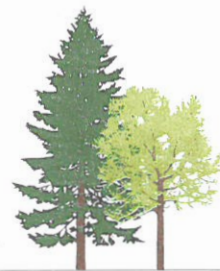


October 31, 2018

Town of Woodway
WASHINGTON



My Fellow Woodway Residents,

In my letter last week, I provided you with information on the Town's history in dealing with issues related to Point Wells. I also provided you with some of the reasons why the Council decided to adopt a resolution expressing its intent to annex the area. This week, I have prepared a Q&A to address potential questions.

If you take anything from my letters, I want to assure you that you have competent elected officials and staff that are working on your behalf. I encourage you to talk directly to us if you have questions. Finally, I want you to know that the passage of the annexation resolution has not lessened our efforts to find an amicable solution that reflects the interests of our residents, our neighbors and the developer.

Public Hearings

As a reminder, there are two public hearings on November 5th. The topics are basically same – annexation of Point Wells. The first is on the resolution council passed on October 15th expressing the Town's intent to annex. Although Council has already approved the resolution, State law requires us to have a hearing where the public can express their views on the topic. There will be a short staff presentation followed by public comment. Speakers will have three minutes to provide council with their opinions.

The second public hearing is on an ordinance to actually annex Point Wells. There will be another short staff presentation, followed by a public comment period. As with the first hearing, speakers on the ordinance will have three minutes to speak. Following the close of public comment on the ordinance, Council may deliberate and vote on the ordinance. With regard to the ordinance, the annexation will not be effective until it has been approved by the Snohomish County Boundary Review Board. This process will likely take several months.

If you are unable to attend the public hearings or if your question is not answered at the hearings, rest assured that the hearings are not your only opportunity to ask questions. Please feel free to contact our Town Administrator by email (eric@townofwoodway.com) or by phone (206-542-4443).

Sincerely,

Carla A. Nichols
Mayor

Questions & Answers

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

Staying the way we are in terms of the size of the current Town is certainly an option. However, because we are a community that is largely dependent on residential property taxes, we distribute our costs (most of which are either legally or practically required – like police and fire) over a fairly narrow tax base. If residents are willing to support regular property tax increases or substantial reductions in services, we can continue as a small residential community.

Over the years, as we've evaluated alternatives, we've learned that adding a mixed-use neighborhood at Point Wells to our community 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 expense. Key to the success of this plan is establishing a mixed-use community that is large enough to provide economies of scale, but small enough so as to not dramatically change the character of the existing Town. Obtaining control of the site through annexation is key to having control in establishing this balance.

Also important in this analysis is a recognition that, whether Point Wells 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.

2. Does the Town have rules that would limit how much development can occur at Point Wells if it is annexed?

Yes. In fact, you can easily find the zoning regulations that will be applicable upon annexation on the Town's website. Here is a link to the specific section of the code:

<https://www.codepublishing.com/WA/Woodway/#!/Woodway14/Woodway1440.html#14.40>.

The Town's code is very similar to the County's code. Both the County's Urban Village and the Town's Urban Village code have a minimum density of 12 units per acre and a maximum density of 44 units per acre. However, the County's code is based on gross acres. The Point Wells site is approximately 60 gross acres. As a result, the minimum number of residential units under the County is approximately 720 units, and the maximum residential density under the County is approximately 2,640 units.

In contrast, the Town's code is based on net density. What this means is that the density calculation is made only after removing areas such as wetlands, streets, sidewalks, the shoreline, environmentally sensitive or critical areas, etc. As a result, the exact limit on residential density cannot be determined under the Town's code until the environmental conditions and the layout of the proposed project are known. If, for example, there are only 30 developable acres after these

factors are taken into consideration, the minimum density under the Town's code would be 360 units, and the maximum density would be 1,320 units.

Also, important to note as outlined in my previous letter, the vehicle trip limitation on Richmond Beach Road will likely have a far greater impact on the amount of development possible on the site than the unit limitations in the code.

3. Are there legal costs associated with this annexation?

Yes. However, whether we annex or not, we will not be exempt us from additional legal fees. Over the years we have had legal expenses related to: a) our initial litigation in 2011-14 challenging the County's designation of Point Wells as an Urban Center, b) our successful objections at the Boundary Review Board to Shoreline's 2014 and 2017 efforts to take over sewer services at Point Wells, and c) more recently, a lawsuit filed against us (along with Olympic View and Snohomish County) by the City of Shoreline, Ronald Wastewater and King County related to sewer services. We have interests to protect related to annexation and/or the impact of development at Point Wells.

4. Why is the Town being sued by Shoreline about sewer service to Point Wells?

The lawsuit relates to Shoreline's desire to take over the sewer services of Ronald Wastewater. Shoreline desires to consolidate water, sewer and other utilities within the City. We have not objected to Shoreline's intention to take over sewer services from Ronald within their city limits.

The legal issue centers around the fact that Ronald also provides sewer services outside of Shoreline city limits in a small portion of Woodway and to Point Wells. We believe that Shoreline is trying to use sewer service as an argument in favor of their annexation of Point Wells, despite the fact that the Snohomish County Comprehensive Plan clearly provides that the area will one day be part of Woodway.

If the Town annexes Point Wells, it is important to the Town that its residents have rights with regard to the utility service provided to them. If the area is served by the Town or our partner Olympic View, our residents will be able to vote for the decision makers who are responsible for establishing rates and service levels.

There also are economies of scale to be had in spreading the cost of sewer service over a greater number of customers. Service by the Town or Olympic View has the potential to save residents of the Town and other south Snohomish County cities money in their sewer service bills. In the long run, it also has the potential of saving the Town and its partners in the cost of sewage treatment.

We have successfully fought against Shoreline's attempts – the Snohomish County Boundary Review Board has twice denied their request to take over sewer services in Snohomish County. We don't understand why Shoreline insists on providing sewer service in another city.

5. Has the Town attempted to negotiate an agreement with Shoreline or the developer that would allow us to annex the property and/or limit the size of the development?

The Town has attempted multiple times over the years to negotiate a solution with Shoreline and the developer. Under the “Your Government” tab on our website, you can find the most recent letter that we sent to Shoreline in April. In the letter, the Town Council offered to compensate Shoreline on an ongoing basis for maintenance and improvements to roads impacted by development at Point Wells. Similarly, we have made numerous attempts to compromise with the developer over the size of the project. Not only have we not been successful in these efforts, we have not even received counter-offers. You can only have a negotiation if you have a negotiating partner.

The ownership of Point Wells has recently changed, perhaps providing an opening for more productive conversation. And we continue to reach out to Shoreline. We know that the biggest risk in pursuing annexation without an agreement is the risk of alienating potential partners (i.e., Shoreline and the developer).