

TOWN OF WOODWAY  
COUNCIL SPECIAL MEETING AGENDA

23920 113<sup>th</sup> Place W. | Woodway, WA 98020

MONDAY, SEPTEMBER 23, 2019

6:00 P.M.

- |           |      |  |
|-----------|------|--|
| 6:00 P.M. |      | Call to Order, Flag Salute, Roll Call                                    |
| 6:05 P.M. | I    | Discussion of Settlement and Interlocal Agreement with City of Shoreline |
| 6:50 P.M. | II   | Approval of Payments – <i>September 23, 2019 Claims</i>                  |
| 6:55 P.M. | III  | Approval of Minutes – <i>September 9, 2019</i>                           |
| 7:00 P.M. | IV   | Council Reports  |
| 7:05 P.M. | V    | Mayor’s Report   |
| 7:10 P.M. | VI   | Town Administrator’s Report  |
| 7:15 P.M. | VII  | 2 <sup>nd</sup> Quarter 2019 Financial Report                            |
| 7:25 P.M. | VIII | Ratify/Confirm Recognition Awards  |
| 7:30 P.M. | IX   | Discussion of HART (Housing Affordability Task Force)                    |
| 7:35 P.M. | X    | Crosswalk South of the Bridge  |
| 7:40 P.M. |      | Audience Comments*   |
| 7:45 P.M. |      | General Council Discussion-Choice of Subjects                            |
| 7:55 P.M. |      | Adjournment  |

*\* Audience comments only during the time specified. Council Deliberations will not be interrupted for audience comment. Citizens desiring comment time in excess of five minutes should contact the mayor to schedule presentation time. Council agendas are subject to change before or during the council meetings upon motion. Anyone with a disability requiring special accommodations should contact the Town Clerk's Office at Town Hall or call (206)542-4443 before 1:00 p.m. the Thursday preceding the Council Meeting. For TDD relay service, call (206)587-5500, or outside the Seattle area #1-800-833-6388.*

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**MEMORANDUM**

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**TO:** Town Council  
**FROM:** Eric Faison, Town Administrator  
**SUBJECT:** Settlement and Interlocal Agreement with Shoreline  
**DATE:** 9/23/2019  
**CC:** Carla Nichols, Mayor

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**Background**

Point Wells has been at the center of relations between Woodway and Shoreline since 1998, when both cities identified Point Wells as a future annexation area. This designation led to a lawsuit, which ended with the Washington Supreme Court concluding that both cities could “plan” for annexation. As a result, both cities included Point Wells in their Comprehensive Plans, however, only Woodway’s designation was officially recognized by Snohomish County in the County’s Comprehensive Plan.

The cities’ relationship was further strained after BSRE, owner of Point Wells, submitted a request to Snohomish County to rezone Point Wells to allow for a new “Urban Center” with over 3,000 housing units and 100,000 square feet of commercial space. The cities appealed the designation to the Growth Management Hearings Board, and we prevailed. Snohomish County was required to rezone the area as an “Urban Village,” under which zoning the developer would be required to negotiate agreements with the cities before a development application could be approved. However, the Washington Supreme Court later ruled that, because BSRE filed their application under the Urban Center code before the Board’s ruling, their project was “vested” under that illegal code and their project could move forward.

Following the County’s approval of the rezone, Ronald Wastewater District adopted a comprehensive plan for sewer services that included Point Wells. Shoreline, which has an agreement with Ronald to take over the District, then twice submitted requests with the Snohomish County Boundary Review Board to take over Ronald’s facilities and services at Point Wells. The Boundary Review Board rejected the both requests.

Shoreline’s attempt to assume Ronald’s sewer services at Point Wells was viewed by the Town as Shoreline’s attempt to use utility service and property rights to leverage their ability to annex the area. It is through this lens that, approximately one year ago, the Town evaluated Shoreline’s adoption of a

notice of intent to condemn property owned by BSRE. The Town responded to this notice by proceeding with an attempt to annex Point Wells.

Last October, the Town Council invited residents to a hearing to gather public opinion regarding the proposed annexation. At that meeting, the Council heard from residents both expressing support and urging caution. The Council also heard from representatives from Shoreline, Ronald Wastewater District and BSRE (the owner of Point Wells). A consistent theme of the evening was a request that we “just work something out with Shoreline,” so as to avoid additional, costly litigation.

### **Mediation**

The Council took the public’s feedback to heart. They put the Town’s annexation resolution on hold and worked with Shoreline to select a mediator. In January, Mayor Nichols, Council members Elizabeth Mitchell and Tom Whitson, Town Administrator Eric Faison and Town attorney Greg Rubstello entered into mediation with Shoreline’s mayor, city manager and city attorney.

There quickly was consensus that that if Point Wells is going to be developed, our respective communities would be better served if the property was permitted and developed within a city, rather than within unincorporated Snohomish County. The parties also were similarly in agreement regarding many shared concerns about development at Point Wells, including traffic, building heights, glare, noise, parking, environmental protection, and public access to the waterfront. The cities acknowledged, however, that they have little influence – the property is under the control of Snohomish County and the County’s development regulations.

The tougher discussions involved annexation and sewer services. With regard to sewer services, however, several months into the negotiations, the Washington State Court of Appeals ruled that Ronald has no legal right to provide sewer services in Snohomish County. As a result, other than a small paragraph dealing with the ownership of a sewer lift station located at Point Wells, it was not necessary to further consider sewer services in the Agreement. Of note, however, Ronald has elected to appeal the Court’s decision to the Washington Supreme Court. If the Supreme Court takes the case and rules in Ronald’s favor, this issue may have to be addressed separately.

### **The Draft Agreement**

The Agreement is divided into three parts. The first part deals with mutual obligations of Woodway and Shoreline to each other in relation to Point Wells. The second part addresses Shoreline's obligations to Woodway, and the third are Woodway's obligations to Shoreline. Below is an overview of the provision in each section.

