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March 28, 2012

khm

Sponsor: Lambert

Proposed No.: 2012-0001

**AMENDMENT TO PROPOSED ORDINANCE 2012-0001, VERSION 1**

Delete Attachment A, "Interlocal Agreement Between the City of Snoqualmie and King County Regarding the Annexation of a Portion of the Snoqualmie Mill Planning Area," (revision date October 27, 2011)" and insert Attachment A, "Interlocal Agreement Between the City of Snoqualmie and King County Regarding the Annexation of a Portion of the Snoqualmie Mill Planning Area (revision date March 28, 2012)."

**EFFECT:** Replaces the ILA attached to the proposed ordinance as transmitted with a revised version that includes: (1) Exhibit B, not included in the transmitted version of the ILA; (2) Exhibit C a new exhibit; and (3) ILA changes negotiated with the City after the proposed ordinance had been transmitted.



**INTERLOCAL AGREEMENT BETWEEN  
THE CITY OF SNOQUALMIE AND KING COUNTY  
REGARDING THE ANNEXATION OF A PORTION OF  
THE SNOQUALMIE MILL PLANNING AREA**

This Interlocal Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Snoqualmie (“City”) and King County (“County”), collectively “the Parties.”

WHEREAS, the City is organized and operates under the Optional Municipal Code, title 35A RCW; and

WHEREAS, the County and its cities are required to plan under chapter 36.70A RCW and are subject to the requirements of RCW 36.70A.215; and

WHEREAS, RCW 35A.14.460 authorizes annexation by code cities by interlocal agreement between the code city and the county in which it is located, provided certain criteria are satisfied; and

WHEREAS, the County has designated an Urban Growth Area for the City as required by the Growth Management Act (“GMA”), chapter 36.70A RCW; and

WHEREAS, the City has identified certain property within the Urban Growth Area as the Mill Planning Potential Annexation Area (“PAA”) in its comprehensive plan consistent with the requirements of the state GMA and the Countywide Planning Policies, which PAA is generally known as the Mill Planning Area, which is further described in Exhibit A; and

WHEREAS, the City and the owners of the property within the Mill Planning Area legally described in Exhibit A and depicted on Exhibit B hereto (“the Property”) have been engaged in discussions about its potential annexation by the City for several months; and

WHEREAS, the City and Property owners are ready to pursue annexation of the Property at this time; and

WHEREAS, more than sixty percent of the boundaries of the Property are contiguous to the corporate limits of the City; and

WHEREAS, the Property is not within any public fire district; and

WHEREAS, no persons reside within the boundaries of the Property; and

WHEREAS, the roads within the boundaries of the Property transfer to the City automatically upon annexation; and

WHEREAS, upon its future development this Property will require urban services best provided by the City; and

WHEREAS, on October 24, 2011, the City adopted Resolution 1115, approving a Pre-Annexation Agreement between the City and the owners and lessees of the Property. That Pre-Annexation Agreement memorializes the support of the City and the owners and lessees of the Property to the annexation pursuant to specified conditions. A copy of the executed Pre-Annexation Agreement is attached as Attachment 1 to this Agreement for informational purposes only; and

WHEREAS, as acknowledged by the City, one of the objectives of the Pre-Annexation Agreement is to provide appropriate consideration to the surrounding rural area for impacts emanating from the uses on the Property; and

WHEREAS, the City will continue to work with owners and lessees of the Property to protect the rural character of the surrounding rural area and to minimize impacts such as noise, light, glare, vibrations, and traffic from activities on the Property; and

WHEREAS, the City agrees to work with the County to ensure residents of the surrounding rural area are notified of any land use planning activities on the Property and will have the ability to participate in applicable public comment opportunities; and

WHEREAS, a hearing as required by RCW 35A.14.460(3) has been held by the respective legislative bodies of the City and the County; and

WHEREAS, the City and the County have each adopted an ordinance authorizing this Agreement, as provided by the Interlocal Cooperation Act, chapter 39.34 RCW;

NOW, THEREFORE, by their signatures below, the Parties hereby enter into this Agreement, jointly proposing the annexation of the Property by the City, as follows:

1. TERM.

The term of this Agreement shall commence upon its approval by the governing body and execution by the duly authorized official of each of the Parties. This Agreement shall automatically expire sixty days after its commencement date if the City has not by such date adopted an ordinance annexing the Property, provided, the time

during which there is pending any administrative or judicial challenge to this Agreement or to the annexation shall be excluded from the sixty-day period. If the City has adopted an ordinance annexing the Property, then this Agreement shall remain in full force and effect until the parties mutually agree in writing all post-annexation obligations of each party have been fully satisfied.

## 2. BOUNDARIES OF THE TERRITORY TO BE ANNEXED.

a. The boundaries of the Property to be annexed are set forth on Exhibit A and depicted in Exhibit B.

b. The right of way of 396<sup>th</sup> Dr. S.E. shall be excluded from the Property to be annexed, provided, that upon development or redevelopment of the Property to be annexed requiring a principal access to the Property from 396<sup>th</sup> Dr. S.E., the parties shall each adopt a resolution or ordinance as provided in RCW 35A.21.210 to revise the corporate boundary of the City to fully include that portion of 396<sup>th</sup> Dr. S.E, adjacent to the Property within the City's corporate boundaries.

