

APPENDIX E



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Skagit County Auditor

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**INTERLOCAL AGREEMENT
BETWEEN SKAGIT COUNTY AND THE CITY OF ANACORTES
REGARDING ADOPTION AND IMPLEMENTATION OF
THE CITY OF ANACORTES URBAN GROWTH AREA**

WHEREAS, the 2002 Framework Agreement governing the development and amendment of the Countywide Planning Policies establishes that the implementation of urban growth areas is to be handled by joint action of cities/towns in Skagit County and Skagit County; and

WHEREAS, pursuant to the Growth Management Act the cities/towns have proposed urban growth area boundaries and Skagit County has reached agreement with cities and towns relative to designation of specific urban growth area boundaries for each; and

WHEREAS, the Countywide Planning Policies call for the development and adoption of Joint Plans to guide the character of future development within the urban growth area of each city/town; and

WHEREAS, these Joint Plans are to be adopted by a city and by Skagit County as a part of their Comprehensive Plans and these Joint Plans must include Capital Facilities and financing components that extend to cover transportation projects of regional importance; and

WHEREAS, contemplated changes in municipal boundaries are intended to assure (1) that which is urban should be municipal; (2) implicit in RCW 36.70A.110(4) is the principle that incorporations and annexations must occur; and (3) one of the fundamental purposes of GMA comprehensive plans is to achieve the transformation of local governance within the UGAs such that cities are the primary providers of urban services. Further, annexation and transformance of governance within UGAs should occur as soon as possible and before urban infrastructure is extended and before urban development occurs; and

WHEREAS, the Growth Management Act requires Skagit County to enact development standards and allows the County to enact impact fee schedules consistent with its Comprehensive Plan; and

WHEREAS, Countywide Regional Planning Policy ("CPP") 1.3 specifies that urban growth areas "shall direct development to neighborhoods which provide adequate and accessible urban governmental services concurrent with development"; and

WHEREAS, CPP 1.7 mandates that development within established urban growth boundaries shall conform to urban development standards; and

WHEREAS, CPP 2.1 requires contiguous and orderly development and provision of urban services within urban growth areas; and

WHEREAS, CPP 2.2 requires interagency agreements to coordinate and phase development within urban growth areas; and

WHEREAS, CPP 7.1 encourages interagency agreements to facilitate permitting; and

WHEREAS, CPP 12.5 mandates that "Lands designated for urban growth by this Comprehensive Plan shall have an urban level of regional public facilities prior to or concurrent with development"; and

WHEREAS, CPP 12.6 permits development when and where all public facilities are adequate; and

WHEREAS, CPP 12.7 mandates that "Public facilities and services needed to support development shall be available concurrent with the impacts of development".

NOW, THEREFORE, Skagit County ("County") and the City of Anacortes ("City") do hereby agree as follows:

Section 1: Within the unincorporated portions of the Anacortes Urban Growth Area, Skagit County has adopted the City's zoning, subdivision rules, and street and utility design standards and will continue to adopt any city-approved amendments to the City's zoning, Subdivision rules, and street and utility design standards.. The County may adopt additional City standards, if requested by the City and deemed appropriate to accomplish the purposes of this agreement. It is also understood that review procedures under each of the standards will be modified to conform to existing County review procedures. To keep City-approved amendments up to date, the County and the City agree to the following schedule and procedure:

- A. The County will process amendments to the City codes and standards in two batches each year, the first containing all amendments submitted by the City on or before January 15 and the second batch containing all amendments submitted by the City on or before July 15.
- B. The City shall submit complete paper and electronic copies of the proposed amendment(s), together with documentation of SEPA compliance and a brief summary of those code provisions being added, deleted, or modified to facilitate County review. The City will also provide staff or technical expertise, as reasonably requested by the County to assist the County in its review, public comment and adoption of these amendments.
- C. Consistent with GMA requirements for notice, 60-day state agency review, public comment, Planning Commission review and County Commissioner action, the



County will use its best efforts to process any amendments within 6 months after the deadlines indicated in subsection A.

Section 2: If the City does not have an adopted Forest Practice ordinance, then, consistent with the legislative timeframes and subject to Department of Natural Resources approval, Skagit County will adopt a County Forest Practice Ordinance and apply it within the unincorporated portions of the City UGA.

Section 3: The City will provide ongoing technical assistance and support to County staff responsible for implementing its development standards in its respective Urban Growth Area within reasonable timeframes requested by the County. Technical assistance shall include review of development applications and written confirmation by City staff regarding a proposal's compliance or noncompliance with City codes and standards and shall also include defense of such determination during any applicable hearings or appeals. This shall also include, without limitation, summaries and handouts for the public and participation in pre-application reviews. It is intended that civil engineering plan review and inspections for streets and utilities will be conducted by the City's staff under the direction of the County Engineer, with appropriate fees.

