locally established minimum standards.

2.6 The CITY and COUNTY believe it is in the best interest of the citizens of both jurisdictions to enable reciprocal imposition of impact mitigation requirements and regulatory conditions that effect improvements in the respective jurisdictions.

2.7 The CITY and COUNTY recognize the need for joint planning to establish local and regional facilities the jurisdictions have planned or anticipate for the area, to identify ways to jointly provide these services, and to identify transition of ownership and maintenance responsibilities as annexations occur. This may result in mutual ongoing planning efforts, joint capital improvement plans, and reciprocal impact mitigation. Joint planning issues could include planning, design, funding ROW acquisition, construction, and engineering for road projects, regional transportation plans, infrastructure coordination, watershed management planning, capital construction and related services, parks, recreation, and open space.

2.8 Within their own jurisdictions, the COUNTY and the CITY each have responsibility and authority derived from the Washington State Constitution, State laws, and any local charter to plan for and regulate uses of land and resultant environmental impacts, and by law must consider the impacts of governmental actions on adjacent jurisdictions.

2.9 The CITY and the COUNTY 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. GMA AND LAND USE

Purpose To ensure land use requirements under GMA and the COUNTY's land use codes are met.

3.1 Support of Annexation If the COUNTY legislative authority finds that a proposed annexation is consistent with this AGREEMENT and applicable annexation provisions of state law, and that preparation of an addendum pursuant to Section 13 of this Agreement is completed or not necessary, the COUNTY will not oppose the annexation and will send a letter to the Boundary Review Board in support of the annexation during the term of this AGREEMENT

3.2 Adoption of County Code The CITY agrees to adopt the COUNTY codes listed in Exhibit B by reference for the purpose of allowing the COUNTY to process and complete permits and fire inspections in annexed areas. Adoption of the COUNTY's codes in no way affects projects applied for under the CITY's jurisdiction. The COUNTY shall be responsible for providing copies of all the codes listed in Exhibit B in addition to all the updates thereto to the Lake Stevens City Clerk, so that the City Clerk may maintain compliance with RCW 35A 12 140

3.3 Urban density requirements Except as may be otherwise allowed by law, the CITY agrees to adopt and maintain land use designations and zones for the annexation areas that will accommodate within its jurisdiction the population and employment allocation assigned by Snohomish County under GMA for the subject area. Provided, however, this shall not be deemed as a waiver of the City's right to appeal the assignment of population and employment allocation by any means provided by law

3.4 Imposition of City Standards The COUNTY agrees to encourage development applicants within the Lake Stevens UGA to design projects consistent with the CITY's urban design and development standards. The CITY agrees to make written recommendations, when appropriate, to the COUNTY on how proposed new land use permit applications could be changed to make them consistent with CITY standards. When approval of the development is contingent upon extension of water and/or sewer service provided by the CITY, the COUNTY agrees to impose only those conditions voluntarily negotiated between the developer and the CITY, and/or the developer and the Lake Stevens Sewer District, as a condition of a water and/or sewer contract between the property owner or developer and the CITY, provided that the conditions meet minimum COUNTY DEVELOPMENT standards and mitigation conditions. The CITY agrees that the COUNTY can only impose standards and conditions in addition to those that the COUNTY would impose under COUNTY codes, if the applicant agrees in writing

3.5 Zoning and Land Use Designation Consistency The COUNTY agrees to coordinate with the CITY on any proposals to amend the City's or the County's GMA Comprehensive Plans and any rezone proposals within the CITY's unincorporated urban growth area in order to determine consistency within the Lake Stevens Subarea Plan

4. TRANSFER OF PERMITS IN PROCESS BY THE COUNTY

Purpose To guarantee continuity for permit applicants by the COUNTY and CITY working together to set a process for transfer of permits at an appropriate stage of a permit review process and/or when the CITY is able to handle the additional workload

4.1 Land use permit application consultation After the effective date of this AGREEMENT, the COUNTY agrees to give the CITY timely written notice and review opportunity related to all land use permit applications inside the Lake Stevens UGA, as defined in Section 4.5.1 below, as soon as the COUNTY is aware of such applications. The COUNTY will invite the staff representatives from the CITY to attend staff meetings with the applicant relating to the permit, including pre-application meetings.