## 3. ANNEXATION PROVISIONS.

a. Following the authorization by the legislative bodies of the Parties to sign the Agreement and its execution, in compliance with RCW 35A.14.460(4), the City shall hold a public hearing on the annexation of the Property and subsequently consider an ordinance that provides for the annexation of the Property. The City's ordinance, if approved, shall provide that annexation of the Property to the City will become effective 45 days from the date City adopts the ordinance pursuant to the requirements of RCW 35A.14.460(4).

b. Subsequent to passage of the annexation ordinance, the City shall publish at least once each week for two weeks in a newspaper of general circulation within the City and a newspaper of general circulation within the territory to be annexed notice of the proposed effective date of the annexation, which shall include a statement of the proposed zoning to become effective upon annexation and a statement of the requirements for assumption of indebtedness.

c. Any permit applications submitted to the County by owners of the Property pending as of the effective date of the annexation shall be vested, and shall be processed by the City in accordance with County ordinances and regulations, with the assistance of County staff.

d. As of the effective date of the annexation, police, fire and emergency services responsibility shall transfer to the City. All misdemeanors and infractions committed

within the Property to be annexed prior to the effective date of the annexation shall be prosecuted by the County. All misdemeanors and infractions committed within the Property to be annexed after the effective date of the annexation shall be prosecuted by the City.

e. As of the effective date of the annexation, ownership of and maintenance responsibility for public roads within the boundary of the Property to be annexed shall transfer to the City.

f. All records of the County relating to public roads owned by the County, including but not limited to Meadowbrook Bridge, Mill Pond Road and Reinig Road, shall be turned over to the City Public Works Department within a reasonable time after the effective date of the annexation.

#### 4. LIMITATION ON USE.

Pursuant to the Pre-Annexation Agreement, Section A.9, the property owners have agreed that neither they nor their tenants shall at any time seek to construct a race track or speedway for racing of motor vehicles of any type whatsoever on the Property, and that the only racing of motor vehicles that may occur shall be on the same facilities used for the specialized driving instruction school pursuant to Section B.3 of the Pre-Annexation Agreement. For the purpose of this section, a "race track" or "speedway" is more or less permanent purpose-built facility for racing of automobiles, motorcycles or other motorized vehicles, as opposed to a temporary course laid out with cones or other markers over existing roads or ground.

#### 5. INDEMNIFICATION.

Each of the Parties shall defend, indemnify and hold the other Parties, their officers, officials, employees and agents harmless from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from that other party's negligent acts or omissions in performing under this Agreement. No party will be required to defend, indemnify or hold the other party harmless if the claim, suit or action for injuries, death or damages is caused by the sole negligence of that party. Where such claims, suits or actions result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's own negligence. Each party agrees that its obligations under this subparagraph include, but are not limited to, any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this reason, each of the Parties, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

## 6. ADMINISTRATION AND CONTACT PERSONS.

The following persons shall be the administrators of the Agreement and shall be the contact person for their respective jurisdictions:

For the City:

Mayor  
City of Snoqualmie  
P.O. Box 987  
Snoqualmie, WA 98065  
(425) 888-1555  
mayor@ci.snoqualmie.wa.us

For the County:

Dwight Dively, Director  
Performance, Strategy and Budget  
401 Fifth Avenue, Suite 810  
Seattle, WA 98104  
(206) 263-9687  
dwight.dively@kingcounty.gov

## 7. COMPLIANCE WITH LAWS.

Each Party shall be responsible for compliance with federal, state and local laws. Specifically, in meeting the commitments set forth in this Agreement, each Party shall comply with, among other laws, the requirements of Open Public Meetings Act, the Public Records Act, the Growth Management Act, and the Annexation Statutes. By executing this Agreement, the Parties do not purport to abrogate the decision-making responsibility vested in them by law.

## 8. KING COUNTY COMPREHENSIVE PLAN CP 904.

The City agrees to advance the policies and standards set forth in the King County Comprehensive Plan relating to designated floodplain lands.

## 9. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire agreement of the Parties. No provision may be amended or modified except by written agreement signed by the Parties. If any provision of this Agreement is found to be unenforceable, illegal or contrary to public policy, this Agreement shall remain in full force and effect except for the provision that are unenforceable, illegal or contrary to public policy. The Parties have both had an equal opportunity to participate and participated in the drafting of this Agreement, and no ambiguity shall be construed against any Party on the basis that that Party drafted the ambiguous language. This Agreement is made and entered into for the

sole benefit of the Parties hereto, and no other person or entity shall have any right of action or interest in this Agreement based on any provision set forth herein.

10. RCW 39.34 REQUIRED CLAUSES.

- a. Purpose. See Section 3 above.
- b. Duration. See Section 1 above.
- c. Organization of separate entity and its powers. No new or separate legal or administrative entity is created to administer the provisions of this Agreement.
- d. Responsibilities of the Parties. See provisions above.
- e. Agreement to be filed and recorded. The City shall file this Agreement with its City Clerk. The County shall place this Agreement on its web site. The Agreement shall also be recorded.
- f. Financing. Each Party shall be responsible for the financing of its contractual obligations under its normal budgetary process.
- g. Termination. See Section 1 above.

