



City Council

Approval of Interlocal Agreement with Thurston County and Fire District #3 Concerning Boulevard Road / I-5 Area Annexation

Agenda Date: 3/4/2014
Agenda Item Number: 4.B
File Number: 14-0189

Type: decision **Version:** 2 **Status:** Passed

Title

Approval of Interlocal Agreement with Thurston County and Fire District #3 Concerning Boulevard Road / I-5 Area Annexation

Recommended Action

Committee Recommendation:

Not referred to a Committee.

City Manager Recommendation:

Move approve and authorize the Mayor to sign the Interlocal Agreement with Thurston County and Fire District #3 Concerning Boulevard Road / I-5 Area Annexation.

Report

Issue:

The City has initiated a proposal to annex an unincorporated County island using an annexation method under RCW 35A14.480 known as "Annexation of Territory Served by Fire Districts - Interlocal Agreement Process." This annexation method authorizes the City, County and Fire District to effect an annexation by developing an interlocal agreement.

Staff Contact:

Gary Cooper, Project Associate Planner, Department of Community Planning and Development, 360.570.3957.

Presenter(s):

None. Consent Calendar Item.

Background and Analysis:

The City of Olympia, Thurston County and Lacey Fire District 3 have negotiated an agreement that establishes how the UGA island that is the subject of the Interlocal agreement (Exhibit "A" Interlocal Agreement) would transition from the County and Fire District's jurisdiction to City jurisdiction if the area is annexed in the future.

The proposed agreement was approved for signature by the Thurston County Board of

Commissioners on February 18, 2014, and by the Lacey Fire District 3 Board of Commissioners on February 20, 2014. Approval by the Olympia City Council is all that remains to finalize the agreement.

Approval of this agreement is a pre-requisite to completing an annexation of the area covered under the agreement. However, approval of the agreement does not mean that Council has approved the annexation. Approval of the agreement only establishes how the area will transition to City jurisdiction if and when the area is annexed in the future. If this agreement is approved by Council, a hearing on whether to annex this area is scheduled for March 18, 2014.

Council Direction

The UGA area that is the subject of this agreement is an island within the City of Olympia. Following Council direction, the City has been working toward annexing all 3 County islands. Two islands were annexed in 2013, making the island that is the subject of this proposed agreement the last remaining County island.

Comprehensive Plan and Olympia/Thurston County Joint Plan

Annexation of islands is encouraged under the Olympia/Thurston County Joint Plan's Goals and Policies, including the following:

GOAL UGM2: Support annexations which create logical boundaries and reasonable service areas with the urban growth area, including annexation of unincorporated islands with the city limits.

Emergency Services

Although the area that is the subject of this inter-local agreement is located in the County, both police and fire emergency services are provided by the City of Olympia through inter-local agreements with Thurston County and Lacey Fire District 3.

Roads

The City of Olympia would assume responsibility for maintenance of roads and streetlights following annexation.

Outstanding Bonds

Properties within the proposed annexation area will be required to pay the existing excess levy for Lacey Fire District 3 until the bond is retired. A requirement to assume existing City of Olympia indebtedness is not addressed in this agreement, but would be decided at the time the annexation proposal is brought to a hearing before the City Council.

Neighborhood/Community Interests:

There are no known concerns from the surrounding neighborhoods or the community at large with respect to the terms of the Interlocal Agreement.

However, a number of residents and businesses are interested in the annexation itself. Thus far, comments received have been both for and against the annexation. Citizens who have expressed

support have cited the desire for City services, including policing of the Woodland Trail. Citizens who have voiced opposition cite the increased costs of living in the City, an expected decline in property values, and the impacts that surrounding future development could have on their residences or businesses.

Staff held a public informational meeting on the annexation on December 18, 2013, and have also mailed informational materials to all affected residents and surrounding neighborhood associations.

Another public informational meeting on the proposed annexation is planned for March 10, 2014 in City Council Chambers.

Options:

Council may either:

1. Approve the proposed Interlocal Agreement. This would enable the proposed annexation to proceed to a public hearing before the City Council, currently scheduled for March 18, 2014.
2. Deny the proposed Interlocal Agreement. This would halt the proposed annexation.

Financial Impact:

The financial impacts of future annexation under the terms of this Interlocal Agreement would be primarily in the redistribution of property taxes from the County and Lacey Fire District 3 to the City of Olympia.

The estimated revenues from property taxes that will accrue to the City of Olympia following annexation is \$108,000, based on existing non-exempt assessed property values in the subject area.

Under the terms of the agreement, Lacey Fire District 3 will receive the property tax revenues through 2014.