

KING COUNTY GROWTH MANAGEMENT PLANNING COUNCIL

AGENDA TITLE: Annexation Area Action Plan (Annexation Area Databook)

PRESENTED BY: Karen Ann Meyering, Regional Planning – King County

Topics for Discussion:

King County Comprehensive Plan Action Item 17 – Develop a Countywide Plan to Move Remaining Unincorporated Urban Potential Annexation Areas Toward Annexation.

Background

- **March 2017:** The GMPC was briefed on the Workplan Action Item, and that the work would begin with the creation of an Annexation Area Databook.
- **November 2018:** A second GMPC briefing where the Databook was presented in draft form, and GMPC members were informed that County staff would be reaching out to cities to vet the data and to discuss annexation generally.
- **July 2019:** A third GMPC briefing where broad themes from meetings with cities were presented. These themes informed development of the draft plan.
- **September 2019:** The final Databook and draft Annexation Action Plan are being presented to the GMPC for review, consideration, and recommendations.

The 2016 King County Comprehensive Plan included a Workplan Action Item directing the Executive to work with cities and the Growth Management Planning Council (GMPC) to develop a countywide plan to move remaining unincorporated urban PAAs toward annexation. Workplan Action Item 17 reads as follows:

Action 17: Develop a Countywide Plan to Move Remaining Unincorporated Urban Potential Annexation Areas Toward Annexation. The GMPC has authority to propose amendments to the Countywide Planning Policies, and a unique defined role related to recommending approval or denial of Urban Growth Area expansions. In order to move remaining unincorporated areas, which vary in size and complexity, towards annexation, the GMPC would reconsider the Potential Annexation Areas map and the "Joint Planning and Annexation" section of the Countywide Planning Policies. This effort would include an evaluation of how to address Potential Annexation Areas that have been previously unsuccessful in annexation and/or where annexation does not appear feasible in the near future.

Much of the remaining urban unincorporated area in King County is made up of geographically isolated islands surrounded by cities or areas adjacent to the urban growth area boundary. From the County's perspective, because these areas are scattered across such a large geography, the provision of local services by the County is costly and inefficient compared to having services provided by an adjacent City. This is consistent with the goal in the Growth Management Act that counties are to be the provider of rural and regional services, and cities are to be the provider of urban services, and consistent with the additional revenue authorities (such as Business and Occupation Taxes and Utilities) that are authorized for cities but not counties.

There are 5 large urban area islands remaining, including: North Highline: White Center Area Y and the Sliver (Seattle)/North Highline Area Q (Seattle/Tukwila), Fairwood (Renton), West Hill/Skyway (Renton), East Renton (Renton) and North and East Federal Way (Federal Way). In addition, there are over 100 smaller urban unincorporated area islands – about 80 of these islands have residents, the remainder are rights-of-way or road islands or isolated undeveloped parcels.

Most of the urban unincorporated islands have been identified as Potential Annexation Areas by a neighboring city, however there are 13 islands without city affiliation (“GAPS”) and, there are currently few city annexation plans/timelines identified to effectuate annexation for the PAA's that are affiliated with a city.

King County is bringing the work resulting from Action Item 17 to the GMPC, in the form of the attached draft Annexation Action Plan, for review, consideration and recommendations.

Next Steps:

- GMPC feedback on September 25th
- Continued discussion with cities
- Updates to GMPC in 2020

King County Potential Annexation Area Action Plan

Background

In adopting the Washington State Growth Management Act (GMA), the Legislature recognized that counties are regional governments within their boundaries, and that cities are the primary providers of urban governmental services within urban growth areas. Consistent with this direction, the King County Countywide Planning Policies (CPPs) contain policies designed to facilitate annexation of urban unincorporated areas by cities, and a map identifying Potential Annexation Areas (PAAs).

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King County is bringing the work resulting from this Action Item to the GMPC for review, consideration and recommendations.

Work to date:

- **March 2017:** The GMPC was briefed on the Workplan Action Item, and that the work would begin with the creation of an Annexation Area Databook.
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Discussion

Development of the Annexation Action Plan occurred in two phases:

Phase 1: Creation of the Annexation Area Databook. The purpose of the Databook is to support engagement with cities and residents of PAAs by providing information on individual annexation areas, on each City's combined annexation areas, and on all annexation areas across the County. King County created a draft of the Databook, which cataloged for the first time the remaining urban unincorporated area islands in King County. It also assigned names to all PAAs.

