

HIGHWAY 530 SITE SALE PROGRESS UPDATE

Brian Lewis, Executive Director of Operations

October 13, 2025

Hwy 530 Site Sale Progress Update

- **Purchase and Sale Agreement**

- For transfer of ownership of two parcels owned by APS comprising 168 acres located three miles east of Arlington city limits on Hwy 530
- Purchaser: Miles Sand and Gravel
- Parcels are designated with a Mineral Resource Overlay (MRO) by Snohomish County
 - “The Growth Management Act (GMA) requires counties to identify and conserve natural resource lands (RCW 36.70A.060). This includes designating mineral resource lands that are not already characterized by urban growth and that have long-term significance for the extraction of minerals (RCW 36.70A.170). Conservation in this context is intended to maintain such lands for potential mineral extraction. Counties must also protect these lands by ensuring that the use of adjacent lands does not interfere with mineral extraction (RCW 36.70A.060(1)).” Source:
<https://snohomishcountywa.gov/1518/Mineral-Resource-Lands-Planning>
- Agreement dated December 2, 2019

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- Purchase and Sale Agreement (continued)
- Negotiated selling price
 - \$3,000,000
- Escrow
 - \$75,000
 - Applicable to purchase price
- Accrues to district on purchaser default
- Seller default
 - Results in seller responsibility for up to \$400,000 in purchaser's direct costs associated with pursuit of permits.

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- Permit contingencies
 - Allows purchaser to pursue obtaining (at purchaser's cost) these permits:
 - Snohomish County Conditional Use Permits that would allow mining of mineral resources
 - Department of Natural Resources Surface Mine Reclamation Permit
 - Four distinct periods:
 - 33 months following effective date of agreement (December 2, 2019)
 - First and second permit period extensions-11/30/22 and 11/30/23
 - Durations are one year each
 - Applies to purchase price
 - Each requires \$75,000 cash, held as earnest money, can be waived by purchaser at any time
 - Non-refundable following expiration of each permit period
 - Final permit period extension-11/30/24
 - Duration is one year
 - Requires \$100,000 cash, held as earnest money, can be waived by purchaser at any time
 - Refundable if purchaser does not waive the Permit Contingency and does not purchase the property
 - Applies to purchase price if Permit Contingency is waived and buyer proceeds to purchase the property
 - Buyer may waive contingencies and elect to complete sale OR in the event permits are not issued by 12/02/25 may abandon process

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- **Permitting activities status**

- August 2023: First Conditional Use Permit (CUP) application withdrawn by applicant
- October 2023: Second CUP application submitted
- June 2024: WSDOT issues access permit to Hwy 530 from site clearing the way for Snohomish County to continue processing CUP
- September 2025: Snohomish County has issued “Letter of Completeness,” waiting on scheduling of final hearing by Snohomish County
- Hearing unscheduled as of 10/13/25
- Once hearing is conducted, Hearing Examiner has 30 days following hearing to issue report
- Appeal period of two weeks begins following issuance of Hearing Examiner’s report
- Following completion of appeal period, purchaser can begin application process for surface mining permit with Washington State Department of Natural Resources

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- Final permit extension
 - Expires December 2, 2025
 - Scenarios
 - If all permits are issued and appeal period has passed (two weeks after hearing examiner issues its findings) prior to December 2, the contingency is automatically deemed waived and process moves into Section 3.4 (a) and (b) of Purchase and Sale Agreement
 - Section 3.4 (a) and (b) of PSA allows renegotiation of purchase price if permits decrease the minable aggregate volume by more than 15%
 - Closing occurs within 30 days following completion of renegotiation
 - Both county and state permits must be issued to effectuate this scenario

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- Final permit extension
 - Scenarios, continued
 - If permits are not issued prior to the expiration of the final permit extension (December 2, 2025), then Purchaser may waive contingencies, renegotiation is not applicable, and closing would be completed within 30 days of December 2, 2025. Closing would then occur by January 2, 2026.

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- Questions?
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