4.2 Review of county land use permit applications All land use applications submitted to the COUNTY within the Lake Stevens UGA that are subject to SEPA will be reviewed under the terms of Sections 3 and 8 of this Interlocal Agreement, the provisions of SEPA, and any other interlocal agreements relating to interjurisdictional coordination.

4.3 County will process permits The COUNTY agrees to continue processing both building and land use permit applications in the annexed area for which complete applications were filed before the effective date of the annexation, as provided below.

4.4 Building permits

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

4.4.2 Completion of building permits In areas that have been annexed, the COUNTY agrees, at no cost to the City, to complete processing of building permit applications that were deemed complete prior to the effective date of the annexation, subject to the limitations in Sections 4.4.4 and 4.4.5 of this AGREEMENT. In addition, the COUNTY agrees to accept, process, and conduct inspections through completion for any associated permits for which it receives an application and accompanying fees before the effective date of the annexation. Where legislative approval by the Lake Stevens City Council is required, the COUNTY will provide appropriate staff for the City Council's meeting, if deemed necessary by the CITY. Permit renewals shall be governed by Section 4.6.

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

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

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

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

4.5 Land use permits

4.5.1 Definitions For the purposes of this AGREEMENT, the following definitions apply: "land use permits" is defined as non-single family building permits for structures greater than 4,000 square feet in size, subdivisions, planned residential developments, short subdivisions, conditional uses, special uses, rezones, shoreline substantial development permits, and variances. "Review stage" is defined for subdivisions and short subdivisions to include the following elements which will individually be regarded as a distinct "stage": preliminary plat approval, plat construction plan approval, inspection or final plat processing. "Review stage" for all other land use permits includes preliminary approval, construction plan approval, construction inspections or final sign-off, but does not include related building permit applications unless applied for in the COUNTY prior to the effective date of the annexation.

4.5.2 Land use dedications, deeds or conveyances Final plats or other dedications of public property will be transmitted to the CITY for City Council acceptance of dedication of right-of way or public easements, if dedication occurs after the effective date of annexation. Dedications, deeds or conveyances will be in the name of the CITY after the effective date of the annexation and will be forwarded to the City Council for acceptance by the CITY even if the COUNTY is continuing to process the permit.

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

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

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

4.8 Land use code enforcement cases Any land use code enforcement cases in the annexation area pending in the COUNTY will be transferred to the CITY on the effective date of the annexation. Any further action in those cases will be the responsibility of the CITY and at the CITY'S discretion. The COUNTY agrees to make its employees available as witnesses at no cost to the CITY if necessary to prosecute transferred cases. Upon request, the COUNTY agrees to provide the CITY with copies of any non-privileged files and records related to any transferred case

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

4.10 Transference of bonds For permits transferred to the City, any performance, maintenance, or other bonds held by the COUNTY to guarantee performance, maintenance or completion of work associated with the issuance of those permits will be transferred to the CITY along with responsibility for enforcement of conditions tied to said bonds

5. RECORDS TRANSFER

Purpose For the CITY and COUNTY to mutually determine the appropriate timing for the transfer of permit records. Transfer of COUNTY records will be subject to an interlocal agreement between the CITY and the COUNTY, to be entitled "Interlocal Agreement Between the City of Lake Stevens and Snohomish County Concerning Transfer, Custody, and Retention of and Access to Public Records Following Annexation"

6. COUNTY CAPITAL FACILITIES REIMBURSEMENT

Purpose To identify recent capital projects that have occurred within the CITY's UGA for which the COUNTY and CITY need to discuss if reimbursement for a portion of the expenditures is necessary and the best course of action for reimbursement.

