WHEREAS, the City of Monroe and Snohomish County recognize that the Growth Management Act ("GMA") (chapter 36.70A RCW) encourages cities with urban services to annex unincorporated urban areas within a county; and

WHEREAS, RCW 35A.14.460 provides for the annexation of territory when at least sixty percent of the boundaries of the territory proposed for annexation are contiguous to the annexing city; and

WHEREAS, annexation pursuant to RCW 35A.14.460 requires the negotiation of an interlocal agreement as provided in chapter 39.34 RCW; and

WHEREAS, the City of Monroe initiated the annexation process by adopting a resolution pursuant to RCW 35A.14.460(1) commencing negotiations for an interlocal agreement with the County; and

WHEREAS, the City of Monroe and Snohomish County have negotiated the terms of an interlocal agreement ("ILA") to provide for the annexation to the City of territory known as the “Chain Lake West Annexation” and to implement coordinated planning and transition of services within the annexation area; and

WHEREAS, the ILA applies only to the Chain Lake West Annexation and future annexations within the Monroe Urban Growth Area will continue to be governed by the Interlocal Agreement Between the City of Monroe and Snohomish County Concerning Annexation and Urban Development Within the Monroe Urban Growth Area ("Master Annexation ILA"), effective December 6, 2007, and addenda thereto; and

WHEREAS, the ILA recognizes the continued applicability, force and effect of the Master Annexation ILA and addenda thereto, except for those provisions specified in the ILA; and

APPROVING AND AUTHORIZING THE COUNTY EXECUTIVE TO SIGN AN INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF MONROE PROVIDING FOR THE CHAIN LAKE WEST ANNEXATION
WHEREAS, the ILA is authorized by and is consistent with the requirements of the Interlocal Cooperation Act (chapter 39.34 RCW); and

WHEREAS, the ILA is consistent with the GMA comprehensive plans of both the City of Monroe and Snohomish County; and

WHEREAS, the Snohomish County Council and the Monroe City Council held a joint public hearing on ____________, 2010, to consider approving the ILA and authorizing the Snohomish County Executive and the Mayor of the City of Monroe to sign the ILA on behalf of Snohomish County and the City of Monroe, respectively.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. The Snohomish County Council hereby adopts the foregoing recitals as findings of fact and conclusions as if set forth in full herein.

Section 2. The Snohomish County Council authorizes the Snohomish County Executive to sign the Interlocal Agreement Between the City of Monroe and Snohomish County Relating to the “Chain Lake West Annexation” Under RCW 35A.14.460, a copy of which is attached to this ordinance as Exhibit A.
PASSED this 19th day of October, 2010.

SNOHOMISH COUNTY COUNCIL

ATTEST: Snohomish County, Washington

Sheila McCallister Dave Gossett
Asst. Clerk of the Council Council Chair

(X) APPROVED DATE: October 22, 2010

( ) EMERGENCY

( ) VETOED

Aaron G. Reardon
County Executive

ATTEST: Cora Palmer

Approved as to form only:

Laura Kisielius
Deputy Prosecuting Attorney

9/7/10
INTERLOCAL AGREEMENT BETWEEN THE CITY OF MONROE AND SNOHOMISH COUNTY RELATING TO THE “CHAIN LAKE WEST ANNEXATION” UNDER RCW 35A.14.460

1. PARTIES

This Interlocal Agreement Between the City of Monroe and Snohomish County Relating to the “Chain Lake West Annexation” Under RCW 35A.14.460 (this “Agreement”) is made by and between the City of Monroe, a Washington municipal corporation (the “City”), and Snohomish County, a political subdivision of the State of Washington (the “County”), pursuant to chapter 39.34 RCW, the Interlocal Cooperation Act, and RCW 35A.14.460. Throughout this Agreement, the City and the County are each sometimes referred to individually as a “Party,” and collectively as the “Parties.”

2. PURPOSE

The purpose of this Agreement is to set forth terms that will govern the orderly and logical transfer of governmental services from the County to the City with respect to the annexation by the City of certain territory located within the Monroe Urban Growth Area (the “Annexation Area”) that is commonly known as the Chain Lake West Annexation Area, as depicted on Exhibit A to this Agreement. The City’s annexation of the Annexation Area will be accomplished under RCW 35A.14.460 and will be referred to in this Agreement as the “Annexation.”