Phase 2: Validation of the data in the Annexation Area Databook and development of a plan to move the remaining PAAs toward annexation. King County staff worked with City staff over several months to vet the data and to discuss annexation generally. These discussions led to the identification of themes which in turn informed development of the draft Action Plan.

Maps:

A map illustrating PAAs is included in the adopted Countywide Planning Policies. This map shows all urban unincorporated areas – those affiliated with cities and those not yet affiliated. The PAA map is updated whenever the CPPs are updated and is considered the official map for policy purposes.

A similar PAA map can be found in the King County Comprehensive Plan. Because the Comprehensive Plan is updated more frequently than the CPPs, this map is generally more current. In 2016, the King County Comprehensive Plan included an updated PAA map. No changes were made to PAA boundaries, only changes to formatting and adding names¹ for clarity. For the smaller PAAs unnamed in the CPPs, names were added based on proximate geographic features, large subdivisions, roadways, predominant ownerships, or other information that helped to describe the area.

The attached map is from the Annexation Databook, and is the most updated version currently available. While not the official PAA map, it reflects the most recent annexations, and colloquial names cities use to reference PAAs.

Policy Direction:

The 2012 Countywide Planning Policies regarding annexation address the following:

- Managing targeted levels of growth;
- Ensuring Urban Growth Area expansions are linked to annexation;
- Establishing a collaborative process for affiliating areas with cities and avoiding overlapping affiliations or gaps;
- Addressing affiliation and annexation of infrastructure such as rights-of-way as well as urban service provision;
- Supporting joint planning between the County and the cities; and

¹ Names have no legal status and are only intended for the purpose of reference

- Prohibiting annexations of certain types of lands such as agricultural lands

These policies (see Appendix 1) form the adopted basis, built on state annexation law, for how jurisdictions work together in the planning process to facilitate annexation. Note that work on the Annexation Action Plan included a review of these policies and resulted in no proposed revisions.

Annexation Themes

King County received positive feedback about the Databook, with City staff indicating they appreciated having access to data about their specific PAAs and seeing the larger picture of urban islands across the county. In general, cities are committed to fulfilling the GMA goal to ensure residents of urban unincorporated areas receive urban level services through annexation. However, annexations present challenges for cities, primarily due to the associated fiscal impacts and increased service responsibilities. Discussions with cities have revealed there are currently very few annexations planned. There are various reasons for this, including:

- Fiscal concerns associated with serving new areas;
- Infrastructure challenges;
- Limited awareness amongst residents regarding annexation processes;
- Uncertainty and/or concerns amongst residents about the costs and benefits of annexation;
- Limited city and county resources to support the ongoing engagement required to facilitate annexation; and
- Inconsistency between city and county approaches to service delivery (e.g., design standards, infrastructure).

Previous analysis by King County has determined that the single most effective tool in facilitating past annexations was a sales tax credit created by the 2006 Legislature (RCW 82.14.415). This tool allowed certain cities to impose a sales and use tax to help provide municipal services within a newly annexed area where the revenues received from the annexed area did not offset the costs of providing services to the area. The tax was a credit of up to 0.3 percent against the 6.5 percent state sales tax, so it was not an additional tax to a consumer. Originally slated to apply to annexations commenced prior to January 1, 2010, the tax was extended by the 2013 legislature and sunset on January 1, 2015.²

² This section contains information from the MRSC Report “Annexation by Washington Cities and Towns”, June 2014.
Page 3 of 8

Action Plan

After consulting extensively with cities, and in light of the County's previous analysis highlighting fiscal constraints as the number one barrier to annexation, King County recommends the following Annexation Action Plan. The first and most important action upon which the remaining actions rest is the initiation of pre-annexation conversations with cities to identify mutual interests and supportive planning principles that would ensure coordinated planning until annexation is feasible.

