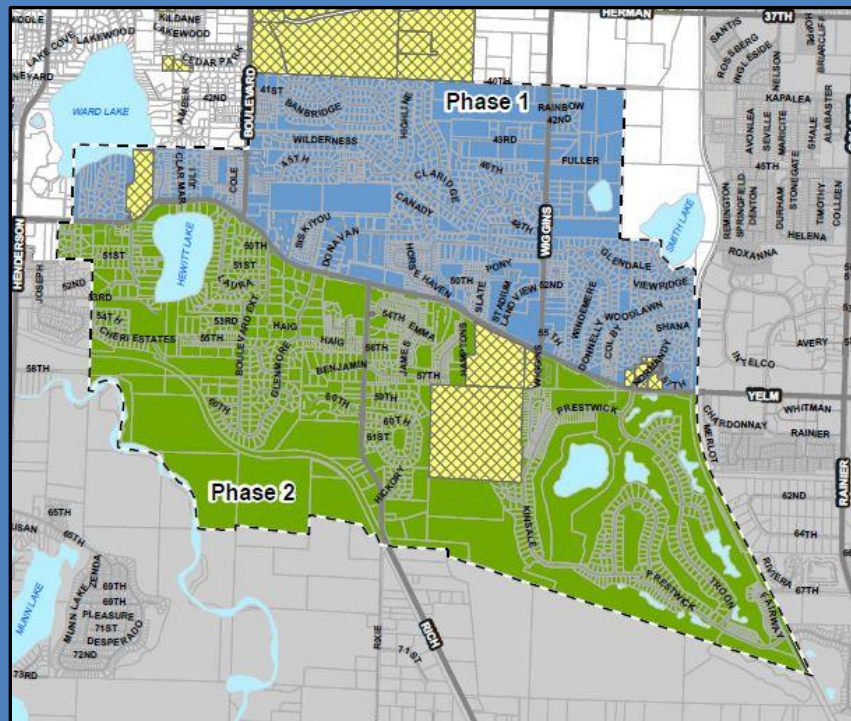




SOUTHEAST URBAN GROWTH AREA ANNEXATION FEASIBILITY ANALYSIS DRAFT

NOVEMBER
2019



Local Planning Solutions
Knowledge, Experience, Results

Who is this report for?

This report is directed toward several audiences. It is intended to assist the City's elected officials, executive and department managers, and staff. It is also hoped that members of the general public will find the information useful, either as a source of information regarding the details of the specific study areas, or as a general explanation of the factors that the City takes into account when deciding whether or not to annex.

Because this report is intended for a variety of users, some information may be of more interest to one reviewer than another. There is a level of detail regarding costs, revenues, etc. on a department-by-department basis that may be of more use to staff and managers within those departments than what is necessary for a decision maker, for whom the included summaries may be of more use.

Introduction

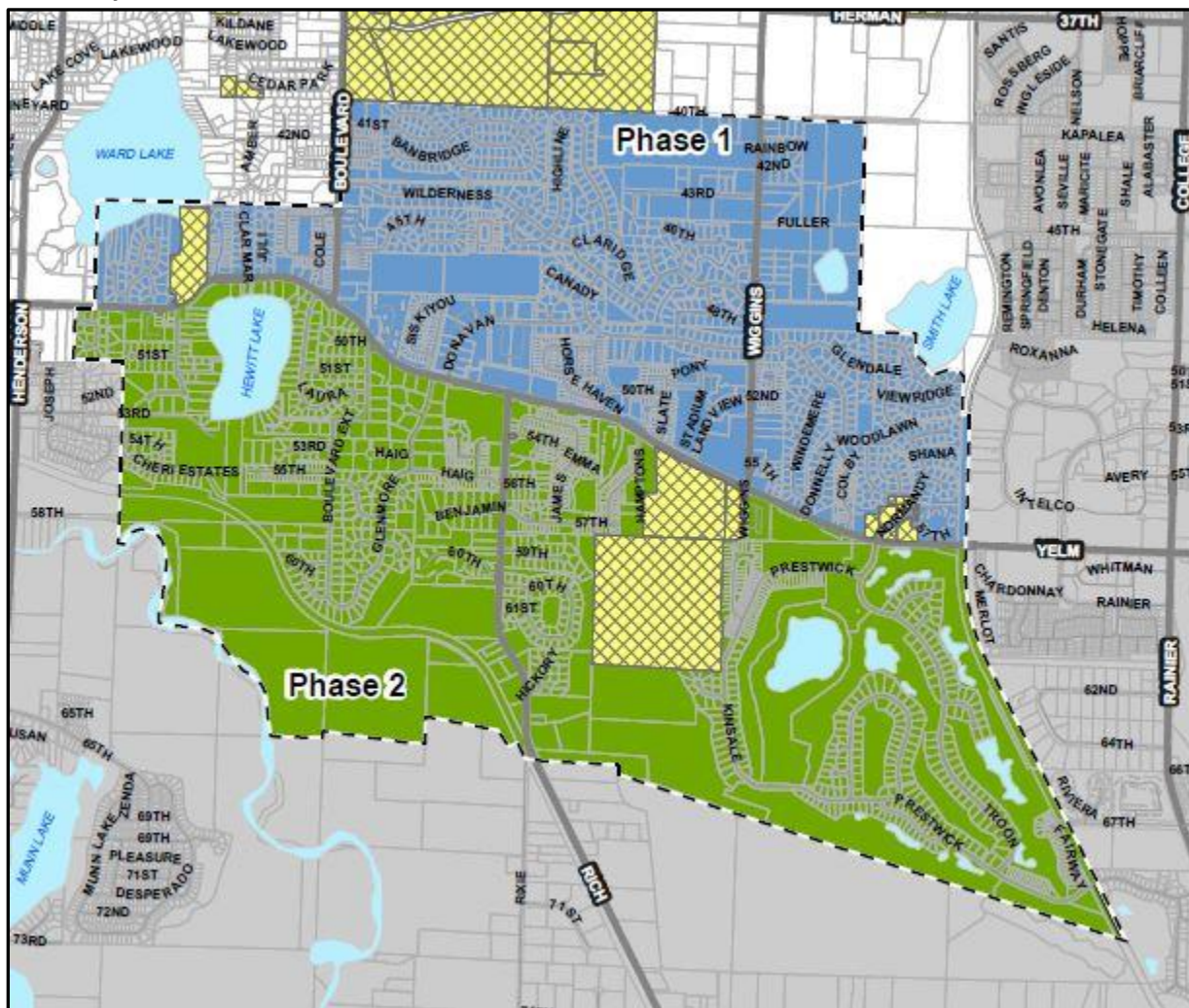
Under the State Growth Management Act (GMA), cities and counties work together to establish areas that the cities are expected to annex to accommodate future growth, and these areas are referred to as Urban Growth Areas (UGAs). Using population projections developed by the State Office of Management and Budget, jurisdictions use their best planning judgment to establish a UGA boundary sufficient to meet a 20-year growth projection. A key element for accommodating growth is to develop a strategy for providing an urban level of service so that the annexed population will have public sewer and water, and that roads will be developed to urban standards. For this reason, UGAs are the only areas outside a city's jurisdiction where the city has the authority to provide sewer and water. Often, cities and counties partner on large projects within their UGAs, such as road projects. This results in a unique situation where both the City of Olympia and Thurston County staff have detailed information regarding the UGA, even though it is still within the County's jurisdiction.

The City of Olympia has an annexation program that has resulted in the elimination of all the County islands within its jurisdiction. The City does an annual evaluation of whether circumstances are in favor of annexing any more of its UGA. Determining whether the timing is right to complete an annexation requires a careful examination of several factors, such as:

- Adding more land and people to the city can impact emergency services. Existing levels of service for police and fire protection could be negatively impacted unless the city is prepared to add more staff and equipment.
- City department such as Public Works may be impacted by the need to maintain more miles of roadway, sidewalks, stormwater facilities, etc.
- The annexation area may have existing infrastructure needs – such as a bridge replacement – that could bring significant costs to the annexing city.
- The annexation area may be deficient in the number of parks, playgrounds, or open space that could require the annexing city to develop facilities or acquire land to meet its own level of service standards.
- The existing tax base for the annexation area may not supply the revenues necessary to offset the costs required for the annexing city to meet its standard levels of service.

- The residents within a potential annexation area may not be supportive of annexation. Of the many types of annexation processes that are provided by statute, many can be overturned by referendum if enough residents object. Because of the cost to the City of completing an annexation, it is important to factor in whether the annexation can be reversed through referendum.
- The affected County may object to the annexation, particularly for areas where there have been recent expenditures on improvements to an area, or areas the County stands to lose significant tax revenues. Similarly, fire districts can lose tax revenues that support their overall operations. Counties and fire districts have the ability to influence the approval or outcome of an annexation by “invoking jurisdiction” through the local Boundary Review Board. Early coordination and communication with the County and fire district (and any other special district that has the potential to be affected) is important.