CITY OF SNOQUALMIE

KING COUNTY

\_\_\_\_\_  
Matthew R. Larson, Mayor  
Signed: \_\_\_\_\_

\_\_\_\_\_  
Dow Constantine, County Executive  
Signed: \_\_\_\_\_

Pursuant to authority of City of  
Snoqualmie Resolution No. \_\_\_\_\_

Pursuant to authority of King County  
Ordinance No. \_\_\_\_\_



EXHIBIT A

Description of Boundaries of Property to be Annexed

LEGAL DESCRIPTION OF MAXIMUM AREA TO BE ANNEXED

THAT PORTION OF SECTIONS 29, 30 & 32, TOWNSHIP 24 NORTH, RANGE 8 EAST, WILLAMETTE MERIDIAN LYING NORTHERLY AND EASTERLY OF THE PLAT OF SNOQUALMIE FALLS AS RECORDED IN VOLUME 6 OF PLATS AT PAGE 51 ON SEPTEMBER 25, 1890, RECORDS OF KING COUNTY, WASHINGTON AND NORTHERLY AND EASTERLY OF THE CITY OF SNOQUALMIE MUNICIPAL BOUNDARIES AS ESTABLISHED BY CITY ORDINANCE NUMBERS 265, 514, 566/569, 650/659, 787, 838 AND 876, AND WESTERLY OF 2008 KING COUNTY URBAN GROWTH BOUNDARY LINE, AS DEFINED BY KING COUNTY ORDINANCE NO. 16263, AND AMENDMED BY KING COUNTY ORDINANCE NO. 16949;

EXCEPT THE RIGHT OF WAY OF 396<sup>TH</sup> DRIVE SE

SITUATE IN THE COUNTY OF KING AND STATE OF WASHINGTON.

**CONTAINING ALL OR PORTIONS OF KING COUNTY TAX PARCELS**

292408-9002 292408-9003 292408-9006 292408-9009 292408-9011  
292408-9013 292408-9015 292408-9017 292408-9018 292408-9022  
292408-9023 292408-9028 302408-9001 302408-9004 302408-9015  
302408-9069 302408-9070 322408-9002 322408-9006 322408-9008  
322408-HYDR 785020-HYDR

EXHIBIT B

Map of Property to be Annexed  
Dated March 22, 2011  
and attached

EXHIBIT B

Map of Property to be Annexed  
 Dated March 22, 2011  
 and  
 attached



APPLICABLE ANNEXATION STATUTES:  
 RCW 35A.14.050  
 RCW 35A.14.005  
 DATA SOURCE:  
 KING COUNTY GIS  
 0 175 350 700 Feet  
 1 Inch = 700 Feet  
 MARCH 22, 2011

**CITY OF SNOQUALMIE  
 MILL PLANNING AREA  
 PROPOSED ANNEXATION  
 AND PROPERTY MAP**  
 CONTIGUOUS BOUNDARY LENGTH:  
 14,322 FEET (60.3%)  
 NONCONTIGUOUS BOUNDARY LENGTH:  
 9,431 FEET (39.7%)  
 TOTAL AREA (INCLUDING RIVER):  
 593 ACRES

**LEGEND**  
 CONTIGUOUS ANNEXATION BOUNDARY  
 NONCONTIGUOUS ANNEXATION BOUNDARY  
 URBAN GROWTH BOUNDARY  
 PARCELS  
 RIVER/LAKE  
 WEYERHAEUSER REAL ESTATE DEVELOPMENT  
 SNOQUALMIE MILL VENTURES  
 OTHER SNOQUALMIE CITY LIMITS

INTERLOCAL AGREEMENT BETWEEN THE CITY OF SNOQUALMIE AND  
 KING COUNTY REGARDING THE ANNEXATION OF A PORTION OF THE  
 SNOQUALMIE MILL PLANNING AREA - 8  
 Revised 03/28/12



Attachment 1  
Pre-Annexation Agreement Between the City of Snoqualmie,  
Snoqualmie Mill Ventures, LLC, Ultimate Rally, LLC, and Weyerhaeuser Real Estate  
Development Company  
Executed on October 24, 25 and 26, 2011, and attached



*When Recorded, Return to:*

**CITY OF SNOQUALMIE**  
Attn. City Clerk  
P.O. Box 987  
Snoqualmie, WA 98065

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## **PRE-ANNEXATION AGREEMENT**

**Grantor:** 1) Snoqualmie Mill Ventures, LLC.  
2) Ultimate Rally, LLC  
3) Weyerhaeuser Real Estate Development Company

**Grantee:** 1) City of Snoqualmie

**Legal Description** (abbreviated): Por. of Sections 29, 30 & 32, T 24 N., R. 8 E., W.M., King County WA, lying northerly and easterly of the Plat of Snoqualmie Falls as recorded in volume 6 of plats at page 51 on September 25, 1890, records of King County, Washington and northerly and easterly of the City of Snoqualmie municipal boundaries as established by City ordinance numbers 265, 514, 566/569 and 650/659 and westerly of urban growth area boundary established by King County ordinance No. 11575

Additional on : EXHIBITS A AND B

**Assessor's Tax Parcel ID #:** All or portions of King County Tax Parcels: 292408-9002; 292408-9003; 292408-9006; 292408-9009; 292408-9011; 292408-9013; 292408-9015; 292408-9017; 292408-9018; 292408-9022; 292408-9023; 292408-9028; 302408-9001; 302408-9004; 302408-9015; 302408-9069; 302408-9070; 322408-9002; 322408-9006; 322408-9008; 322408-HYDR; 785020-HYDR.

