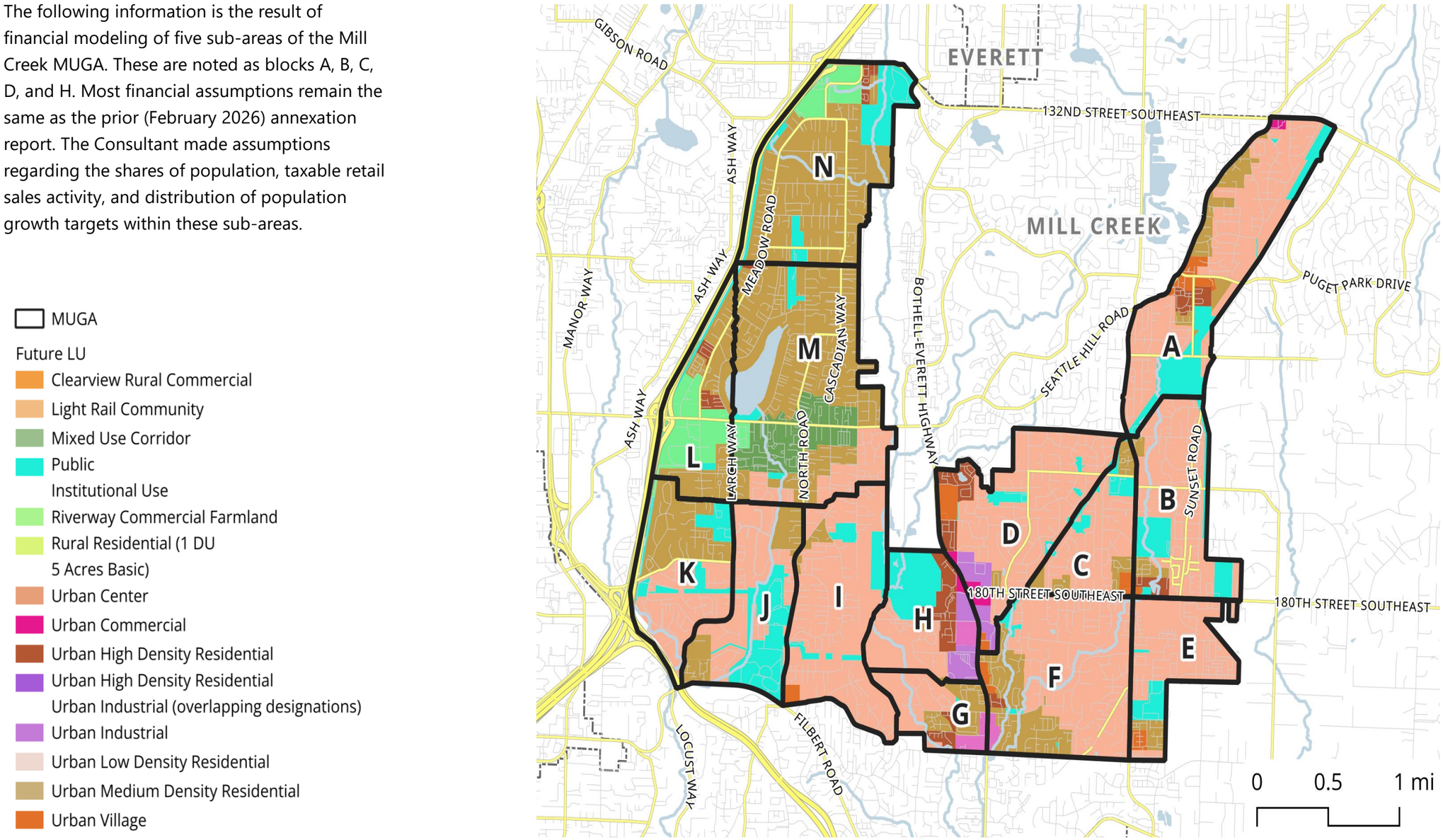
Mill Creek Annexation: Phase 2 Fiscal Analysis

The following information is the result of financial modeling of five sub-areas of the Mill Creek MUGA. These are noted as blocks A, B, C, D, and H. Most financial assumptions remain the same as the prior (February 2026) annexation report. The Consultant made assumptions regarding the shares of population, taxable retail sales activity, and distribution of population growth targets within these sub-areas.