The Study Areas



The starting point for this study is Olympia’s Southeast Urban Growth Area (SE UGA). This is a large area of over 2.5 square miles and population of nearly 7,000 residents. Early in the study it was decided, in addition to studying the SE UGA as a whole, that smaller divisions within the UGA would be analyzed to explore whether future annexation of the area should be incremental.

Because there are numerous possibilities for dissecting the SE UGA into smaller study areas, some criteria were used as guidelines:

- Any potential study area should be safe from being overturned by referendum if annexed. The City of Olympia’s strategic approach to annexation has always been to annex only those areas where there are sufficient existing petitions from the residents within the area to be annexed to ensure that the annexation cannot be reversed. The City’s method for obtaining these petitions has typically been a requirement to complete a “waiver of protest” to annexation in exchange for the extension of City utilities (water and/or sewer). Typically, as growth occurs in the UGAs, especially through land subdivision, waivers of protest are collected. These are the functional equivalent of a direct petition of the property owner. When the number of “petitions” exceeds the threshold of 60% of a potential annexation area, the City has eliminated the risk of having the action overturned by referendum.
- The study area should have a “logical boundary.” The annexation statute requires that any proposed annexation area not create islands or peninsulas. Generally speaking, the area should extend the City’s boundaries in a manner that does not have the services of neighboring jurisdictions crossing over each other’s boundaries to reach their service areas.
- Each time a City annexes territory there are costs. Annexations are involved processes that require a great deal of outreach and communication with residents, businesses, neighboring jurisdictions and state agencies. Developing Fact Sheets, maintaining a web site, holding public meetings and hearings require staff time and public resources, so from this perspective there is an incentive to annexing the largest logical territory to reduce repeated annexation costs.

Following the criteria above, it was decided to primarily analyze two annexation options. First, the information regarding the infrastructure and services for the entire SE UGA have been obtained to evaluate the benefits and costs of annexing the entire area. The second scenario is a phased approach that would be accomplished by annexing the area of the SE UGA that is north of Yelm Highway first (Phase 1), to be followed by the area south of Yelm Highway (Phase 2) at a later date. Throughout this study, information is provided for the North, South and Total Study Area to provide a basis to evaluate and compare the costs and revenues of annexation as well as the impacts to emergency services.¹

Although data and information are provided for the South study area, it should not be assumed that the South study area could be annexed independently from the North study area. The annexation statutes

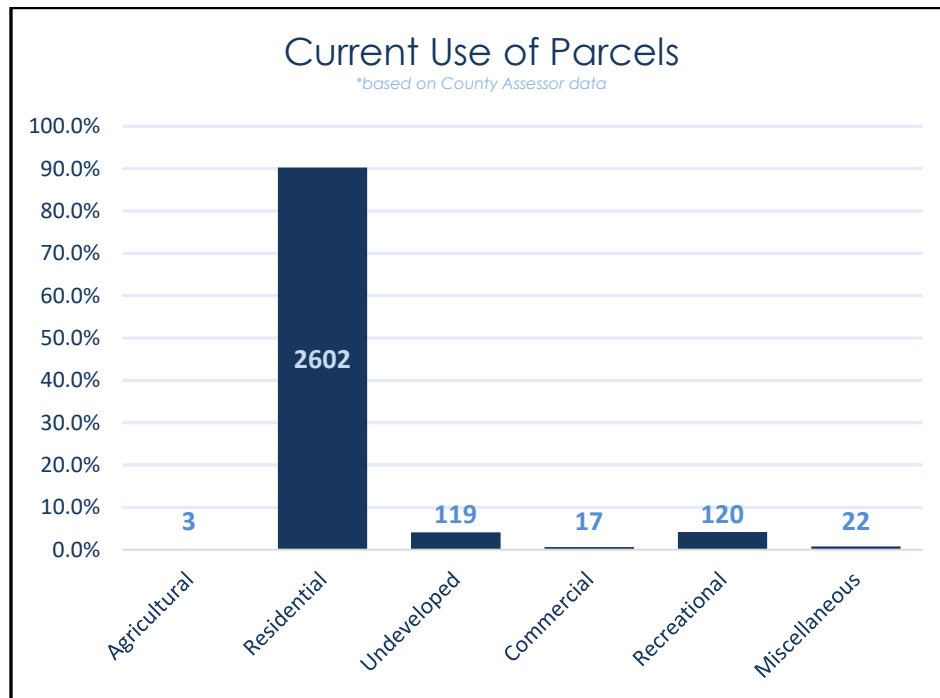
¹ **NOTE:** In response to direction from the City’s Land Use & Environment Committee and Executive Management, an abbreviated analysis of another scenario is provided as an appendix to this study. This is the northeast portion of the North study area, located in the vicinity of Ward Lake and the Newcastle subdivision.

would not allow the North study area to be skipped over in favor of the South study area, as that would create a County island. The only way the South study area could be annexed would be if it were annexed as a “Phase 2,” following annexation of the North study area, or if the entire SE UGA (both North and South study areas combined) were annexed simultaneously.

Study Area Profile

The SE UGA is almost entirely residential, and the types of residences are almost entirely single-family homes. There are 51 residential subdivisions. There is a wide range in the age of the developments, ranging from Sten Village, which was platted in 1968, to the Ridge at Ward Lake, which was completed in 2018. Those subdivisions that were platted decades ago, particularly before the era of Growth Management, continue to be served by septic systems, with many also on private wells or community water systems.

Of the nearly 2,900 parcels in the total study area, approximately 2,350 are single family residential. There are five condominium developments that have 193 “parcels,” combined. There are 11 apartments of 5 or more units, and 49 multi-family (either duplex or four-plex) units. Notably, there is only one parcel categorized as Industrial, and only 17 parcels that are categorized as Commercial. The remainder of the parcels in the SE UGA are a mix of vacant land, recreation, open space, etc.



The average assessed value of single-family residences in the SE UGA is \$355,000, which is indicative of well-established neighborhoods. The Indian Summer development, located in the South study area, has 226 residences with an average assessed value of approximately \$560,000, bringing the overall assessed values of the South study area up:

Average Assessed Values

North	South	Total Study Area
\$316,171	\$398,431	\$355,227

From the standpoint of tax revenues, future development potential with the study area is limited by the fact that this is primarily a residential area. The opportunity to realize higher assessed values related to commercial properties, sales tax, Business & Occupation tax, business licensing, etc. does not exist on a significant level. And of the nearly 2,900 parcels in the study area, only 148 – or 5 percent - are vacant land, and certainly not all of this land will be developable due to the presence of critical areas, etc. Therefore, the potential increased overall assessed value due to residential or multi-family buildout is also limited.

The total assessed value of the study area is slightly over \$970 million. At Olympia’s current levy rate, the revenues from property taxes would be approximately \$2.6 million annually. Annexation of the study area would also result in over \$500 thousand in additional property tax revenues to the recently established Olympia Metropolitan Parks District.² This represents a 13% increase in the City’s current total property tax revenues:

General Profile of Study Areas

	North	South	Total Study Area
Population	3,632	3,151	6,783
Dwelling Units	1,752	1,276	3,028
Parcels	1,550	1,334	2,884
Acres	603	1,041	1,644
Assessed Valuation	\$484,407,440	\$485,630,190	\$970,037,630
Property Tax Assessment	\$1,299,836	\$1,303,162	\$2,602,988
Oly Metro Parks Assessment	\$262,835	\$263,507	\$526,342
Total Assessment³	\$1,562,671	\$1,566,669	\$3,129,340

City of Olympia 2019 Assessment: \$19,370,780

Oly Metro Parks 2019 Assessment: \$3,922,756

Percent increase tax revenues by study area:

	North	South	Total Study Area
City of Olympia	6.7	6.7	13.4
Metro Parks	6.7	6.7	13.4

² See the Parks, Arts and Recreation section for more discussion of this.

³ The assessment is derived from applying Olympia’s current annual levy rate of \$2.72/\$1,000 of assessed valuation and the Olympia Metro Park District’s annual levy rate of \$.55/\$1,000 of assessed valuation to the total assessed valuation of each study area. NOTE: The assessed valuation of tax-exempt properties owned by the City of Olympia and the Olympia School District, which totaled \$6,526,400, were subtracted from the total assessed values before applying the levy rate.