**Reference Nos. of Documents Released or Assigned:** N/A

**THIS PRE-ANNEXATION AGREEMENT** ("Agreement") is dated for reference purposes this 24<sup>th</sup> day of October 2011 ("Effective Date"), by and between SNOQUALMIE MILL VENTURES, LLC, a Washington limited liability company ("SMV"), WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY ("WREDCo"), a \_\_\_\_\_, ULTIMATE RALLY, LLC, ("Ultimate Rally") a Washington limited liability company, and the CITY OF SNOQUALMIE, a municipal corporation of the state of Washington ("City").

## RECITALS

A. The City is incorporated under the Optional Municipal Code of the State of Washington. The City has authority under chapter 35A.14 RCW to consider annexation of property within its Urban Growth Area. The City has authority under RCW 36.70B.170 -.210 to enter into agreements to control the use and development of property within its jurisdiction, and for property outside of its boundaries as part of a proposed annexation pursuant to RCW 36.70B.170(1).

B. SMV is the owner of a portion of the property commonly known as the Snoqualmie Mill Site located in unincorporated King County and legally described on Exhibit A (the "SMV Property"). Ultimate Rally is the operator of a specialized instructional school located on the SMV property. WREDCo is the owner of a portion of the property commonly known as the Snoqualmie Mill Site and legally described on Exhibit B (the "WREDCo Property"). The property to be annexed includes a portion of the SMV Property and a portion of the WREDCo Property (the "Annexation Area") and is legally described on Exhibit C.

C. At least 60 percent of the boundaries of the Annexation Area are contiguous to the City.

D. The Annexation Area was included in the City's Expansion Area in the 1989 Snoqualmie Valley Community Plan. The Annexation Area is within the City's Urban Growth Area as designated in the 1994 King County Comprehensive Plan pursuant to RCW 36.70A.110 and all subsequent updates of the King County Comprehensive Plan.

E. The Growth Management Act recognizes cities as the appropriate providers of urban services.

F. King County and the City have agreed that the Annexation Area should be annexed to the City pursuant to an Interlocal Agreement ("ILA") between the County and the City as authorized by RCW 35A.14.460, and are negotiating an Interlocal Agreement to accomplish the annexation.

G. SMV and WREDCo desire the Annexation Area to be annexed to the City.

H. The Snoqualmie Vicinity Comprehensive Plan designates the portion of the Annexation Area within the floodway portion of the 100 year floodplain as Parks and Open Space, and portions of the 100 year floodplain as Planned Commercial Industrial ("PCI") and area outside of the floodplain as Planned Residential ("PR").

I. The City issued a Determination of Non-Significance pursuant to the State Environmental Policy Act on approval of this Preannexation Agreement on July 27, 2011.



J. On August 8, 2011, the City Council held a public hearing on this Agreement, as required by RCW 36.70B.200, pursuant to Notice of Hearing published on July 27, 2011.

K. City Council proposes to adopt an ordinance providing for annexation of the Annexation Area, as required by RCW 35A.14.460, which will contain an effective date of annexation not less than 45 days after adoption. Prior to annexation, the parties wish to memorialize certain commitments with respect to the annexation, and the use and future development of the Annexation Area.

L. SMV currently leases a portion of the SMV Property to Ultimate Rally, LLC dba DirtFish Rally School, a specialized driving instruction school. SMV also desires to use its buildings and property for special events of limited duration. These are the only uses proposed to be permitted on the property pending further planning and environmental review.

**NOW, THEREFORE**, in consideration of the mutual agreements set forth herein, as well as other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

#### **AGREEMENTS**

##### **A. PROVISIONS APPLICABLE TO ALL PARTIES:**

1. **Annexation.** This Agreement will become effective upon the City's annexing the Annexation Area.

2. **Zoning.** Upon the effective date of the annexation ordinance, the portion of the Annexation Area located within the floodplain but outside of the 100 year floodway as depicted on the most recent FEMA Flood Insurance Rate Maps on file with the City of Snoqualmie shall be subject to the Planned Commercial Industrial (PCI) District Regulations of Section 17.50.050 SMC; the portion of the Annexation Area located north and east of S.E. Mill Pond Road and within the 100 year floodway as depicted on the FEMA Flood Insurance Rate Maps shall be subject to the Open Space 2 (OS-2) District Regulations of Section 17.25.050 SMC; the portion of the Annexation Area located south and west of S.E. Mill Pond Road shall be subject to the Open Space 1 (OS-1) District Regulations of Section 17.25.050 SMC; and the portion of the Annexation Area located east of parcel 2924089028 and east of a line extended southward from the SE corner of said parcel to connect with the western point of the UGA line on the north boundary of parcel 2924089017 shall be subject to the Planned Residential District Regulations of Section 17.15.050.