1. MOU's: Develop Joint Memorandums of Understanding:

- Goal: Create a framework for annexation discussions that brings clarity and organization to annexation work focused on cataloging individual and mutual interests, and impediments to annexation.
- Detail: Since cities do not have plans to move annexations forward in the near future, development of MOU's that identify individual and shared interests and known impediments can create opportunities to address sticking points and create paths toward annexation.

2. Affiliate the "Gaps":

- Goal: Affiliate the remaining PAAs and road islands that have not been claimed by a city.
- Detail = Work with cities to affiliate each of the remaining "gap" urban unincorporated areas as a PAA with a city that borders it; work with cities to affiliate each of the road islands with a city that borders it.

3. PAA Annexation Plans: Create PAA specific annexation plans/timelines:

- Goal: Focus annexation work on realistic, actionable plans and timelines.
- Detail: Following MOU development, work with interested cities to develop PAA-specific annexation plans and timelines that address the interests and challenges outlined in each adopted MOU.

4. Annexation Incentive Tool: Work with cities to encourage reauthorization of the sales tax credit by the Washington State Legislature:

- Goal: Provide cities with the funding they need to move forward with annexation.
- Detail: Work with cities to develop a revised version of the effective sales tax credit tool, and seek reauthorization by the State Legislature.

5. GMPC Updates:

- GMPC Updates: Present yearly updates to the GMPC that detail:
 - a. annexations that have occurred during the previous year
 - b. an updated urban unincorporated area PAA map
 - c. upcoming annexation plans/projects

d. joint city-county state legislative agenda items related to annexation

Appendix 1:

2012 Countywide Planning Policies regarding annexation:

Development Patterns – Growth Targets

DP-11 GMPC shall allocate residential and employment growth to each city and unincorporated urban area in the county. This allocation is predicated on:

- Accommodating the most recent 20-year population projection from the state Office of Financial Management and the most recent 20-year regional employment forecast from the Puget Sound Regional Council;
- Planning for a pattern of growth that is consistent with the Regional Growth Strategy including focused growth within cities with countywide designated centers and within other larger cities, limited development in the Rural Area, and protection of designated Resource Lands;
- Efficiently using existing zoned and future planned development capacity as well as the capacity of existing and planned infrastructure, including sewer and water systems;
- Promoting a land use pattern that can be served by a connected network of public transportation services and facilities and pedestrian and bicycle infrastructure and amenities;
- Improving the jobs/housing balance within the region and the county;
- Promoting sufficient opportunities for housing and employment development throughout the Urban Growth Area;
- Allocating growth to individual Potential Annexation Areas within the urban unincorporated area proportionate to its share of unincorporated capacity for housing and employment growth.

DP-12 GMPC shall:

- Update housing and employment targets periodically to provide jurisdictions with up-to-date growth allocations to be incorporated in state-mandated comprehensive plan updates;
- Adopt housing and employment growth targets in the Countywide Planning Policies pursuant to the procedure described in policy G-1; and
- Adjust targets administratively upon annexation of unincorporated Potential Annexation Areas by cities. Growth targets for the 2006-2031 planning period are shown in table DP-1.

DP-13 All jurisdictions shall plan to accommodate housing and employment targets. This includes:

- Adopting comprehensive plans and zoning regulations that provide capacity for residential, commercial, and industrial uses that is sufficient to meet 20-

year growth needs and is consistent with the desired growth pattern described in VISION 2040;

- Coordinating water, sewer, transportation and other infrastructure plans and investments among agencies, including special purpose districts; and
- Transferring and accommodating unincorporated area housing and employment targets as annexations occur.

Development Patterns – Amendments to the Urban Growth Area

DP-17 If expansion of the Urban Growth Area is warranted based on the criteria in DP-16(a) or DP-16(b), add land to the Urban Growth Area only if it meets all of the following criteria:

- a) Is adjacent to the existing Urban Growth Area;
- b) For expansions based on DP-16(a) only, is no larger than necessary to promote compact development that accommodates anticipated growth needs;
- c) Can be efficiently provided with urban services and does not require supportive facilities located in the Rural Area;
- d) Follows topographical features that form natural boundaries, such as rivers and ridge lines and does not extend beyond natural boundaries, such as watersheds, that impede the provision of urban services;
- e) Is not currently designated as Resource Land;
- f) Is sufficiently free of environmental constraints to be able to support urban development without significant adverse environmental impacts, unless the area is designated as an Urban Separator by interlocal agreement between King County and the annexing city; and
- g) Is subject to an agreement between King County and the city or town adjacent to the area that the area will be added to the city's Potential Annexation Area. Upon ratification of the amendment, the Countywide Planning Policies will reflect both the Urban Growth Area change and Potential Annexation Area change.

