

# Appendix T-3

## Annexation Process Criteria

Site-specific considerations such as critical areas, zoning, the efficient and cost effective delivery of services and/or extending infrastructure, and the concerns of adjacent residents, cities and King County should be considered by the City prior to the annexation of any Potential Annexation Areas. When evaluating annexation proposals, the following criteria will be given consideration. Review criteria are intended as guidance rather than standards.

- 1) A fiscal impact assessment shall be conducted of the costs to provide services and/or extend infrastructure and of the tax revenues that would be generated in each area proposed for annexation.
- 2) Revenues gained by the City through annexation should be at least equal to the additional costs incurred by the City or service providers for urban services and infrastructure to the area requesting annexation. The probability of substantial future financial benefit to the city should be considered when deciding on annexation proposals. Where reasonable, newly annexed areas shall be required to assume a proportionate share of the city's outstanding bonded indebtedness at the time of annexation. Reasonableness shall be determined by the City Council using the following criteria:
  - a. Whether and the degree to which the area to be annexed will benefit from the improvements funded by the bonded indebtedness;
  - b. The obligation of property owners within the area to be annexed to pay other outstanding bonded indebtedness for special district improvements, and the extent of that financial burden;
  - c. Whether other financial obligations (such as LID's) will be placed on property owners upon annexation, and the extent of those obligations;
  - d. The desirability to the city of annexing the area under consideration.
- 3) Individual annexation requests whose physical location would promote "leap frog" annexation, resulting in noncontiguous City limits, islands or bottle necks of unincorporated land, will not be considered. The City shall discourage annexations that would result in irregular City boundaries. Annexations shall include the largest practicable area contiguous to City limits that still result in logical City boundaries.

- 4) Annexations should be expanded if they include areas surrounded by the City on three or more sides or if they include properties with recorded covenants to annex.
- 5) The City shall only approve annexations that lie completely within the UGA and whose proposed zoning are consistent with the City's Comprehensive Plan. The land use designations specified in the Comprehensive Plan shall be used as guidance by the Planning Commission in determining the recommended zoning classification. If there is no Comprehensive Plan land use designation, then the zoning designation Residential -4 should be placed on the annexed property until such time as a subarea plan is undertaken to appropriately identify new Comprehensive Plan and zoning designations. The land use designations, as determined by the City Council through their acceptance of the annexation, shall remain on the annexed properties for three years following annexation.
- 6) Consider individual annexation proposals based on an analysis and evaluation of the following:
  - a. Urban levels of public services shall be provided at the City's adopted level of service standards (e.g. police and fire, schools, parks, open space, trails and recreation, transportation, storm water, sewer, water and other general government services);
  - b. The proposed annexation shall follow logical boundaries, such as streets, waterways, ridges, park property, trails, opens space corridors or substantial topographical changes;
  - c. The proposed annexation should include or exclude an entire neighborhood. The proposal should not divide portions of the neighborhood between City and County jurisdictions;
  - d. Critical Areas shall be identified, surveyed and appropriately protected consistent with the goals and policies of the Comprehensive Plan. Consider inclusion of open space corridors, either as greenbelts, trail corridors or urban separators, between the City and adjacent jurisdictions.
  - e. Consideration should be given to the availability of land within the city for the uses which would be developed upon annexation, encouraging infilling of existing undeveloped areas before extending services which allow similar development in peripheral areas unless there is a benefit to the community at large.
  - f. Evaluate proposed annexations to ensure that development enabled by the annexation is consistent with policies of the comprehensive plan specifically including population and employment growth targets.

## Information and Studies Required

To adequately assess the merits of annexation proposals, the following information should be gathered, analyzed and presented to the City upon application for annexation.

1. **Site Analysis.** Necessary facts including existing conditions; acreage; number of residential units; businesses; industries; estimated population; street mileage, paved and unpaved; assessed valuations; existing utility services; existing parks and playgrounds; schools and public buildings; and Critical Area Study
2. **Maps.** Preparation of maps to show existing and proposed city boundaries relative to the urban service area, general land use patterns, existing and proposed land use designations, critical area surveys, existing major trunk water mains and proposed extensions, existing sewer interceptors and proposed extensions, existing streets, and existing public areas, such as playgrounds and schools.
3. **Infrastructure Review.** Existing public services should be inventoried and evaluated. Confer with affected public service districts and utility purveyors to assess the impact of the annexation on their facilities.
4. **Urban Services Needs.** Urban services, such as water services, sanitary sewers, stormwater utilities, garbage disposal, streets, street lighting, police and fire protection, hospital, planning, building inspection, library, park, open space and recreational facilities and services should all be analyzed for the need for major capital improvements and annual operating needs. These needs should be considered in the city's determination and incorporated into the city or utility purveyor's capital improvement program if the proposed annexation is implemented. The city will work cooperatively with those public service districts and utility purveyors to determine the most rational and cost-effective means for providing urban level services to newly annexed areas and proposed land uses, on both a short and a long term basis, within parameters allowed in state statutes. The methods of providing such services to annexed areas should be described and their costs determined.
5. **Special Issues.** Any special circumstances created by the proposed annexation area should be discussed. Special circumstances may include infrastructure, public health or public safety problems, and potential impacts to the city due to development within proposed annexation areas at the expense of other developable areas within the city.
6. **Fiscal Impact Analysis.**
  - a. **Service Requirement Costs.** Estimated service requirements from the City, public service districts and utility purveyors, should be

converted into financial requirements to determine the cost of extending or improving services and/or infrastructure to accommodate the proposed land uses. Needs and costs should be estimated for 5 years from the time of annexation, projecting a rate of growth which would also be used for projecting revenue estimates. Considerations of service costs should include:

- i. Police protection: additional personnel, equipment, office space;
  - ii. Fire protection: additional personnel, equipment, hydrants, fire stations;
  - iii. Public services and private utilities: additional street lighting, road maintenance and construction, storm drainage, water and sewer construction and maintenance (including line replacement, pump stations);
  - iv. Parks and recreation: additional park acreage, trails, recreational programs, new facilities; and
  - v. Other governmental services such as: library, planning, building inspection, social service programs.
- b. Estimate of Revenues. An estimate of potential revenues to accrue from the area should be made and projected over a 5 year period. Existing methods of raising revenue that the city now has should be applied to the area being considered for annexation. These would include property taxes, state shared revenues, sales taxes, federal revenue sharing, business and occupation taxes, utility taxes, inspection and license fees, planning and zoning charges.
- c. Cost-Revenue Analysis. The anticipated revenues should be compared with anticipated costs, including both projected additional annual operating expenses and major capital expenses. The cost-revenue analysis should be projected for 5 years in order to gain an understanding of the impact which development of the newly annexed area would have.
7. Community Identity. The nature of the area proposed for annexation relative to surrounding unincorporated areas as well as to adjacent city areas should be considered as well.