BEFORE THE HEARING EXAMINER
IN AND FOR THE COUNTY OF SNOHOMISH

BSRE POINT WELLS, LP,
                      Appellant,
                       vs.
SNOHOMISH COUNTY DEPARTMENT OF
PLANNING & DEVELOPMENT SERVICES
                      Respondent.

No. 11-101457 LU
SNOHOMISH COUNTY
DEPARTMENT OF PLANNING
AND DEVELOPMENT SERVICES’
PRE-HEARING BRIEF

I. INTRODUCTION

Snohomish County Department of Planning and Development Services (PDS)
requests denial of the Point Wells proposal without first preparing an Environmental Impact
Statement (EIS) under the State Environmental Policy Act (chapter 43.21C RCW). This
request is based on SCC 30.61.220, which allows denial of a proposal without preparing an
EIS when the proposal is in “substantial conflict with adopted plans, ordinances, regulations
or laws.” SCC 30.61.220(2). The purpose of this provision is “to avoid incurring needless
county and applicant expense.” SCC 30.61.220.
The Applicant, BSRE Point Wells, LP, submitted initial development applications (collectively, "the Application") for the Point Wells proposal in 2011. PDS extended the Application's expiration date three times, on March 21, 2014, April 15, 2015, and March 31, 2016. The applications will expire on June 30, 2018.

An EIS for the proposal is not complete. This is due in large part to substantial conflicts between the proposed project and County regulations. PDS concludes those substantial conflicts render the proposal not approvable under the Snohomish County Code. The purpose of SCC 30.61.220 is to prevent the Applicant and the County from expending resources on preparing an EIS for a project that cannot be approved because it substantially conflicts with code requirements. PDS asserts SCC 30.61.220 is applicable to the Point Wells project, and requests the Hearing Examiner deny the proposal.

II. STANDARD OF REVIEW

The purpose of the hearing is to determine whether there are substantial conflicts between the proposal and applicable regulations justifying denial of the proposal prior to the expenditure of significant Applicant and County resources in preparing an EIS. The applicable standard of review is contained in SCC 30.61.220, which provides, in its entirety:

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1 The Applicant submitted a short plat application, a land disturbing activity permit application, a land use permit application for an Urban Center site plan, a shoreline substantial development permit application, and a retaining wall permit application (collectively the "Application") for the Point Wells development.

When denial of a non-county proposal can be based on grounds which are ascertainable without preparation of an environmental impact statement, the responsible official may deny the application and/or recommend denial thereof by other departments or agencies with jurisdiction without preparing an EIS in order to avoid incurring needless county and applicant expense, subject to the following:

(1) The proposal is one for which a DS has been issued or for which early notice of the likelihood of a DS has been given;

(2) Any such denial or recommendation of denial shall be supported by express written findings and conclusions of substantial conflict with adopted plans, ordinances, regulations or laws; and

(3) When considering a recommendation of denial made pursuant to this section, the decision-making body may take one of the following actions:

   (a) Deny the application; or
   
   (b) Find that there is reasonable doubt that the recommended grounds for denial are sufficient and remand the application to the responsible official for compliance with the procedural requirements of this chapter.

At the conclusion of the hearing, the Hearing Examiner will have two options. First, he may deny the Application, supported by express written findings and conclusions that the Point Wells proposal substantially conflicts with adopted plans, ordinances, regulations or laws. Second, he may find there is reasonable doubt that the recommended grounds for denial are sufficient and remand the Application to PDS for compliance with chapter 30.61 SCC (Environmental Review (SEPA)). Because the Application for the proposal expires on June 30, 2018, the Hearing Examiner can remand the Application to PDS to complete an EIS for the proposal only if he also decides to grant the Applicant a discretionary extension of its permit Application expiration date. Expiration is discussed later in this brief.
Because any decision of denial must be supported by express written findings and conclusions of substantial conflict with adopted plans, ordinances, regulations or laws, at the hearing PDS will focus only on how the proposal substantially conflicts with County regulations. The Hearing Examiner then must determine whether there is “reasonable doubt that the recommended grounds for denial are sufficient.” SCC 30.61.220(3)(b). The “reasonable doubt” standard generally is used in the context of criminal matters, although it occasionally is used in civil matters. See, e.g., RCW 59.08.060 (standard for hearing on writ of restitution); In re F5 Networks, Inc., 166 Wn.2d 229, 239-40, 207 P.3d 433 (2009) (use in demand futility standard in derivative actions). However, most useful discussions of the term arise in criminal cases.