Fiscal analysis: Sarah Emmans. Map: Margaret Raimann. Future Land Use: Snohomish County.

First Year, Last Year Detail: Revenues, Expenditures, Surplus (Deficit)

All Revenues	2027					##	2044				
	A	B	C	D	H		A	B	C	D	H
Property Taxes	$1,144,000	$1,080,000	$505,000	$1,089,000	$387,000		$1,476,000	$1,506,000	$650,000	$1,519,000	$575,000
Sales Tax	$747,000	$533,000	$287,000	$1,986,000	$1,523,000		$1,162,000	$1,113,000	$703,000	$4,534,000	$2,781,000
Other Taxes	$874,000	$648,000	$532,000	$858,000	$637,000		$1,224,000	$907,000	$735,000	$1,201,000	$887,000
Licenses & Permits	$189,000	$223,000	$106,000	$191,000	$124,000		$285,000	$375,000	$158,000	$287,000	$285,000
Intragovernmental	$282,000	$255,000	$127,000	$181,000	$46,000		$377,000	$317,000	$159,000	$232,000	$61,000
Charges	$55,000	$142,000	$25,000	$89,000	$44,000		$94,000	$222,000	$60,000	$145,000	$69,000
Fines & Penalties	$42,000	$173,000	$54,000	$44,000	$17,000		$57,000	$223,000	$83,000	$57,000	$23,000
General Fund Revenues	**$3,333,000**	**$3,054,000**	**$1,637,000**	**$4,437,000**	**$2,778,000**		**$4,674,000**	**$4,663,000**	**$2,548,000**	**$7,974,000**	**$4,681,000**
Street, REET, Road Fund (for O&M)	**$580,000**	**$503,000**	**$260,000**	**$578,000**	**$244,000**		**$1,319,000**	**$1,259,000**	**$401,000**	**$1,420,000**	**$872,000**
Affordable Housing Revenues	**$51,000**	**$38,000**	**$55,000**	**$475,000**	**$140,000**		**$107,000**	**$87,000**	**$119,000**	**$930,000**	**$279,000**
Annexation Tax Credit (if extended)	**$47,000**	**$33,000**	**$22,000**	**$67,000**	**$136,000**		-	-	-	-	-
Surface Water	**$504,000**	**$443,000**	**$276,000**	**$575,000**	**$166,000**		**$755,000**	**$702,000**	**$408,000**	**$883,000**	**$297,000**
Total Revenues	**$4,515,000**	**$4,071,000**	**$2,250,000**	**$6,132,000**	**$3,464,000**		**$6,855,000**	**$6,711,000**	**$3,476,000**	**$11,207,000**	**$6,129,000**

