



Land Use & Environment Committee Annexation Plan Scope and Schedule

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Title

Annexation Plan Scope and Schedule

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on the annexation plan, scope and schedule. Briefing only; no action requested.

Report

Issue:

Whether to receive a briefing on the annexation plan, scope and schedule regarding the City's Southeast Urban Growth Area (UGA).

Staff Contact:

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

Presenter(s):

Tim Smith, Principal Planner

Background and Analysis:

Staff provided an annexation update to the Land Use & Environment Committee (LUEC) in January. The discussion focused on the unincorporated Southeast area of the City's UGA. The LUEC requested staff to return with a scope and schedule for moving forward with annexation of that area.

The Southeast UGA is generally developed with urban services, such as sewer and water. The area is comprised of 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. The City owns the undeveloped Ward Lake Park within this area, and is in the process of purchasing the 82 acre Zahn site for a future park. The City recently purchased the "Bentridge" and "Trillium" properties located immediately north of and adjacent to the Southeast Study Area.

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 has prepared two options for undertaking a phased approach to annexation. The options were selected using 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 UGA. Under this commitment, the City has power-of-attorney to sign an annexation petition.

Both options depicted in the attached maps respect a request of East Olympia Fire District 6 to focus initial annexation efforts on the north side of Yelm Highway (1/2/2018 letter attached). The difference between the two options is the size of Phase 1. Under Option 1, the first phase comprises all properties north of Yelm Highway with a total acreage of 678 acres. For Option 2, the first phase is focused on the Boulevard Road and Ward Lake area with a total acreage of 179 acres.

Staff proposes the following scope of work to move forward with an annexation process.

1. Conduct an Annexation Feasibility Study. This study would include an infrastructure and service profile (i.e. road, parks, sewer, police, fire, solid waste); demographic profile; and fiscal analysis. The fiscal analysis would be a “bottom line” costs-versus-revenues summary of the study area, as well as a projection of future costs and revenues.
2. Finalize Annexation Phasing Plan and Timeline. The final phasing plan would be guided by the results of the feasibility study and additional discussions with the fire districts to discuss impacts and mitigation strategies.
3. Develop and Implement a Public Outreach Plan for Phase 1. This would include public informational open houses, meetings with neighborhood and homeowners associations, property and business owners and developers.
4. Begin Formal Annexation Process for Phase 1. A Notice of intent to Commence Annexation would be prepared and a Council date set. The purpose of the Council meeting is to accept the Notice of Intent and set a preliminary boundary.
5. Prepare Petition. All annexation agreements would be compiled and the City Manager would sign the petition for all properties with an agreement. A legal description would be prepared. The petition would then be certified by the County Assessor.
6. Set Hearing on Annexation Petition. Council approval of a Resolution of Intent to annex is required in order to move the annexation petition forward to the Thurston County Boundary Review Board (BRB) for review. Approval can occur after a public hearing is held.
7. Commence BRB Review. There is a 45-day appeal period during which the annexation can be appeal. An appeal would initiate a public hearing before the BRB. The BRB has six months to

hold hearings and render a decision. The BRB can approve or deny the annexation, or approve a modified boundary for the annexation area. An appeal of a BRB decision would go to Superior Court. If there is no appeal, the annexation goes before the City Council for the approval of an ordinance to finalize the annexation.

8. Conduct Post Annexation Census. The State Office of Financial Management requires a census be taken of the final annexation area within 30 days after the effective date of the ordinance. The final census is then submitted to the Washington State Department of Commerce.

9. Repeat Steps 3 through 8 for Phase 2.

Estimated timelines and costs for the two-phased annexation program are outlined below. The Community Planning and Development Department does not currently have adequate staffing for a large annexation project. Funding will need to be allocated to contract with consultant services to manage the annexation work program:

- Feasibility Study: 3 to 4 months; \$25,000 - \$35,000
- Annexation Processes: 9 to 12 months for each annexation phase for a total combined cost of \$40,000 to \$45,000
- Post Annexation Census: 1 to 2 months for each phase with a total combined cost of \$40,000 to \$50,000

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 2019 CP&D work program to begin a feasibility study and, depending on the outcomes of the study, initiate an annexation within the 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
- Option 1 - Two-Phased Annexation Process Map
- Option 2 - Two-Phased Annexation Process Map
- Fire District Boundary Map
- School District Boundary Map

Fire District No. 6 Letter