Development Patterns – Joint Planning and Annexation

DP-22 Designate Potential Annexation Areas in city comprehensive plans and adopt them in the Countywide Planning Policies. Ensure that Potential Annexation Areas do not overlap or leave unincorporated urban islands between cities.

DP-23 Facilitate the annexation of unincorporated areas within the Urban Growth Area that are already urbanized and are within a city's Potential Annexation Area in order to provide urban services to those areas. Annexation is preferred over incorporation.

DP-24 Allow cities to annex territory only within their designated Potential Annexation Area as shown in the Potential Annexation Areas Map in Appendix 2. Phase annexations to coincide with the ability of cities to coordinate the provision of a full range of urban services to areas to be annexed.

DP-25 Within the North Highline unincorporated area, where Potential Annexation Areas overlapped prior to January 1, 2009, strive to establish alternative non-overlapping Potential Annexation Area boundaries through a process of negotiation. Absent a negotiated resolution, a city may file a Notice of Intent to Annex with the Boundary Review Board for King County for territory within its designated portion of a Potential Annexation Area overlap as shown in the Potential Annexation Areas Map in Appendix 2 and detailed in the city's comprehensive plan after the following steps have been taken:

- a) The city proposing annexation has, at least 30 days prior to filing a Notice of Intent to annex with the Boundary Review Board, contacted in writing the cities with the PAA overlap and the county to provide notification of the city's intent to annex and to request a meeting or formal mediation to discuss boundary alternatives, and;
- b) The cities with the Potential Annexation Area overlap and the county have either:
 - i) Agreed to meet but failed to develop a negotiated settlement to the overlap within 60 days of receipt of the notice, or
 - ii) Declined to meet or failed to respond in writing within 30 days of receipt of the notice.

DP-26 Develop agreements between King County and cities with Potential Annexation Areas to apply city-compatible development standards that will guide land development prior to annexation.

DP-27 Evaluate proposals to annex or incorporate unincorporated land based on the following criteria:

- a) Conformance with Countywide Planning Policies including the Urban Growth Area boundary;
- b) The ability of the annexing or incorporating jurisdiction to provide urban services at standards equal to or better than the current service providers; and
- c) Annexation or incorporation in a manner that will avoid creating unincorporated islands of development.

DP-28 Resolve the issue of unincorporated road islands within or between cities. Roadways and shared streets within or between cities, but still under King County jurisdiction, should be annexed by adjacent cities.

Development Patterns – Rural Area

DP-51 Allow cities that own property in the Rural Area to enter into interlocal agreements with King County to allow the cities to provide services to the properties they own as long as the cities agree to not annex the property or serve it with sewers or any infrastructure at an urban level of service. The use of the property must be consistent with the rural land use policies in the Countywide Planning Policies and the King County Comprehensive Plan.