All Expenditures	2027					2044				
	A	B	C	D	H	A	B	C	D	H
Police	$1,625,000	$1,220,000	$758,000	$1,658,000	$319,000	$2,793,000	$2,039,000	$1,280,000	$2,857,000	$535,000
Other Criminal Justice	$147,000	$118,000	$111,000	$220,000	$144,000	$191,000	$152,000	$143,000	$286,000	$193,000
Public Works	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	*(included in Streets M&O)*		-	-	-	*(included in Streets M&O)*	
Streets M&O	$471,000	$441,000	$235,000	$466,000	$483,000	$857,000	$778,000	$372,000	$806,000	$776,000
Surface Water	$950,000	-	$633,000	$633,000	$633,000	$1,696,000	-	$1,060,000	$1,086,000	$1,120,000
Parks M&O	-	$354,000	$177,000	$177,000	$177,000	-	$609,000	$301,000	$320,000	$317,000
Community Development	$201,000	-	$134,000	$134,000	$134,000	$344,000	-	$214,000	$220,000	$227,000
Parks & Recreation	$134,000	$134,000	-	$84,000	$84,000	$204,000	$198,000	-	$98,000	$102,000
Central Services	$462,000	$231,000	$231,000	$231,000	$231,000	$764,000	$382,000	$382,000	$382,000	$382,000
Operating Expenditures	**$3,990,000**	**$2,498,000**	**$2,279,000**	**$3,603,000**	**$2,205,000**	**$6,849,000**	**$4,158,000**	**$3,752,000**	**$6,055,000**	**$3,652,000**
Road Fund Expenditures	**$672,000**	**$359,000**	**$254,000**	**$491,000**	**$306,000**	**$1,308,000**	**$700,000**	**$494,000**	**$957,000**	**$597,000**
Total Expenditures	**$4,662,000**	**$2,857,000**	**$2,533,000**	**$4,094,000**	**$2,511,000**	**$8,157,000**	**$4,858,000**	**$4,246,000**	**$7,012,000**	**$4,249,000**
Net Surplus (Deficit)	***-$147,000***	***$1,214,000***	***-$283,000***	***$2,038,000***	***$953,000***	***-$1,302,000***	***$1,853,000***	***-$770,000***	***$4,195,000***	***$1,880,000***

All Areas, All Revenues, All Expenditures, and Net Surplus (Deficit)

A	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$4,515,000	$4,686,000	$4,921,000	$5,132,000	$5,244,000	$5,358,000	$5,476,000	$5,597,000	$5,722,000	$5,850,000	$5,851,000	$5,982,000	$6,117,000	$6,256,000	$6,400,000	$6,547,000	$6,699,000	$6,855,000
Expenditures	$4,663,000	$4,843,000	$5,001,000	$5,158,000	$5,326,000	$5,495,000	$5,707,000	$5,888,000	$6,081,000	$6,274,000	$6,481,000	$6,689,000	$6,950,000	$7,173,000	$7,410,000	$7,648,000	$7,902,000	$8,158,000
Net	*-$148,000*	*-$157,000*	*-$80,000*	*-$26,000*	*-$82,000*	*-$137,000*	*-$231,000*	*-$291,000*	*-$359,000*	*-$424,000*	*-$630,000*	*-$707,000*	*-$833,000*	*-$917,000*	*-$1,010,000*	*-$1,101,000*	*-$1,203,000*	*-$1,303,000*

B	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$4,071,000	$4,290,000	$4,501,000	$4,693,000	$4,813,000	$4,934,000	$5,062,000	$5,191,000	$5,328,000	$5,467,000	$5,562,000	$5,708,000	$5,863,000	$6,020,000	$6,186,000	$6,354,000	$6,532,000	$6,713,000
Expenditures	$2,858,000	$2,975,000	$3,066,000	$3,156,000	$3,253,000	$3,348,000	$3,472,000	$3,574,000	$3,684,000	$3,793,000	$3,912,000	$4,028,000	$4,179,000	$4,304,000	$4,438,000	$4,572,000	$4,716,000	$4,858,000
Net	*$1,213,000*	*$1,315,000*	*$1,435,000*	*$1,537,000*	*$1,560,000*	*$1,586,000*	*$1,590,000*	*$1,617,000*	*$1,644,000*	*$1,674,000*	*$1,650,000*	*$1,680,000*	*$1,684,000*	*$1,716,000*	*$1,748,000*	*$1,782,000*	*$1,816,000*	*$1,855,000*