Total	6.7	6.7	13.4
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Population and Area Upon Annexation and Percent Increase

	City of Olympia 2019	North	South	Total Study Area
Population	52,490	56,122 – 7%	55,641 – 6%	59,273 – 13%
Dwelling Units	23,213	24,965 – 8%	24,489 – 5%	26,241 – 13%
Square Miles	20.1	21.0 – 5%	21.7 – 8%	22.7 – 14%
Acres	12,863	13,465 – 5%	13,904 – 8%	14,507 – 13%

Vacant Land

	North	South	Total Study Area
Parcels	65	83	148
Acres	55	216	271
Assessed Value	\$2,683,200	\$8,124,800	\$10,808,000

Emergency Services

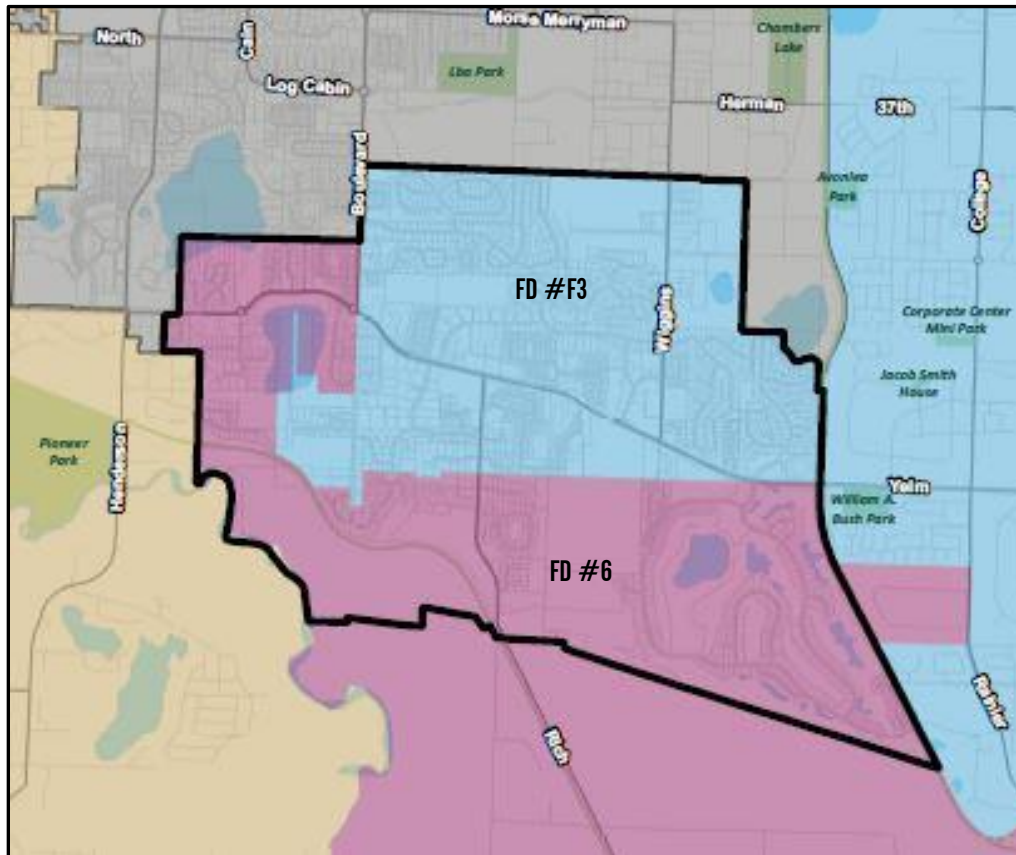
Fire Districts

All of the potential annexation areas being reviewed in this study are currently being served by Fire Protection Districts. Upon annexation – or shortly thereafter - the City of Olympia’s Fire Department would become the service provider.

The transfer of fire protection and emergency services to the city has the potential to impact both the city and the fire district. First, the loss of territory to the affected fire district also means a loss of property tax revenue. Very large annexations could result in a significant enough loss of revenue that Fire District staffing and operations could be negatively impacted.

The areas being analyzed for this study have two fire districts which would see some degree of impact as a result of annexation. In the Southeast UGA Study area, Lacey Fire Districts #3 and East Olympia Fire District #6 would see a reduction in service area.

SE UGA Annexation Study Area: Fire District Boundaries



The three main potential impacts to the affected fire districts are 1) loss of property tax revenue, 2) loss of assets through a required transfer to the annexing city, and 3) a loss/transfer of personnel. Impacts

have been evaluated by considering the entire SE UGA, as well as the areas north (Phase 1) and south (Phase 2) of Yelm HW separately. While the property tax revenues for Fire District #3 are included here, the analysis will focus on Fire District #6. This is because the impacts to Fire District #3 are expected to be minimal, which is borne out by the projected revenue impacts. A meeting with Fire District #3 was also held, during which the District stated it had no concerns about a future annexation of the SE UGA.

- Revenue Impacts

The property tax revenue impacts to Fire Districts #3 and #6 are displayed in the table below. One factor in this revenue summary that is important to understand is that any fire district revenues derived from special levies is not affected by annexation:

RCW 35A.14.500

Outstanding indebtedness not affected.

When any portion of a fire protection district is annexed by or incorporated into a code city, any outstanding indebtedness, bonded or otherwise, shall remain an obligation of the taxable property annexed or incorporated as if the annexation or incorporation had not occurred.

Fire District #6’s levy rate is currently \$1.65 per \$1,000 of assessed property values. Of this rate, \$1.41 is the regular rate and \$.24 is the excess – or special – levy. Fire District #3 receives \$1.59 per \$1,000, with a regular rate of \$1.47 and an excess rate of \$.12. Calculated impacts to the Districts are based on the loss of the regular levy rate. The revenue impacts are contextualized by showing what the revenue losses represent relative to each Fire District’s total annual property tax revenues. Total revenues were obtained from data obtained from the Thurston County Assessor’s Office.⁴ Total revenues for tax year 2019 are estimated to be \$2,543,158 for Fire District #6 and \$17,537,280 for Fire District #3. The following tables provide a summary for the SE UGA as a whole as well as if the UGA were annexed in phases. The percent reduction to the district’s overall property tax revenue is highlighted as a key indicator of the impact of an annexation on the district:

Fire District #3 Property Tax Summary

Study Area	Parcels/Dwelling Units	Assessed Value	Property Tax Revenue	Property Tax Revenue Loss	Percent Reduction of District’s Property Tax Revenue	Continuing Excess Levy Revenue
Phase 1- North	1,358/1,564	\$428,928,540	\$681,997	\$630,526	3.6%	\$51,471
Phase 2- South	514	\$168,606,600	\$268,085	\$247,852	1.4%	\$20,233
SE UGA	1,872	\$597,535,140	\$950,062	\$878,378	5%	\$71,704

Based on: 2019 Total Levy of \$17,537,280

⁴ Summary of Taxing District Levies and Increases from Tax Years 2016 to 2019.

2019 Regular Levy Rate of \$1.47/\$1,000

2019 Excess Levy Rate of \$.12/\$1,000

Fire District #6 Property Tax Summary

Study Area	Parcels/Dwelling Units	Assessed Value	Property Tax Revenue	Property Tax Revenue Loss	Percent Reduction of District's Property Tax Revenue	Continuing Excess Levy Revenue
Phase 1-North	192/188	\$55,478,900	\$91,540	\$78,225	3.1%	\$13,315
Phase 2-South	820/761	\$317,023,590	\$523,088	\$447,003	17.6%	\$76,085
SE UGA	1,012	\$372,502,490	\$614,628	\$525,228	20.7%	\$89,400

Based on: 2019 Total Levy of \$2,543,158
 2019 Regular Levy Rate of \$1.41/\$1,000
 2019 Excess Levy Rate of \$.24/\$1,000

The best indicator for predicting the impact of an annexation on the affected fire district is to calculate the expected loss of property tax revenues as a percentage of the fire district's total revenues. At a 2019 levy total of \$17,537,280, annexation of the entire SE UGA would result in a relatively minor reduction of 5% to Fire District #3. In a discussion with the Fire District regarding potential annexation of the SE UGA, the Fire District did not express a concern that this loss of revenue would have a significant impact that would require a reduction in staff or the ability to maintain its current service levels. The Fire District expressed a willingness to work with the City of Olympia to accomplish a transition of services following annexation. One idea that emerged from the discussion with Fire District #3 was that future annexation could also be an opportunity to adjust service boundaries between the districts and the City of Olympia.

Early in the deliberations by the City of Olympia's Land Use and Environment Committee, when the discussions of whether to complete an annexation feasibility study were underway, Fire District #6 expressed concerns about the impacts that annexation of the entire SE UGA would have. In a letter dated January 2, 2018, Fire Chief Warren Petersen noted that a large portion of the SE UGA falls within Fire District #6. Citing the potential impacts to the District, the letter requested that an incremental approach be considered. Among a couple options that were suggested, one was to use Yelm Highway as a boundary to phase any future annexations. This was reiterated during a kickoff/information gathering meeting in the early stages of this report. The concerns of the Fire District have been taken into consideration, and this study has adopted the Fire District's suggestion to use Yelm Highway as the boundary to evaluate a phased approach as one annexation scenario.

Based on an expected impact of nearly 21% to Fire District #6's overall revenues, the concerns that annexation of the entire SE UGA are well-founded. Were the City to only annex Phase 1, north of Yelm Highway, the impact would be relatively small at 3.1%. However, since the area within Phase 2

represents over 17% of Fire District #6's total regular property tax revenues, any annexation of Phase 2 will likely require some form of mitigation to assist in the transition from the Fire District to the City.

- Impacts to Assets

In certain situations, the annexation statute requires a transfer of assets from the entity being annexed. The annexation of the SE UGA would trigger the requirements for a transfer of assets because this area exceeds 5 percent of Fire District #6's territory. When more than 5, but less than 60 percent of the area of a fire district is annexed to a city, the fire district is allowed to retain its assets, but must pay the city a percentage of the value of its total assets equal to the percentage of the value of the real property that has been annexed into the city.