### *Section I Provisions Applicable to All Parties*

This section requires that, within 60 days of approving the Agreement, the cities will create a joint working group (3 staff members from each city) that will develop and recommend comprehensive plan policies, zoning designations, development regulations and design standards. The recommended policies and regulations will be presented to the respective each city's council within 180 days. Once adopted, the cities agree to keep the adopted policies and regulations in place for two years after annexation. The recommendation must include, at a minimum:

- That Point Wells be zoned and developed as an environmentally sustainable, primarily residential development, and any mixed-use development be pedestrian-oriented with limited commercial uses, dark sky standards, and mandatory public recreation (with adequate parking) accessible to residents of both cities.
- That any development application for Point Wells include a traffic study for Shoreline and Woodway roads consistent with the preparation criteria required by each City.
- Building height limitation of no more than 75 feet, with additional height restrictions possible in the southern portion of Point Wells to protect view corridors.
- Any development or redevelopment of Point Wells shall be subject to a Master Development Plan or a Development Agreement along with a required design review process that includes a consultation with each City.
- A traffic restriction for Richmond Beach Drive in Shoreline of 4,000 Average Daily Trips (ADT) and a level of service standard "D" and 0.9 Volume to Capacity (V/C) ratio on Richmond Beach Road.

After adoption, each city agrees to give the other 30 days written notice and an opportunity to comment for any action that would modify the comprehensive plan policies or development regulations adopted from the recommendations from the Working Group.

The cities will enter into a reciprocal mitigation agreement that provides for coordinated review of SEPA impacts. The Agreement further provides that, in the event neither city has annexed Point Wells prior to the developer submitting a development application to Snohomish County, each city agrees not to enter into any agreements with the developer and/or Snohomish County inconsistent with the terms set forth in the agreement.

### *Section II – Provisions Applicable to the City of Shoreline*

With respect to annexation, Shoreline agrees to not take any action to annex Point Wells, or to challenge or object to Woodway's annexation of Point Wells, including any administrative or judicial

process. Shoreline also agrees to affirmatively support Woodway's annexation of Point Wells, including support of any legislation necessary to effectuate an annexation without the consent of the Point Wells property owner. Additionally, Shoreline also agrees not to provide sewer services to Woodway residences or businesses without Woodway's approval.

With respect to traffic, Shoreline agrees that it will not reduce the current 4,000 average daily trip ("ADT") limitation on Richmond Beach Drive or restrict access to Point Wells via Richmond Beach Drive in any way that would unreasonably interfere with or prevent use of the road by the general public. An exception to this provision would be if such action is necessary to protect the health and safety of its residents and the public or to implement emergency measures. The cities assume that the 4,000 ADT limitation should allow for approximately 400 to 800 residential units.

### *Section III – Provisions Applicable to the Town of Woodway*

With respect to annexation, Woodway agrees to use its "best efforts" to effectuate the annexation of Point Wells as expeditiously as possible. If Woodway formally notifies Shoreline that it does not want to annex Point Wells, then Shoreline may immediately do so and Woodway agrees to support Shoreline's annexation. If Woodway fails to file a notice of intent to annex Point Wells with the Boundary Review Board (if such a notice is legally required) or to adopt an annexation ordinance (if Boundary Review Board approval is not required) within three years from being able to annex without BSRE's approval, then Shoreline can seek annexation of Point Wells under any legally available method, and Woodway will fully support Shoreline's annexation. If Shoreline fails to annex the property within a similar three year time period, then Shoreline and Woodway will jointly request Snohomish County to undertake a zoning and annexation study to identify and address impacts to the cities in relation to development or redevelopment or continued industrial use of the unincorporated area.

Woodway agrees that, after annexation, it will require any development or redevelopment of Point Wells of 25 or more units, as a condition of development approval, to provide a general-purpose public access road wholly within Woodway that connects into Woodway's transportation network and provides a full second vehicular access point to Point Wells into Woodway. This road must be built to Woodway's road standards and accommodate full access for commercial, emergency and residential traffic that meets acceptable engineering standards, to provide a viable reasonable alternative to the use of Richmond Beach Drive.

Lastly, the Agreement requires Woodway to recognize Shoreline's ownership of Lift Station #13 after Shoreline's assumption of Ronald and that Shoreline's operation of the Lift Station is a superior public use. Woodway also agrees not to take any actions that would interfere or be inconsistent with Shoreline's ownership and operation of the lift station and related infrastructure. The initial draft of

the proposed Agreement released for public review on September 5, 2019, did not include Section III.A.4, which addresses this issue. Since that time, our Town Administrator and Shoreline's City Manager came to agreement on the language provided in Section III.A.4 (along with a provision in II.B that restricts Shoreline from providing sewer service to Woodway residences and businesses) in the draft Agreement before Council for discussion this evening.

The Agreement remains in effect until the responsibilities and obligations of the parties are fulfilled, but no later than December 31, 2034, unless there is mutual agreement to extend. The Agreement can be terminated by mutual consent of the two cities. A dispute resolution process is provided.

### **Other Items of Note**

#### *BSRE's Application*

The Snohomish County Hearing Examiner terminated BSRE's vested application due to BSRE's continued failure to demonstrate that it could meet certain mandatory provisions of the County's Urban Center code. As a result, BSRE no longer had a vested Urban Center application. BSRE appealed that decision to Superior Court.

On June 18, 2019, a King County Superior Court judge issued an order on BSRE's appeal. The judge's order did not respond to the substantive issues of whether an Urban Center was even feasible at Point Wells, instead it concluded that, for various reasons, BSRE was entitled to a six-month "reactivation" period for its Urban Center application. Although the ruling was in its favor, on July 31, 2019, BSRE appealed the Superior Court ruling to the Court of Appeals and recently requested a stay of the six-month reactivation to allow it to pursue an appeal that seeks clarification of the substantive issues. The Court of Appeals has not yet ruled on the stay request.

It is important for Council and the public to understand, however, the redevelopment of Point Wells is currently under the jurisdiction of Snohomish County and BSRE currently holds a vested permit application under the Urban Center zoning, dependent on the outcome of its appeal of the Superior Court's decision or BSRE's reactivation of its Urban Center application. Until this process is complete, we don't know what scale of development will likely occur at Point Wells.

