

Important Annexation Information from the City of Kirkland



UTILITY, SOLID WASTE & OTHER SERVICES, CONT.

Garbage & Recycling

- It is likely that solid waste services for PAA residents would be transitioned to the City's provider, Waste Management, Inc. (WMI)
- The City's contract with WMI provides for the weekly collection of garbage, recycling and yard waste in carts provided by WMI.
- Kirkland's garbage rates are structured to encourage recycling.
- To prevent the accumulation of large amounts of garbage, recyclables and yard waste, curbside collection is required for City residents.



Other

- If annexation occurs, road maintenance services would be provided by Kirkland Public Works instead of King County Road Services. The City intends to provide equivalent road maintenance services in the annexation area as it currently provides within existing city limits.
- Annexation would not affect school district boundaries, library services, or the private utility service providers for gas/electricity, telephone or internet.

GAMBLING

- State legislation adopted in May 2009 allows cities proposing an annexation to "grandfather" casinos/card rooms in annexation areas if they were licensed by the Washington State Gambling Commission before the annexation and at the time the law became effective on July 26, 2009. The City Council adopted non-binding legislation expressing its intent to allow existing casino/card rooms to continue to operate if annexation is approved. A final decision will be made closer to the effective date of annexation if it is approved by voters.

For more annexation information, please visit www.ci.kirkland.wa.us/annexation, email annexation@ci.kirkland.wa.us or call the City of Kirkland at 425-587-3001.



ANNEXATION INFORMATION

City of Kirkland

As a resident of the Finn Hill, North Juanita or Kingsgate neighborhood, you are probably aware of the City of Kirkland's proposed annexation of your neighborhood (also known as Kirkland's Potential Annexation Area or PAA). On November 3, 2009, registered voters in the entire PAA will have the opportunity to vote on the annexation ballot measure, Proposition A, in the General Election.

The purpose of this mailer is to provide general information about why the City seeks to annex and the potential financial and service impacts should annexation occur.

Why Annex?

The State's Growth Management Act (GMA) calls for annexation of unincorporated urban areas so that cities provide urban services (e.g. police and street maintenance) and counties provide rural and regional services (e.g. transit and public health).

Registered voters in the PAA who participate in the November 3 election will see the annexation ballot measure as it appears to the right. Because the City is asking voters to assume the City's outstanding voter-approved debt, there are two thresholds that must be met to approve the ballot measure: Sixty percent of PAA voters must vote yes and at least 40 percent of PAA voters who voted in the 2008 presidential election must vote on the measure (called "validation").

If annexation is approved, the City Council would take necessary legislative action to set an effective date and enact all conditions of the ballot measure. Given the size of the annexation and the many services and service providers involved, it is most likely that annexation would take effect sometime in 2011. If annexation is rejected, the areas would remain unincorporated unless another annexation is undertaken or the area chooses to incorporate as a city.

ANNEXATION FINANCES

Several financial studies have been conducted in which short- and long-term financial projections with and without annexation were analyzed. The analyses were designed to estimate the long-term fiscal impacts of annexation under different development, cost and revenue scenarios.



PROPOSITION A

FINN HILL, KINGSGATE AND NORTH JUANITA ANNEXATION, ASSUMPTION OF INDEBTEDNESS, AND ADOPTION OF ZONING REGULATIONS

The City of Kirkland has adopted Resolution R-4763 calling for election on the annexation of the Finn Hill, Kingsgate and North Juanita Annexation Area. Shall the Annexation Area be annexed to the City of Kirkland and shall all property within the area annexed be assessed and taxed at the same rate and on the same basis as property within the City of Kirkland to pay for the outstanding indebtedness of the City; and, subject to zoning under Ordinance 4196?

- For annexation, assumption of indebtedness, and adoption of zoning regulations.
- Against annexation, assumption of indebtedness, and adoption of zoning regulations.

- Financial analysis conducted to date projects a shortfall of \$3.3 million in the first year, before the application of the State sales tax credit. The City is eligible to receive up to 0.2 percent of the State's portion of sales tax revenues, which is projected to average \$4.4 million per year to help offset the cost of annexation. The sales tax credit is only available up to the amount needed to offset shortfalls and can only be spent on services for the annexation area. The credit from the State closes that first year gap and continues for ten years.
- The City Council is required to adopt a balanced budget in which revenues equal expenses and the Council would continue to do so after the annexation is effective. City budget information can be found online at www.ci.kirkland.wa.us/budget.

Annexation Revenues

Cities have a different revenue base than counties. The County's property tax rate is higher, but it cannot impose a utility tax. The City's property tax rate is lower, but the City does impose a utility tax. As Table 1 (page 2) shows total taxes and fees paid by the average household before and after annexation would be the same or potentially lower after annexation.



CITY FINANCES, CONTINUED

Property Taxes

- The 2009 property tax rate for the City of Kirkland is \$7.89 per \$1,000 of Assessed Value; King County's rate is \$9.26 per \$1,000 of Assessed Value. Of the \$7.89, the City receives \$1.14, with the remainder going to the State, King County, school districts and other taxing districts.
- The City is asking PAA voters to assume its outstanding bonded indebtedness as part of the annexation ballot. Bonded indebtedness is for capital projects that were approved by the voters of Kirkland for parks and public safety projects. The estimated cost for the average home in the PAA is \$32 per year which is included in the tax comparison in Table 1 below.
- Annexation would not impact an owner's ability to qualify for property tax exemptions.