For Fire District #6, annexation of the entire SE UGA, or a future annexation of the territory south of the UGA, will result in the requirement for a payment to the city. This payment can be in the form of cash, properties, or contracts for services, and will be discussed in more detail below.

- Impacts to Personnel

The annexation statute has anticipated this potential impact on fire districts and provides for the transfer of employees from the Fire District to the annexing municipality:

RCW 35A.14.485

Annexation of fire districts—Transfer of employees.

(1) If any portion of a fire protection district is proposed for annexation to or incorporation into a code city, both the fire protection district and the code city shall jointly inform the employees of the fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of annexation or incorporation at the earliest reasonable opportunity.

(2) An eligible employee may transfer into the civil service system of the code city fire department by filing a written request with the code city civil service commission and by giving written notice of the request to the board of commissioners of the fire protection district. Upon receipt of the request by the civil service commission, the transfer of employment must be made. The needed employees shall be taken in order of seniority and the remaining employees who transfer as provided in this section and [RCW 35.10.360](#) and [35.10.370](#) shall head the list for employment in the civil service system in order of their seniority, to the end that they shall be the first to be reemployed in the code city fire department when appropriate positions become available. Employees who are not immediately hired by the code city shall be placed on a reemployment list for a period not to exceed thirty-six months unless a longer period is authorized by an agreement reached between the collective bargaining representatives of the employees of the annexing and annexed fire agencies and the annexing and annexed fire agencies.

The annexation of the SE UGA, or specifically the area south of Yelm Highway, would impact Fire District #6 significantly enough that a transfer of one or more employees would be likely unless there is a strategy to phase the transition of emergency services over time.

Olympia Fire Department

Annexations that significantly increase the service area of the annexing city can result in the need for more staffing, equipment and facilities. While this is anticipated in the statute, there is always the potential need for equipment and facilities that may not be something that the annexed Fire District has the resources to provide. Therefore, integrating a newly annexed area into a city's service area can have impacts, ranging from staffing levels, to distribution of staff, to even needing new trucks or a fire station.

- Response Times

The biggest potential impact of annexation would be the need to re-locate one of the City's existing fire stations to maintain response times. The closest station currently is located at Boulevard and 22nd Avenue. The proposed location for a new station would be in the vicinity of Log Cabin and Boulevard. The cost of a new station has been estimated at \$10 million. The Fire Department indicates that if the City is to be the primary service provider, a new station would be needed even if only Phase 1 were to be annexed.

- Budget and Staffing

There is no direct way to measure how annexation might benefit the Fire Department from the standpoint of increased revenues. Unlike the fire districts, which are entities that have a dedicated source of property tax revenues, the Fire Department receives a budget as a department within the City as a whole. Therefore, any increases to the Fire Department's budget as a result of annexation are ultimately at the discretion of the City Council.

From the standpoint of staffing, the Department believes that if only Phase 1 of the study area is annexed, then no new employees would be needed. However, if the entire SE UGA were to be annexed, it is likely that the City Fire Department would have to absorb some personnel from Fire District #6 if the City were to immediately assume responsibility for the annexed territory.

Strategies to Address Potential Impacts

- Interlocal Agreement

The Interlocal Cooperation Act (Chapter 39.34 RCW) provides broad authority for cities and special districts to enter into agreement that meet both their needs. Since the annexation of the SE UGA would result in a service area that exceeds the City's response time standards, some form of agreement will likely be necessary, unless and until a new station is located. The impacts to the City and Fire District #6 could be mitigated by entering into an interlocal agreement that would allow for a gradual transfer of responsibilities, as well as lessen the immediate fiscal impact to both jurisdictions.

A recent example is the Emergency Services and Operating Agreement reached between Fire District #6 and the City of Tumwater in 2014.⁵ The annexation of Tumwater’s SE UGA in 2013 resulted in a loss of approximately 14% of Fire District 6’s territory, thus triggering a transfer of District assets to the City. The value of this transfer was estimated to be nearly \$720,000. In addition, the annual loss of property tax revenues to the District was calculated to be \$103,500 for a period of two years, after which time it was estimated that the lost revenues would be offset by increased property values.

In exchange for continuing fire services within in Tumwater’s newly annexed territory, the Emergency Services and Operations agreement compensates Fire District #6 through cash transfer from Tumwater to replace lost property tax revenues. In addition, Tumwater agreed to in-kind payment to the Fire District that waives the District’s requirement to do a cash transfer to the City based on the value of its assets.

- Bonds

The \$10 million price tag for a new station would most likely not be funded through the normal budgeting process. It is probable that a capital facility project of this type would need to be funded through a dedicated special levy, so the impact to the City’s current budget could be minimal.

Ongoing Efforts that Could Affect Fire and Emergency Services

As this report is being written, a study has recently been completed to evaluate fire protection services throughout Thurston County. The study, titled the “Regional Fire & Emergency Services Study,”⁶ is being sponsored by the Tumwater Fire Department. Participants in the study include Olympia, Fire District #3, East Olympia Fire District (Fire District #6), McClane-Black Lake Fire District, and the West Thurston Regional Fire Authority.

A central purpose of the Regional Fire & Emergency Services Study is to identify opportunities to promote enhanced safety for the community while eliminating duplication of effort among all the emergency service providers. After a careful evaluation of each service provider’s service area, response times, staffing levels, assets, etc. the report recommends that the Cities of Olympia and Tumwater and Fire Districts #3 and #6 form a Regional Fire Authority. The study also recommends that the McClane-Black Lake Fire District and West Thurston Regional Fire Authority integrate.

Obviously, if a Regional Fire Authority is formed that includes the City of Olympia and Fire District #6, efforts to construct a new fire station, or decisions with high cost, potentially long-term fiscal impacts to the City, would be premature. The existence of this recommendation provides an additional argument for pursuing an interlocal agreement option for the provision of emergency services following annexation, at least until more is known regarding whether the recommendation will be implemented.

⁵ Emergency Services Operating Agreement between the City of Tumwater and Thurston County Fire Protection District No.6. C-2014-056, August 19, 2014.

⁶ August 2019.

Police

With all but the smallest annexation, impacts to the level of service for police protection can be anticipated. The standard method for establishing a level of service is to determine the number of patrol officers and police administration per 1,000 residents. This data is maintained by the Washington Sheriff’s and Police Chief’s Association. As of 2018, the City of Olympia has 1.41 commissioned police officers and .63 civilian employees per 1,000 residents.

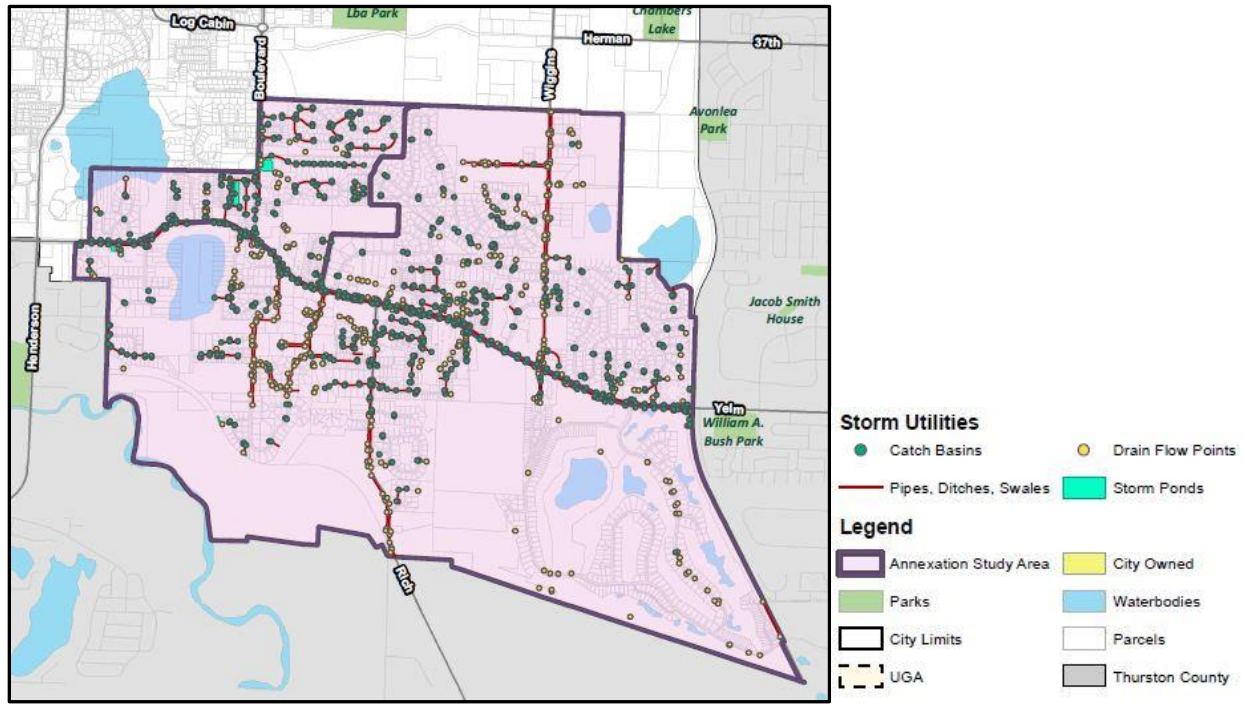
Based on the current population of 6,783 for the SE UGA, if the entire study area were to be annexed the City would need to hire 5 commissioned officers for the North study area and 4.5 for the South, for a total of 9.5 commissioned officers to maintain its existing level of service. To maintain the same level of service for civilian employees, the City would need to hire a minimum of 2.3 for the North study area and 2 for the South area for a total of 4.3 additional staff.

