

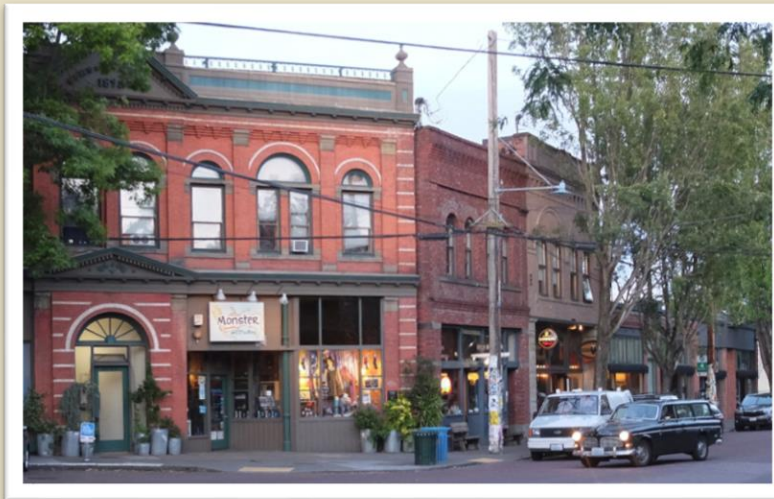
ANNEXATION

Rethinking Municipal Annexation:

The Case of North Highline

Oskar Abian – Senior Project Presentation

>> *What do these neighborhoods have in common?*



Ballard



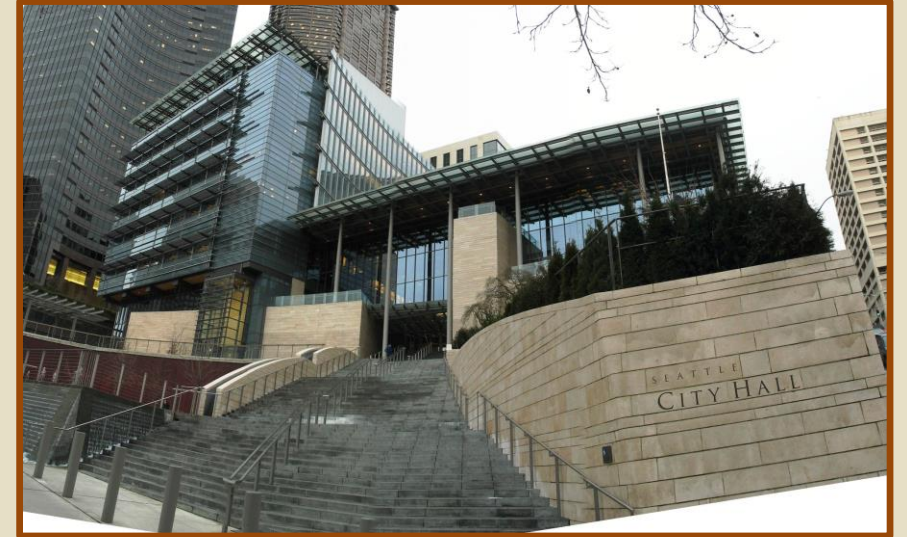
Columbia City



West Seattle

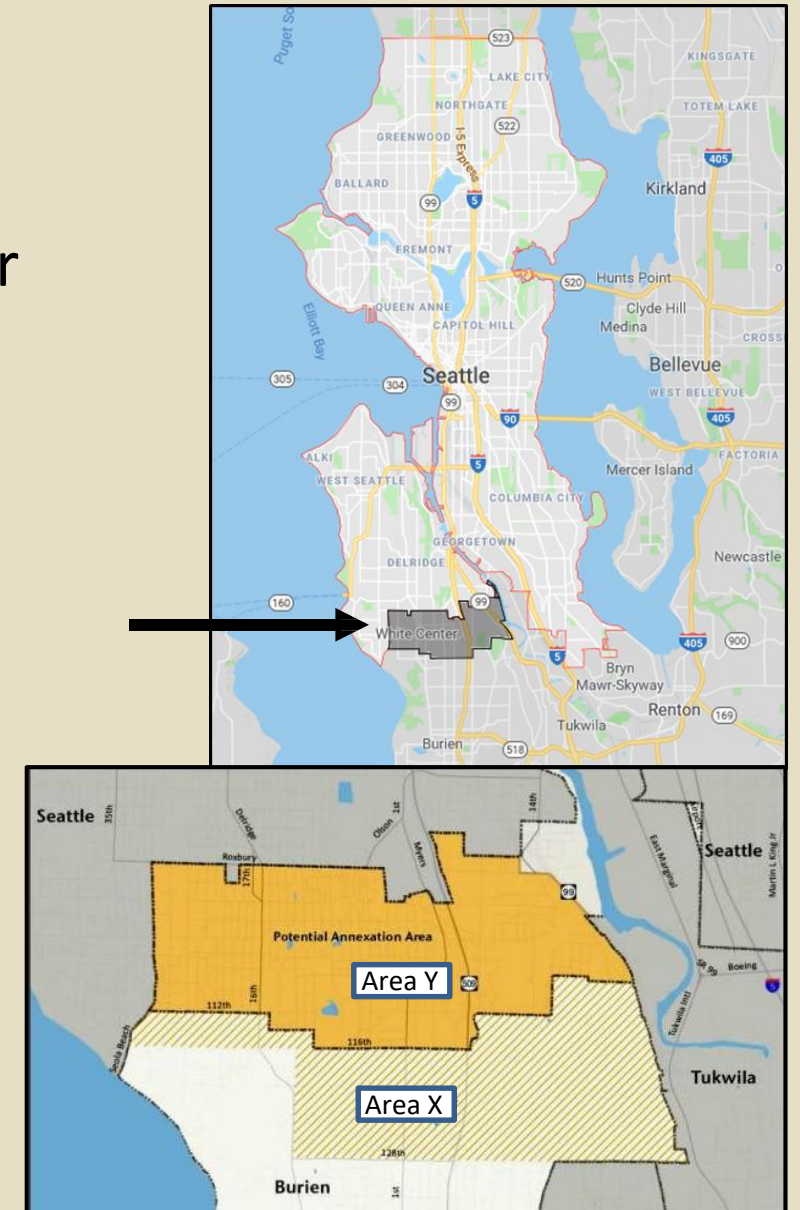
Introduction

- **Municipal annexation** is the legal process by which a **municipality** expands its boundaries over adjacent areas that are not already incorporated
- Municipal vs Unincorporated
 - "What is urban should be municipal," (APA)



North Highline

- Unincorporated area along Seattle's southern border
- Highly developed and urbanized
 - Population: 17,000+
 - Diverse population
- Annexation timeline
 - 1990- Identified as a potential annexation area
 - 2008- Agreement between Seattle and Burien
 - 2009- Burien annexes Area X
 - 2012- Burien fails to annex Area Y





Research Question

What are the practical impacts of Seattle's potential annexation of North Highline on the residents of the area?