6.1 Reimbursement for capital facilities investment The CITY recognizes that the COUNTY may request reimbursement for the depreciated value of certain capital facilities expenditures made in the five-year period preceding the effective date of an annexation based on a negotiated repayment schedule. At the effective date of this AGREEMENT, the CITY and the COUNTY understand that there are no capital facilities that the COUNTY would seek reimbursement for, although projects may be added in the future by mutual agreement. However, the CITY and COUNTY agree to use their best efforts to pursue cost sharing where feasible, when planning for new local and regional capital construction projects. Nothing in this paragraph shall be construed as imposing a duty to share costs or reimburse capital expenditures.

6.2 Consultation on capital expenditures for active and future projects The COUNTY will consult with the CITY in planning for new local and regional capital construction projects within the Lake Stevens UGA, but the CITY has not determined at this time that the COUNTY is legally entitled to any such reimbursement. The COUNTY and CITY agree to begin consultation regarding existing active COUNTY projects within sixty (60) days of approval of this AGREEMENT. At the time of this consultation, or at the project planning stage, the parties will discuss the need for shared responsibilities in implementing capital projects, including the potential for indebtedness by bonding or loans. The CITY and COUNTY will pursue cooperative financing for capital facilities where appropriate. Interlocal agreements addressing shared responsibilities for capital projects within the UGA will be negotiated, where appropriate.

6.3 Continued planning, design, funding, construction, and services for active and future capital projects Separate interlocal agreement(s) for specific projects will be used to address shared responsibilities for local capital projects and local share of regional capital facilities within the Lake Stevens UGA and continued COUNTY services relating to the planning, design, funding, property acquisition, construction, and engineering for local capital projects within an annexation area. An annexation addendum under Section 13 of this AGREEMENT will document appropriate interlocal agreements relating to planning, design, funding, property acquisition, construction, and other architectural or engineering services for active and future capital projects within an annexation area.

6.4 Capital facilities finance agreements The CITY and COUNTY will discuss project-specific interlocal agreements for major new local capital facility projects and local share of regional capital facilities within the Lake Stevens UGA. Depending on which jurisdiction has collected revenues, these agreements may include transfers of future revenues from the CITY to the COUNTY, or from the COUNTY to the CITY, proportionate share.

reimbursements from the CITY to the COUNTY, or from the COUNTY to the CITY, and/or CITY assumption of COUNTY debt service responsibility (or COUNTY assumption of CITY debt service responsibility) for loans or other financing mechanisms for new local capital projects and existing local capital projects with outstanding public indebtedness within the annexation area at the time of annexation. Both parties agree in principle that there should not be any reimbursement for projects that have already been paid for by the citizens of the annexing area (e.g., through special taxes or assessments, traffic mitigation, or other attributable funding sources).

6.5 Continuation of latecomers cost recovery programs and other capital facility financing mechanisms. After annexation, the CITY agrees to continue administering any non-protest agreements, latecomers assessment reimbursement programs established pursuant to 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 relating to property within the Lake Stevens UGA. In addition to the recorded documents, the COUNTY will provide available files, maps, and other relevant information necessary to effectively administer these agreements or programs. If a fee is collected for administration of any of the programs or agreements contained in this Section, the COUNTY agrees to transfer a proportionate share of the administration fee collected to the CITY, commensurate with the amount of work left to be completed on the agreement. The proportionate share will be based on the COUNTY's fee schedule.

7. ESSENTIAL PUBLIC FACILITIES

Purpose. To ensure adoption of a common siting process for essential public facilities.

Essential Public Facilities Siting Process. If the CITY has not already signed the *Interlocal Agreement to Implement Common Siting Process for Essential Public Facilities*, the COUNTY and CITY agree to review any proposed annexation and consider whether that interlocal should be adopted or some provisions for implementation of siting of essential public facilities included in an annexation addendum under Section 13 of this AGREEMENT.

8. ROADS AND TRANSPORTATION

Purpose. To ensure an orderly transfer of ownership and maintenance of existing road and transportation facilities and the future planning, construction and maintenance of transportation facilities including circulation plans, arterial network plans and transit-oriented development.