3. **Shoreline Environment Designations.** Upon the effective date of the annexation ordinance, the City will commence the process required to designate that portion of the Annexation Area within the floodway of the Snoqualmie River and north

and east of S.E. Mill Pond Road as Conservancy Shoreline Environment; that portion of the Annexation Area within the 100 year floodway as depicted on the most recent FEMA Flood Insurance Rate Maps on file with the City and located south and west of S.E. Mill Pond Road as Natural Shoreline Environment; and that portion of the Annexation Area within the floodplain of the Snoqualmie River but outside of the floodway as Urban Floodplain Environment, to become effective upon approval by the Washington State Department of Ecology.

4. **Comprehensive Plan Policies.** The Snoqualmie Vicinity Comprehensive Plan contains both general annexation policies and policies specific to annexation of the Mill Planning Area, which includes the Annexation Area. The City will defer applying the comprehensive plan annexation policies:

4.1 To the WREDCo Property until development or redevelopment of the WREDCO Property is proposed.

4.2 To the SMV Property until development or redevelopment is proposed on the SMV Property which exceeds:

4.2.1 The specialized driving instruction school as it currently exists, provided, routine repairs and maintenance shall be permitted;

4.2.1 City permitted special events of limited duration subject to the provisions of Section B.2;

4.2.3 The Northfork Enterprises wood recycling and topsoil production use as it currently exists; and

4.2.4 Use of existing buildings for storage of equipment, provided, no business activities other than storage are conducted in such buildings.

5. **Business License Required.** From and after the effective date of annexation, any and all persons conducting any business activities for which a business license is required by the Snoqualmie Municipal Code on any portion of the Property shall apply for and obtain a City business license.

6. **Site Development.** The City will not approve any new or additional site development until review of applicable Comprehensive Plan policies, approval of an Annexation Implementation Plan and, for any development within the PCI zone, a Planned Commercial Industrial Plan, and for any development in the PR zone a Planned Residential Plan, and associated environmental review under the State Environmental Policy Act have been completed.

7. **Amendment to Allowable Uses.** Upon annexation, the City will present amendments to the allowable uses table in section 17.55.020 of the Snoqualmie Municipal Code in the Planned Commercial / Industrial and the Open Space 2 Districts to the Planning Commission and City Council for their consideration as may be requested by SMV and WREDCo to clarify and/or expand allowable recreational uses both within and without buildings.

8. **Amendment to Temporary Use Permits / Special Event Permits.** Upon annexation, the City will present amendments to section 17.55.050, governing temporary use permits, and chapter 12.20 of the Snoqualmie Municipal Code, Special Events, to amend current restrictions on the number of temporary use permits annually and to clarify that temporary use permits may be authorized and special events that promote tourism may be allowed in all zoning districts except residential districts. All such temporary use permits shall nonetheless be subject to the provisions of this Preannexation Agreement.

9. **Limitation on Use.** SMV, Ultimate Rally, and WREDCo agree neither they nor their tenants shall at any time seek to construct a race track or speedway for racing of motor vehicles of any type whatsoever on the Annexation Area, and that the only racing of motor vehicles that may occur shall be on the same facilities used for the specialized driving instruction school pursuant to Section B.3. For purpose of this section, a "race track" or "speedway" is a more or less permanent purpose-built facility for racing of automobiles, motorcycles or other motorized vehicles, as opposed to a temporary course laid out with cones or other markers over existing roads or ground.

10. **Extension to any Future Annexations within Mill Planning Area.** This Agreement shall automatically be extended to apply to any other property owned by SMV or WREDCo within the Mill Planning Area should such property be annexed to the City in the future.

11. **City Riverwalk Trail.** WREDCo will dedicate property within the portion of the annexation area to be subject to the Open Space 1 (OS-1) District Regulations to the City of Snoqualmie for a riverwalk trail corridor. The corridor provided shall be located within the Snoqualmie River critical area buffer and shall measure 20 ft. wide.

12. **Bonded Indebtedness.** Upon the effective date of the annexation ordinance, the Annexation Area shall be subject to a proportional share of existing City bonded indebtedness.

13. **Transfer of Infrastructure.** Meadowbrook Bridge and Mill Pond Road constitute infrastructure which will be transferred from King County to the City a result of the annexation. SMV and WREDCo acknowledge that they will be required to analyze impacts to the Meadowbrook Bridge and Mill Pond Road of any proposed future development or redevelopment.

14. **Snoqualmie Valley Trail.** SMV and/or WREDCo will dedicate property to the City of Snoqualmie for the Snoqualmie Valley Trail in a location to be mutually agreed upon by the City and the record owner(s) of the property. The City will consult with the King County Parks Department regarding location and right-of-way requirements.

15. **Term.** This Agreement shall remain in full force and effect until terminated by mutual agreement of the parties, provided, all provisions of this Agreement other than Section A.9, Limitation of Use, shall terminate upon full accomplishment of the Site Development requirements of Section 6 of this Agreement, and further provided, Section A.9, Limitation of Use, shall survive the termination of the other provisions of this Agreement.

**B. PROVISIONS APPLICABLE TO CITY, SMV, AND ULTIMATE RALLY**

1. **Status of Existing Uses.** The City will recognize the specialized driving instruction school and storage of equipment in existing buildings as conforming uses and the Northfork Enterprises use as a legal nonconforming use upon annexation.

2. **Operation of Specialized Driving Instruction School.** The specialized driving instruction school shall be subject to the following conditions for operation of vehicles.