Literature Review

Identify

the general features of Municipal Annexation

Understand

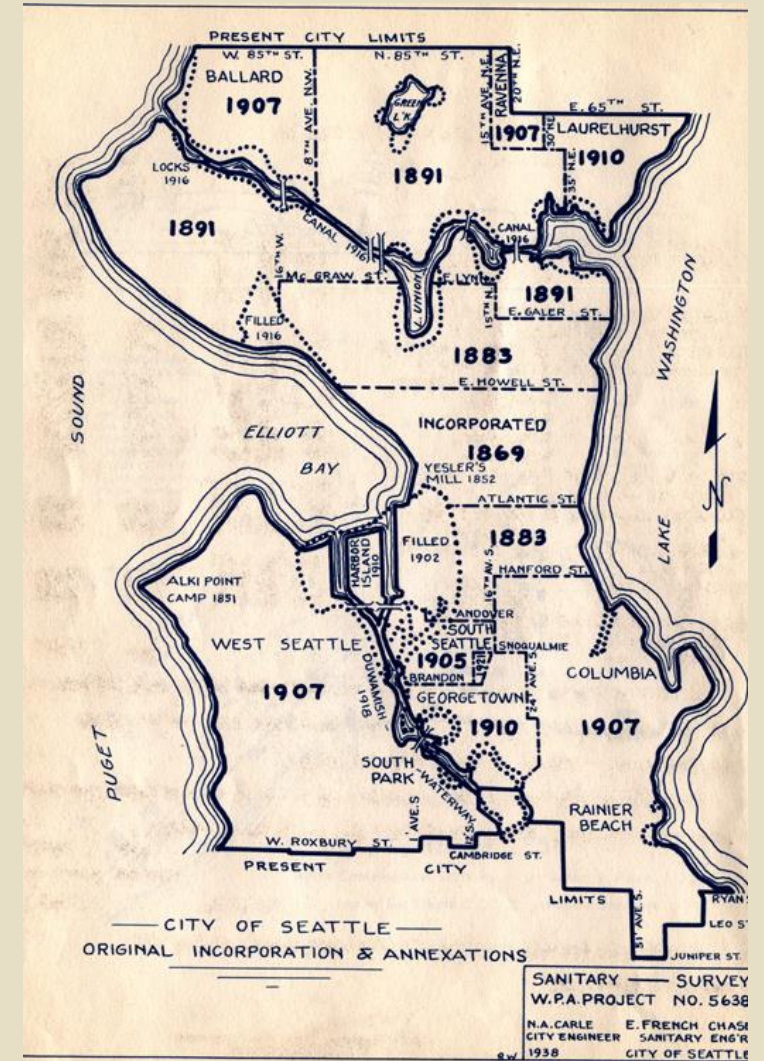
the local context and legal framework for annexation

Evaluate

current progress on annexation in North Highline

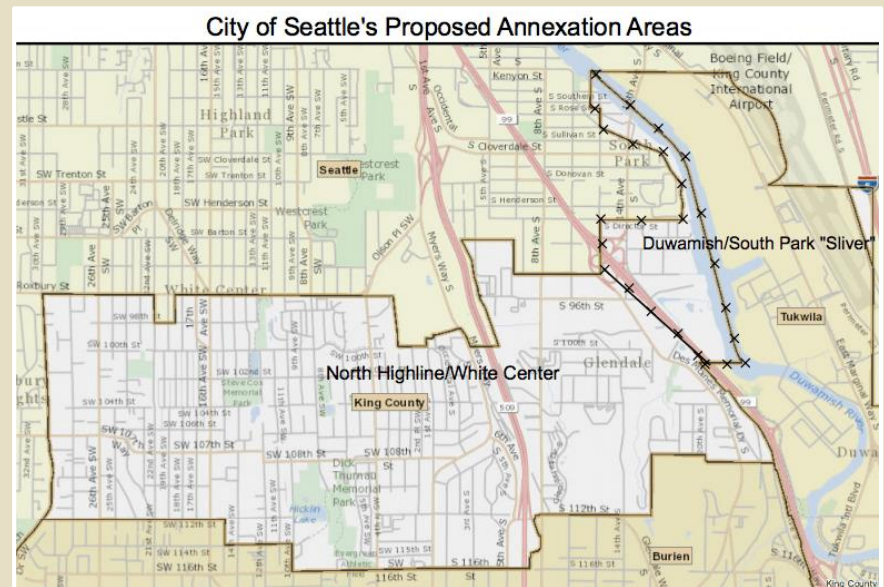
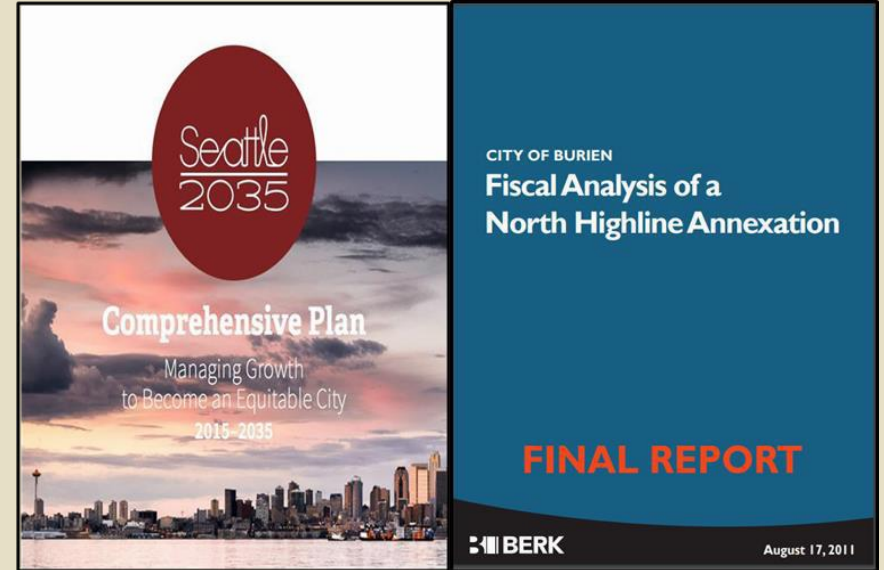
Local Framework