Utility Taxes

- In the City of Kirkland, public utility tax rates are applied to water, surface water, sewer and solid waste (garbage collection and recycling). Private utility tax rates are paid for telephone, natural gas, electricity and cable services (excludes Internet).
- As part of its strategy to balance the City's 2009–2010 Budget, the City Council assumed a 1.5 percent voter-approved increase to the tax rate paid on private utility services. The proposed increase will appear as Proposition No. 1 on the November 3 general election ballot for registered voters in Kirkland city limits. If the tax increase is approved, it would apply to properties in the PAA if the annexation ballot measure is approved. If approved, the voted utility tax increase would add approximately \$72 per year to total taxes and fees.

Table 1

Total Tax Comparison Rate per \$1,000 of Assessed Valuation			
	King County	City of Kirkland	Annual Increase or (Decrease)
Property Tax Rate	\$9.26	\$7.89	\$(1.37)
Average Property Tax Paid ^	\$4,583	\$3,906	\$(678)
Utility Tax ^ ^ / Franchise Fee	\$0	\$409	\$409
Surface Water Fees	\$111	\$170	\$59
TOTAL	\$4,694	\$4,485	\$(210)

^ These figures are based on an average home value of \$495,000 and assume that residents in the PAA would assume Kirkland's outstanding debt; actual property tax rates vary within different areas of the PAA.
 ^ ^ Based on current tax rate. Actual utility taxes for PAA residents may be more or less depending on the utility usage. Potential utility tax increase would add \$72 per year to total taxes and fees.

PUBLIC SAFETY

If annexation occurs, the City of Kirkland intends to provide the same public safety services (police, fire and emergency medical and Municipal Court) to PAA residents as it does to current city residents.



Police Services

- The Kirkland Police Department would provide law enforcement services instead of the King County Sheriff's Office. Additional City officers would provide for more police coverage in the PAA than is currently provided by King County. Three police patrol districts are planned for the PAA; adding to the existing five within city limits.
- An officer for each of the new patrol districts and a supervisor would be on duty 24 hours a day, seven days a week. If annexation is approved, additional investigators, traffic, K9 and corrections staff would also be hired. The hiring process would begin immediately upon approval of annexation, so that patrol services can be available on the effective date of annexation. Other Police services will be phased in.

Fire & Emergency Medical Services

- Much of the PAA is currently served by King County Fire District #41 through a contract with the Kirkland Fire Department. Residents should not see a change in the level of services.
- The Kingsgate neighborhood is partially served by the Woodinville Fire & Life Safety District. The City is in discussion with the District to plan for the smooth transition of coverage and is committed to providing quality fire and emergency medical services in the annexation area.



Other Public Safety Issues

- Police and fire 911 dispatch service would be coordinated through the regional dispatch center located in Bellevue as it currently is for Kirkland.
- The City operates a 12-bed jail and contracts for additional beds from other jail providers. Kirkland is working with other north and east King County cities to plan for new jail capacity. (www.necmunicipaljail.org)

- Municipal Court services for criminal misdemeanors and non-criminal traffic and parking infractions would be provided by the Kirkland Municipal Court. King County Courts would continue to hear felony, juvenile and small claims cases.
- Animal control services would continue to be provided by King County.
- The sale, possession and discharge of fireworks are prohibited in the city limits and would be prohibited in the newly annexed areas should annexation occur.

ZONING & BUILDING

As part of the annexation process, the Kirkland City Council conducted a public process regarding proposed zoning regulations for the PAA and adopted requirements that define land use designations, identify allowed uses within each land use zone and regulate such things as building height and setbacks. The annexation ballot measure includes a provision that all property within the annexation area will be subject to City zoning regulations.



- Most of the proposed zoning regulations and development standards adopted for the PAA are comparable to current King County zoning. One key difference is lower building heights for multi-family land use zones. General comparisons (City vs. County) of basic zoning regulations and permitted uses can be found at www.ci.kirkland.wa.us/annexation.
- Existing legal land uses and non-conforming land uses will be allowed to continue unless the site is modified or the non-conforming use ceases for more than 90 days.
- Proposed zoning regulations for the PAA allow for the grandfathering of existing oversized vehicles such as boats and recreational vehicles.
- Home occupations are an allowed use for which the City requires a business license.
- The City has tree management regulations that promote retention of healthy significant trees with a goal of retaining and enhancing Kirkland's tree canopy.
- The City's Code Enforcement Program investigates potential or actual code violations when a formal complaint is received.
- The City of Kirkland applies construction and fire codes as adopted by the Washington State Building Code Council, with some local amendments.

- If annexation is approved, the City and King County would develop an Interlocal Agreement to determine the specifics of which jurisdiction would follow through on the approvals and inspections of current County permits. The City will honor permits already issued by King County should annexation occur.

PARKS, RECREATION & COMMUNITY SERVICES

Core services for parks, recreation, and community services are similar between the City of Kirkland and King County. Both agencies are responsible for the stewardship of public recreation assets such as parks, trails, and open spaces.



- There are ten parks in the potential annexation area that are currently owned and maintained by King County. The County is negotiating with the City to determine which parks may transfer to the City should annexation occur.
- The City offers year-round recreation, sports and learning programs for youth, families and older adults. City residents pay a slightly lower registration fee than non-residents.
- The City and County provide or contract for human service programs that serve vulnerable populations in the community.

UTILITY, SOLID WASTE & OTHER SERVICES

City of Kirkland utility services typically include water, sewer, surface water and solid waste (garbage & recycling collection) disposal and recycling.



Water & Sewer

- Most homeowners and businesses within the PAA, and a small portion of existing city residents in the northern part of the city limits, receive water and sewer services through the Northshore Utility District.
- Some Kingsgate residents receive water and sewer services from the Woodinville Water District.
- These service providers would not change if annexation occurs.