3. PRIOR AGREEMENTS

3.1 Continued applicability of Master Annexation ILA. The Parties recognize the existence of that certain Interlocal Agreement Between the City of Monroe and Snohomish County Concerning Annexation and Urban Development Within the Monroe Urban Growth Area, having an effective date of December 6, 2007, and
approving and authorizing the county executive
to sign an interlocal agreement between
snohomish county and the city of monroe
providing for the chain lake west annexation -
recorded under auditor’s file # 200801030552 (the “original agreement”), as
amended by that certain addendum to interlocal agreement between the city of
monroe and snohomish county concerning annexation and urban development
within the monroe urban growth area, having an effective date of june 4, 2008,
and recorded under auditor’s file # 200807170547 (the “first amendment”), and
as further amended by that certain addendum to the interlocal agreement
between the city of monroe and snohomish county concerning annexation and
urban development within the monroe urban growth area, having an effective
date of October 22, 2009, and recorded under auditor’s file # 200911200002
(the “second amendment”), and, together with the original agreement and the
first amendment, the “master annexation ila.” the parties agree and intend
that the terms and provisions contained in the master annexation ila shall have
full applicability, force and effect with respect to the annexation contemplated by
this agreement, except as otherwise provided in section 3.2 of this agreement.

3.2 inapplicability of certain provisions of prior agreements. notwithstanding the
provisions of section 3.1 above, the parties agree that the following sections of
the master annexation ila shall not apply to the annexation contemplated by this
agreement:
(a) the following sections of the original agreement shall not apply to the
annexation: section 4 (transfer of permits in process by the county);
subsection 9.3 (drainage needs report cost recovery); section 13
(addenda and amendments); section 18 (effective date, duration and
termination); and section 26 (administrators and contacts for
agreement).
(b) the following sections of the first amendment shall not apply to the
annexation: the first amendment in its entirety shall not apply to the
annexation.

3.3 conflicts between agreements. in the event of a conflict between any of the
terms and provisions contained in this agreement and any of the terms and
provisions contained in those portions of the master annexation ila that apply to
the annexation contemplated by this agreement, the terms of this agreement
shall prevail.

4. bond debt service

the city recognizes that pursuant to rcw 36.89.120 and sc 25.20.032, whenever a
city annexes an area, and the county has issued revenue bonds or general obligation
bonds to finance storm water control facilities that are payable in whole or in part from
rates or charges imposed in the area, the county shall continue imposing all portions of
the rates or charges that are allocated to payment of the debt service on bonds in that
area after the effective date of the annexation, as provided in the statute and the

approving and authorizing the county executive
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providing for the chain lake west annexation - 5
implementing provisions of the Snohomish County Code. The City’s acknowledgment of RCW 36.89.120 is not intended and shall not be deemed a promise by the City to pay any of the charges due to the County from particular property owners under RCW 36.89.120. Nothing in this Agreement shall be construed as imposing any liability or responsibility upon the City relating to or arising from the County’s collection of the aforementioned charges and/or rates for stormwater facilities beyond any liability or responsibility imposed by applicable law.

5. PROCESSING OF PERMITS IN THE ANNEXATION AREA

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

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

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

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

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

5.2 City consultation on County land use permit applications. After the effective date of this Agreement, the County agrees to give the City timely written notice and
review opportunity related to all land use permit applications, as defined in Subsection 5.1 of this Agreement, within the Annexation Area. The County will invite City staff to attend meetings between County staff and the applicant relating to such permit applications, including pre-application meetings.

5.3 Review of County land use permit applications. All land use permit applications under County jurisdiction within the Annexation Area will be reviewed consistent with all applicable laws, regulations, rules, policies and agreements including, but not limited to, the applicable provisions of this Agreement, the State Environmental Policy Act (Chapter 43.21C RCW) and the Snohomish County Code.

5.4 Appeals of permits issued by County prior to effective date of Annexation. Any administrative appeals, to the extent an appeals process is provided, of building permits, associated permits and land use permits and approvals respecting real property located in the Annexation Area that were issued or approved by the County prior to the effective date of the Annexation shall be filed with the City and handled by the City pursuant to the City’s municipal code.

5.5 Enforcement of County conditions. Any conditions imposed by the County relating to the issuance or approval of any permits described in Subsection 5.4 above shall be enforced by the City after the effective date of the Annexation to the same extent the County enforces its own permit 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 and issued by the County.

5.6 Pending permit applications.

5.6.1 Vesting. The County and the City agree that any complete building permit application, associated permit application or land use permit application respecting real property located in the Annexation Area that is submitted to the County prior to the effective date of the Annexation and that has vested shall remain subject to the laws and regulations of the County that were in effect at the time the permit application was deemed complete by the County, notwithstanding the subsequent Annexation of the Annexation Area.

5.6.2 Automatic transfer of authority regarding permits. The County and the City understand and agree that the police power with respect to real property located in the Annexation Area automatically transfers from the County to the City on the effective date of the Annexation. The parties understand and agree that it is the police power that provides local jurisdictions with the authority to impose and implement building and land use regulations. Accordingly, the parties

APPROVING AND AUTHORIZING THE COUNTY EXECUTIVE TO SIGN AN INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF MONROE PROVIDING FOR THE CHAIN LAKE WESTANNEXATION - 7
understand and agree that, as a matter of law, all responsibility for and authority
over pending permit applications automatically transfers from the County to the
City on the effective date of the Annexation. Nothing in this paragraph shall be
construed as transferring the liability of either Party with respect to its own
actions regarding permit review and administrative appeals to the other Party.
Instead, both Parties agree that issues of indemnification and liability remain
governed by Section 19 of the Original Agreement.