In addition to staffing costs, police protection requires a significant initial investment for equipment, training and vehicles. The following estimates for staffing costs are based on estimates provided by the Olympia Police Department. These costs include salary, overtime, benefits, equipment and training. In addition, an estimate is provided for the start-up costs of purchasing additional vehicles:

Staffing Costs				
		North	South	Total Study Area
Police Officer/Detective	\$154,000	\$774,928	\$700,854	\$1,475,782
Admin. Staff	\$106,000	\$243,800	\$212,000	\$455,800
Annual Total:		\$1,018,728	\$912,854	\$1,931,582
Initial Expenses				
Vehicles	\$50,000 @ 5			\$250,000
Combined Annual and Initial Costs				\$2,181,582

Utilities

Stormwater



Capital Facilities and Maintenance

The City is required to meet standards for operations and maintenance of its stormwater facilities under the conditions of its National Permit Discharge Eliminations System (NPDES) permit. For example, condition of the NPDES permit is that all catch basins must be cleaned every other year. Annexation of the SE UGA would add 828 catch basins to the current inventory of 7564, for an increase of slightly over 10%. In total, annexation would result in the following increases to the stormwater infrastructure:

Stormwater Infrastructure

	Current Inventory	North		South		Total Study Area	
	Number	Number	Percent Increase	Number	Percent Increase	Number	Percent Increase
Catch Basins	7,564	504	6.2%	324	4.1%	828	10.1%
Ponds	110	3	2.7%	12	10.9%	15	13.6%
Pipe (linear ft.)	830,550	38,129	.5%	28,401	.33%	66,530	.83%
Ditches/Swales (linear ft.)	109,007	8,581	7.8%	18,541	17%	57,061	24.8%

The annual maintenance associated with the acquisition of this infrastructure will have an impact on the staffing and equipment needs of the stormwater utility. The primary costs are related to vegetation

management and sediment collection and disposal. Sediment must be removed from catch basins, ponds, pipes, ditches and swales on the aforementioned maintenance schedule. In addition to the staffing and equipment needs, there are significant costs associated with the transfer and disposal of the sediment collected from each of these facilities.

Drawing on information obtained from the City’s staff, the utility is currently at capacity for staffing and equipment, so annexation under any possible scenario, whether it is phased or the entire SE UGA, would require 2 FTEs, a construction truck and an excavator with trailer. For this reason, the costs of staff and equipment are included only for the North portion of the study area, because any annexation would trigger these expenses. Annexation of the South area would only result in increased sediment disposal expenses, as the added staffing and equipment would be sufficient to cover this area. Therefore, the impact of annexing the South area at a later date - or of annexing the entire study area all at once - would be marginal, as the only increase to stormwater operation and maintenance would be sediment disposal costs. Estimated costs, therefore, are as follows:

Cost of Annexation

	North	South	Total Study Area
Staffing – 2 FTEs	\$250,000	---	---
Construction Truck	\$90,000	---	---
Excavator wi. Trailer	\$75,000	---	---
Sediment Removal and Disposal ⁷	\$46,000	\$75,000	\$121,000
Total Cost	\$461,000		\$536,000

Revenues

	Parcels	Annual Revenue
North	1,550	\$261,330
South	1,334	\$224,912
Total Study Area	2,884	\$486,242

The stormwater utility is supported by revenues that are based on the type of parcel, such as whether the use is residential or commercial. Given that the study area is overwhelmingly residential, the estimated revenues to the utility have been calculated using the residential rate. The 2019 rate for single family parcels is \$14.05 per month.

Fiscal Impact

Based on the fact that any annexation scenario would be a tipping point for adding new staff and equipment, the immediate overall fiscal impact to the stormwater utility would be lessened if the entire SE UGA were to be annexed at once. Because the South area could only be annexed either after - or

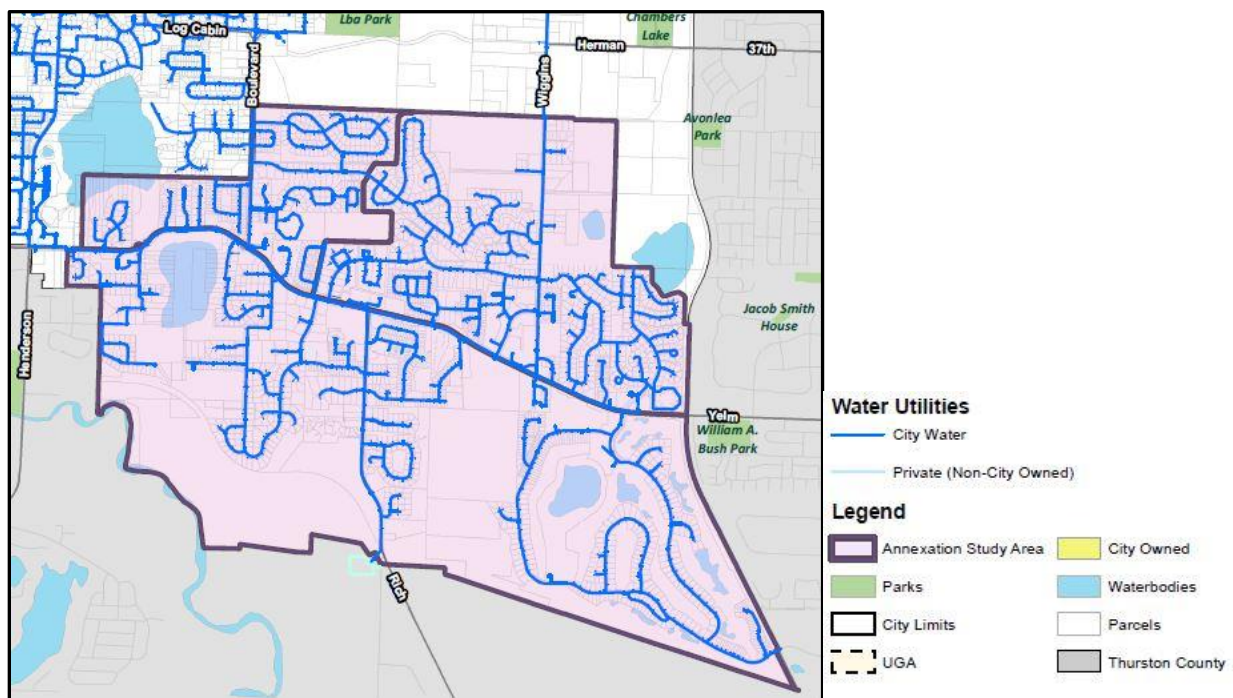
⁷⁷ These estimates represent the averages of the range of possible disposal costs provided by staff, which were \$30.5-\$61.5 thousand for the North, 52.5-97.5 thousand for the South, and 83-159 thousand for the entire study area

simultaneously with - the North area, the only two scenarios that need be presented are for the North area, or the study area as a whole:

	Revenues	Costs	Net Impact
North	\$261,000	\$461,000	-\$200,000
Total Study Area	\$486,000	\$536,000	-\$50,000

Based on the cost and revenue estimates, annexation would impact the stormwater utility. Based on an anticipated revenue deficit, the utility’s ability to deliver core services could suffer. Alternatively, utility rates could be increased, which would have an impact on customers.

Water



The City of Olympia already provides water services to a large portion of the SE UGA. For this reason, annexation of the area would have little immediate impact on the either the utility or its customers. While citizens with private wells frequently object to the being annexed because they believe they will be required to connect to City utilities, this is not the case. The only time conversion to the City water system would be required would be if there were a failure to an existing private system that is on a lot that has access to the City’s water system. However, this requirement is already in effect for residents within the Urban Growth Area, so annexation would have no impact.