The Washington State Supreme Court directed all trial courts to use Washington Criminal Jury Instruction 4.01 (WPIC 4.01) on reasonable doubt. State v. Bennett, 161 Wn.2d 303, 317-18, 165 P.3d 1241, 1248-49 (2007). That jury instruction provides, in relevant part:

A reasonable doubt is one for which a reason exists and may arise from the evidence or lack of evidence. It is such a doubt as would exist in the mind of a reasonable person after fully, fairly, and carefully considering all of the evidence or lack of evidence. [If, from such consideration, you have an abiding belief in the truth of the charge, you are satisfied beyond a reasonable doubt.]

PDS must demonstrate that the Application substantially conflicts with applicable code provisions. PDS does not meet its burden if a reasonable doubt exists that the recommended grounds for denial are sufficient.

3 PDS’s focus on substantial code conflicts does not mean the project complies with all other applicable code provisions, only that the standard of review emphasizes “substantial” code conflicts.
The County bases its recommendation on approximately a dozen substantial conflicts between the proposal and the applicable code provisions. The County alleges that at this time, seven years after the Application was submitted and at the end of the Applicant’s third application extension, significant issues with the proposal remain. The recommendation for denial is based on existing substantial code conflicts. The standard of review is not whether under some hypothetical scenario the Applicant could comply with the code. Rather, the standard of review is whether there is a reasonable doubt today that the County’s grounds for denial are not sufficient. A reasonable doubt must be grounded in existing reality and derived from existing evidence. A reasonable doubt cannot be based on fanciful thought, hope, future studies, or the promise of code compliance at a later date.

In an attempt to help streamline the hearing, attached to this brief as Appendix A is an issues matrix. This matrix was developed from the issues identified in the staff report and supplemental staff report (Exhibits N1 & N2), which are based on all of the application materials submitted by the Applicant as of April 27, 2018. The County will present evidence on these issues at the hearing.

III. LEGAL ISSUES

There are several factual issues anticipated to be raised at the hearing that implicate legal concepts. A discussion of a few of those concepts is provided here to provide the Hearing Examiner context for the hearing.
A. Permit Application Expiration

PDS requests the Hearing Examiner deny the proposal based on substantial conflicts with the Snohomish County Code. If denial is granted, the issue of permit application expiration is moot. However, if the Hearing Examiner finds there is reasonable doubt that the recommended grounds for denial are sufficient, he must address the issue of imminent expiration of the Application before remanding the Application to the responsible official for compliance with chapter 30.61 SCC. This brief addresses only the issues raised by the Applicant in its request for a code interpretation regarding SCC 30.70.140. (Ex. G-21). It does not address whether the Hearing Examiner should, in his discretion, grant the Applicant a fourth extension under current SCC 30.70.140(2)(b) if he declines to deny the proposal under SCC 30.61.220.

The Applicant received three permit expiration extensions for this proposal on March 21, 2014, April 15, 2015, and March 31, 2016. (Exs. K-36, K-13). These extensions were granted by the PDS Director under former SCC 30.70.140.

In the wake of the *Potala Village* appellate court decision regarding the Washington State vesting doctrine, the Snohomish County Council adopted new permit vesting provisions. Those provisions included a new, limited approach to application expiration. Under new SCC 30.70.140(1), each permit application has a defined expiration date. A permit application for an urban center development expires 36 months from the date of submission. SCC Table 30.70.140(1). The new expiration provision expressly applies to pending unapproved permit applications. SCC 30.70.140(1)(b). The new provision would

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have the effect of expiring many existing unapproved permit applications upon the effective
date of the ordinance adopting the provision. For this reason, the provision requires PDS to
provide notice to a permit applicant one year prior to the expiration date of the application.

Id. This requirement provides an applicant of an expiring permit application an additional
year from the date of receiving notice from PDS before the application expires as an
operation of law under SCC 30.70.140.

On March 31, 2016, one day prior to the effective date of the new expiration
regulations, PDS granted the Applicant a third extension of its Application expiration date
to June 30, 2018. The letter granting the extension clearly informed the Applicant that the
new application expiration regulations applied to the Point Wells Application. (Ex. K-13).
The effect of the two-year extension on the eve of the effective date of the new expiration
provision was to grant the Applicant an additional two years on the life of its Application
rather than the additional one year of life required under new SCC 30.70.140(1)(b). On
May 2, 2017, pursuant to SCC 30.70.140(1)(b), PDS provided the Applicant a one-year
notice that its Application was due to expire on June 30, 2018. (Ex. K-19).

