Potential Annexation Designation

Immediate Issue for Special Committee on Annexation
Whether to recommend designating all or part of unincorporated North Highline a Potential Annexation Area (PAA) by amending Seattle's 2006 Comprehensive Plan.

What is a Potential Annexation Area?

- Designating area a PAA is necessary step towards annexation.
- King County says PAA designation "represents concrete action that will continue moving the community towards an annexation solution."
- PAA can only be designated by one city.
- City can rescind PAA designation, but in this specific context, significant expectation that PAA designation will lead to annexation.

Central Staff Recommendation: Council should only designate a PAA if fairly confident that they want City to eventually annex designated area and that pre-conditions to annexation will be satisfied.

Why Annex? Urban Unincorporated Areas and the State GMA

- No legal statute that requires cities to annex unincorporated areas.
- State's Growth Management Act (GMA) anticipates all unincorporated areas within a city's urban growth boundaries will eventually be annexed.
    - Prevents fragmentation of local government authority & service duplication
    - Allows for economies of scale
    - Helps assure orderly growth & more logical service boundaries
- Countywide Planning Policies (CPPs) establish King County as regional/rural service provider and cities & special use districts as service providers to urban areas.
- CPPs anticipate areas within Urban Growth Boundary are annexed or incorporated into cities by 2012.

Guidelines for evaluating proposed annexations
Excerpted from: *Municipal Research & Services Center (MSRC) Annexation Handbook*

I. Basic principles

a) The boundaries of the annexation area should be drawn in accordance with the ability (both from a geographic and economic standpoint) of the city to provide services.

b) The population and assessed valuation of the area should be sufficient to allow the area to pay its fair share of the cost of providing services.

c) The area should contribute to the logical growth pattern of the city and should encourage orderly growth. Where possible, avoid irregular boundaries.

d) It should be no larger than what the city is able to service adequately with capital improvements and services within a reasonable time.

e) The boundaries of an area should be drawn to include residents who are generally favorable toward annexation or where annexation can be demonstrated to be advantageous to the residents of both the fringe area and the city.

f) In drawing boundaries of an annexation area, due regard should be given to special districts in the area.

II. Annexation Study: Is annexation feasible/desirable?

- Statistical data
- Maps
- Description of existing public services to unincorporated area—help determine extent to which additional services necessary.

  - ❒ police protection
  - ❒ fire protection
  - ❒ water service
  - ❒ sewage collection and disposal
  - ❒ garbage disposal
  - ❒ street maintenance, street lighting
  - ❒ storm sewers
  - ❒ animal control
  - ❒ planning, building inspection
  - ❒ public health protection
  - ❒ parks and recreation
  - ❒ library services

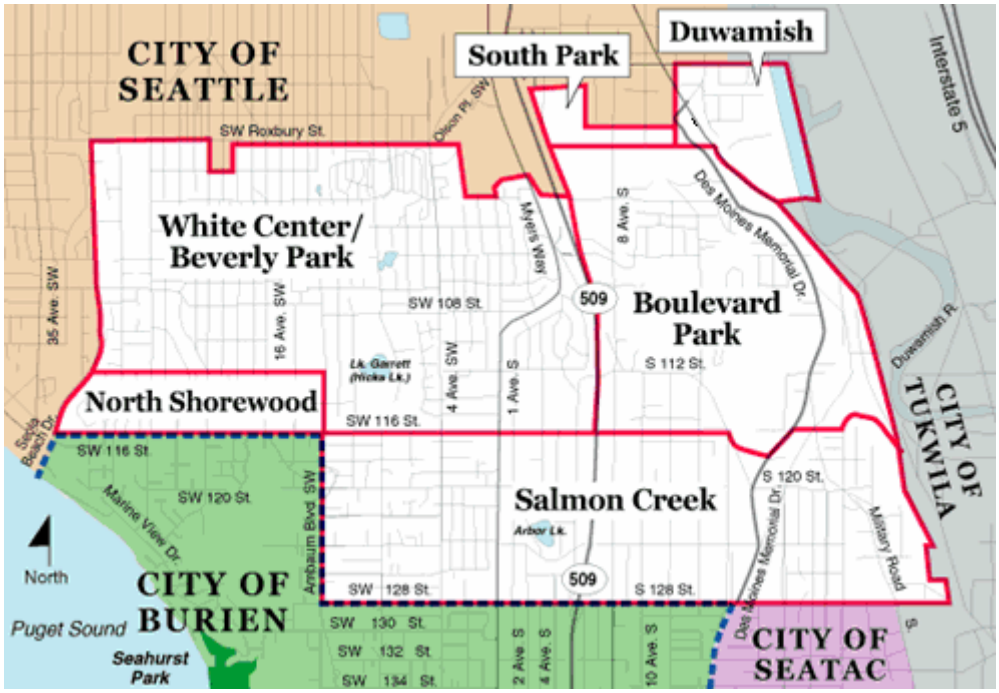
- Service requirement costs
- Potential revenues
- Social and economic characteristics
- Special problems

III. Plan of Service: How and when to pay for service level gap?

- More detailed study
- Cost of extending City's services to annexed area
- Timeline for extending City's services
  - Immediate services to be provided
  - Services to be provided for over time

About North Highline

- 32,400 residents
- 12,000 households
- 13,500 registered voters
- Median household income: $39,950
- Demographics: 53% White; 20% Asian-Pacific Islander; 13% Hispanic/Latino; 7% African-American; 6% two or more race; 1% Native American



Challenges to Annexing North Highline/Unincorporated South Park

Only major urban unincorporated area in King County that has not been designated a PAA by neighboring city.

