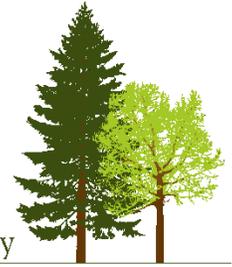


September 4, 2019

Town of Woodway  
WASHINGTON



My Fellow Woodway Residents,

Almost one year ago, you received several mailings from me regarding Point Wells. I reported on actions by the City of Shoreline that resulted in the Town Council's decision to consider a resolution initiating the Town's annexation of Point Wells. I invited you to attend a public meeting where the Council could hear your opinion regarding the proposed annexation.

At that meeting, we heard from residents both expressing support and urging caution. We 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.

The Council and I took that message to heart. We put the annexation resolution on hold and worked with Shoreline to select a mediator. In January, Council members Elizabeth Mitchell and Tom Whitson, Town Administrator Eric Faison, Town attorney Greg Rubstello and I entered into mediation with Shoreline's mayor, city manager and city attorney.

Our initial discussions were fruitful. We quickly realized that we shared many of the same concerns about development at Point Wells, including traffic, building heights, glare, noise, parking, environmental protection, and public access to the waterfront. We agreed that if the property 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. However, we also recognized that we currently have little influence – the property is under the control of Snohomish County and the County's development regulations.

To address these issues, the cities have reached a preliminary agreement to work together with the State legislature to change the annexation laws to allow Woodway to annex the property without BSRE's approval. We also agreed to work together to create development regulations for the property in the event that the property was permitted and developed under the jurisdiction of either city. In this regard, and perhaps most importantly, we agreed that we would jointly support Shoreline's adopted transportation level of service standards on Richmond Beach Drive. This service level would likely limit the size of the development to approximately 800 multifamily units or 400 single family units, or a variation thereof that would generate an equivalent amount of vehicle traffic.

I encourage you to read the full text of the proposed Agreement. You can find a link to it on the Town's website: [www.townofwoodway.com](http://www.townofwoodway.com). Attached to this letter, I also have included a short Q&A to address questions that I thought you might have. Finally, I invite you to join the Town Council in their discussion on the Agreement on Monday, September 23<sup>rd</sup> at 6 P.M. The Shoreline City Council will be hosting a public meeting on the same evening, but their meeting starts at 7 P.M., providing an opportunity for those who so choose to attend both meetings. We will provide the public with at least one more opportunity to provide input at a public meeting this fall before taking any final action.

The most important component of this proposed Agreement is the level of collaboration that both parties have pledged. It's been a long time coming, but we are at last united with our neighbors as we move forward.

Sincerely,

A handwritten signature in black ink that reads "Carla A. Nichols". The signature is written in a cursive style with a large initial 'C'.

Carla A. Nichols  
Mayor

## Questions & Answers

**1. Does this Agreement mean that Woodway will annex Point Wells?**

No. The Agreement resolves the conflicts between Woodway and Shoreline, clarifies for both communities the roles and responsibilities for each city and provides a foundation for a new, constructive working relationship. While the parties agree that Woodway should have the right 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.

**2. Why does the Town want to annex Point Wells? Why can't we just stay the way we are?**

Keeping Woodway at its current size is certainly an option. However, because we are a community that is largely dependent on residential property taxes, we distribute our costs over a fairly narrow tax base. Most of the Town's expenses are for services that are either legally mandated or practically required (e.g., permitting, police and fire). If residents are willing to continue supporting these services through regular property tax increases or substantial reductions in services, we can continue as a small, entirely residential community.

Over the years however, as the Council and I have evaluated alternatives, we've learned that adding Point Wells to our community (whether appropriately redeveloped or in its current use) can help us distribute these costs while maintaining the small-town character that we have come to love. The primary benefit to annexing Point Wells is a combination of new revenue and more distributed expenses.

Also important in this analysis is a recognition that Point Wells likely will be redeveloped. And whether the property is developed under the County, the City of Shoreline or the Town, the Town will be impacted by the development. If we do not control the development, not only will we not obtain the financial benefits from the development, we may not have much say in how it impacts us.

**3. Does this Agreement limit how much development can occur at Point Wells if it is annexed?**

Yes and no. If BSRE resubmits its development application by the end of the year, and if that application is determined by the County to be complete and sufficient, they will retain their vesting under the County's Urban Center code. Under that scenario, this Agreement would only affect the development to the extent that Woodway and Shoreline are successful in working together to ensure the final development reflects our shared interests.

If BSRE is not vested, then this Agreement would lay the foundations for limitations on the size of the development, whether the property is developed under the County's Urban Village code or annexed by one of the cities and developed under our jointly established development regulations.

Under this scenario, the Agreement anticipates that the development would be limited by the transportation infrastructure to approximately 800 multi-family units, 400 single family units, or some equivalent combination thereof.

**4. Does this Agreement require the Town to allow a road connecting Point Wells with 116<sup>th</sup> in Woodway?**

Yes, under certain circumstances. The Town already has a legal obligation to allow full-service, secondary access to Point Wells if the Town annexes the area. This Agreement contains a similar obligation. However, this Agreement does not require the Town to build a road or allow a road that is environmentally unsustainable. The Agreement also does not require the Town to provide secondary access for the development of an Urban Center in unincorporated Snohomish County.

**5. There has been a lot of litigation between the Town and Shoreline related to sewer service. How does this Agreement resolve that area of conflict?**

The sewer service lawsuit/disputes centered around Ronald Wastewater District's assertion that they had the legal right to provide sewer services to Point Wells and the Upper Bluff, to the exclusion of Olympic View Water & Sewer District and the Town. Shoreline is in the process of taking over the sewer services of Ronald Wastewater and consolidating the service with other utility services provided within the City.

Several months into the negotiations on this Agreement, the Washington State Court of Appeals ruled that Ronald has no legal right to provide sewer services in Snohomish County. As a result, it was not necessary to further consider sewer service delivery in this Agreement. We note, however, that Ronald has elected to appeal the Court's decision to the State Supreme Court. If the Supreme Court takes the case and rules in Ronald's favor, this issue may have to be addressed separately.

**6. If the Town is able to finalize this proposed Agreement with Shoreline, will the Town attempt to negotiate an agreement with BSRE that would allow the Town to annex the property and/or limit the size of the development?**

Over the years, and this year, the Town has consistently communicated to BSRE that we have been and remain open to a fair agreement. We would welcome a good-faith negotiation and believe that we could work expeditiously with them to reach an agreement that would result in an appropriately-sized development at Point Wells that is consistent with our proposed Agreement with Shoreline. We would note, however, that BSRE has previously indicated that they were focused on understanding their rights under Snohomish County before seriously considering a negotiation with the Town. We will let you know if anything changes in that regard.