#### *Annexation*

While the parties agree that Woodway should have the right of first refusal to annex Point Wells, the decision on whether to annex will ultimately be made by the Town Council at a public meeting at such time as Woodway obtains the undisputed legal right to annex. The Agreement does not require the Town to annex.

We have received a couple inquiries asking for a financial analysis on annexation. Any realistic financial analysis will require a development proposal. That being said, we have conducted a financial analysis based on certain assumptions, which will be presented at the meeting. Our initial analysis was conducted jointly with Shoreline several years ago, based on a much larger scale of development than is anticipated in this Agreement. Based on the anticipated development scale contained in this Agreement, the analysis continues to show that annexation would continue to be financially positive – with anticipated one-time and ongoing revenues materially in excess of anticipated expenses.

We also have received questions about the Town’s ability to process permits for a large development. The Town would likely contract out for this work, with the costs of such work to be paid for by the developer (as is the case with development currently in the Town).

**Conclusion**

Staff is seeking Council direction and authorization for the mayor to execute the Agreement.

**SETTLEMENT AND INTERLOCAL AGREEMENT**  
**BETWEEN**  
**CITY OF SHORELINE**  
**AND**  
**TOWN OF WOODWAY**

This Settlement and Interlocal Services Agreement (“ILA”) ILA sets forth the terms of agreement between the City of Shoreline (“Shoreline”) and the Town of Woodway (“Woodway”) for the purpose of addressing services, infrastructure, mitigation, impacts, and related issues related to development or re-development of the unincorporated area of Snohomish County commonly referred to as Point Wells. Shoreline and Woodway are each a “City” and collectively the “Cities” and “Parties” to this Agreement.

WHEREAS, the Interlocal Cooperation Act, chapter 39.34 RCW, authorizes Shoreline and Woodway to enter into a cooperative agreement for the provision of services and facilities in a manner that will accord best with the factors influencing the needs and development of their cities; and

WHEREAS, Shoreline and Woodway are both municipal corporations of the State of Washington organized and operating under Title 35A RCW and planning under the Growth Management Act, chapter 36.70A RCW (GMA); and

WHEREAS, both Shoreline and Woodway have identified the Point Wells Area, located within an unincorporated area of Snohomish County, for future annexation in their respective comprehensive plans, which property is described and depicted in Exhibit A; and

WHEREAS, Shoreline and Woodway each have responsibility and authority derived from the Washington State Constitution and State laws to plan for and regulate uses of land and the resultant environmental impacts; and

WHEREAS, Shoreline and Woodway recognized that planning and land use and transportation decisions can have extra-jurisdictional impacts and that intergovernmental cooperation is an effective way to deal with and mitigate impacts and provide opportunities that transcend local jurisdictional boundaries; and

WHEREAS, the State Environmental Policy Act, chapter 43.21C RCW (SEPA), requires Shoreline and Woodway to consider the environmental impacts of development on their communities, adjacent communities and where applicable, regional impacts; and

WHEREAS, following analysis of various options, the cities agree that the long-term regulation and development of Point Wells is best served and controlled by annexation of Point Wells by either Woodway or Shoreline; and

WHEREAS, Woodway’s Municipal Urban Growth Area Subarea Plan for Point Wells contains various goals and policies, including that development should be pursuant to a master plan that results from

a coordinated planning effort between the Point Wells property owner, Woodway, and Shoreline, and that Woodway should coordinate with Shoreline, the Richmond Beach Neighborhood, and other affected property owners to ensure that development is compatible with existing residential neighborhoods; and

WHEREAS, Shoreline's Point Wells Subarea Plan contains various goals and policies for Point Wells including that consideration of traffic mitigation should include the participation of Woodway; and

WHEREAS, Shoreline and Woodway have expended valuable public resources over the years to protect their respective community interests regarding Point Wells, and Shoreline and Woodway desire to work together and with others toward adoption of interlocal agreements to address the issues of land use planning, transportation, provision of urban services, construction and development impacts, and local governance; and

WHEREAS, Shoreline and Woodway desire to enter into this ILA that sets forth the framework to formulate future intergovernmental agreements under the Authority of the Interlocal Cooperation Act, chapter 39.34 RCW, for the provision of services and facilities in a manner that will accord best with the factors influencing the needs and development of their cities to ensure that any future project in Point Wells is developed or redeveloped in the best interest of their respective communities and mitigates the related impacts.; and

NOW, THEREFORE, Shoreline and Woodway agree as follows:

## **I. PROVISIONS APPLICABLE TO ALL PARTIES**

- A. Joint Planning Working Group – Comprehensive Plan Policies, Development Regulations, and Design Standards.** Within sixty (60) calendar days from the execution of this ILA, the Cities agree to create a joint staff working group (“Working Group”) to develop and recommend mutually agreeable comprehensive plan policies, development regulations and design standards, including applicable zoning, for Point Wells that will be considered for adoption by each City prior to annexation of Point Wells by either City.
1. The Working Group shall be comprised of three (3) staff representatives from Woodway and three (3) staff representatives from Shoreline. Each City shall have sole discretion on selecting and appointing their representatives.
  2. The Working Group shall meet on a schedule mutually agreed to by its members, but no less than one (1) time per month until a recommendation is submitted to the Planning Commissions of Woodway and Shoreline for consideration and subsequent consideration and adoption by their respective Councils. The first meeting of the Working Group shall be held no later than thirty (30) calendar days after its formation. In formulating its recommendation, the Working Group shall consider this ILA, the goals and policies adopted in each of the Cities' Subarea Plans for Point Wells as contained in their respective comprehensive plans, and the goals and requirements of the Growth Management Act and other applicable laws and regulations.

