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SR9/US2 LLC

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February 7, 2008

AHBL, INC.

Council President Neil Dooley
Council Member Heather Coleman
Council Member Kathy Holder
Council Member Susan Quigley
Council Member Mark Cross
Council Member Tom Hartwell
Council Member John Spencer

FILE COPY

And:

Mayor Vern Little
City of Lake Stevens
1812 Main Street
PO Box 257
Lake Stevens, Washington 98258

RE: Lake Stevens South Visioning Process

Dear Council President Dooley, Council Members Spencer, Cross, Hartwell, Holder and Coleman and Mayor Little;

The purpose of this correspondence is to establish for the record our position on the Lake Stevens South Visioning Process, being performed by the City of Lake Stevens in support of its LS-1 comprehensive plan amendment proposal

As you are aware, SR9/US2 LLC has contracted to acquire and develop substantial acreage in the area of Tom Marks Road and south of SE 36th Street. A comprehensive plan amendment proposal (now commonly known as "SNO-1") was made to the Snohomish County on July 31, 2006 for urbanization of this geographic area.

Open and continuous public process has been implemented by the City of Snohomish on this proposal since early calendar year 2006 and remains on-going. As a part of this on-going and continuous public process, the City of Snohomish has carefully reviewed our proposal and elected to join SR9/US2 LLC as co-applicants to and sponsors of the SNO-1 proposal. Lake Stevens has been fully aware and invited to participate in said process at all times.

First, one of the key aspects of the SNO-1 proposal is that it promotes furthers continuity of the City of Snohomish's relationship with an area that is rich in Snohomish history, community and culture. Numerous historical, community and cultural examples of this wealth of community and history exist, from the simple fact that an early Snohomish pioneer named Tom Marks

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initially acquired the geographic area east of 87th Avenue SE and south of SE 36th Street from the State (hence the name “Tom Marks Road”) and established a milling operation along the current location of 87th Avenue SE, to other examples, such as the fact that the first subdivision in this area (which still exists) was the “Sunnyside Acreage Tracts to the City of Snohomish”.

This geographical area is replete with a wealth of other examples of historical and cultural Snohomish connections, such as the fact that numerous property owners in this area have owned and passed down the properties while doing business, building churches, going to school and church, seeing their doctors, raising their families, etc., all in Snohomish. The current location of US2 (developed only in the 1980’s) has certainly not stopped, modified, detracted from or disturbed the history of this area’s rich cultural and community affiliation with the City of Snohomish.

The Lake Stevens Visioning Process ignores independent research and validation of this rich history of a neighborhood to the Snohomish community for nearly fifteen (15) decades. This area truly is “North Snohomish”.

Second, the Lake Stevens South Visioning Process does not reflect the already stated desire for the majority of the property owners and residents of this area for governance by the City of Snohomish, or absent governance by the City of Snohomish, for a preference to remain rural, governed by Snohomish County and outside the Lake Stevens UGA.

The entire 2007 Lake Stevens City Council attended public hearings in May and June 2007 before the Snohomish County Council to listen to public testimony with regard to the LS-1 and SNO-1 meeting. At those County Council meetings, countless property owners and residents living in the RUTA area west of SR9 provided written and oral testimony to the Snohomish County Council for both (i) their preference to remain outside the Lake Stevens UGA; their cultural, historical and current day-to-day affiliation with the City of Snohomish and/or (iii) their preference to be annexed into and governed by the City of Snohomish. We respectfully note that not one person living or owning property in the RUTA testified in support of the LS-1 proposal or that they wanted to be part of Lake Stevens UGA.

We believe that because the elected officials of Lake Stevens are responsible, with an interest in fair and accurate analysis, the City of Lake Stevens will ensure that its Visioning Process includes factual reporting on the written and oral testimony of May and June 2007 before the Snohomish County Council, as a foundational aspect of its Visioning Process, supported by copies of all written correspondence on the record of said Snohomish County Council proceedings.

From our discussions over the past several years with a large number of property owners in the RUTA area, we conclude that there is a wide body of evidence to support the common knowledge conclusion that this geographical area is in fact a Snohomish community, not part of Lake Stevens. In keeping with the basic precepts of democracy, we believe that it is vital for governments to acknowledge and implement the will of the people, regardless of whether that opinion goes against the desire of a given government entity to expand its influence. In this instance, it is readily apparent that the people who reside and own property in this area affiliate themselves currently, historically, civically and culturally with the City of Snohomish.

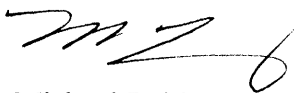
Lastly, while we very much appreciate Lake Stevens interest in annexing this area, its desire to extend its UGA to US2 and its desire to include our proposed development within its UGA, we must graciously advise the Lake Stevens City Council that we too have a preference for being part of Snohomish. Our reasons extend beyond the issues set forth above, to include concern that (i) the LS-1 proposal is inconsistent with GMA, the County GPP, the Countywide Planning Policies; (ii) the City of Lake Stevens lacks the resources (financial and otherwise) and community support to timely complete the annexation of the balance of its UGA and to provide appropriate levels of service to an already over-extended and stressed service area within its existing UGA, let alone another 1,200 acres of land that can not be properly nor timely serviced; and (iii) as a result, the LS-1 proposal would only result in further financial burden on the current Lake Stevens UGA, with substantive financial impact upon Snohomish County and nearby jurisdictions, such as the City Snohomish.

For these reasons, we respectfully suggest that the City of Lake Stevens remove from its Vision Process and the LS-1 proposal all geographical areas within the Snohomish School District, as this entire area primarily affiliates with the City of Snohomish – historically, culturally and civicy. We also specifically request the removal from the Lake Stevens South Visioning Process and the LS-1 proposal all geographic areas near, adjacent to and inside the boundaries of the SNO-1 proposal.

As previously advised, both SR9/US2 and the City of Snohomish will work with the City of Lake Stevens to ensure that our proposed development in the Tom Marks Road Area is mitigated properly, so as not to create impact upon the Lake Stevens UGA.

We respectfully request that this correspondence be entered onto the formal record of the City of Lake Stevens Vision Process. Please feel free to contact me should you have any questions with regard to this correspondence.

Sincerely,



Michael Reid
MR/mr
Managing Member

cc: Snohomish County Council
Snohomish County PDS
City of Snohomish Mayor Randy Hamlin
City of Snohomish City Council
Lake Stevens Planning Commission

AHBL, Attn.: Brad Medrud