C	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$2,250,000	$2,300,000	$2,364,000	$2,427,000	$2,491,000	$2,557,000	$2,625,000	$2,694,000	$2,766,000	$2,840,000	$2,885,000	$2,962,000	$3,042,000	$3,123,000	$3,208,000	$3,295,000	$3,385,000	$3,476,000
Expenditures	$2,533,000	$2,635,000	$2,694,000	$2,772,000	$2,856,000	$2,939,000	$3,050,000	$3,139,000	$3,234,000	$3,328,000	$3,430,000	$3,531,000	$3,666,000	$3,773,000	$3,889,000	$4,002,000	$4,126,000	$4,247,000
Net	*-$283,000*	*-$335,000*	*-$330,000*	*-$345,000*	*-$365,000*	*-$382,000*	*-$425,000*	*-$445,000*	*-$468,000*	*-$488,000*	*-$545,000*	*-$569,000*	*-$624,000*	*-$650,000*	*-$681,000*	*-$707,000*	*-$741,000*	*-$771,000*

D	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$6,132,000	$6,422,000	$6,788,000	$7,120,000	$7,351,000	$7,590,000	$7,840,000	$8,099,000	$8,368,000	$8,647,000	$8,845,000	$9,144,000	$9,455,000	$9,779,000	$10,115,000	$10,465,000	$10,830,000	$11,208,000
Expenditures	$4,094,000	$4,271,000	$4,405,000	$4,534,000	$4,677,000	$4,816,000	$4,994,000	$5,142,000	$5,305,000	$5,463,000	$5,636,000	$5,805,000	$6,023,000	$6,203,000	$6,401,000	$6,594,000	$6,804,000	$7,011,000
Net	*$2,038,000*	*$2,151,000*	*$2,383,000*	*$2,586,000*	*$2,674,000*	*$2,774,000*	*$2,846,000*	*$2,957,000*	*$3,063,000*	*$3,184,000*	*$3,209,000*	*$3,339,000*	*$3,432,000*	*$3,576,000*	*$3,714,000*	*$3,871,000*	*$4,026,000*	*$4,197,000*

H	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$3,464,000	$3,591,000	$3,780,000	$3,948,000	$4,077,000	$4,209,000	$4,349,000	$4,493,000	$4,645,000	$4,802,000	$4,779,000	$4,943,000	$5,120,000	$5,301,000	$5,495,000	$5,695,000	$5,909,000	$6,130,000
Expenditures	$2,510,000	$2,582,000	$2,662,000	$2,739,000	$2,825,000	$2,907,000	$3,023,000	$3,111,000	$3,209,000	$3,304,000	$3,409,000	$3,510,000	$3,653,000	$3,761,000	$3,881,000	$3,997,000	$4,125,000	$4,250,000
Net	*$954,000*	*$1,009,000*	*$1,118,000*	*$1,209,000*	*$1,252,000*	*$1,302,000*	*$1,326,000*	*$1,382,000*	*$1,436,000*	*$1,498,000*	*$1,370,000*	*$1,433,000*	*$1,467,000*	*$1,540,000*	*$1,614,000*	*$1,698,000*	*$1,784,000*	*$1,880,000*

All Areas	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Revenues	$20,432,000	$21,289,000	$22,354,000	$23,320,000	$23,976,000	$24,648,000	$25,352,000	$26,074,000	$26,829,000	$27,606,000	$27,922,000	$28,739,000	$29,597,000	$30,479,000	$31,404,000	$32,356,000	$33,355,000	$34,382,000
Expenditures	$16,658,000	$17,306,000	$17,828,000	$18,359,000	$18,937,000	$19,505,000	$20,246,000	$20,854,000	$21,513,000	$22,162,000	$22,868,000	$23,563,000	$24,471,000	$25,214,000	$26,019,000	$26,813,000	$27,673,000	$28,524,000
Net	*$3,774,000*	*$3,983,000*	*$4,526,000*	*$4,961,000*	*$5,039,000*	*$5,143,000*	*$5,106,000*	*$5,220,000*	*$5,316,000*	*$5,444,000*	*$5,054,000*	*$5,176,000*	*$5,126,000*	*$5,265,000*	*$5,385,000*	*$5,543,000*	*$5,682,000*	*$5,858,000*