3. The Working Group's shall attempt to complete its work within 180 calendar days of its first meeting. Upon completion of the work, the Working Group shall submit its recommendation to their respective Planning Commissions and City Councils for final consideration and adoption and inclusion in that City's respective comprehensive plan and/or implementing regulations applicable to Point Wells pursuant to the amendment process set forth in the Woodway Municipal Code (WMC), including chapter 15.04 WMC and Title 14 WMC, and the Shoreline Municipal Code (SMC), including chapter 20.30 SMC.
4. The recommendation developed by the Working Group shall be consistent with the provisions of this ILA and shall contain, at a minimum:
  - a. Requirements that Point Wells be zoned and developed as a primarily residential development, and that any mixed-use development be pedestrian-oriented and incorporate a variety of residential types and limited commercial uses along with public recreation accessible to residents of both cities. This provision does not apply to Snohomish County Tax Parcel No. 27033500303600.
  - b. Requirement that any development application for Point Wells include a traffic study for Shoreline and Woodway roads consistent with the preparation criteria required by each City.
  - c. A building height limitation of no more than 75 feet and a process or regulations for additional height restrictions for development located within the southern portions of Point Wells based on consideration and preservation of view corridors for Woodway's residents and Shoreline's Richmond Beach neighborhoods.
  - d. Mandatory public recreational facilities and public access to the Puget Sound shoreline, with adequate public parking requirements that must be incorporated into the site plan in a manner that avoids large surface parking lots.
  - e. Requirements that development at Point Wells must demonstrate appropriate and adequate sensitivity to the natural environment, with mixed-use and residential development reflecting an effort to achieve the highest level of environmental sustainability for design, construction, and operation of buildings and infrastructure.
  - f. Requirements that development must adhere to "dark skies" standards, such as light source shielding to prevent the creation of light pollution from light fixtures and landscaping.



review of impacts related to transportation and park/recreation facilities and may address other impacts of development as well.

- E. **Consultation on land use permit applications.** After annexation, each city agrees to provide the other no less than thirty (30) calendar days written notice of all land use permit applications for Point Wells consistent with chapter 36.70B RCW, Local Project Review. Each city agrees to invite the other city's staff to attend meetings between city staff and the applicant relating to such permit applications, including, pre-applications meetings, and allow the other city reasonable review and comment opportunity.
- F. In the event neither city has annexed Point Wells prior to the developer submitting a development application to Snohomish County each city, except as required by law or by a judicial or administrative order/decision, agrees not to enter into any agreement(s) with the developer and/or Snohomish County inconsistent with the terms set forth in this Agreement.

## II. PROVISIONS APPLICABLE TO THE CITY OF SHORELINE

- A. **No Annexation of Point Wells.** In accordance with this ILA, Shoreline agrees that it will take no actions to annex Point Wells, except as otherwise allowed and provided for herein.
- B. **Support of Woodway Annexation of Point Wells.** Upon the Effective Date of this ILA, Shoreline agrees not to challenge or object to Woodway's annexation of Point Wells, including any administrative or judicial process. Shoreline further agrees to work with Woodway and to fully support Woodway's annexation of Point Wells, including support of any legislation necessary to effectuate an annexation without the consent of the Point Wells property owner, provided said legislation does not interfere or conflict with the requirements of this ILA. Should there be inconsistency between any legislation providing for such annexation and the terms of this ILA, Woodway and Shoreline mutually agree, to the extent the law allows, that the requirements of this ILA shall control. **Shoreline shall not provide sewer service to Woodway residences or businesses absent a separate agreement with Woodway.**
- C. **Richmond Beach Drive.** Shoreline agrees that, following annexation of Point Wells by Woodway, Shoreline will not take action that would reduce the current 4,000 ADT limitation on Richmond Beach Drive. The Cities assume that the 4,000 ADT limitation should allow for approximately 400 to 800 multi-family residential units with such estimate being subject to appropriate mitigation. Further, Shoreline agrees that it will not restrict access to Point Wells via Richmond Beach Drive in any way that would unreasonably interfere with or prevent use of the road by the general public, unless agreed to in writing by Woodway, who shall not unreasonably withhold its approval. Notwithstanding the foregoing, nothing shall prevent Shoreline from taking standard health and safety actions to protect its residents and the public from risk or harm or implement emergency measures.

### III. PROVISIONS APPLICABLE TO THE TOWN OF WOODWAY

- A. **Annexation of Points Wells.** Woodway shall use its best efforts to effectuate the annexation of Point Wells as expeditiously as reasonably possible considering the factors affecting its ability to annex Point Wells, consistent with this ILA.
1. If Woodway, by resolution or formal action of its Town Council, notifies Shoreline of Woodway's election to not annex Point Wells, then Section II(A) of this ILA shall become immediately null and void, and Shoreline may seek annexation of Point Wells under any method legally available to Shoreline. Under such circumstance, Woodway agrees to support and work with Shoreline to have Snohomish County include Point Wells into Shoreline's Municipal Growth Area in Snohomish County, and to fully support Shoreline's annexation, including support of any changes in state legislation necessary to facilitate such annexation.
  2. If Woodway fails to file a notice of intent to annex Point Wells with the Boundary Review Board (if such a notice is legally required) or to adopt an annexation ordinance (if Boundary Review Board approval is not required) within three (3) years from the date of a direct petition or within three (3) years after the availability of a statutorily-authorized method of annexation without the property owner's consent becomes legally available, (whichever occurs first), then Shoreline may seek annexation of Point Wells under any method legally available to Shoreline. Should this occur, there shall be no requirement of a resolution of Woodway's Town Council and upon Shoreline providing a notice to Woodway of Shoreline's desire to annex Point Wells, Sections II(A) and (B)) of this ILA shall become immediately null and void, and upon receipt of such notice Woodway shall fully support Shoreline's annexation as set forth in subsection (1) of this section above.
  3. Should Shoreline fail after being fully able to annex Point Wells to move forward and file a notice of intent to annex Point Wells with the Boundary Review Board (if such a notice is legally required) or to adopt an annexation ordinance (if Boundary Review Board approval is not required) within three (3) years from the date of a direct petition, or within three (3) years after the availability of a statutorily-authorized method of annexation without the property owner's consent becomes legally available (whichever occurs first), Woodways obligation under the preceding section to fully support Shoreline's annexation shall become immediately null and void. Shoreline and Woodway may then pursue annexation of Point Wells without obligation of support from the other party.
  4. Woodway shall not acquire any of Shoreline's sewer utilities located within Point Wells or provide sewer service to Shoreline residences or businesses absent a separate agreement with Shoreline. Woodway shall not interfere in any way with Shoreline's acquisition of property from BSRE in relation to Lift Station 13 and

agrees that Shoreline's acquisition of property in relation to Lift Station 13 is a superior public use to any use that Woodway may have for the property. Woodway also expressly recognizes that the existing Lift Station 13 facilities and property is property that will become Shoreline's property and part of Shoreline's wastewater utility system upon its assumption of Ronald Wastewater District. Lift Station 13, as used herein, is the property and system that is currently located off of Richmond Beach Drive in unincorporated Snohomish County.