The Thurston County Assessor’s parcel data is incomplete for the total number of parcels on either public or private water systems. The records for the SE UGA as a whole only have data for approximately 30% of the parcels. In addition, those systems that are labeled as “public” could be either municipal or privately-owned systems that meet the State Department of Health’s public water system

requirements. Therefore, the following statistics are probably best used as an indicator of the ratio of public to private systems in the area:

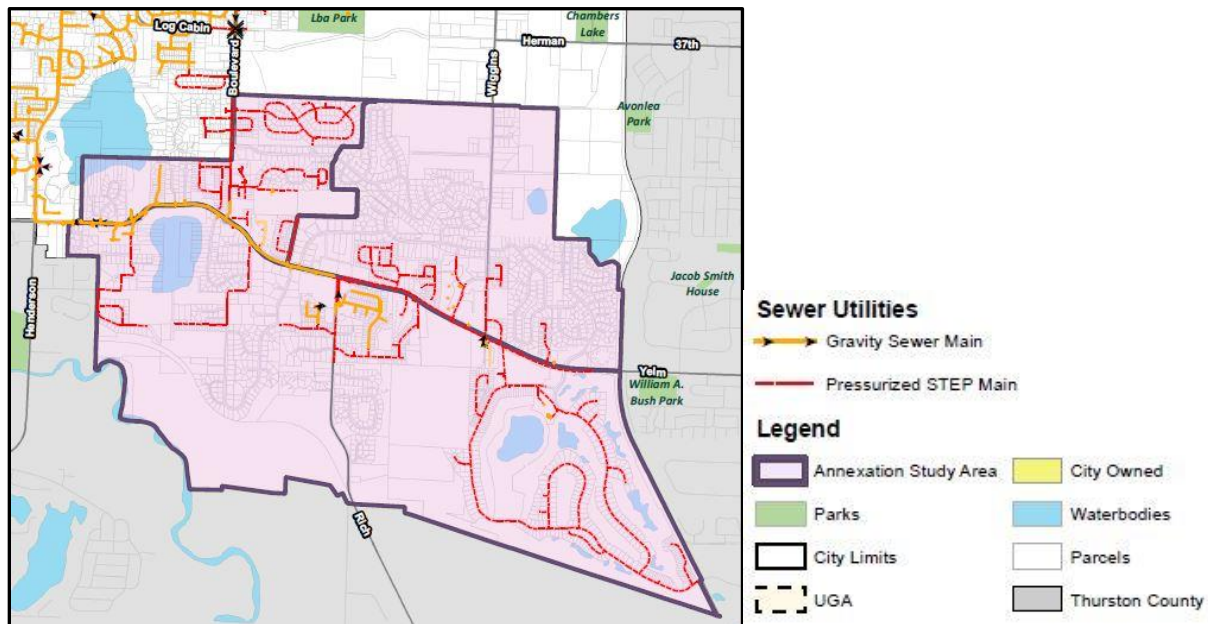
Water Systems in SE UGA

	Parcels on Private Wells	Parcels with Public Water
North	62	431
South	51	442
Total Study Area	113	873

- Some reductions in water rates to utility customers

As discussed earlier in this report, the City relies on the 60% direct petition method of annexation as its preferred annexation method. Further, the use of waivers of protest to annexation by property owners in the UGAs in exchange for City utilities had been the primary approach to gathering the petitions. This approach has helped ensure an orderly process for annexation in those areas where residents are receiving City utilities and other services. While the majority of water customers in the UGAs have completed waivers of protest, there are still some who have not. Within the SE UGA there are currently 200 parcels on public water that have not completed waivers of protest, but it is not known how many of these are customers of the City’s utility versus being on a private system that meets public water standards. Per OMC 13.04.390, the City applies a 50% surcharge to water customers in the UGAs who have not signed an annexation waiver of protest. Should the SE UGA or any portion of it be annexed, those customers currently paying the 50% surcharge would see the surcharge eliminated. Because the number is low, the elimination of the surcharge is not expected to have a significant impact to the water utility, but individual customers would see a benefit.

Wastewater



While not as extensive as the water utility, the City provides sewer within the SE UGA as well. As with water services, annexation of the UGA would not immediately result in conversion of the area's septic systems to sewer. The only requirement for conversion would be if a septic system fails and is located within 200' of an available sewer line. Given the limited sewer network within the SE UGA, many failing systems will be beyond 200' from a sewer line and thus would be eligible for repair or replacement.

As with data on water systems, the County Assessor's data regarding sewer and septic for individual parcels is incomplete. There are records for approximately 43% of the parcels in the SE UGA. The data is still useful as an indicator of the ratio of parcels on septic versus sewer:

	Septic System	Sewer
North	739	288
South	493	232
Total Study Area	1,232	520

With approximately 12,400 systems in the UGAs, the issue of septic to sewer conversion is a long standing one for all the cities in Thurston County. In 2015 the Cities of Olympia, Tumwater and Lacey and Thurston County jointly published the Urban Septic Assessment Report.⁸ The report details the water quality threats posed by failing systems. The report also provides a realistic critique of the challenges associated with a conversion program, including the following:

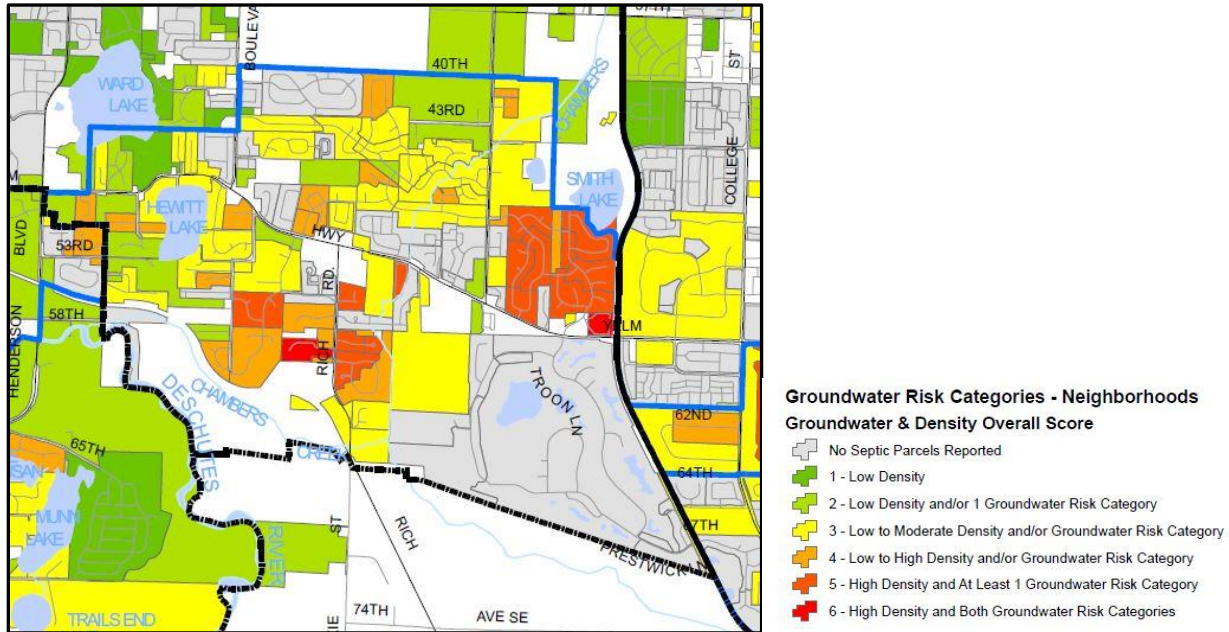
- **Lack of available funding to cover high project costs** – Municipal utilities must budget for capital facilities and services within legal and financial constraints. The high cost of extending sewer service to unsewered areas is a significant barrier to conversion in the local case studies, especially when considering funding to meet immediate priority needs.
- **Difficulty in justifying local government expenditures** – The local governments currently do not have an adopted, or consistent, conversion strategy that clearly describes the rationale and community benefits.
- **Lack of assured participation presents financial risk** – Because of the high cost to the property owner, as well as the lack of clear requirements for connection and incentives to participate, there is no assurance that the property owners will connect to sewer if it is made available.
- **High cost to individual homeowners** - In many cases the high cost of conversion for affected households is a barrier to homeowner participation. There are few effective mechanisms that allow homeowners to reduce or defer connection costs.⁹
- **Opposition from property owners** - Homeowners who see no obvious need to connect can present strong opposition to a septic conversion program. This is particularly true in areas of well-drained soil where the owner perceives little problem with the septic system. However,

⁸ Urban Septic Assessment Report, March 2015, Compiled by the Interjurisdictional Regional Septic Work Group.

⁹ However, since the publication of this report, LOTT has implemented a rebate program in 2017, and Olympia has a rebate program for their General Facilities Charge, which have reduced costs to homeowners.

cumulatively, septic systems are contributing to groundwater contamination or other environmental health risks.¹⁰

Septic-related Groundwater Risk Areas¹¹



The City’s Septic to Sewer Program already applies to properties in both the city limits and the UGA equally. However, areas within the newly annexed area that pose an environmental threat could cause the utility to adjust its priorities for extension of future services.

Regulations concerning the permitting of new septic systems differ between the City limits and the UGA. Inside the City limits, there are lot size requirements (usually at least one acre) for a new septic system that do not apply in the UGA. This would affect most undeveloped properties in the UGA or less than an acre that are more than 200 feet from sewer.

In addition, applications for septic systems in the UGA are reviewed only for proximity to sewer. Applications with the City limits are reviewed as they relate to critical areas such as wetlands and steep slopes.