FTE ASSUMPTIONS

2026 Population (est)	21,787	6,061	4,649	2,753	6,325	2,607	22,395
	Mill Creek	**A**	**B**	**C**	**D**	**H**	**All Annexation Areas**
Police	29.2	8.0	6.0	4.0	8.5	1.5	28.0
Public Works							
Admin	2.4	0.0	0.0	0.0	0.5	0.5	1.0
Streets M&O	3.8	2.0	2.0	1.0	1.5	1.5	8.0
Surface Water	3.9	2.0	0.0	1.3	1.3	1.3	6.0
Parks M&O	2.9	0.0	2.0	1.0	1.0	1.0	5.0
Community Development	4.0	1.0	0.0	0.7	0.7	0.7	3.0
Parks & Recreation	3.0	1.0	1.0	0.0	0.5	0.5	3.0
Central Services	15.2	2.0	1.0	1.0	1.0	1.0	6.0
	64.4	**16.0**	**12.0**	**9.0**	**15.0**	**8.0**	**60.0**
FTE Per 1,000	*3.0*	*2.6*	*2.6*	*3.3*	*2.4*	*3.1*	*2.7*

Note: population for block H was updated from June 23, 2026, presentation upon closer analysis of existing housing in that block. Original estimate was ~1,000 which was too low due to the presence of multifamily properties in this block.

Assumptions and Notes

	A	B	C	D	H	
Population	**6,061**	**4,649**	**2,753**	**6,325**	**2,607**	*SME estimates based on County growth targets, assessor data. NOTE: Block H population is changed from June 23 presentation after reviewing the residential parcels.*
Assessed Value (2026)	**$1,748,286,710**	**$1,635,247,480**	**$787,499,100**	**$1,648,687,345**	**$565,237,600**	*Assessor*
Average SFR Value (2026)	**$827,000**	**$1,170,800**	**$980,000**	**$806,020**	**$1,000,000**	*SME analysis of assessor data*
Valuation Growth	**5.0%**	**7.0%**	**3.0%**	**6.0%**	**10.0%**	*SME estimates based on assessor data*
Estimated Housing Units (2026)	**2,078**	**1,422**	**843**	**1,902**	**919**	*SME estimates based on assessor data*
SFR	1,520	1,249	680	1,690	166	
Duplex	6	-	24	6	2	
Condo	343	173	138	190	128	
Manufactured or Mobile	65	-	1	1	2	
Multifamily	140	-	-	-	618	
SFR converted to group home	4	-	-	15	3	
Retail sales sq ft	**55,321**	**-**	**-**	**1,819,735**	**1,713,317**	*SME based on assessor data*
Taxable Sales (2026)	**$44,737,000**	**$30,926,000**	**$20,492,000**	**$139,163,000**	**$128,452,000**	*SME based on parcel data and DOR*
Remote	$24,261,000	$24,508,000	$17,282,000	$38,283,000	$17,756,000	
Construction	$10,513,000	$6,418,000	$3,210,000	$24,833,000	$27,230,000	
In-Person	$9,963,000	-	-	$76,047,000	$83,466,000	

General Assumptions: Revenues

Levy growth	1% + new construction
Growth, cable & franchise fees	2.5%
Other revenue growth	2.0%
Increase in gas tax, beginning 2026	12.1%
Sales tax rate (regular & optional)	1.0%
Sales tax rate (public safety)	0.1%
Sales tax rate (affordable housing)	0.1%
Real estate excise tax rate	0.5%
Construction cost as a share of market value	50%

General Assumptions: Expenditures

Personnel inflation	3%
Other inflation	4%
OT and benefits as % of salary (non Police)	40%
OT and benefits as % of salary (Police)	53%
Overhead	10%
Salary assumptions	2025 salaries provided by City of Mill Creek Finance; SME applied inflation and used blended salary where FTE assumptions were simplified
Non-personnel costs	Calculated as a share of personnel costs; between 20% and 80% depending on department