The Applicant proposes a somewhat confusing interpretation of SCC 30.70.140 as
applied to the Point Wells Application. (Ex. G-21). The Applicant appears to argue that
current SCC 30.70.140 should not apply to the Application because: (1) statutes are
presumed to operate prospectively unless the legislature indicates it is to operate
retroactively; and (2) Washington's vested rights doctrine grants the Applicant the right to
have its Application processed under the zoning and building ordinances in effect at time of
application. (Ex. G-21). However, this argument is curious, because even under the prior
version of SCC 30.70.140, the granting of an extension was discretionary. Perhaps
realizing this, the Applicant appears to ask that the 36-month expiration period for the
Application be measured from the effective date of the ordinance amending SCC 30.70.140
rather than the original submittal date of the Application in 2011. Both of Applicant’s
theories are incorrect, and the expiration date of the Application is appropriately June 30,
2018.

1. **SCC 30.70.140 applies to existing applications and is not subject to the
vested rights doctrine.**

The Applicant is correct that statutes are presumed to operate prospectively unless a
retroactive intent is indicated. Here, the Snohomish County Council expressed clear intent
that the new application expiration provisions applied to existing applications. The plain
language of SCC 30.70.140(1) provides:

(1) This section shall apply to:

(a) New applications, approvals, and permits set forth
in SCC Table 30.70.140(1); and

(b) Existing applications set forth in SCC Table
30.70.140(1) that were deemed complete but that were not
approved or denied prior to April 1, 2016, provided that the
department shall provide notice to the applicant one year
prior to the expiration date of the application.

(Emphasis added). The Applicant’s permit applications were deemed complete upon
submittal in 2011 and were not approved or denied prior to April 1, 2016. As a result, the
Applications are subject to new application expiration regulations under the plain language
of SCC 30.70.140(1)(b).

The Applicant next argues that under Washington’s vested rights doctrine, the
current version of SCC 30.70.140 does not apply to the Application. Case law contradicts
the Applicant’s argument. *Graham Neighborhood Association v. F.G. Associates* is a case squarely on point, with facts analogous to the Point Wells Application. 162 Wn. App. 98, 252 P.3d 898 (2011). In *Graham Neighborhood Association*, the developer submitted an application for preliminary plat approval to Pierce County on April 25, 1996, just days before a change in the land use regulations prohibited certain commercial uses on the property. Nine years later, in 2005, Pierce County adopted an ordinance providing for the expiration of applications not timely acted upon and provided the developer a letter that its application would become null and void one year from date of the letter. The developer did not respond to the letter and the application was cancelled in the Pierce County planning department computer system. Nonetheless, public hearings were held in 2009 when the developer sought to have its application approved by the Pierce County hearing examiner, and which was ultimately approved by the hearing examiner. A neighborhood group challenged the approval, arguing that the new expiration regulations resulted in the cancellation of the application.

The developer took the position that Washington’s vested rights doctrine excluded the application from Pierce County’s new expiration provisions. The court disagreed, concluding that the vested rights doctrine applied only to land use control ordinances that exert a restraining or directing influence over land use. *Graham Neighborhood Ass’n* at 115, citing *Westside Bus. Park, LLC v. Pierce County*, 100 Wn. App. 599, 606-07, 5 P.3d 713 (2000). The court in *Graham Neighborhood Association* analyzed the application expiration ordinance as follows:

The Pierce County ordinance provision at issue exercises neither a restraining nor a directing influence over land use.
projects; rather, it limits the county's vesting ordinance itself, ensuring—consistent with the principles underlying the vested rights doctrine—that developers are sufficiently invested in their projects such that due process concerns are implicated. This is consistent with the general principle that the vested rights doctrine not be applied more broadly than its intended scope, lest the expense to the public interest become too great. New Castle, 98 Wash.App. at 232, 989 P.2d 569.

The court next explained why exempting the developer's application from the new expiration code provision actually would be contrary to the vested rights doctrine.

The purpose of the vesting doctrine is to allow property owners to proceed with their planned projects with certitude. The purpose is not to facilitate permit speculation. Extended project delay is antithetical to the principles underlying the vesting doctrine. The Pierce County Council's action in adopting PCC 18.160.080 is in conformance with the constitutional concerns underlying the vesting doctrine.

Id. at 116.

The ordinance adopting SCC 30.70.140 contains findings that mirror the Graham Neighborhood Association court's discussion of the purpose of the vested rights doctrine.

Finding H.14.a of Amended Ordinance No. 16-004\(^5\) states:

The amendments contained in this ordinance strike an appropriate balance between developers' rights and the public interest. The amendments protect developers' rights by establishing vested rights for applications so applicants have certainty as to which regulations apply to their projects during the processing of their applications. This encourages economic development and helps protect the ability of a landowner to develop his or her property. The amendments also establish limits on the duration of permit applications and approvals, ensuring that applications and approvals do not remain valid beyond what is reasonably necessary for project development, thus reducing the number of projects that potentially are constructed under outdated regulations.