Conclusion

Because the stormwater utility is currently at capacity for staffing and equipment, any annexation scenario would trigger the need for new staff and equipment. For this reason, there would be an economy of scale to the utility to annex the entire SE UGA. Annexing the entire area would provide revenues from a larger customer base without resulting in a need for additional staff and equipment beyond the projected need two new staff, a construction truck, and an excavator with a trailer.

¹⁰ Urban Septic Assessment Report, pp. 4-5.

¹¹ Published by Thurston County

Impacts to the water and wastewater utilities would be minimal, as these utilities already operate in the Urban Growth Areas. There would be no new customers, and existing policies that are in effect in the SE UGA would remain the same following annexation for existing systems.

Roads & Transportation

Usually the first concern that arises with transportation staff when an annexation is being considered is the condition of the roads within the annexation area. Obviously, roads that are in poor condition would likely present a near-term if not immediate cost to the City to make repairs, especially if they represent safety problems. In some cases, there may be costly repairs or upgrades necessary. An example would be a two-lane bridge that was built 40 years ago to serve a much smaller population, and which now has become a choke point within a busy corridor.

Even the best maintained roads present challenges to the City upon annexation. Because the City's and County's road standards are different, upon annexation the City usually receives an roads that do not comply with current standards. This is not due to any fault of the County, but rather with the fact that cities usually have a more urban standard designed to serve an urban population. A good example would be the Wilderness subdivision, which, while in good condition overall, does not have any sidewalks. Technically, for this subdivision to meet the City's standards, it should have sidewalks on at least one side of the street.

The issue of noncompliance is one that cannot be ignored, but at the same time it should not be assumed that annexation into the City would result in the immediate upgrading or retrofitting of the road network to meet current standards. Just as with long time frames associated with a septic to sewer conversion program, it is possible, if not likely, that the majority of nonconforming roads will remain so for long periods of time, if not decades. This is because the cost of retrofitting is so high, and there are so many other priorities to compete with. To the extent that a particular road or corridor poses a safety issue – say perhaps there is a road that has become unsafe for pedestrians due to increased traffic and really needs a sidewalk - it is possible that the City's planning and priorities can be shifted. The mostly likely immediate potential impact of adding the new road network is if there are high priority projects within the newly annexed area that could result in a change to the City's overall priorities, such as the 6-year Transportation Improvement Program (6-year TIP).

Evaluating Road Conditions

The standard approach for evaluating roadway conditions is to assign a Pavement Condition Index (PCI) rating. This is an evaluation that requires a manual inspection, and it is usually done by breaking a particular road into multiple sections, with each section being assigned a PCI rating. Thurston County provided data for 180 road sections with the study area for which they have assigned PIC ratings. The average PCI rating for the study area is reported at 90.35. The general guide for how to interpret the PCI rating is as follows:

- Very Good – 100 to 85
- Good – 84 to 60
- Fair – 59 to 40
- Poor - 39 to 0

Viewed as a whole, according to the average PCI rating, the road network within the study area is in good condition. Of course, this does not mean that there aren't certain sections that will require attention at some point. There are 25 sections within the County's data set that had a PCI rating below 80, with Wiggins Road having the lowest rating, at 67. Local residents will recognize Wiggins Road as a narrow roadway in an area that has seen a large increase in traffic volume in recent years, and in fact the County's recommended improvement is "Pavement Width Change."

Costs

This report focuses on the standard maintenance and capital costs associated with maintaining the road network within the City's current level of service. With information provided by the County and reviewed and vetted with the City's transportation planning staff, estimates have been developed based on existing staffing, operation and capital expenditures per lane mile. A level of service has been developed by using the latest budget for staff, operations and capital, divided by lane mile, to establish a unit cost for each of these categories per lane mile.

2018 Budget	Staff	Operating Budget
Streets	12.5	\$2,410,000
Traffic	8.5	\$2,050,000
Eng/Planning	9.0	\$1,300,000
Total	30.0	\$5,760,000

City of Olympia Total lane miles:	526
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Staff per lane mile:	0.06
Operating budget per lane mile:	\$10,951

Capital budget (2019 CFP)	\$6,000,000
Capital budget per lane mile	\$11,407

Based on the most recently budgeted amounts, the level of service for staff is .06 per lane mile, the operating budget is \$10,951 per lane mile, and the capital expenditures are \$11,407. The estimated costs for the study areas have been calculated by multiplying the lane miles within the study areas by the level of service and costs. For new staff, an estimate of \$150,000 per staff person has been used to cover salary, benefits, and equipment:

North = 40 Lane Miles	
Operating Budget	\$438,023
Capital Budget	\$456,274
Staffing (2.3 new staff)	\$345,00
Total	\$884,642

South = 14 Lane Miles	
Operating Budget	\$153,308
Capital Budget	\$159,696
Staffing (2.3 new staff)	\$120,000
Total	\$313,124

Total Study Area = 54 Lane Miles	
Operating Budget	\$591,331
Capital Budget	\$615,970
Staffing (2.3 new staff)	\$465,000
Total	\$1,197,766

Street Lighting

The City pays the costs of street lighting within City limits, whereas subdivisions outside the City limits pay for street lighting through homeowners’ associations.¹² Given that there are 51 subdivisions in the total study area, annexation will bring a cost to the City to pay for the street lights. According to information obtained from the City’s Finance Department, the City spent \$390,525 on “Street Lighting and Power” in 2018. This report estimates the increased street lighting expense as 13% of the 2018 expenditure. This yields \$50,768 for the total study area.

¹² The one exception to this in the study area is the Newcastle subdivision. The City pays for the street lighting in this subdivision.

Community Planning & Development

The Department of Community Planning & Development (CP&D) includes planning, building, code enforcement, and engineering. Within these areas there are several services and functions that the City provides, including the following:

- Land subdivisions
- Neighborhood Association planning support
- Historic preservation
- Building permitting and plans review
- Permit Center - customer service and planning counter support
- Code enforcement
- Long range planning, such as the City’s Comprehensive Plan
- Shoreline and critical areas review

Following annexation, each of the above functions of CP&D will see increased activity to some degree. Although the study areas are well-established and are not likely to see a great deal of new development, the annexation would still add a volume of work to the overall operations of the Department. Redevelopment and remodeling, for example, will increase the workload on plans examiners and permit staff. Adding nearly 7,000 citizens would definitely result in more calls for planning assistance and code enforcement. Adding new territory will require modifications to the City’s Comprehensive Plan, and perhaps could increase the need to support more Neighborhood Associations.

CP&D staffing is currently at capacity. This report does not identify which areas within the Department’s functions where new staff would be needed. Rather, an estimate of needed revenues is provided based the percent increase in population that the study area represents (13%), applied to areas of the Department’s current budget that are most likely to be impacted by annexation. Specifically, the Community Planning and Permit Services line items in the 2019 budget are most likely to be affected and, combined, these amount to \$4,063,930.

2019 Budget	North	South	Total Study Area
\$4,063,930	\$284,475	\$243,836	\$528,311

Parks, Arts and Recreation

There are currently no developed parks within the SE UGA study area. However, The City owns two significant properties that are designated for future development. An 86-acre parcel, formerly known as the Spooner’s Farm property, was recently acquired for the purpose of developing a large community park which is likely to include a variety of playing fields. The Parks Department also owns Ward Lake Park, a 9-acre undeveloped community park. In addition to these two park lands, the Parks Department plans to acquire property to establish one more neighborhood park site within the SE UGA.

While not within the SE UGA, it is worth noting that the LBA Woods property, recently purchased by the City, is immediately adjacent to the north and is used extensively by residents within the study area.

Revenues After Annexation

Because the City already owns and maintains the park lands within its Urban Growth Areas, annexation would not result in any increased costs. However, the Parks Department would benefit from annexation by gaining access to a variety of revenue sources. Presently, the only source of revenue to the Department for the parks it owns in UGAs derives from SEPA¹³ mitigation fees. These fees are assessed on new developments by Thurston County and remitted to



the City to compensate for the impacts to the parks system. These mitigation fees represent a very small fraction of the Department’s revenue, and many types of development which are exempt from SEPA, including small subdivisions and single-family residential construction, contribute nothing.

Upon annexation the Parks Department would derive revenues from the following sources:

- Olympia Metropolitan Park District – property taxes
- Increased General Fund allocation
- Non-voted utility tax
- Voted utility tax
- Impact fees

¹³ State Environmental Policy Act

Olympia Metropolitan Park District

In 2015 voters approved the creation of the Olympia Metropolitan Park District (OMPD). The OMPD is a separate municipal corporation with taxing authority. Currently, the OMPD assesses a property tax levy at a rate of \$.55 per \$1,000 of assessed value. Based on the assessed valuation of each study area the increase in property tax revenues would be as follows:

North: \$266,424
South: \$267,097
TOTAL UGA: \$533,521

General Fund

Under the terms of an Interlocal Agreement (ILA) between the City of Olympia and the Olympia Metropolitan District (OMPD), dated March 1, 2016, the Parks Department receives an annual allocation of 11% from the City’s General Fund. In the 2019 City of Olympia budget, approximately 75% of the revenues from property taxes went into the General Fund. To estimate what annexation of the study areas would represent for increased allocations to the OMPD, the total assessment has been multiplied by .75 to account for the percentage



that goes to the General Fund, then multiplied by .11 to account for the percentage of the General Fund that is allocated to OMPD:

General Fund Allocations to OMPD

	Property Tax Assessment	Allocation to General Fund	Allocation to OMPD
North	\$1,562,671	\$1,172,003	\$128,920
South	\$1,566,669	\$1,175,002	\$129,250
Total Study Area	\$3,129,340	\$2,347,005	\$258,171

Utility Taxes – Voter and Non-voter Approved

The City of Olympia taxes utilities¹⁴ at a rate of 9 percent. Under state law, the maximum rate allowed voter approval is 6 percent, and this portion of the tax is referred to as “Non-voter Approved.” In 2004 voters approved a 3% increase for Parks and Pathways, which is referred to as the “Voter Approved” portion of the utility tax.