Section 4: Skagit County and the City agree that, generally, annexation should occur prior to securing development approvals for urban levels of development. The parties agree that existing commercial or industrial development within the unincorporated portion of the UGA may receive approval to redevelop or expand its operations prior to annexation, provided that such expansion or redevelopment does not trigger the need for new urban services not already provided to the site. Vacant commercial or industrial parcels within the unincorporated UGA should not be allowed to develop new urban uses prior to annexation, unless the property owner has sought annexation from the City and been denied, either by the City, or by failure to obtain sufficient signatures and/or votes supporting such annexation.

Section 5: Skagit County and the City agree that the following infrastructure plans meet the CPP requirements for adequate provision of urban levels of service within the UGA:

- A. Sewer: City Sewer Plan Update, S. March Point, 1996 and City Capital Facilities Plan, 2003-2008.
- B. Water: Coordinated Water System Plan dated 2000 and the Anacortes Water Services Plan dated 2000.
- C. Stormwater: Anacortes Stormwater Management Plan dated 1994 and a South March Point Comprehensive Drainage Study dated 1999.
- D. Public Facilities Financing: City of Anacortes Capital Facilities Plan 2003-2008.
- E. Fire: The City agrees to provide urban level of fire service to any area proposed for annexation consistent with the standards in CPP 1.7.

- F. Police: The City agrees to provide urban level of police service to any area proposed for annexation consistent with the standards in CPP 1.7.

Section 6: The City agrees that the city zoning, subdivision, and other standards adopted herein in reliance upon this agreement are the complete requirement for developments within the Urban Growth Area; the City will not apply additional development standards, although the City does not control other utilities such as the PUD. The County agrees not to oppose or invoke Boundary Review Board jurisdiction over City annexations within the Urban Growth Area that are consistent with the provisions of this Agreement, provided that the County may ask the City to annex additional property within its UGA and/or ask the City to annex and assume responsibility for roads or other public infrastructure within the City's UGA that logically serves the area proposed for annexation. Further, UGA boundary decisions originally made, and as subsequently amended, and the public facility and service commitments made by the City in this Agreement are intended to address the criteria and factors in the Boundary Review Board statute.

Section 7: The City agrees to the following relative to revenue sharing from the Urban Growth Area with proper allowances for the City's costs of extending urban facilities and services described as follows:

- A. There would be no revenue sharing if the sales tax lost to the County through a particular annexation is less than \$50,000 a year, after excluding sales tax generated to the County from businesses locating in the UGA in the two years prior to the effective date of annexation. The calculation of sales tax lost shall recognize that after annexation the state law directs 15% of the sales tax revenue generated from the annexed area to the County.
- B. Using the same exclusions and calculations set forth in (A) above if the sales tax lost to the County through a particular annexation exceeds \$50,000 a year sales tax revenue from the particular annexation area, the City will share revenue with the County on a monthly basis from the beginning of the calendar year after the effective date of the annexation on a straight-line declining basis as follows:

\$50,000-\$200,000	4 years (80-60-40-20)
\$200,000-\$500,000	9 years (90-80.... 20-10)
greater than \$500,000	19 years (95-90.... 10-5)

- C. Upon annexation of a particular area, the City will reimburse the County on a straight-line declining basis for projects included in joint road and utilities plans costing over \$500,000 in County road funds that are constructed within the annexation area. Reimbursement would be 80% for annexations occurring in the year following road project completion, 60% in year two, 40% in year three, and 20% in year four. Projects completed more than four years prior to an annexation would not require reimbursement.

Section 8: Skagit County and the City agree to use the following procedure for SEPA Review: (A) Skagit County is designated the SEPA Lead Agency for all application/projects within the unincorporated UGA, (B) upon receiving an application requiring a SEPA Checklist, the SEPA lead agency circulates this application to affected jurisdictions for input relative to the completeness determination using the same time periods and procedures the lead agency uses internally, (C) affected jurisdictions shall use the completeness comment period(s) to submit substantive comments, (D) all SEPA determinations within a City/Town UGA shall be subject to a 15-day comment period and affected jurisdictions may use this to make substantive comments, and (E) all SEPA appeals shall follow Skagit County procedures.

Section 9: The County's Critical Areas Ordinance shall apply in Urban Growth Areas until they are annexed.

Section 10: The City agrees to indemnify and hold the County harmless from any and all claims, losses, demands, actions or causes of action of any nature whatsoever by reason of the performance of any act undertaken in connection with this Agreement except for the negligence or willful misconduct of the County, its employees, officials or agents.