\(^5\) Amended Ordinance No. 16-004 is attached to this brief as Appendix B.
Thus, the County Council was well aware of the interplay between permit application expiration, permit approval expiration, and the vested rights doctrine when it passed Amended Ordinance No. 16-004. By its express terms, SCC 30.70.140 applies to applications that were pending at the time the provision became effective. The application of SCC 30.70.140 to the Point Wells Application is consistent with the vested rights doctrine.

2. The 36-month expiration period runs from 2011, not 2016.

The Applicant argues the new expiration regulations apply to the Application as though the Application was submitted on the effective date of the ordinance (April 1, 2016), and not when the Application was submitted in 2011. This argument effectively would grant the Applicant a three-year extension period from the effective date of the ordinance. It would render meaningless the two-year extension granted by PDS just one day before the effective date of the ordinance. And it would render meaningless the County Council’s intent behind the new regulations.

As previously explained, the intent behind new SCC 30.70.140 is consistent with the vested rights doctrine. That intent is described in Finding H.14.a of Amended Ordinance 16-004:

The amendments also establish limits on the duration of permit applications and approvals, ensuring that applications and approvals do not remain valid beyond what is reasonably necessary for project development, thus reducing the number of projects that potentially are constructed under outdated regulations.
The Applicant's argument is not only contrary to the County Council's legislative intent, but is contrary to the purpose of Washington's vested rights doctrine. As the Washington Supreme Court recognized, "development interests protected by the vested rights doctrine come at a cost to the public interest because the practical effect of recognizing a vested right is to sanction the creation of a new nonconforming use. If a vested right is too easily granted, the public interest is subverted." *Noble Manor Co. v. Pierce County*, 133 Wn.2d 269, 280, 943 P.2d 1378 (1997) citing *Erickson & Assocs., Inc. v. McLerran*, 123 Wn.2d 864, 873-74, 872 P.2d 1090 (1994). Here, the County has adopted more protective regulations affecting zoning, critical areas, shorelines, drainage, and significantly, landslide hazards since the Application was submitted in 2011. Applicant's argument that it should be provided an 8-year expiration period rather than the 3-year period provided by SCC 30.70.140 does not strike the balance articulated by the Washington Supreme Court.

Finally, Applicant's argument that the new expiration periods begin running on the effective date of the ordinance ignores SCC 30.70.140(1)(b), which requires PDS provide a one-year notice to all applicants whose applications would otherwise have expired under the terms of Table 30.70.140(1). The purpose of the notice requirement was to prevent pulling the rug out from under applicants whose permits were not set to expire but for the adoption of current SCC 30.70.140. The notice provides those developers a reasonable period – one year – to obtain approval of their applications. Adopting Applicant's argument would render this one-year notice provision meaningless, contrary to applicable

B. High Capacity Transit Route or Station

One of the clearest illustrations of the proposal's substantial conflict with code requirements is its failure to comply with SCC 30.34A.040(1) [2010]. SCC 30.34A.040(1) [2010] establishes the maximum building height in the UC zone at 90 feet. However, the Code provides an additional 90 feet of height may be approved "when the project is located near a high capacity transit route or station." SCC 30.34A.040(1). The Applicant provides a legal answer in response to the County's request for information on this code requirement in its April 27, 2018, resubmittal. That legal answer grossly misrepresents the law on this issue.

The Applicant claims the proposal "certainly complies" with the locational requirement because the Sound Transit commuter rail line (the Sounder) "runs directly through the site," even though there are no plans for it to ever stop there. (Ex. G-14, p. 30). The Applicant correctly notes that Snohomish County historically took the same position, and claims the County successfully argued this issue before the Growth Management Hearing Board. City of Shoreline v. Snohomish County, CPSGMHB, Corrected Final

6 Additionally, Applicant's interpretation is absurd given the grant of a two-year extension to the Applicant by PDS just one day before SCC 30 70.140 was to take effect. Such a two-year extension would not have been necessary if new SCC 30 70.140 would serve to grant the Applicant a three-year extension.
Decision and Order, Coordinated Case Nos. 09-2-0013c & 10-3-0011c (May 17, 2011).\(^7\)

The Applicant states: “While not being entirely comfortable with the County’s interpretation, the Board determined that deference to [the County’s] interpretation is appropriate.” (Ex. G-14, p. 31).

The Applicant is correct that the County argued this position before the Board.