- Seattle's Annexations of the 20th century
- Boundary Review Board Era
- Growth Management Act of 1990
 - Potential Annexation Areas
 - Comprehensive planning
 - New methods of annexation



Current Progress

- Plans and Documents
 - Comprehensive plans
 - Fiscal impact studies
 - Seattle's Notice of Intent for Annexation (2014)
- Seattle's Annexation Plan
 - Annex by section
 - Election Method
- 2015 sales tax credit
- Lack of recent progress

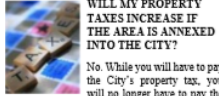


Final Product Proposal

- Create an informational document, to be displayed online
- Provide residents of North Highline with accessible information
 - Explaining the history and current situation
 - Main impacts of annexation
 - Taxation
 - Regulation
 - Services
 - Additional resources



Frequently Asked Questions About Annexation City Bonney Lake



WILL MY PROPERTY TAXES INCREASE IF THE AREA IS ANNEXED INTO THE CITY?

No. While you will have to pay the City's property tax, you will no longer have to pay the Pierce County Road levy. All other levies will remain the same, such as the East Pierce Fire District, the Pierce County Library District, and the Summer School District, as the city is a part of those districts. Below is a comparison of the property taxes that a property owner would pay in the County and the City.

2015 Property Comparison Rate per \$1,000 of Assessed Valuation		
	County Rate	City Rate
State	2.386	2.386
County	1.481	1.481
Pier	0.183	0.183
Flood Control	0.101	0.101
County Road	1.988	0.00
City Property Tax	0.000	1.433
EMS	0.462	0.462
School	6.086	6.086
Rural Library	0.500	0.500
Park	0.000	0.000
Fire District	1.500	1.500
Total	\$14.699	\$14.134

Based on the 2015 adopted property tax rates, property owners will see their property taxes **decrease** if annexed to the City of Bonney Lake. The City estimates that property taxes for the owner of a home with an assessed valuation of \$250,000 will see a savings of approximately \$139.00 per year upon annexation.

WHAT ABOUT UTILITY TAXES?

Utility taxes are taxes levied on the gross operating revenues earned by public & private utilities from operations within the city limits. The City of Bonney Lake receives utility taxes from natural gas, garbage collection, cable television, telephone, electric, services. Most of the utilities pass this along as a surcharge to their utility bills. The current utility tax rate is 6%. State law caps private utility tax rates at 6%.

WILL MY WATER RATES CHANGE AFTER ANNEXATION?

Yes. Properties within the City of Bonney Lake Water Service Area will see an approximate forty-percent (40%) reduction in the water rates following annexation.

WILL MY SEWER RATES CHANGE AFTER ANNEXATION?

Properties currently connected to the City of Bonney Lake Sewer System will see an approximate forty-percent (40%) reduction in the sewer rates following annexation.

WHAT ARE THE DIFFERENCES IN STORMWATER FEES?

Both the City and the County operate stormwater utilities. The City's 2015 surface water utility rate is \$14 per month (\$168 per year) for a single-family parcel. The County's 2015 rate is \$108.98 for a single-family parcel. Rates for other types of property are not as easily comparable side by side - refer to each jurisdiction.