2.1 Only street-legal fully muffled vehicles shall be used.

2.2 Days and hours of operation of the instructional course during which vehicles may be operated on the course shall be Monday through Saturday between 8:00 a.m. and 7:00 p.m., provided, hours of operation may be extended solely for military or police training which must take place in non-daylight hours. Such extended hours may occur for up to two nights per month with 72 hours advance notice to the City Administrator, and shall employ only street legal fully muffled vehicles and shall not involve any discharge of firearms or other weapons.

2.3 In the event that the City determines that noise emanating from vehicles used in the specialized driving school interferes with the ability of a person with normal hearing standing in a location exterior to the Annexation Area to hear another person speaking from a distance of two feet or less, or otherwise violates section 8.16.050(H) of the Snoqualmie Municipal Code, incorporating by reference chapter 12.88 of the King County Code, the specialized driving instruction school will be required to mitigate the noise, including changes to the location of the course(s) or track(s) on the property, modifying the vehicles, or other means as approved by the City.

2.4 No racing shall be promoted or permitted as part of or in conjunction with the specialized driving school.

2.5 No alcoholic beverages shall be served or permitted as part of or in conjunction with the specialized driving school.

3. **Special Events.** The City will permit special events of limited duration involving only the erection of temporary facilities, which must be removed at the conclusion of each special event, subject to SMV's obtaining approval of a City temporary use permit pursuant to section 17.55.050 of the Snoqualmie Municipal Code and/or a special event permit pursuant to chapter 12.20 of the Snoqualmie Municipal Code. SMV, or its tenants, shall comply with all conditions which the City reasonably identifies as necessary to protect the health, and safety of those in attendance and the affected public, both within and without the corporate limits of the City, subject to the

following additional provisions.

3.1 No more than two rally cross race events, or events of comparable external noise impacts, as determined in the sole discretion of the City, of two days duration or less (excluding the setting up and breaking down of temporary facilities) shall be conducted in any one year.

3.2 Every other special event shall be evaluated on a case by case basis for its external noise and other impacts, and mitigating measures may be required.

3.3 All events shall be subject to the provisions of chapter 9.36 of the Snoqualmie Municipal Code, Public Disturbance Noises.

4. **Sensitive Areas Study.** Within thirty (30) days after the effective date of annexation, SMV shall provide the City with a sensitive areas study for City review and approval to ensure that all aspects of the operation of the specialized driving instruction school, and any special events, and the operations of Northfork Enterprises comply with the requirements of chapter 19.12 of the Snoqualmie Municipal Code. Conditions imposed on operation of the specialized driving instruction school by the City as a result of the sensitive areas study shall be deemed to be conditions of the business license of the specialized driving instruction school and any temporary use permit / special event permit. The business license for the specialized driving instruction school may be revoked, and any temporary use permit / special event permit for any special event may be revoked, for violation of such conditions in the conduct of the specialized driving instruction school or the special event.

5. **Water and Sewer.** The City will continue to provide domestic water and sewer service to the existing office building. Any expansion of service is subject to completing planning under the comprehensive plan annexation policies and approval of a Planned Commercial Industrial Plan pursuant to SMC 17.20.050 or a Planned Residential Plan pursuant to SMC 17.15.050. SMV acknowledges that fire suppression facilities serving its property may not be adequate. The City and SMV will explore options for fire suppression.

6. **Uses Permitted Prior to Approval of Planned Commercial Industrial Plan or Planned Residential Plan.** SMV agrees that it will limit development activity on the site to repairing and maintaining the uses described in Section A.4.2 until the City has issued the approvals required by Section A.6. It will not construct additional permanent facilities or seek other development of the SMV Property, except in accordance with Section A.6, provided, facilities required for special events may be permitted as provided in Section B.3.

7. **Business License.** SMV will advise its tenants, Ultimate Rally and Northfork Enterprises, that they must obtain a City business license. SMV will obtain a business license for its active recreation and special events business(es). Spectator tickets will be subject to admissions tax.

8. **Powerhouse.** SMV agrees to coordinate with the City and King County

(Culture and Historic Preservation Office) for protection and potential adaptive re-use of the Snoqualmie Falls Lumber Company Powerhouse structures on the site. These structures are a designated King County Landmark and are included on the Most Endangered Historic Properties list maintained by the Washington Trust for Historic Preservation.

### **C. GENERAL PROVISIONS**

1. **Recitals and Exhibits.** All of the recitals set forth above and all exhibits attached hereto are adopted by the parties as material and integral elements and/or findings related to this Agreement. All such exhibits are incorporated herein by this reference as if fully set forth.
2. **Recording.** This Agreement will be recorded with the King County Department of Records and Elections at SMV's sole expense.
3. **Mutual Drafting.** The parties have participated equally in the drafting of this Agreement, and, as such, no interpretation presumptions for or against the drafter shall apply.
4. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the state of Washington.
5. **Attorneys' Fees and Costs.** In the event any party commences proceedings in Superior Court to enforce this Agreement, the prevailing party shall be entitled to an award of attorneys' fees and actual costs and disbursements, including expert witness fees, reasonably incurred or made in such proceedings, including appellate proceedings.
6. **Severability.** In the event a court of competent jurisdiction declares any material provision of this Agreement invalid, unconstitutional, or otherwise unenforceable, any party may elect to terminate the remainder of this Agreement. In the event a non-material provision of this Agreement is declared invalid, unconstitutional, or otherwise unenforceable, the provisions hereof not affected by such declaration shall remain in full force and effect.
7. **Amendment.** This Agreement may be modified only by written instrument duly executed by all parties, after approval of the City Council.
8. **Authority to Execute.** The signatories to this Agreement represent and warrant that they have all authority required to bind the respective parties thereto.
9. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the parties, their respective heirs, successors, and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first above written.