- B. **Woodway Access Road.** Upon annexation of Point Wells by Woodway, Woodway shall require that any development or redevelopment of Point Wells of 25 or more units or commercial development that would trigger the equivalent number of trips, or any combination thereof, shall, as a condition of development approval, provide a general-purpose public access road wholly within Woodway that connects into Woodway's transportation network and provides a full second vehicular access point to Point Wells into Woodway. This road shall be built to Woodway's standards and shall accommodate full access for commercial, emergency and residential traffic that meets acceptable engineering standards, and provides a viable reasonable alternative to the use of Richmond Beach Drive. This secondary access road, including the ingress and egress to and from the road, shall not be restricted in any way that would prevent such use of the road by the general public, unless agreed to in writing by Shoreline. Notwithstanding the foregoing, nothing shall prevent Woodway from taking standard health and safety actions to protect its residents and the public from risk or harm or implement emergency measures. This provision may not be relied upon by any applicant, other third party, or governmental entity as an obligation on Woodway to construct the access or a requirement to approve access.
- C. **State Environmental Policy Act (SEPA) Mitigation.**
1. Per WAC 197-11-944, the cities will share or divide the responsibilities of lead agency on SEPA review and mitigation for specific environmental impacts from any non-exempt SEPA action and in relation to the development or redevelopment of Point Wells. The City in which the development is located shall designate one of them as the nominal lead agency and the cities shall apply the mitigations, conditions and levels of service as set forth in Section I of this ILA.
  2. Nothing in this ILA limits the ability of either City to request additional mitigation pursuant to SEPA where a City has determined and identified specific environmental impacts of development as being significant adverse impacts that are not addressed by this ILA or a SEPA determination.
  3. If Snohomish County is the jurisdiction responsible for SEPA review and mitigation in relation to the development or redevelopment of Point Wells, each city agrees to support the mitigation measures and applicable terms set out in this ILA when participating in the County's environmental review process.

## IV. GENERAL PROVISIONS

### A. TERM

The intent of the Cities is that this ILA shall remain in full force and effect until the responsibilities and obligations of the parties set forth herein are fulfilled, but no later than December 31, 2034, unless an extension is mutually agreed to in writing by the parties. This ILA may be terminated at any time by mutual consent of the Cities, provided that such consent to terminate is in writing and authorized by the Shoreline City Council and the Woodway Town Council.

### B. SEVERABILITY

This Agreement does not violate any federal or state statute, rule, regulation or common law known; but any provision which is found to be invalid or in violation of any statute, rule, regulation or common law shall be considered null and void, with the remaining provisions remaining viable and in effect.

### C. DISPUTE RESOLUTION.

1. **Dispute Resolution.** It is the Cities' intent to work cooperatively and in good faith to resolve any disputes in an efficient and cost-effective manner. If any dispute arises between the Cities relating to this ILA, then the Shoreline City Manager, or designee, and the Woodway Town Administrator, or designee, shall meet and seek to resolve the dispute, in good faith, within ten (10) calendar days after a City's written request for such a meeting to resolve the dispute. If the matter cannot be resolved amicably and promptly by the Shoreline City Manager and the Woodway Town Administrator, then the matter shall be subject to mediation.
2. **Mediation proceedings.** The mediator will be selected by mutual agreement of the Cities. If the Cities cannot agree on a mediator, a mediator shall be designated by the American Arbitration Association. Any mediator so designated must be acceptable to the Cities. The mediation will be conducted in King County, Washington. Any City may terminate the mediation at any time. All communications during the mediation are confidential and shall be treated as settlement negotiations for the purpose of applicable rules of evidence, including Evidence Rule 408. However, evidence that is independently admissible shall not be rendered inadmissible by nature of its use during the mediation process. The mediator may not testify for either City in any subsequent legal proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The cost of any mediation proceedings shall be shared equally by the Cities. Any cost for a City's legal representation during mediation shall be borne by the hiring City.

**D. INDEMNIFICATION AND LIABILITY.**

1. Indemnification of Woodway. Shoreline shall protect, save harmless, indemnify and defend, at its own expense, Woodway, its elected and appointed officials, officers, employees, volunteers and agents, from any loss or claim for damages of any nature whatsoever arising out of Shoreline's good faith performance of this ILA, including claims by Shoreline's employees or third parties, except for those damages caused solely by the negligence, recklessness or intentional misconduct of Woodway, its elected and appointed officials, officers, employees, volunteers or agents.
2. Indemnification of Shoreline. Woodway shall protect, save harmless, indemnify, and defend at its own expense, Shoreline, its elected and appointed officials, officers, employees, volunteers and agents from any loss or claim for damages of any nature whatsoever arising out of the Woodway's good faith performance of this ILA, including claims by Woodway's employees or third parties, except for those damages caused solely by the negligence, recklessness or intentional misconduct of Shoreline, its elected and appointed officials, officers, employees, volunteers or agents.
3. Extent of liability. In the event of liability for damages of any nature whatsoever arising out of the performance of this ILA by Shoreline and Woodway, including claims by Shoreline's or Woodway's own officers, officials, employees, agents, volunteers, or third parties, caused by or resulting from the concurrent negligence of Shoreline and Woodway, their officers, officials, employees and volunteers, each party's liability hereunder shall be only to the extent of that party's negligence.
4. Hold harmless. No liability shall be attached to Shoreline or Woodway by reason of entering into this ILA except as expressly provided herein. Shoreline shall hold Woodway harmless and defend at its expense any legal challenges to Shoreline's requested mitigation. Woodway shall hold Shoreline harmless and defend at its expense any legal challenges to Woodway's requested mitigation.