City of Bonney Lake Frequently Asked Question About Annexation

Page 1

DOES THE CITY AND COUNTY HAVE DIFFERENT ANIMAL LICENSING REGULATIONS?



No. The City and the County have similar animal licensing regulations.

DOES THE CITY PROVIDE PARKS AND RECREATION SERVICES?

The City of Bonney Lake provides recreation services through a joint program with the City of Sumner and the Sumner School District.

The City sponsors a variety of special events such as Stars on Stage, Tunes at Tappi, Kids Club, Friday Night Flicks, Booster Safety Courses, and much more. City residents may also obtain an annual \$30 boat launch parking pass to the Allen Yorke Park Lake Tapps launch. Nonresidents are required to pay \$17 each time they launch.

The Bonney Lake Senior Center is open 5 days a week, and includes a lunch program.

WILL ANNEXATION CHANGE SCHOOLS DISTRICT BOUNDARIES?

No. School Districts are independent jurisdictions with independent boundaries - just like water or fire districts. Annexation does not change school district boundaries.

WILL ANNEXATION AFFECT FIRE PROTECTION SERVICES?



No. There would be no change to fire and emergency medical services. Both Bonney Lake and the annexation areas are part of the East Pierce Fire and Rescue pay the same tax rates, and receive the same services.

WILL EXISTING LAND USES BE ALLOWED TO CONTINUE?

Yes. All legally established existing uses within the annexation area will be allowed to continue.

The property in the Kelly Creek Vista PAA is currently zoned Moderate Density Single Family by Pierce County. The City plans to zone the area Single Family Residential R-1 which, is similar to the County zoning designation.

The property in the Delany PAA is currently zoned Community Commercial by Pierce County. The City plans to zone the area Eastown which, is similar to the County zoning designation.

Any legal nonconforming use(s) will be allowed to remain, provided the nonconforming use(s) does not cease for a period of at least 6 months. Once the nonconforming use(s) ceases for a period of at least 6 months, the city zoning designations will apply.

WILL ANNEXATION AUTOMATICALLY TRIGGER A REQUIREMENT TO HOOK UP TO THE SEWER SYSTEM?



No. Property owners may continue to use their septic system, provided that it is functioning properly, or can be made to function appropriately as determined by the Pierce County health department.

Both of the PAA's are already within the Bonney Lake Sewer Service Area. Therefore, the requirements to connect to the sewer system are the same whether the property is in unincorporated Pierce County or within the City. Annexation will not affect when property owner is required to connect to the sewer system. Connection is only mandatory whenever:

- A) A gravity sewer mains have been installed across the frontage of a property, a direct

How will Annexation Affect LOCAL SERVICE PROVIDERS?

Who provides service to the North Highline communities now and who will provide it if the area is annexed by either the City of Burien or the City of Seattle.

Public services that would not change include schools, regional human services, transit, and regional parks. In other words, after annexation, existing school district boundaries would remain as they are, and regional transit, health and regional parks will continue to be provided by King County. Service delivery could change—from County to City—for police, land-use planning and permitting, and local parks.

Service	Served Now By...	If Annexed to Burien	If Annexed to Seattle
Schools	Highline School District	No change	No change
Library	King County Library System	No change	To be determined
Sewer	SW Suburban, Val Vue	No change	To be determined
Garbage/ Recycling	Waste Management (optional pick-up)	Waste Management (optional pick-up)	Seattle Public Utilities (mandatory pick-up)
Legislative (Council)	Metropolitan King County Council	Burien City Council (7 members)	Seattle City Council (9 members)
Parks	King County Parks & Recreation	Burien Parks, Recreation & Cultural Services Department	Seattle Parks & Recreation
Permitting & Zoning	King County Development & Environmental Services (DDSES)	City of Burien Department of Community Development	City of Seattle Department of Planning & Development
Fire & Emergency Medical Services	Fire District 11	No change	Seattle Fire Department
Animal Control	King County Animal Control	No change (service contract with Burien)	Seattle Animal Shelter
Police Services	King County Sheriff	No change (service contract with Burien)	City of Seattle Police Department
Local Roads	King County Department of Transportation	No change (service contract with Burien)	Seattle Department of Transportation
Bus Service	King County Metro	No change	No change
Court Services	King County District Court (misdemeanors, small claims)	No change	Municipal Court of Seattle (misdemeanors) King County District Court (small claims)
Water	Seattle, 45, 20	No change	To be determined

HOW WILL ANNEXATION AFFECT

LOCAL TAXES

How will taxes change for the typical household in North Highline?