8.1 Annexation of road right-of-ways. Except for noncontiguous municipal purpose annexations under RCW 35.13.180 or 35A.14.300, the CITY agrees to propose annexation of the entire right-of-way of COUNTY roads adjacent to an annexation boundary. The CITY agrees to assume full legal control and maintenance responsibility for roads and associated drainage facilities within the annexed area upon the effective date of annexation, unless otherwise mutually agreed in writing.

8.2 Road maintenance responsibility Where possible, the CITY agrees to annex continuous segments of road to facilitate economical division of maintenance responsibility and avoid discontinuous patterns of alternating city and county road/street ownership. Where annexation of segments of road are unavoidable, the CITY and COUNTY agree to consider a governmental services agreement providing for maintenance of the entire road/street segment by the jurisdiction best able to provide maintenance services on an efficient and economical basis.

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

8.4 Traffic Mitigation and Capital Facilities

8.4.1 Reciprocal impact mitigation The CITY and COUNTY agree to mutually enforce each other's traffic mitigation ordinances and policies to address multi-jurisdictional impacts under the terms and conditions as provided for in the reciprocal mitigation to be subsequently adopted pursuant to Section 2 of this Agreement and documented in the annexation addenda required by Section 13 of this Agreement. In addition to reciprocal impact mitigation, the subagreement may address implementation of common UGA development standards (including access and circulation requirements), level of service standards, concurrency management systems, and other transportation planning issues.

8.4.2 Transfer of concurrency and road impact mitigation fees payments The COUNTY collects impact fees payments as a condition of land development permits pursuant to Chapter 30.66B of the Snohomish County Code (SCC) for roads in the impact fee cost basis. Where the annexation area includes system improvement(s) for which impact fees have been collected and which remain programmed for improvement(s), the COUNTY and CITY will negotiate fee transfers of all or a portion of these payments to the CITY for the improvements based upon such factors as the legal requirements for expending the payments, the ability of the CITY to expend any transferred payments on the annexed system improvements, and whether or not developments that made such payments are located in the annexed area. Any issues relating to unbudgeted improvements for the annexation area will be resolved prior to the transfer of any funds for roads. Impact mitigation funds for roads will be transferred to the CITY upon resolution of the maintenance and ownership responsibilities.

8.5 Joint transportation planning

8.5.1 Arterial network plan The CITY and COUNTY agree to cooperate on the development and maintenance of a regional arterial network plan through the

Snohomish County Arterial Network (SnoCAN) project or other efforts to coordinate regional arterial planning and transportation circulation

8.5.2 Transit-oriented development implementation The CITY and COUNTY agree to cooperate on the development of transit-oriented development (TOD) regulations and transit supportive policies to implement the, COUNTY and CITY comprehensive planning policies.

8.6 Maintenance services The CITY and COUNTY agree to evaluate whether an interlocal agreement addressing maintenance of streets, traffic signals, or other transportation facilities will be appropriate. Any COUNTY maintenance within an annexation area after the effective date of the annexation will be by separate service agreement negotiated between the CITY and COUNTY.

9. SURFACE WATER MANAGEMENT

Purpose To ensure a smooth transfer of ownership and maintenance of existing surface water facilities and to cooperate on future planning, construction and maintenance of surface water facilities

9.1 Legal control and maintenance responsibilities If the annexed area includes surface water drainage improvements or facilities the COUNTY currently owns or maintains, the CITY and COUNTY agree to negotiate the disposition of legal control and maintenance responsibilities by the end of the year in which the annexation becomes effective. The COUNTY agrees to provide a list of regional facilities prior to the start of negotiations. Residential detention facilities over which the COUNTY holds maintenance easements will transfer to the CITY. If the COUNTY's current Annual Construction Program or Surface Water Management Division budget includes major surface water projects in the area to be annexed, the CITY and COUNTY will determine how funding, construction, programmatic and/or subsequent operational responsibilities will be assigned for these improvements.