**Snoqualmie Mill Ventures, LLC,**  
a Washington limited liability company

**Weyerhaeuser Real Estate Development  
Company, a \_\_\_\_\_**

By: STEPHEN THOMAS RIMMER  
Its: MEMBER  
Signed: Stephen Thomas Rimmer

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Signed: \_\_\_\_\_

**City of Snoqualmie,** a municipal  
corporation of the State of Washington

**Ultimate Rally, LLC**  
a Washington limited liability company

Matthew R. Larson  
Matthew R. Larson, Mayor

By: STEPHEN THOMAS RIMMER  
Its: MEMBER  
Signed: Stephen Thomas Rimmer

Attest:

Jodi Warren  
Jodi Warren, City Clerk

Approved as to form:

Patrick B. Anderson  
Patrick B. Anderson, City Attorney

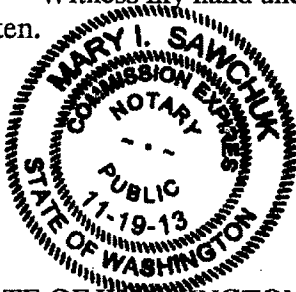
STATE OF WASHINGTON

ss.

COUNTY OF KING

On this 25<sup>th</sup> day of October, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared Stephen Thomas Rimmer to me known to be the member of **SNOQUALMIE MILL VENTURES, LLC**, a Washington limited liability company, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said company, for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.



Mary I. Sawchuk  
Printed Name Mary I. Sawchuk  
NOTARY PUBLIC in and for the State of Washington,  
residing at Sammamish, WA  
My Commission Expires Nov. 19, 2013

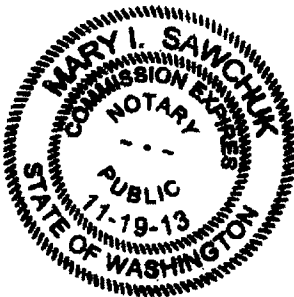
ss.

STATE OF WASHINGTON

COUNTY OF KING

On this 25<sup>th</sup> day of October, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared Stephen Thomas Rimmer to me known to be the member of **ULTIMATE RALLY, LLC**, a Washington limited liability company, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said company, for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.



Mary I. Sawchuk  
Printed Name Mary I. Sawchuk  
NOTARY PUBLIC in and for the State of Washington,  
residing at Sammamish, WA  
My Commission Expires Nov. 19, 2013



STATE OF WASHINGTON } ss.  
COUNTY OF KING }

On this \_\_\_\_\_ day of \_\_\_\_\_, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of **WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY**, a \_\_\_\_\_, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said company, for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.

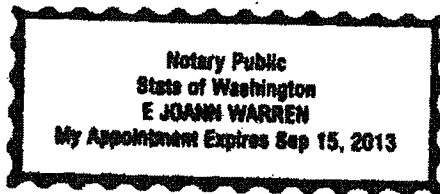
Printed Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

STATE OF WASHINGTON } ss.  
COUNTY OF KING }

On this 24<sup>th</sup> day of October, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared Matt Larson, to me known to be the Mayor of the **CITY OF SNOQUALMIE**, a Washington municipal corporation, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said corporation for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.

E Joann Warren  
Printed Name E Joann Warren  
NOTARY PUBLIC in and for the State of Washington,  
residing at Maple Valley  
My Commission Expires 9-15-13



IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first above written.

**Snoqualmie Mill Ventures, LLC,**  
a Washington limited liability company

**Weyerhaeuser Real Estate Development  
Company, a \_\_\_\_\_**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Signed: \_\_\_\_\_

By: Scott M. Dahlquist  
Its: Vice President  
Signed: Scott M. Dahlquist

**City of Snoqualmie, a municipal  
corporation of the State of Washington**

**Ultimate Rally, LLC**  
a Washington limited liability company

\_\_\_\_\_  
Matthew R. Larson, Mayor

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Signed: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Jodi Warren, City Clerk

Approved as to form:

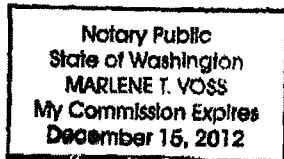
\_\_\_\_\_  
Patrick B. Anderson, City Attorney

STATE OF WASHINGTON } ss.

COUNTY OF KING }

On this 26 day of October, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared Scott Dahlquist to me known to be the V. President of **WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY**, a Washington Corp., and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said company, for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.



Marlene T. Voss  
Printed Name Marlene T. Voss  
NOTARY PUBLIC in and for the State of Washington,  
residing at King County, WA  
My Commission Expires Dec. 15, 2012

STATE OF WASHINGTON } ss.