Under the terms of the ILA, the City has committed to allocate 1% of the Non-voter approved utility tax and 2% of the Voter-approved utility tax revenues to the Parks Department for the purpose of acquiring and maintaining parks properties, with an emphasis on acquisition.¹⁵

Because utility taxes are based on consumption, there is not a direct metric to calculate future revenues from a potential annexation area. An estimate is developed here by projecting future revenues based upon the anticipated percentage increase in the number of dwellings within the study areas and applying this percentage increase to previous allocations of the utility tax. The City’s 2019 Budget reports that the Parks Department received \$478,110 from the 2018 Non-voted Utility Tax and \$1,934,300 from the 2018 Voted Utility Tax:

Utility Tax Allocations – 2019 City of Olympia Budget

Allocation of Utility Tax		
Electric, Gas & Telecommunications:	%	2018 Estimated Collections
Base— 6%		
General Use	4.50%	\$ 4,303,000
Park and Bike Lane Maintenance	0.50%	478,110
Capital Facilities and General Use	1.00%	1,000,000
Voter-approved— 3%		
Parks	2.00%	1,934,300
Sidewalk, Recreation Use	1.00%	965,700
Cable TV— 6%:		
Capital Facilities	6.00%	1,130,000
TOTAL	15.00%	\$9,811,110

Based on the projected increase in dwellings units, the increase to the Parks Department from Non-voted and Voted Utility Taxes would be as follows:

	North – 8%	South – 5%	Total Study Area
Non-voted	\$38,249	\$23,906	\$62,155
Voted	\$154,744	\$96,715	\$251,459
Total	\$192,993	\$120,621	\$313,614

¹⁴ Telecommunications, natural gas, electric.

¹⁵ The remaining 1% of the Voter-approved tax revenues is dedicated to sidewalks and recreational uses.

Impact Fees

Upon annexation the Parks Department would begin collecting impact fees for new development. As with projecting utility tax revenues, there is no direct metric for calculating impact fees revenues, particularly in the short-term. This is dependent on if and when parcels are either developed or re-developed within the study area. Because there are many assumptions that must be made, a conservative estimate is presented here. The potential for future development is derived beginning with the number of vacant parcels in the study areas, acknowledging that not all the parcels are necessarily capable of development. Based upon current zoning, it is assumed that nearly all future development will be a combination of single family or multi-family dwellings. Finally, a conservative estimate of a 5% rate of development (annual) is applied to provide a rough estimate of potential revenues from impact fees. Finally, although the study areas will likely see future multi-family development, for the purpose of providing a general estimate, only single family residential construction is assumed here

2019 Park Impact Fee Schedule

TYPE OF DWELLING UNIT	Neighborhood Park	Community Park	Open Space	TOTALS
Single Family including Manufactured Homes on individual lots, Townhouses	\$890	\$3,383	1,308	\$5,581
Duplex, Triplex, Fourplex (per unit), Cottage Housing	\$605	\$2,301	\$890	\$3,796
5 or more unit Multi Family, Courtyard Apartments	\$605	\$2,301	\$890	\$3,796
Units in Senior Housing Developments (including single family units)	\$605	\$2,301	\$890	\$3,796
Mobile Home in Mobile Home Parks	\$605	\$2,301	\$890	\$3,796
Accessory Dwelling Units	\$356	\$1,353	\$524	\$2,233
Single Room Occupancy Units, Studios	\$356	\$1,353	\$524	\$2,233
Downtown Multi Family (including Townhouses)	\$463	\$1,759	\$680	\$2,902

Projection of Impact Fee Revenues¹⁶

	Vacant Parcels	5% Development Rate	North	South	Total Study Area
North	65	3.25	\$18,138		
South	83	4.15		\$23,161	
Total Study Area	148	7.4			\$41,299

¹⁶ Based on an impact fee rate of \$5,581 for single family residential.

Parks, Arts and Recreation Revenues

	North	South	Total Study Area
OMPD Assessment	\$266,424	\$267,097	\$533,521
Property Tax	\$128,250	\$129,250	\$258,171
Non-voted Utility Tax	\$38,249	\$23,906	\$62,155
Voted Utility Tax	\$155,744	\$96,715	\$251,459
Impact Fees	\$18,138	\$23,161	\$41,499
TOTAL	\$606,805	\$540,129	\$1,146,805

Other Revenues

In addition to property taxes and revenues related to fee-based services, such as the stormwater utility, there are a variety of other taxes and fees that would accrue to the City following annexation.

Utilities and Services Taxes

The City imposes a 9% tax on telecommunications, natural gas and electric utilities. In addition, beginning in 2105 a 6% tax was assessed on cable television. Finally, the City imposes a 5% franchise fee on telecable services. Forecasting tax revenues that are based on future consumption would require several assumptions, ranging from the number of consumers who will be using a particular service, to the average amounts they will pay for the service.

Rather than attempt to predict consumption, this report does a per capita estimate of revenue as a percentage of the City's expected 2019 revenues across these categories, as reported in the City's 2019 Annual Budget.¹⁷ Because the annexation of the study area represents a population increase of 13%, the following amounts for each category of tax or fee are projected as 13% of the amounts in the 2019 budget:

	2019 Budget	North	South	Total Study Area
Telephone	\$1,425,000	\$99,750	\$85,500	\$185,250
Cable TV	\$1,130,000	\$79,100	\$67,800	\$146,900
Telecable	\$470,000	\$32,900	\$28,200	\$61,100
Gas	\$690,300	\$48,321	\$41,418	\$89,739
Electric	\$2,470,250	\$172,918	\$148,215	\$321,133
Total	\$6,185,550	\$432,989	\$371,133	\$804,122

Transportation Benefit District

The City has a Transportation Benefit District (TBD), which is defined on the City's web site as "a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district." The purpose of the TBD is to fund preservation, maintenance and construction of the City's local public ways.

As of 2017, the TBD charges \$40 for every registered vehicle in the City. Assuming the study area has 1.5 cars per household, this would yield an annual revenue of \$121,120.

State Shared Revenues

Jurisdictions receive revenues collected by the State from liquor receipts, motor vehicle fuel and marijuana excise taxes. The revenues are distributed on a per capita basis. The 2019 amount per capita is \$30.78. This would yield \$208,780 for the SE UGA.¹⁸

¹⁷ 2019 Budget, p. 51.

¹⁸ This does not include the revenues from marijuana excise taxes, which would be minimal for the study area.

Development Related Fees

Although the study areas are largely “built out,” there is some vacant land where new construction may occur. In addition, redevelopment and remodeling of existing properties is a source of revenue through permit fees. This report again projects revenue in this category as a percentage of the receipts estimated for the City’s 2019 budget. Since the total study area represents a 13% increase in population, revenues are projected at 13% of the 2019 budget:

	2019 Budget	North	South	Total Study Area
Building Permits	\$2,611,465	\$182,802	\$156,688	\$339,490
Fire Permits	\$125,000	\$8,750	\$7,500	\$16,250
Development Fees	\$941,527	\$65,907	\$56,492	\$122,399
Zoning & Subdivisions	\$246,000	\$17,220	\$14,760	\$31,980
Total	\$3,923,992	\$274,679	\$235,440	\$510,119

Summary of Costs & Revenues

	North	South	Total Study Area
Revenues			
Property Tax	\$1,299,836	\$1,303,162	\$2,602,988
OMPD Assessment	\$262,385	\$263,507	\$526,342
Stormwater Utility	\$261,330	\$224,912	\$486,242
Transportation Benefit District	\$70,040	\$51,040	\$121,120
Utilities and Franchise Fees	\$432,989	\$371,133	\$804,122
State Shared Revenues	\$111,792	\$96,988	\$208,780
Development Fees	\$274,679	\$235,440	\$510,119
Total Revenues	\$2,713,051	\$2,546,182	\$5,295,713
Costs			
Police	\$1,018,728	\$912,854	\$1,931,582
Roads & Transportation	\$884,642	\$313,124	\$1,197,776
Stormwater	\$461,000	\$75,000	\$536,000
Community Development	\$284,475	\$243,836	\$528,311
Street Lights	\$27,337	\$23,431	\$50,768
Total Costs	\$2,676,182	\$1,568,245	\$4,244,437
Net Revenue	\$36,869		\$1,051,276