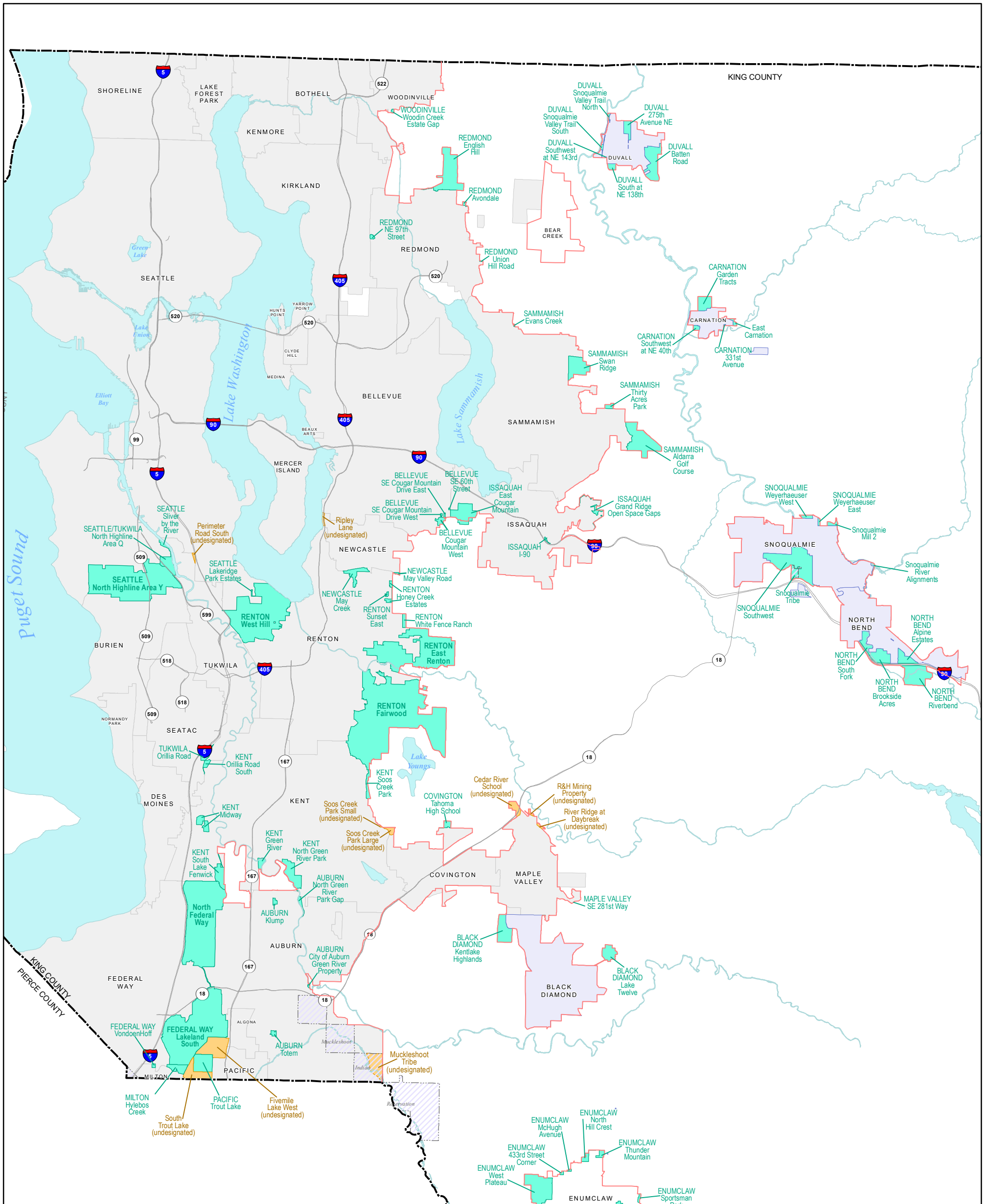
Development Patterns – Resource Lands

DP-55 Prohibit annexation of lands within designated Agricultural Production Districts or within Forest Production Districts by cities.

Public Facilities and Services – Collaboration Among Jurisdictions

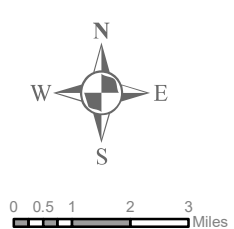
PF-3 Cities are the appropriate providers of services to the Urban Growth Area, either directly or by contract. Extend urban services through the use of special districts only where there are agreements with the city in whose Potential Annexation Area the extension is proposed. Within the Urban Growth Area, as time and conditions warrant, cities will assume local urban services provided by special service districts.

Appendix 2: See attached PAA Map



**King County's
Urban Potential Annexation Areas and
City in Rural Area Potential Annexation Areas**
Annexation Databook
September 2019

- Designated City PAAs
- Undesignated PAAs
- Incorporated City
- City in Rural Area
- Urban Growth Area



Data Sources:
King County Office of Performance, Strategy and Budget
Regional Planning Section

Notes:
The maps in the King County Comprehensive Plan and its technical appendices are produced with a computer geographic information system. They are reduced in size but available at a larger scale.

The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. King County
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