9.2 Taxes, fees, rates, charges and other monetary adjustments The CITY recognizes that fees are collected by the COUNTY for unincorporated areas within designated Watershed Management Areas and/or the Clean Water District. Watershed management fees are collected at the beginning of each year through real property tax statements. Upon the effective date of the annexation, the CITY hereby agrees that the COUNTY will continue to collect and, pursuant to Chapter 25.20 SCC and to the extent permitted by law, to apply the fees collected during the calendar year in which the annexation occurs to the provision of watershed management services designated in that year's budget. These services will be provided through the year in which the annexation becomes effective and will be of the same general level and quality as those provided to other fee payers in the COUNTY.

9.3 Government service agreements The COUNTY and CITY intend to work toward one or more interlocal agreements for joint watershed management planning, capital construction,

infrastructure management, habitat/river management, water quality management, outreach and volunteerism, and other related services

10. PARK, OPEN SPACE AND RECREATIONAL FACILITIES

Purpose To ensure an orderly transfer of ownership and maintenance of existing park, open space and recreational facilities in accordance with parks and recreation policies and future planning, construction and maintenance of park facilities

10.1 Local or community parks If an annexed area includes parks, open space or recreational facilities that are listed as a local or community park, the CITY agrees to assume maintenance, operation and ownership responsibilities for the facility upon the effective date of the annexation. The only exception is if prior to the annexation, the COUNTY declares its intention to retain ownership of the park

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

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

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

11. POLICE SERVICES

Purpose To ensure a smooth transition of police services from the COUNTY to the CITY upon annexation. As necessary, the CITY and COUNTY agree to discuss the needs for contracting or transfer of police services within an annexed area and the unincorporated UGA Agreements between the CITY and COUNTY will be made consistent with RCW 41.14.250 through 41.14.280 and RCW 35.13.360 through 35.13.400. The County Sheriff's Department, upon request by the CITY, will provide detailed service and cost information for the area to be annexed.

12. FIRE MARSHAL SERVICES

Purpose To ensure a smooth transition of fire marshal services from the COUNTY to the CITY upon annexation.

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

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

LEGALLY REQUIRED LANGUAGE

13. ADDENDA AND AMENDMENTS

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

13.2 Amendments The CITY and COUNTY recognize that amendments to this AGREEMENT may be necessary to clarify particular sections or to update and expand the AGREEMENT. Either party may pursue an amendment, as necessary.

13.3 Process for addending or amending this agreement An addendum or amendment must be mutually agreed upon by the parties and executed in writing before becoming effective. Any addendum or amendment to the AGREEMENT will be executed in the same manner as provided by law for the execution of the AGREEMENT.

13.4 Additional agreements Nothing in this agreement limits parties entering into interlocal agreements on additional issues not covered by, or in lieu of, the terms of this agreement

14. THIRD PARTY BENEFICIARIES

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

15. DISPUTE RESOLUTION

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

16. HONORING EXISTING AGREEMENTS, STANDARDS AND STUDIES

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

17. RELATIONSHIP TO EXISTING LAWS AND STATUTES

This AGREEMENT in no way modifies or supersedes existing state laws and statutes. In meeting the commitments encompassed in this AGREEMENT, all parties will comply with the requirements of the Open Meetings Act, Public Records Act, Growth Management Act, State Environmental Policy Act, Annexation Statutes, and other applicable state or local laws. The COUNTY and CITY retain the ultimate authority for land use and development decisions within their respective jurisdictions as provided herein. By executing this AGREEMENT, the COUNTY and CITY do not purport to abrogate the decision making responsibility vested in them by law.

18. EFFECTIVE DATE, DURATION AND TERMINATION

18.1 Effective Date This AGREEMENT shall become effective following the approval of the AGREEMENT by the official action of the governing bodies of each of the parties hereto and the signing of the AGREEMENT by the duly authorized representative of each of the parties hereto.

