



## Land Use & Environment Committee

### Annual Annexation Report

**Agenda Date:** 1/18/2018  
**Agenda Item Number:** 5.C  
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#### **Title**

Annual Annexation Report

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive the information. Briefing only; no action requested.

#### **Report**

##### **Issue:**

Whether to review annexation issues and opportunities. This report focuses on the Southeast portion of the City's unincorporated urban growth area where several options exist for the City to consider initiating annexation proceedings.

##### **Staff Contact:**

Tim Smith, Principal Planner, Community Planning and Development Department, 360.570.3915.

##### **Presenter(s):**

Tim Smith, Principal Planner

##### **Background and Analysis:**

City staff provides an annexation update annually to the Land Use and Environment Committee (LUEC). In December 2016, staff presented annexation information for three areas: 1) Southeast, Yelm Highway; 2) Northeast, Friendly Grove & South Bay; and 3) Northwest, Cooper Point Road. For this annual update, staff is focusing on just the Southeast area. Compared to the other two areas, the Southeast is more densely populated, generally more developed with urban services, such as sewer and water, and is experiencing a higher rate of development activity. Other characteristics of the Southeast area include the following:

- This area is generally developed with single family homes with commercial developments along Yelm Highway;
- Most of the public infrastructure has been constructed to 'modern' standards, although many streets lack sidewalks;

- Yelm Highway was recently upgraded by the County;
- The City owns the undeveloped Ward Lake Park within this area;
- The City recently purchased the “Bentridge” property north of and adjacent to the Southeast Study Area for LBA Woods park;
- Mutual aid agreements provide that emergency response service in the area is shared by the City and the East Olympia and Lacey Fire Districts;
- A portion of the East Olympia Fire District was recently annexed by Tumwater and any large annexation by Olympia would need to be negotiated with the Fire District;
- This area is within lands being studied by Thurston County for a Habitat Conservation Plan (HCP) to protect threatened and endangered prairie species, including pocket gophers;
- Olympia’s Shoreline Master Program (SMP) does not include the unincorporated portion of Ward Lake; a SMP amendment would be needed following annexation.

The most common method of annexation for code cities is the Petition Method. Annexations of this type require a petition with signatures of property owners representing 60 percent of the assessed value of an area proposed for annexation.

Staff prepared five potential annexation areas showing Annexation Commitments that represent at least 60 percent of the assessed value for each area. Annexation Commitments are recorded documents that property owners sign in exchange for receiving utility service at city rates to a property located in the unincorporated Olympia Urban Growth Area. Under this commitment, the City has power-of-attorney to sign an annexation petition on behalf of the property owner.

A series of maps (See Attachments) depict five annexation boundary alternatives. Each map provides information on housing units, estimated population, total acres, total value of land with Annexation Commitments, total value of all land, and the percent of land value with Annexation Commitments. The five areas, in order from smallest land area to largest, are:

- Boulevard Road, 223 Acres
- Hewitt Lake, 288 Acres
- Yelm Highway North, 518 Acres
- Yelm Highway North and South, 1,502 Acres
- Southeast, 1,880 Acres

The Community Planning and Development Department does not currently have adequate staffing in 2018 for a large annexation project. These annexation areas represent a starting point for the committee to discuss the appropriate timing and priorities for a potential annexation. Staff will provide information on the costs and timelines associated with initiating and processing a large annexation at the meeting.

#### **Neighborhood/Community Interests (if known):**

Annexation proceedings generate substantial agency, property owner, resident and business interest. For any annexation proceeding, the City would follow a process that ensures all interested parties are well-informed and have an adequate opportunity to participate.

#### **Options:**

- 1) Add an annexation project to the 2018 CP&D work program to conduct further analysis of a potential annexation and, depending on the outcomes of the analysis, initiate an annexation within the Southeast (SE) Study Area; or
- 2) Hold over for future discussion at the next LUEC annual annexation update.

**Financial Impact:**

An annexation analysis and formal annexation process will require additional staff and financial resources.

**Attachments:**

SE Study Area Vicinity Map  
Boulevard Road Annexation Boundary Map  
Hewitt Lake Annexation Boundary Map  
Yelm Highway North Annexation Boundary Map  
Yelm Highway North & South Annexation Boundary Map  
Southeast Annexation Boundary Map