5.6.3 Completing the active phase of review. The County and the City agree that to
facilitate an orderly transfer of pending permit applications to the City after the
effective date of the Annexation, it is desirable for the County to continue
processing all pending permit applications through the completion of the permit
review phase that was in progress on the effective date of the Annexation.
Accordingly, beginning on the effective date of the Annexation, the County shall
act as the City’s agent for the limited purpose of reviewing and processing all
pending permit applications until such time as County personnel have completed
the permit review phase that was in progress on the effective date of the
Annexation. Upon completion of such permit review phase with respect to any
particular pending permit application, the County shall transfer all materials
relating to the pending permit application to the City. After such transfer, the City
shall perform all remaining permit review and approval activities.

5.6.4 Exception for administrative appeals. Notwithstanding anything to the contrary
contained in Subsection 5.6.3 above, the County and the City agree that it is not
desirable for the County’s quasi-judicial hearing officers or bodies to act as
agents for the City for the purposes of hearing and deciding administrative
appeals of permit decisions on behalf of the City, but it is also not desirable to
disrupt an administrative appeal that is already in progress on the effective date
of the Annexation. Accordingly, if the permit review phase that was in progress
on the effective date of the Annexation was an administrative appeal of a
decision made by the County, then that administrative appeal shall be handled as
follows: (i) if the appeal hearing has not yet occurred as of the effective date of
the Annexation, then all materials related to the appeal shall be transferred to the
City as soon as reasonably possible after the effective date of the Annexation
and the appeal shall be handled by the City pursuant to the procedures specified
in the City’s municipal code; (ii) if the appeal hearing has already occurred as of
the effective date of the Annexation, but no decision has yet been issued by the
County’s quasi-judicial hearing officer or body, then the County’s quasi-judicial
hearing officer or body shall act as an agent for the City and issue a timely
decision regarding the administrative appeal on behalf of the City; or (iii) if a
decision regarding the administrative appeal was issued by the County’s quasi-
judicial hearing officer or body prior to the effective date of the Annexation, but a
timely request for reconsideration was properly filed with the County prior to the
effective date of the Annexation, then the County’s quasi-judicial hearing officer
or body shall act as an agent for the City and issue a timely decision on
reconsideration on behalf of the City. Any appeal fees collected by the County
5.6.5 Proportionate sharing of permit application fees. The County and the City agree to proportionately share the permit application fees for pending permit applications. Proportionate shares will be calculated based on the County’s permitting fee schedule. With respect to each pending permit application, the County shall retain that portion of the permit application fees that is allocable to the phases of review completed by the County prior to the effective date of the Annexation. In compensation for the County’s work in reviewing pending permit applications on behalf of the City, the County shall also retain that portion of the permit application fees that is allocable to the phase(s) of review completed by the County while acting as an agent of the City. The County shall transfer to the City the remaining portion of the permit application fees, which shall be commensurate with the amount of work left to be completed with respect to the pending permit application at the time the pending permit application is transferred to the City.

5.6.6 Dedications or conveyances of real property. The City and the County acknowledge and agree that after the effective date of the Annexation the County Council will have no authority to accept dedications or other conveyances of real property to the public with respect to real property located in the Annexation Area. Accordingly, notwithstanding anything to the contrary contained elsewhere in this Section 5, after the effective date of the Annexation, the approval and acceptance of final plats or other instruments or documents dedicating or conveying to the public an interest in real property located in the Annexation Area will be transmitted to the City for acceptance by the City Council.

5.7 Judicial appeals of permit decisions. The County shall be responsible for defending, at no cost to the City, any judicial appeals of decisions regarding building permit applications, associated permit applications and/or land use permit applications and administrative appeals respecting real property located in the Annexation Area that were made or issued by the County prior to the effective date of the Annexation. The City shall be responsible for defending, at no cost to the County, any judicial appeals of decisions regarding building permit applications, associated permit applications and/or land use permit applications and administrative appeals respecting real property located in the Annexation Area that are made or issued after the effective date of the Annexation, regardless of whether such decisions are made or issued by City personnel or by the County in its capacity as an agent for the City pursuant to Subsection 5.6 of this Agreement.
5.8 Permit renewal or extension. After the effective date of the Annexation, any request or application to renew or extend a building permit, an associated permit or a land use permit respecting real property located in the Annexation Area shall be submitted to and processed by the City, regardless of whether such permit was originally issued by the County or the City.