18.2 Termination. Either party may terminate its obligations under this AGREEMENT upon 90 days advance written notice to the other party and subject to the following condition Following a termination, the COUNTY and CITY are mutually responsible for fulfilling any outstanding obligations under this AGREEMENT incurred prior to the effective date of the amendment or termination

19. INDEMNIFICATION AND LIABILITY

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

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

19.3 In the event of liability for damages of any nature whatsoever arising out of the performance of this AGREEMENT by the CITY and the COUNTY, including claims by the CITY's or the COUNTY's own officers, officials, employees, agents, volunteers, or third parties, caused by or resulting from the concurrent negligence of the COUNTY and the CITY, their officers, officials, employees and volunteers, each party's liability hereunder shall be only to the extent of that party's negligence

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

20. SEVERABILITY

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

21. 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

22. RECORDS

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

23. ENTIRE AGREEMENT

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

24. 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.

25. CONTINGENCY

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

26. CONTACTS FOR AGREEMENT

The contact persons for this AGREEMENT are

Carl Nelson, Annexation Coordinator
Steve Roberge, Senior Planner
City of Lake Stevens
City Hall
1812 Main St
Lake Stevens, WA 98258
(425) 334-1012

Richard Craig, Senior Planner
Snohomish County
Department of Planning and Development Services
3000 Rockefeller Avenue
Everett, WA 98201
(425) 388-3311

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

CITY OF Lake Stevens

SNOHOMISH COUNTY

By Lynn P. Walby
Lynn Walby, Mayor

By Aaron G. Reardon
Aaron G Reardon, County Executive

Date Oct. 11, 2005

Date October 26, 2005

ATTEST:

ATTEST

Norma Scott
Norma Scott
City Clerk

Barbara Sikorski
~~Kathryn Bratcher~~
Asst. Clerk of the County Council

Approved as to form
Office of the City Attorney

Approved as to form.
Snohomish County Prosecuting Attorney

Shant K. Wee
Attorney for the City of Lake Stevens

Bruce [Signature]
Deputy Prosecuting Attorney for
Snohomish County

D-5

EXHIBIT A

Lake Stevens Urban Growth Area

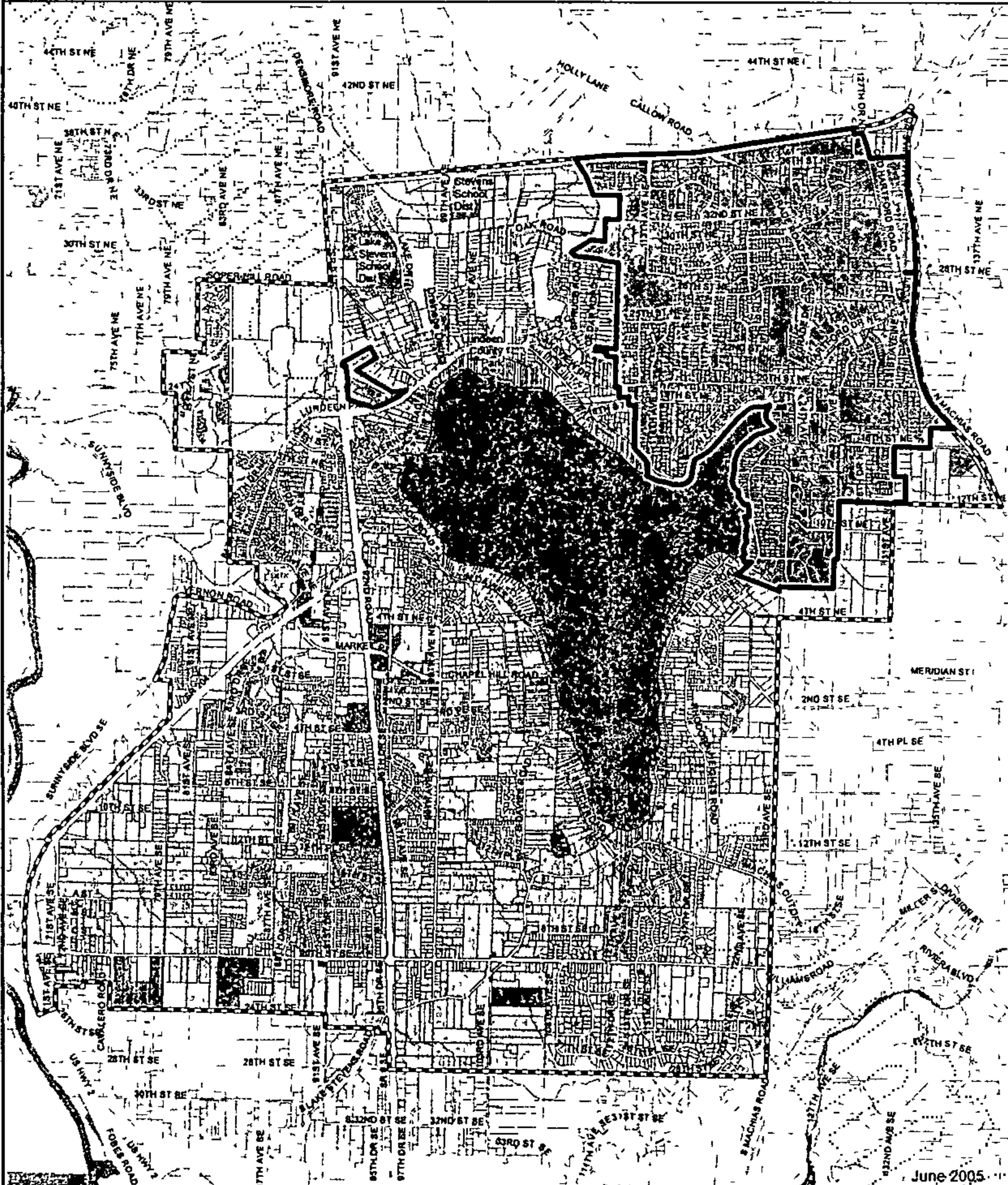


EXHIBIT B – COUNTY LEGISLATIVE MEASURES AND CONTRACTUAL AGREEMENTS

Snohomish County Land Use and Development Codes that need to be adopted by the City All codes are "as amended"

- A. SCC Title 13, entitled ROADS AND BRIDGES, Chapters 13 01, 13 02, 13 05, and 13 10 through 13 70, 13 95, 13 110 and 13 130
- B. SCC Chapter 30 53A, entitled UNIFORM FIRE CODE,
- C. SCC Chapter 30 52A, entitled UNIFORM BUILDING CODE,
- D. SCC SUBTITLE 30 2, entitled ZONING AND DEVELOPMENT STANDARDS
- E. SCC Chapter 30 41A, entitled SUBDIVISIONS
- F. SCC Chapter 30 41D, entitled BINDING SITE PLANS
- G. SCC Chapter 30 41B, entitled SHORT SUBDIVISIONS
- H. SCC Chapter 30 44, entitled SHORELINE MANAGEMENT
- I. SCC SUBTITLE 30 6, entitled ENVIRONMENTAL STANDARDS AND MITIGATION
- J. SCC Title 25, entitled STORM AND SURFACE WATER MANAGEMENT
- K. SCC Chapter 30 66A, entitled PARK AND RECREATION FACILITY IMPACT MITIGATION
- L. SCC Chapter 30 66B, entitled CONCURRENCY AND ROAD IMPACT MITIGATION
- M. SCC Chapter 30 66C, entitled SCHOOL IMPACT MITIGATION
- N. Ordinance 93-036, entitled SHORELINE MASTER PROGRAM
- O. SCC Chapter 30 42B, entitled PLANNED RESIDENTIAL DEVELOPMENTS

All applicable state building and construction codes as adopted and amended by Snohomish County, including, but not limited to

- a) 1997 Uniform Building Code
- b) 1997 Uniform Plumbing Code
- c) 1997 Uniform Mechanical Code
- d) Washington State Energy Code adopted April 1, 1990

Other Contractual Agreements

Interlocal Agreement between Snohomish County and the Washington State Department of Transportation Relating to Policies and Procedures for Interjurisdictional Review of Land Development Impacts Related to Transportation, and for Reciprocal Impact Mitigation for Interjurisdictional Transportation System Impacts, July, 1997, as amended