**E. GENERAL PROVISIONS**

1. **Notice.** Any notice required under this ILA will be in writing, addressed to the appropriate City at the address which appears below (as modified in writing from time to time by such City), and given personally, by registered or certified mail, return receipt requested, by facsimile or by a nationally recognized overnight courier service. All notices shall be effective upon the date of receipt.

City Manager  
City of Shoreline  
17500 Midvale Avenue N  
Shoreline, WA 98133-4905

(206) 801-2700  
dtarry@shorelinewa.gov

Town Administrator  
Town of Woodway  
23920 113<sup>th</sup> Place W  
Woodway, WA 98020  
(206) 542-4443  
eric@townofwoodway.com

2. **Governing Law.**

- a. This ILA shall be construed and enforced in accordance with the laws of the State of Washington.
- b. This ILA in no way modifies or supersedes existing law and statutes. In meeting the commitments encompassed in this ILA, Shoreline and Woodway shall comply with the requirements of the Open Public Meetings Act, chapter 42.30 RCW, Growth Management Act, chapter 36.70A RCW, State Environmental Policy Act, chapter 43.21C RCW, Public Records Act, chapter 42.56 RCW, Annexation by Code Cities, chapter 35A.14 RCW, and other applicable laws and regulations, as amended from time to time.
- c. By executing this ILA, Shoreline and Woodway do not purport to abrogate any land use and development authority vested in them by the law.

3. **Venue.** Venue of any suit between the Cities arising out of this ILA shall be in either King County Superior Court or Snohomish County Superior Court.

4. **Third Party Beneficiaries.** There are no third-party beneficiaries to this ILA, and this ILA shall not be interpreted to create any third-party beneficiary rights.

**Each individual signing below hereby represents and warrants that he/she is duly authorized to execute and deliver this Interlocal Agreement on behalf of the city for which they are signing and, that such city shall be bound by the terms contained in this Interlocal Agreement.**

CITY OF SHORELINE

TOWN OF WOODWAY

By:

By:

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Mayor

Approved as to form:

Approved as to form:

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City Attorney

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Town Attorney

DRAFT

**EXHIBIT A – POINT WELLS DESCRIPTION**

DRAFT



TOWN OF WOODWAY  
CLAIMS APPROVAL

“I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein and that the claim is a just, due, and unpaid obligation against the Town of Woodway, Snohomish County, Washington, and that I am authorized to authenticate and certify to said claims.”

\_\_\_\_\_  
Clerk Treasurer

The following transactions are approved for 2019 payment:

Claims checks #12793 through 12809 and EFT transaction .....\$20,519.13

This 23th day of September 2019.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councilmember

\_\_\_\_\_  
Councilmember

\_\_\_\_\_  
Councilmember

**TOWN OF WOODWAY  
COUNCIL MEETING MINUTES**

23920 113<sup>th</sup> Place W. | Woodway, WA 98020

MONDAY, SEPTEMBER 9, 2019  
7:00 P.M.

- |                                   |  |  |
|-----------------------------------|--|--|
| <b>Members Present</b>            | <input checked="" type="checkbox"/> Mayor Carla Nichols              | <input checked="" type="checkbox"/> Councilmember Tom Howard         |
|                                   | <input checked="" type="checkbox"/> Councilmember Elizabeth Mitchell | <input type="checkbox"/> Councilmember Mike Quinn                    |
|                                   | <input type="checkbox"/> Councilmember Tom Whitson                   | <input checked="" type="checkbox"/> Councilmember Brian Bogen        |
| <b>Staff &amp; Guests Present</b> | <input checked="" type="checkbox"/> Town Administrator Eric Faison   | <input checked="" type="checkbox"/> Clerk-Treasurer Heidi Napolitano |
|                                   | <input type="checkbox"/> Public Works Director Terry Bryant          | <input type="checkbox"/>   |
|                                   | <input type="checkbox"/> Police Chief Doug Hansen                    | <input type="checkbox"/>   |

AGENDA ITEMS	COMMENTS & DISCUSSION	ACTION/ FOLLOW-UP
Call to Order, Flag Salute, Roll Call	Mayor Nichols called the meeting to order at 7:06 p.m.	
Amend Agenda	<i>Councilmember Mitchell</i> moved to amend the agenda to change the Executive Session from 30 minutes to 20 minutes to discuss litigation. <i>Councilmember Howard</i> seconded the motion.	The motion passed unanimously.
I - Approval of Payments	<i>Councilmember Howard</i> moved to approve the September 9, 2019 Claims Checks #12772 through 12774, 12776 through 12787, and EFT transactions 1418 & 1443 totaling \$7,639.02. <i>Councilmember Bogen</i> seconded the motion.  <i>Councilmember Howard</i> moved to approve the August 2019 EFT transactions 1381 through 1400, 1403, & 1404 and Payroll Check #12775 totaling \$51,596.74. <i>Councilmember Bogen</i> seconded the motion.	The motion passed unanimously.
II - Approval of Minutes	<i>Councilmember Mitchell</i> moved to approve the minutes of the August 19, 2019 Council meeting. <i>Councilmember Howard</i> seconded the motion.	The motion passed unanimously.

AGENDA ITEMS	COMMENTS & DISCUSSION	ACTION/ FOLLOW-UP
Audience Comments	<p>John Brock, resident, thanked the Council for the recent letter to all residents that explained the progress being made with the City of Shoreline related to Point Wells.</p> <p>Mayor Nichols thanked Mr. Brock for volunteering at the recent Town Fair. A general discussion of the Fair followed with consensus that the attendance was the largest ever and that the activities scheduled were successful. Securing volunteers for the Fair continues to be a challenge.</p>	
III - Council Reports	<p><i>Councilmember Howard:</i></p> <ul style="list-style-type: none"> <li>Shared that the former SERS board will be holding an exit conference on October 4 at 11 am and invited the Council to attend.</li> </ul> <p><i>Councilmember Mitchell:</i></p> <ul style="list-style-type: none"> <li>Shared that she attended a recent Snohomish County Tomorrow (SCT) meeting. SCT has asked Snohomish County cities to review and comment on a letter that SCT plans to send to the Puget Sound Regional Council. The Council took a few moments to read the draft letter and discuss it.</li> <li>Reminded the Council that the Snohomish County Technical Advisory Committee would like an appointee from the Council to replace former Councilmember Anderson. A discussion followed.</li> </ul>	<p>The consensus of the Council was to direct Councilmember Mitchell to give Woodway's approval of the letter.</p> <p>The Council agreed to ask if another entity could put forth an appointee instead of Woodway.</p>
IV - Mayor's Report	<ol style="list-style-type: none"> <li>Shared a letter that will be sent to the residents in the Edmonds neighborhood of Woodway Meadows inviting the adjoining neighbors to a meeting to discuss possibly opening the emergency access gate for pedestrian access.</li> <li>Shared a request from a resident near Chinook Road. Strangers come down her driveway to visit a property listed as a park. The "park", which is not developed land, is not accessible. The resident would like to Town to contact Google to remove the listing.</li> </ol>	