COUNTY OF KING }

On this \_\_\_\_\_ day of \_\_\_\_\_, 2011, before me, the undersigned, a Notary Public duly commissioned and sworn, personally appeared Matt Larson, to me known to be the Mayor of the **CITY OF SNOQUALMIE**, a Washington municipal corporation, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged the said instrument to be the free and voluntary act of said corporation for the uses and purposes therein stated.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Printed Name \_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

**EXHIBIT A**  
**Legal Description of SMV Property**

Lot 1, Lot 2, Tract C, and Tract E, King County Boundary Line Adjustment & Large Lot Segregation No. L10L0024, as recorded under King County Recording No. 2010063090006, located in portions of Sections 20, 29, and 30, T 24 N., R. 8 E., W.M. Together with that portion of the west half of the NE quarter of Section 29, T. 24 N, R. 8 E., W.M., lying westerly of 396th Drive SE and outside of Tract E of said King County BLA L10L0024;

And together with that portion of the NE quarter of Section 30, T. 24 N., R. 8 E., W.M., lying northeasterly of SE Mill Pond Road and easterly of that certain tract of land conveyed to the City of Snoqualmie by Statutory Warranty Deed under Recording No. 9010291617.

Situate in King County, Washington.

Together with an easement for locations, ingress, egress, utilities and maintenance over the area occupied by the Snoqualmie Mill Pond Pumphouse adjacent to the southwestern boundary of the Property, directly adjacent to and extending above the surface of the Snoqualmie Mill Pond, together with the area surrounding the entire Pumphouse structure to a distance of 20 feet.

**EXHIBIT B**  
**Legal Description of WREDCo Property**

THAT PORTION OF SECTIONS 29, 30 & 32, TOWNSHIP 24 NORTH, RANGE 8 EAST, WILLAMETTE MERIDIAN LYING NORTHERLY AND EASTERLY OF THE PLAT OF SNOQUALMIE FALLS AS RECORDED IN VOLUME 6 OF PLATS AT PAGE 51 ON SEPTEMBER 25, 1890, RECORDS OF KING COUNTY, WASHINGTON AND NORTHERLY AND EASTERLY OF THE CITY OF SNOQUALMIE MUNICIPAL BOUNDARIES AS ESTABLISHED BY CITY ORDINANCE NUMBERS 265, 514, 566/569 AND 650/659 AND WESTERLY OF URBAN GROWTH AREA (UGA) BOUNDARY ESTABLISHED BY KING COUNTY ORDINANCE NO. 11575;

EXCEPT THE RIGHT OF WAY OF 396<sup>TH</sup> DRIVE SE

ALSO EXCEPT THAT PORTION IN SAID SECTION 30 LYING NORTHERLY OF S.E. MILL POND ROAD;

ALSO EXCEPT THAT PORTION IN SAID SECTION 29 WITHIN LOT 1, LOT 2, TRACT C AND TRACT E, KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L10L0024, RECORDED UNDER KING COUNTY RECORDING NO. 20100630900006

SITUATE IN THE COUNTY OF KING AND STATE OF WASHINGTON.

**CONTAINING ALL OR PORTIONS OF KING COUNTY TAX PARCELS**

292408-9002	292408-9006	292408-9011	292408-9013
292408-9015	292408-9017	292408-9018	292408-9022
292408-9023	292408-9025	292408-9028	302408-9015
322408-9002	322408-9006	322408-9008	322408-HYDR
785020-HYDR			



**CONCEPT ENGINEERING, INC.**

455 Rainier Boulevard North  
Issaquah, Washington 98027  
(425) 392-8055 Fax: (425) 392-0108

CEI JOB NO: 30007

DATE: 09-08-11

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PREANNEXATION AGREEMENT - 13  
Resolution 1115 adopted on 10-24-11

**EXHIBIT C**  
**Legal Description of Annexation Area**

THAT PORTION OF SECTIONS 29, 30 & 32, TOWNSHIP 24 NORTH, RANGE 8 EAST, WILLAMETTE MERIDIAN LYING NORTHERLY AND EASTERLY OF THE PLAT OF SNOQUALMIE FALLS AS RECORDED IN VOLUME 6 OF PLATS AT PAGE 51 ON SEPTEMBER 25, 1890, RECORDS OF KING COUNTY, WASHINGTON AND NORTHERLY AND EASTERLY OF THE CITY OF SNOQUALMIE MUNICIPAL BOUNDARIES AS ESTABLISHED BY CITY ORDINANCE NUMBERS 265, 514, 566/569, 650/659 AND 876 AND WESTERLY OF URBAN GROWTH AREA (UGA) BOUNDARY ESTABLISHED BY KING COUNTY ORDINANCE NO. 11575;

EXCEPT THE RIGHT OF WAY OF 396<sup>TH</sup> DRIVE SE

SITUATE IN THE COUNTY OF KING AND STATE OF WASHINGTON.

**CONTAINING ALL OR PORTIONS OF KING COUNTY TAX PARCELS**

292408-9002 292408-9003 292408-9006 292408-9009 292408-9011  
292408-9013 292408-9015 292408-9017 292408-9018 292408-9022  
292408-9023 292408-9028 302408-9001 302408-9004 302408-9015  
302408-9069 302408-9070 322408-9002 322408-9006 322408-9008  
322408-HYDR 785020-HYDR