<u>High Service Needs/Insufficient Tax base</u>

- King County estimates spending $12 million annually on local general fund services while the area generates $4.4 million in local revenues. Expenditures exceed revenues by $7.6 million[1].

- Gap for Seattle would likely be larger as Seattle's level of urban services is much higher than King County's.

[1] Report by King County presented at a North Highline Community Open House on Annexation, November 16, 2005

South Park Bridge & Unincorporated South Park Area (the "Sliver)

- If Seattle annexes Sliver area, becomes responsible for all roadways and bridges. *South Park Bridge needs to be replaced*. King County's preferred replacement option = $93 million.

- Seattle's position over the years: will not consider annexing North Highline or the unincorporated South Park area until *King County accepts financial responsibility for replacing the bridge* and exempting Seattle from all legal/environmental liabilities.

- From a service delivery/growth management perspective, it would be *difficult for Seattle to justify leaving out the Sliver* if Seattle attempted to annex neighboring unincorporated areas.

- King County's Boundary Review Board (BRB), a quasi-judicial body that reviews annexation proposals, *can modify a proposal to annex by adding or deleting territory* if it makes sense to do so (i.e., if a proposal creates irregular/impractical boundary or results in illogical service area, leaves an urban unincorporated area outside of city, etc).

  Given this, BRB could force Seattle to add the Sliver area to an annexation proposal that includes North Highline but not the Sliver. If no agreement with King County on the bridge, Seattle would become owner.

Resolution 30666, Adopted by City Council April 2004

A. King County executes an Interlocal Agreement that indemnifies Seattle against all liability associated with the existing 14th/16th Avenue South Bridge. King County must also agree to accept financial responsibility for replacing the bridge and commit to its replacement within a reasonable timeframe.

B. The Executive submits to Council detailed and comprehensive information on operation and capital costs for each potential annexation area, including but not limited to:

   a. assumptions about service levels
   b. operation and maintenance costs & infrastructure upgrades
   c. capital needs
   d. FTE impacts
   e. equipment costs
   f. Cost estimates should also include the range of potential costs based on low-end vs. high-end service levels so that the City fully understands its potential financial liability.

C. The Executive provides a plan showing alternatives for how Seattle would pay for any increased costs that may result from any annexation without negatively impacting existing service levels to Seattle residents.

D. Demonstrable progress is made, as determined by the Seattle City Council, on a more equitable regional funding mechanism and cost sharing plan for human services.

E. Other jurisdictions abutting the North Highline have indicated that they are not interested in also designating either of these areas or portions of these areas as a PAA.

F. Objective polling of North Highline area residents indicates a majority of the population within these Unincorporated Areas prefers to be annexed by Seattle. Seattle residents should also be polled to determine support for annexation of these areas.

G. The City undertakes a review of existing statutes related to annexation. If the City determines that certain changes are desirable, it should include these in its State Legislative Agenda and request that the State Legislature consider such changes.

Update on other stakeholder activities

Burien

Burien's annexation study:

- Annual cost to Burien to annex N. Highline: $2.5 million operating/$2.5 million capital. $175 per household
- Cost to Burien of not annexing: $1.9- $4.5 million per year. $134- $317 per household

-Conducted polling of Burien residents
- Plan three "community conversations" with Burien citizens
- Outreach to North Highline
-Active website available to public that includes studies, maps, links

North Highline Unincorporated Area Council

Completed incorporation study, which concluded:

- Staying unincorporated is not an option for long term community development
- Incorporation as a stand alone city is not feasible

<u>NHUAC preliminary recommendation made on November 3, 2005</u>

- Keep all neighborhoods together
- Annex to Burien

<u>Connections Survey conducted November 8 and 21, 2005</u>

- Conducted door to door survey of 775 North Highline residents
- Provided information on NHUAC recommendation
- "...broad majority of 61.7% survey respondents agreed with preliminary NHUAC recommendation to consider annexing to the City of Burien..."

Questions for Council Consideration Prior to PAA Designation

Adequacy of Information: Has Executive provided necessary and sufficient information for Council to make an informed decision?

Resolution of South Park Bridge: Can agreement be reached with King County over South Park Bridge?

Degree of Community Outreach: Has there been sufficient outreach to affected communities? Has MOU process been completed (schedule shows it running through August)?