	RESIDENTIAL EXAMPLE		
	Unincorporated King County	Seattle	Burien
Residential Property Tax*	\$2,483	\$2,354	\$2,434
Annual Utility Taxes			
Telephone	--	\$32	\$32
Gas	--	\$76	\$76
Electricity (city light)	\$52	\$51	\$52
Water/Sewer	--	\$59	--
Cable TV	--	\$55	\$33
Solid Waste	--	\$19	\$12
Utility Tax SubTotal	\$52	\$282	\$195
Other Taxes and Fees			
Cable Franchise Fee	\$28	\$19	\$28
Surface Water Fee	\$91	\$122	\$103
Surface Water Bond	\$12	--	--
Noxious Weed Fee	\$2	\$2	\$2
Conservation Fee	\$10	\$10	\$10
Other Taxes SubTotal	\$143	\$153	\$143
Grand Total**	\$ 2,678	\$ 2,789	\$ 2,772

*Cost for typical homeowner in North Highline based on the median assessed value for the area, which is \$200,000.
**Total assumes current electric service by Seattle City Light, does not include differences in rates.

What will happen to business taxes and fees?

	RETAIL EXAMPLE		
	Unincorporated** King County	Seattle	Burien
Annual Business Taxes*			
Business & Occupation Tax***	--	\$537	\$125
Business License Fee	--	\$90	\$90

*Cost for retail business with gross receipts of \$250,000 and fewer than 40 employees.
**Businesses in unincorporated King County do not pay a Business & Occupation tax. A business license fee is charged for a few categories of businesses, but does not apply to most retail and service establishments.
***In Seattle, B&O Tax only imposed on businesses with taxable receipts over \$50,000. In Burien, B & O Tax only imposed on businesses with gross receipts over \$100,000.

Product Design

Methodology

- Meetings with planners and annexation experts
- Create outline of final product
- Review product outline with residents
- Collect information for final product
 - Consult experts
- Create final product
 - Written report
 - Visuals

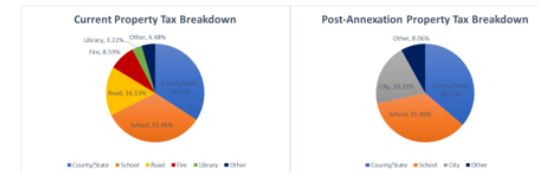
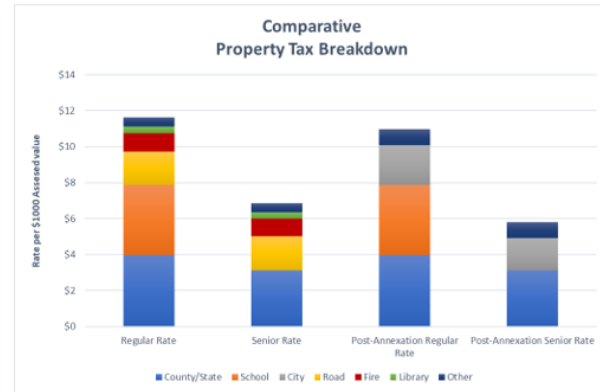


Progress and Findings

Annexation Impacts, Section I: Taxation

Property Tax

Property taxes are the main source of revenue for both the City and County governments. Property taxes are paid by property owners and are levied based on the assessed value of their property, usually shown as the amount paid in taxes per thousand dollars of assessed property. Much of what goes into property taxes are voter approved levies, which help fund services or projects by local governments or agencies. Annexation would cause a change in the property tax rate for North Highline property owners and would go towards a different set of services than those they are currently funding. A full breakdown of property tax rates for North Highline residents pre and post annexation is shown in the charts below:



Levy Rate (per \$1000 assessed value)	Current Regular Rate	Current Senior Citizen/Exempt Rate	Post-Annexation Regular Rate	Post-Annexation Senior Citizen/Exempt Rate
Total	11.63614	6.8666	10.97777	5.58815
County/State	3.97094	3.13442	3.97094	3.13442
City			2.22916	1.78251
Road	1.87677	1.87677	0.09	0.09
School	3.8928	3.8928	3.8928	3.8928
Fire	1.00	1.00	0.02	0.02
Library	0.37441	0.33419	0.04	0.04
EMS	0.21762	0.21762	0.21762	0.21762
Flood	0.0966	0.0966	0.0966	0.0966
Sound Transit	0.207	0.207	0.207	0.207
Other			0.21365	0.21365

Overall, the property tax rate in North Highline will decrease by about 65 cents per \$1000 assessed value and just over \$1.27 for residents paying the senior citizen/exempt rate following annexation. The main changes in the rate will come from the elimination of separate road, library, and fire levies residents currently pay, all of which are included in the city levies they will pay to Seattle. Residents would continue to pay the limited bond for King County Fire District #11 at a rate of \$0.02 per \$1000 of assessed value as well as the King County Library general obligation bond at a rate of \$0.04/1000 until both are paid off completely. The city of

Next Steps

1. Create final draft of report
2. Reach out to relevant organizations to distribute final product
3. Finish Senior Project write-up

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Thank You!

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Jurisdiction	King County	North Highline	Seattle
Population	2.1 M	19,933	704,000
Ethnicity			
Hispanic/Latino	8.60%	23.90%	6.60%
White	65.50%	36.80%	69.50%
African American	5.90%	10.30%	7.90%
Asian	14.30%	21.00%	13.80%
Pacific Island	0.70%	3.50%	0.40%
Native American, Other	0.90%	0.60%	0.40%
Economic			
Median Household Income	\$70,600	\$42,700	\$71,000
Pct of Pop Below Poverty	10.50%	25.00%	11.80%
Education			
% High School Grad	90.00%	74.00%	71.00%
% college graduate	45.70%	12.70%	53.08%
Language			
% Pop Foreign Born	20.10%	32.80%	17.30%
Pct speak language other than English @ home	24.80%	47.30%	21.30%

North Highline

Meeting Materials

- **North Highline Annexation Open House Meetings--May 13, 16, 17, 23**
[Public comment report](#) (735KB PDF)
- **Help us shape the future of North Highline**
[May 2006 presentation on annexation process and timeline](#) (128KB PDF)
- **How will Annexation Affect Public Safety?**
[Public safety status quo](#) (77KB PDF)
[Public safety Burien and Seattle](#) (58KB PDF)
- **How will Annexation Affect Parks and Recreation?**
[Parks status quo](#) (60KB PDF)
[Parks Burien and Seattle](#) (60KB PDF)
- **How will annexation affect land use, permitting, and code enforcement?**
[Land use status quo](#) (66KB PDF)
[Land use Burien and Seattle](#) (70KB PDF)
- **How will Annexation Affect Human Services?**
[Human services status quo](#) (55KB PDF)
[Human services Burien and Seattle](#) (87KB PDF)
[Regional and local services provided by the King County Department of Community & Human Services](#) (130KB PDF)
[Powerpoint Presentation Nov 16](#) (124KB PPT)

A fact sheet, a pamphlet describing the annexation and its consequences, is helpful. The pamphlet should have at least a map of the annexation area, a list of the benefits and improvements that will result from annexation, and a clear statement of the financial implications of the annexation.

Annexation Basics

Rationale

- Maintain revenue base as wealth moves to the periphery
- Extend municipal governance over urban areas

Implementation

- Extension of municipal services
- Enforcement of regulations

Obstacles

- Costs of incorporation for annexing city
- Restrictiveness of State laws governing annexation
- Resistance to higher taxes
- Fear of an area 'losing its character'