Section 11: General Provisions

- A. **Property:** No real property shall be acquired pursuant to this Agreement.
- B. **Incorporation of Recitals:** The recitals of this Agreement are incorporated into this Agreement, and each party hereto acknowledges and confirms the truth and accuracy of the recitals.
- C. **Law and Venue:** This Agreement shall be construed under and in accordance with the laws of the State of Washington, and all obligations of the Parties created by this Agreement are performable in Skagit County, Washington.
- D. **Authorized Signatories:** This Agreement is entered into by the duly authorized officials of each respective governmental entity. Each person signing this Agreement on behalf of a Party hereby confirms for the benefit of each of the other Parties to this Agreement that any requisite approvals from the governing body of such Party have been obtained, and all prerequisites to the execution, delivery and performance hereof have been obtained by or on behalf of that Party.
- E. **Invalid Clause:** If any material provision of this Agreement is held to be illegal, invalid or unenforceable in any respect, this entire Agreement shall be held invalid. If such occurs, then the parties agree to renegotiate this Agreement in good faith. If the illegal, invalid or unenforceable provision is not material, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included in this Agreement.



- F. No Other Agreements: This Agreement revokes and repeals Resolution 16210 dated June 25, 1996, and the Addendum thereto dated March 31, 1998, and constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and supersedes any prior understandings or written or oral agreements between the Parties with respect to the subject matter of this Agreement. No amendment, modification or alteration of the terms of the Agreement shall be binding on any Party unless the same is in writing, dated subsequent to the date hereof, and is duly executed by the Party against whom enforcement is sought.

Section 12: Procedures for Development Permit Applications, Appeals, Comprehensive Plan Map Amendments, and Rezones.

- A. Procedures for development permit applications and appeals shall be governed by Skagit County Code 14.06, Permit Procedures.
- B. The following procedures shall govern the approval of Comprehensive Plan amendments and rezones for the unincorporated areas of the UGA.
1. Establishing or Modifying External UGA Boundaries.
 - a. The Skagit County Comprehensive Plan/Zoning Map is the official source for establishing and modifying external UGA boundaries. A change to the UGA boundary must be initiated through the submission of a Skagit County Comprehensive Plan Amendment (CPA) application following procedures outlined in SCC 14.08, Legislative Actions. Amendment proposals are not official until adopted by the County.
 - b. CPA applications to change UGA boundaries must include evidence that the request has also been submitted to the affected City for its recommendation. A City may act either on its own initiative, or at the request of an individual property owner. Individual property owners must first submit their amendment requests to the City for consideration pursuant to RCW 36.70A.110 and County Comprehensive Plan Chapter 2. The City must then forward its recommendation on the UGA request to the County by the deadline established by the GMA Steering Committee (formed by the 2002 Framework Agreement). The application must include demonstration of how the proposal is supported by and dependent on population forecasts and allocated urban population distributions, existing urban densities and infill opportunities, phasing and availability of adequate services, proximity to designated natural resource lands and the presence of critical areas. The application must also demonstrate how the proposal is consistent with other County CPA requirements.

identified in the County CPA application packet, and the County Comprehensive Plan, the Countywide Planning Policies, and this Agreement.

- 2. Establishing or Modifying Land Use Designations/Districts. Proposed changes to City Comprehensive Plan Map designations are to be processed through the City's Comprehensive Plan and Zoning Map Amendment process and County adoption through Section 1 of this Agreement.

Section 13: The effective date of this Agreement shall be February 3 2003.

AGREED TO THIS 3rd OF February, 2003.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

H. Dean Maxwell
H. Dean Maxwell, Mayor
City of Anacortes

Kenneth A. Dahlstedt
Kenneth A. Dahlstedt, Chairman

Ted W. Anderson
Ted W. Anderson, Commissioner

Don Munks
Don Munks, Commissioner

ATTEST:

JoAnne Giesbrecht
JoAnne Giesbrecht, Clerk
Board of County Commissioners

APPROVED AS TO FORM:

John R. Moffat
John Moffat, Chief Civil Deputy
Prosecuting Attorney's Office

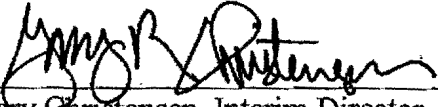
APPROVED AS TO INDEMNIFICATION:

Billie Kademas
Billie Kademas
Risk Manager

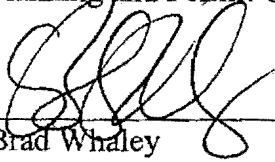
Ian Munce
Ian Munce
Anacortes City Attorney



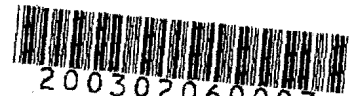
APPROVED AS TO CONTENT:



Gary Christensen, Interim Director
Planning and Permit Center



Brad Whaley
Budget and Finance Director



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