AGENDA ITEMS	COMMENTS & DISCUSSION	ACTION/ FOLLOW-UP
IV - Mayor's Report, continued	3. Introduced a recent state law that would allow municipalities to get a portion of the state sales tax to spend on housing issues. A brief discussion followed.	Staff will gather more information for the next meeting.
V - Town Administrator's Report	<ol style="list-style-type: none"> <li>1. Ronald Wastewater District appealed the Court of Appeals ruling.</li> <li>2. The trial for the case in the Estates will be postponed 90 days because the parties are making substantial progress.</li> <li>3. Gave a brief update on the Town Hall repairs.</li> </ol>	
Audience Comments	None.	
General Council Discussion-Choice of Subjects	None.	
VI - Executive Session for 20 Minutes to Discuss Litigation	<p>At 7:45 p.m., Mayor Nichols recessed to executive session for approximately 20 minutes to discuss litigation. At 8:04 p.m., Mayor Nichols reconvened the meeting.</p> <p><i>Councilmember Mitchell</i> moved to extend the Executive Session for 10 additional minutes. <i>Councilmember Howard</i> seconded the motion.</p> <p>At 8:05 p.m., Mayor Nichols recessed to executive session for approximately 10 additional minutes. At 8:16 p.m., Mayor Nichols reconvened the meeting.</p>	The motion passed unanimously.
Adjournment	<i>Councilmember Bogen</i> moved to adjourn the meeting. <i>Councilmember Howard</i> seconded the motion.	The motion passed unanimously. The meeting was adjourned at 8:16 p.m.

Respectfully Submitted,

**APPROVED BY THE TOWN COUNCIL**

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Heidi K. S. Napolitano, Clerk-Treasurer

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Carla A. Nichols, Mayor

(These minutes accurately reflect what was said at the Council Meeting. Publication does not vouch for the veracity of these statements.)

Draft

Town of Woodway  
 2nd Quarter 2019 Finance Report  
 Budget Summary - As of 6/30/2019

<i>General Fund - 001</i>	<b>2019 Budget</b>	<b>2019 Actual</b>	
Beginning Fund Balance	1,474,022	1,474,022	
Revenues	1,426,112	851,382	60%
Expenses	1,604,882	713,981	44%
Ending Fund Balance	1,295,252	1,611,423	
 <i>Replacement Reserve Fund - 002</i>	 <b>2019 Budget</b>	 <b>2019 Actual</b>	
Beginning Fund Balance	60,107	60,107	
Revenues	20,000	20,000	100%
Expenses	-	-	0%
Ending Fund Balance	80,107	80,107	
 <i>Transportation Fund - 102</i>	 <b>2019 Budget</b>	 <b>2019 Actual</b>	
Beginning Fund Balance	167,107	167,107	
Revenues	280,042	161,267	58%
Expenses	341,550	212,480	62%
Ending Fund Balance	105,599	115,894	
 <i>Real Estate Excise Tax Fund - 104</i>	 <b>2019 Budget</b>	 <b>2019 Actual</b>	
Beginning Fund Balance	473,842	473,842	
Revenues	517,500	143,840	28%
Expenses	515,000	45,109	9%
Ending Fund Balance	476,342	572,573	
 <i>Stormwater Utility Fund - 420</i>	 <b>2019 Budget</b>	 <b>2019 Actual</b>	
Beginning Fund Balance	50,121	50,121	
Revenues	115,000	43,219	38%
Expenses	136,374	2,504	2%
Ending Fund Balance	28,747	90,836	

Town of Woodway  
2nd Quarter 2019 Finance Report  
Revenues - As of 6/30/2019

	2019 Budget Amount	YTD	% Collected
General Fund	1,426,112	851,382	59.70%
Replacement Reserve Fund	20,000	20,000	100.00%
Transportation Fund	280,042	161,267	57.59%
Real Estate Excise Tax Fund	517,500	143,840	27.80%
Stormwater Utility Fund	115,000	43,219	37.58%
Agency Fund	-	6,290	

Notes

	2019 Budget Amount	YTD	% Collected
<b>General Fund</b>			
<b>Property Tax: 80%</b>	<b>873,769</b>	<b>500,507</b>	<b>57.28%</b>
<b>Other Taxes</b>			
Sales/Excise Taxes	149,000	113,846	76.41%
Utility Taxes/Fees	186,500	101,609	54.48%
<b>Other Taxes Total</b>	<b>335,500</b>	<b>215,454</b>	<b>64.22%</b>
<b>Other Revenue</b>			
Licenses/Other Permits/Fees	-	688	
Intergovernmental Revenue	32,160	14,531	45.18%
Fines	3,733	2,753	73.75%
Interest	26,100	25,790	98.81%
Other Revenue	2,100	4,883	232.55%
<b>Other Revenue Total</b>	<b>64,093</b>	<b>48,645</b>	<b>75.90%</b>