However, the Applicant’s contention that the Board agreed with this interpretation of the phrase “located near a high capacity transit route or station” is absolutely incorrect. The Board addressed this issue in no uncertain terms:

BSRE generally contends its project will, over time, meet the transit access criteria of LU 3.A.2 and LU 3.A.3. BSRE points out transit agencies will not plan to provide additional service until population growth is assured. BSRE states it is negotiating with King County Metro to extend local bus service 0.5 miles into Point Wells, where BSRE proposes to provide a transit center. Metro’s present routes provide all-day half-hour service to Northgate and peak hour runs to downtown Seattle. BSRE also provides a letter from Sound Transit expressing “interest” in serving Point Wells if the developer funds construction of the commuter rail station. However, it is undisputed as of today, there is no regional transit solution in the plans of any of the transit agencies to serve an additional population of 6000 at Point Wells.

The Board does not find BSRE’s assurances persuasive. The Board agrees with petitioners that a “highly efficient transportation system linking major centers” is not satisfied by providing van pools to a Metro park-and-ride two and a half miles away. Nor is “high capacity transit” satisfied by an urban center on a commuter rail line without a stop. There is nothing efficient or multi-modal about an urban center designation that could result in an additional 12,860 car trips per day through a two-lane neighborhood street, or that relies for high-capacity transit on an unusable commuter rail line and van pools.

\(^7\) A copy of the decision is attached to this brief as Appendix C.
The Board rejected the County’s argument that the phrase “located near a high capacity transit route or station” means it is enough for the Sounder to pass through Point Wells, even though it will never stop there.\(^8\)

The Board is an administrative body tasked with exclusive review of a local jurisdiction’s amendments to its comprehensive plan and development regulations adopted under the Growth Management Act, including SCC 30.34A.040(1) at issue here. In light of the Board’s unambiguous ruling on this particular issue, the Applicant’s claim that it has satisfied SCC 30.34A.040(1), either through proximity to a commuter rail without a stop\(^9\) or hypothetical future stop that is less viable than when BSRE presented it to the Board seven years ago, is without merit. In evaluating the proposal, PDS bases its interpretation of SCC 30.34A.040(1) on the Growth Management Hearings Board’s decision, not on the County’s previously-rejected argument.

\(^8\) In this Growth Board case, a neighborhood group, the Town of Woodway, and the City of Shoreline brought GMA and SEPA challenges to the County’s ordinances (Ord. Nos. 09-038 and 09-051 — “Shoreline III”) amending its comprehensive plan to add Point Wells as an urban center and the County’s ordinances adopting urban center regulations (Ord. Nos. 09-079 and 09-080 — “Shoreline IV”). The Board concluded that the County’s Shoreline III ordinances designating Point Wells as an Urban Center were clearly erroneous under the GMA and non-compliant with SEPA, and issued a determination of invalidity. On the Shoreline III ordinances that adopted the development regulations, the Board did not find GMA non-compliance but did find SEPA non-compliance. The Board remanded all of the ordinances to the County for legislative action to comply with the GMA and SEPA. The Board dismissed the petitioners’ challenge of the Shoreline IV ordinances on the issue of proximity to high-capacity transit solely because the petitioners cited the incorrect provision of the GMA (RCW 36.70.070, not RCW 36.70.130(1) and RCW 36.70.040). *City of Shoreline v. Snohomish County*, CPSGMHB, Corrected Final Decision and Order, Coordinated Case Nos. 09-2-0013c & 10-3-0011c (May 17, 2011) at 6.

\(^9\) “While the rail line through Point Wells provides a commuter service between Seattle and Everett, Sound Transit, which operates commuter rail has no present plan to provide a Point Wells station. Even if the King County Metro bus line which terminates half a mile from Point Wells were extended to Point Wells in the future to serve the anticipated population, this would not be express or high-capacity service.” *City of Shoreline v. Snohomish County*, CPSGMHB, Corrected Final Decision and Order, Coordinated Case Nos. 09-2-0013c & 10-3-0011c (May 17, 2011) at 6.
DATED this 14th day of May, 2018.

MARK K. ROE
Snohomish County Prosecuting Attorney

By: ____________________________
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DECLARATION OF SERVICE

I, Ashley Lamp, hereby declare that I am an employee of the Civil Division of the Snohomish County Prosecuting Attorney, and that on the 14th day of May, 2018, I caused to be delivered Snohomish County Department of Planning and Development Services’ Pre-Hearing Brief and this Declaration of Service on the following parties by the methods indicated:

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I certify under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

DATED this 14th day of May, 2018 at Everett, Washington.

[Signature]
Ashley Lamp
Legal Assistant