5.9 Administration of bonds. The County’s interest in any outstanding performance security, maintenance security or other bond or security device issued or provided to the County to guarantee the performance, maintenance or completion by a permittee of work authorized by or associated with a permit respecting real property located in the Annexation Area will be assigned or otherwise transferred to the City upon the effective date of the Annexation if such assignment or transfer is reasonably feasible. If it is not reasonably feasible for the County to transfer any outstanding bond or security device to the City, whether due to the terms of the bond or security device at issue or for some other reason, then the County shall continue to administer the bond or security device until the earlier to occur of the following: (i) the work guaranteed by the bond or security device has been properly completed; (ii) the City has been provided with an acceptable substitute bond or security device; or (iii) the bond or security device has been foreclosed. For bonds and security devices that the County continues to administer after the effective date of the Annexation, the City shall notify the County when either the work guaranteed by the bond or security device is completed, or when the City is provided with an acceptable substitute bond or security device, at which time the County shall release the original bond or security device. Should it become necessary to foreclose any bond or security device the County continues to administer after the effective date of the Annexation, the County and the City shall cooperate to perform such foreclosure.

5.10 Building and land use code enforcement cases. Any pending building or land use code enforcement cases respecting real property located in the Annexation Area will be transferred to the City on the effective date of the Annexation. Any further action in those cases will be the responsibility of the City at the City’s discretion. The County agrees to make its employees available as witnesses at no cost to the City if necessary to prosecute transferred code enforcement cases. Upon request, the County agrees to provide the City with copies of any files and records related to any transferred case.

6. AMENDMENTS AND ADDITIONAL AGREEMENTS

6.1 Amendments. The City and County recognize that amendments to this Agreement may be necessary. An amendment to this Agreement must be mutually agreed upon by the Parties and executed in writing.

6.2 Additional agreements. Nothing in this Agreement limits the Parties from entering into separate interlocal agreements (i) regarding the annexation by the
City of territory other than the Annexation Area, or (ii) regarding the Annexation by the City of the Annexation Area, but with respect to issues not covered by the terms of this Agreement.

7. **EFFECTIVE DATE, DURATION AND TERMINATION**

7.1 **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, and the signing of the Agreement by the duly authorized representative of each of the Parties.

7.2 **Duration.** This Agreement shall remain in full force and effect for five (5) years following the effective date of the Annexation.

7.3 **Termination.** Either Party may terminate this Agreement upon ninety (90) days advance written notice to the other Party. Notwithstanding the expiration or earlier termination of this Agreement, the County and City shall remain responsible for fulfilling any outstanding obligations under this Agreement that were incurred prior to the date on which this Agreement expired or terminated.

8. **ENTIRE AGREEMENT**

This Agreement, including the portions of the Master Annexation ILA incorporated into this Agreement by Section 3 above, constitutes the entire Agreement between the Parties concerning the Annexation.

9. **FILING**

A copy of this Agreement shall be filed with the Monroe City Clerk and recorded with the Snohomish County Auditor’s Office.

10. **ADMINISTRATORS AND CONTACTS FOR AGREEMENT**

The Administrators and contact persons for this Agreement are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russ Wright</td>
<td>Associate Planner</td>
</tr>
<tr>
<td>Richard Craig</td>
<td>Snohomish County</td>
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<tr>
<td>City of Monroe</td>
<td>City of Monroe</td>
</tr>
<tr>
<td>Everett, WA 98201</td>
<td>Department of Planning and Development Services</td>
</tr>
<tr>
<td>(360) 863-4553</td>
<td>(425) 388-3311</td>
</tr>
</tbody>
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APPROVING AND AUTHORIZING THE COUNTY EXECUTIVE TO SIGN AN INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF MONROE PROVIDING FOR THE CHAIN LAKE WESTANNEXATION - 11
IN WITNESS WHEREOF, the parties have signed this Agreement, effective on the later date indicated below.

Dated this 22\textsuperscript{nd} day of October, 2010.

CITY OF MONROE
BY: ___________________________
Robert G. Zimmerman
Mayor
Date: 10/19/10

SNOHOMISH COUNTY
BY: ___________________________
Aaron Reardon
County Executive
Date: 10/22/10

ATTEST:
Eadye Martinson
Deputy City Clerk

Sheila McCallister
Asst. Clerk of the County Council

Approved as to form:
Office of the City Attorney

Snohomish County Prosecutor

Phil A. Olbrechts
Attorney for the City of Monroe

Laura C. Kisielius
Deputy Prosecuting Attorney for
Snohomish County
APPROVING AND AUTHORIZING THE COUNTY EXECUTIVE TO SIGN AN INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF MONROE PROVIDING FOR THE CHAIN LAKE WEST ANNEXATION - 13