Notes

Includes recoupment of franchise costs

Town of Woodway  
2nd Quarter 2019 Finance Report  
Revenues - As of 6/30/2019

	2019 Budget Amount	YTD	% Collected
<b>Fees &amp; Permits</b>			
Development Permits/Fees	49,500	61,091	123.42%
Licenses/Other Permits/Fees	8,250	7,700	93.33%
<b>Fees &amp; Permits Total</b>	<b>57,750</b>	<b>68,791</b>	<b>119.12%</b>
<b>N/o</b>			
Development Permits/Fees	95,000	17,984	18.93%
<b>N/o Total</b>	<b>95,000</b>	<b>17,984</b>	<b>18.93%</b>
<b>General Fund Total</b>	<b>1,426,112</b>	<b>851,382</b>	<b>59.70%</b>
<b>Replacement Reserve Fund</b>			
Property Tax	20,000	20,000	100.00%
<b>Replacement Reserve Fund Total</b>	<b>20,000</b>	<b>20,000</b>	<b>100.00%</b>
<b>Transportation Fund</b>			
Property Tax: 20%	223,442	125,127	56.00%
<b>Other Revenue</b>			
Intergovernmental Revenue	31,100	30,733	98.82%
Other Revenue	-	-	
<b>Other Revenue Total</b>	<b>31,100</b>	<b>30,733</b>	<b>98.82%</b>
<b>Fees &amp; Permits</b>			
Development Permits/Fees	5,000	5,007	100.14%
Licenses/Other Permits/Fees	500	400	80.00%
<b>Fees &amp; Permits Total</b>	<b>5,500</b>	<b>5,407</b>	<b>98.31%</b>

Notes

Reimbursible consultant expenses

We received final payments on two FEMA grants from 2015.

Town of Woodway  
2nd Quarter 2019 Finance Report  
Revenues - As of 6/30/2019

	2019 Budget Amount	YTD	% Collected
<b>N/o</b>			
Other Revenue	20,000	-	0.00%
<b>N/o Total</b>	<b>20,000</b>	<b>-</b>	<b>0.00%</b>
<b>Transportation Fund Total</b>	<b>280,042</b>	<b>161,267</b>	<b>57.59%</b>
<b>Real Estate Excise Tax Fund</b>			
<b>Other Revenue</b>			
Other Revenue	397,500	33,876	8.52%
<b>Other Revenue Total</b>	<b>397,500</b>	<b>33,876</b>	<b>8.52%</b>
<b>N/o</b>			
REET	120,000	109,964	91.64%
Other Revenue	-	-	
<b>N/o Total</b>	<b>120,000</b>	<b>109,964</b>	<b>91.64%</b>
<b>Real Estate Excise Tax Fund Total</b>	<b>517,500</b>	<b>143,840</b>	<b>27.80%</b>
<b>Stormwater Utility Fund</b>			
<b>Fees &amp; Permits</b>			
Utility Taxes/Fees	80,000	43,219	54.02%
<b>Fees &amp; Permits Total</b>	<b>80,000</b>	<b>43,219</b>	<b>54.02%</b>
<b>N/o</b>			
Other Revenue	35,000	-	0.00%
<b>N/o Total</b>	<b>35,000</b>	<b>-</b>	<b>0.00%</b>

Notes

Transfer in from Stormwater Utility Fund - completed in August 2019

Budget includes Verdant grant proceeds for work done at Deer Creek Park & Conservation Futures funding for land purchase; ytd revenues are Sno Co grant for History Pavilion for work done in 2018

We received more REET \$ in July - the current total, including that money, is more than \$147,000

Does not include the July billing

Loan from REET fund





Town of Woodway  
 2nd Quarter 2019 Finance Report  
 Expenses - As of 6/30/2019

	2019 Budget Amount	YTD	% Expended
Other Expenses	-	-	
<b>General Gov't Total</b>	<b>245,411</b>	<b>101,424</b>	<b>41.33%</b>
<b>Public Safety</b>			
Salaries & Benefits	85,450	41,816	48.94%
Facility Management	900	160	17.79%
Operating Expenses	11,900	8,245	69.28%
Equipment	2,500	1,075	43.02%
Contract Services - Fire & BLS	542,656	271,326	50.00%
Contract Services - Police/Dispatch	222,000	112,024	50.46%
Contract/Prof. Services - Other	5,284	851	16.10%
Other Expenses	4,551	106	2.33%
<b>Public Safety Total</b>	<b>875,241</b>	<b>435,602</b>	<b>49.77%</b>
<b>Public Works/Parks</b>			
Facility Management	2,000	293	14.63%
Contract/Prof. Services - Other	6,000	1,489	24.82%
<b>Public Works/Parks Total</b>	<b>8,000</b>	<b>1,782</b>	<b>22.27%</b>
<b>N/o</b>			
Equipment	-	-	
Contract/Prof. Services - Other	95,000	10,278	10.82%
<b>N/o Total</b>	<b>95,000</b>	<b>10,278</b>	<b>10.82%</b>
<b>General Fund Total</b>	<b>1,604,882</b>	<b>713,981</b>	<b>44.49%</b>
<b>Replacement Reserve Fund</b>			
<b>N/o</b>			

Notes

This includes the yearly insurance payment

Q1 & Q2 have been paid already

Includes final 800 mHz payment to Snohomish County near the end of the year

Reimbursible development expenses





Town of Woodway  
2nd Quarter 2019 Finance Report  
Expenses - As of 6/30/2019

	2019 Budget Amount	YTD	% Expended
<b>Agency Fund Total</b>	-	6,276	

Notes

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**MEMO**

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**TO:** MAYOR CARLA NICHOLS, WOODWAY COUNCILMEMBERS  
**FROM:** HEIDI K. S. NAPOLITINO, CLERK-TREASURER  
**SUBJECT:** RECOGNITION AWARDS - UPDATED  
**DATE:** SEPTEMBER 18, 2019  
**CC:** ERIC FAISON, TOWN ADMINISTRATOR

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Greetings Mayor & Councilmembers,

The recognition awards that need your ratification and confirmation are the following:

1. Town Fair volunteers/coordinators - \$30 gift card each for Epulo Bistro. Each of the people listed below has volunteered time greater than the value of the thank you gift\*
  - a. Brenda Bush
  - b. Krystal Garfield
  - c. John Bush
  - d. Margaret Evans
  - e. Joan Paul
  - f. Kathryn Strecker

\* The basis of the calculation is the hourly rate (salary + benefits) of the Deputy Clerk/Permit Technician, who would likely have done the work if the volunteers were not available.