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City Council

Acceptance of the Proposed Division Street Area for Annexation

Agenda Date: 7/23/2013
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Agenda Item:

Acceptance of the Proposed Division Street Area for Annexation

Issue:

As part of the process to annex the Division Street Urban Growth Area “island,” the City Council must decide: 1. whether to accept the proposed annexation area or modify boundaries; 2. whether to require the annexed area to assume City indebtedness for the fourth fire station; and 3. whether zoning regulations need to be changed for the annexed area.

City Manager’s Recommendation:

Move to accept the proposed area for annexation; require the proposed Division Street annexation property owners to assume City indebtedness for the fourth fire station; and do not require a change in zoning regulations.

Staff Contact:

Jennifer Kenny, Associate Planner, 360.753.8031

Presenter(s):

None, Consent Calendar item.

Background and Analysis:

Our Comprehensive Plan, Urban Growth Management Agreement and Countywide Planning Policies include policy statements regarding growth management and annexation. Generally, the goals are to support annexations which create logical boundaries and reasonable service areas within the growth areas (UGA).

The proposed Division Street Annexation is a UGA “island,” in that it is surrounded on all sides by the city of Olympia. Law enforcement is technically served by the Thurston County Sheriff’s office. The same on duty deputy may be simultaneously providing law enforcement service to Steamboat Island, Summit Lake, Little Rock and Summit Lake. In non-emergency circumstances, response times may not be what urban residents expect. However, emergency services are likely to be provided by the City of Olympia even though the properties are not contributing taxes to the City for those urban services. Staff recommends acceptance of the annexed area to increase efficiency of service delivery such as fire, police and waste removal services.

Annexing the area will also support consistency among existing City codes such as the ban on fireworks. The fireworks ban does not apply to the County islands, leading to confusing and inconsistent regulations.

Staff recommends requiring assumption of City indebtedness for the City of Olympia excess fire levy for the proposed annexed area, because annexed properties would still be paying lower total taxes once annexed into the City. The City Council has the authority to waive the City of Olympia excess levy for fire services. This excess levy funded the 4th Fire Station. Waiver of that levy would lead to a reduction of annual taxes on the annexed properties, estimated to be about \$45.69 on a home valued at \$189,000. As mentioned, Staff is not recommending waiver of the assumption of this indebtedness, because even without that waiver, residents are still receiving a tax reduction on total taxes by being annexed into the City.

No change in zoning (R 4-8) is required since the existing zoning is the same as surrounding city areas. Moreover, the area is “pre-zoned” R 4-8 pursuant to the Olympia Zoning Map and the Future Land Use Map.

On April 9, 2013 the City Council directed staff to pursue annexation of the Division Street island through the Direct Petition Method, and on May 8, 2013 staff held a public meeting on the proposal.

The Revised Code of Washington 35A.14.120 requires that the City Council decide: 1. whether to accept the proposed annexation area as proposed or modify the boundaries; 2. whether to require the annexed area to assume City indebtedness for the fourth fire station; and 3. whether zoning regulations need to be changed for the annexed area.

Neighborhood/Community Interests (if known):

Property owners and residents of the area have expressed an interest in the implications of annexation. If Council approves moving forward, a Public Hearing will be held (tentatively scheduled for August 13, pending Council approval to move forward).

Options:

1. Approve the City Manager’s recommendation to accept the Division Street island annexation, requiring assumption of indebtedness for the City’s excess fire levy, without modifying the proposed boundaries of the area, and without changing the zoning regulations (R 4-8).
2. Do not accept annexation of the Division Street island or modify the boundaries.
3. Accept the annexation of the Division Street island but waive the assumption of indebtedness for City’s excess fire levy.

Financial Impact:

The City already provides many services to this area. Due to the small area, few to no financial impacts are estimated. If the Council chooses to waive indebtedness, the reduction in tax collection for the fire excess levy would be about \$45.69 on a median-priced home of about \$189,000.