

KING COUNTY GROWTH MANAGEMENT PLANNING COUNCIL AGENDA ITEM

AGENDA TITLE: Annexation Area Action Plan Update
PRESENTED BY: Karen Ann Meyering, Senior Policy Analyst, King County Office of Performance, Strategy & Budget / Executive Department

Today's Meeting

At its July meeting, the GMPC will receive a briefing on recent annexation-related activity.

Overview

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 Countywide Planning Policies (CPPs) support and encourage the annexation of urban unincorporated areas by cities. These urban unincorporated areas are identified on the Potential Annexation Area (PAA) map (attached), also found in the CPPs.

As part of its ongoing work, the Interjurisdictional team organizes briefings for the GMPC on annexation-related activity. The last briefing was in 2019, which included updates on the following items:

- a. Recent annexations;
- b. Potential Annexation Area map;
- c. Upcoming annexation plans/projects; and
- d. Joint city-county state legislative items related to annexation

Additionally, the report includes some background information on the remaining large annexation areas and the annexation policies in the CPPs.

Shown below are updates related to these items.

A. Annexation Activity 2020-Present

City Annexations

File #	Lead Entity	Action	Annexation Method	Name	Board Action	# of Parcels	Total Acres
2418	Redmond	Annexation	Petition	NE 97 th Street	3/14/24	13	13.5
2416	Auburn	Annexation	Resolution	The Bridges	11/9/23	443	156
2415	Pacific	Service Area Change	Interlocal Agreement	Green Valley Farms SAC	4/13/23	2	20.5
2414	Covington	Annexation	Petition	HUB WTR	3/9/23	3	46.05
2404	Renton	Annexation	Petition	Graves	11/12/20	19	21.4
2402	Enumclaw	Annexation	Petition	Mt. Rainer Christian Ctr.	5/14/20	2	6.87
2401	Federal Way	Annexation	Petition	S. 320 th Street	5/14/20	7	21
2400	Enumclaw	Annexation	Petition	Mt. Rainer Christian Ctr.	2/13/20	2	8.7

B. An updated urban unincorporated area PAA map

- The PAA map is part of the Countywide Planning Policies.
- PAA map updates are in progress (ETA: December 2024).
- Changes will reflect city annexations completed between 2020 and 2024.

C. Annexation plans/projects: City of Renton road standards

King County is partnering with the City of Renton to explore a pilot project to apply Renton’s road standards within the East Renton PAA. The County shares Renton’s interest in creating common development patterns that will help facilitate the transition to city jurisdiction and ease future service delivery by Renton.

There are potential operational, legal, and risk management challenges presented by this project. These include but are not limited to: adoption of code and policy changes to facilitate the transition; formal adoption of Renton’s street standards; the operational complexities of maintaining differently engineered roads. Despite the challenges, the County and the City are leaning into this pilot partnership together and will share what is learned in future GMPC conversations. Lessons learned from the pilot may inform future partnerships.

D. Joint city-county state legislative items related to annexation: Sales tax credit

In its 2023 session, the Legislature reinstated the sales tax credit to incentivize annexation with the passage of [2SHB 1425 – Facilitating Municipal Annexations](#). The tool is not a new tax. State statutes authorize local governments to impose certain sales tax “credits” against the 6.5% state sales tax to generate revenue. With a sales tax credit, the state credits a portion of its sales tax revenues to the local jurisdiction, but the total sales tax rate paid by the consumer remains unchanged.

These sales tax credits are typically restricted to specific jurisdictions and often expire after a certain number of years *, such is the case with the annexation sales tax credit which is limited to providing municipal operating services in the annexation area for a maximum of 10 years. A city must begin imposing the authorized tax before July 1, 2028.

To be eligible for the sales tax credit, a city must use one of two interlocal agreement methods to effectuate the annexation. Both methods are subject to review by the Boundary Review Board:

- RCW 35A.14.296 – Pertaining to code cities, or
- RCW 35.13.470 – Pertaining to non-code cities.

The interlocal agreement must address: the balancing of annexations of commercial, industrial, and residential properties so that any potential loss or gain is considered and distributed fairly, as determined by tax revenue; development, ownership, and maintenance of infrastructure; and the potential for revenue-sharing agreements.

**Source: Municipal Research Services Center*

Background Information

A. King County Potential Annexation Areas with Population of 2,000+ Residents *

City	PAA Name	Population
Renton	Fairwood	23,5000
Seattle	North Highline Area Y	18,600
Renton	West Hill	17,000
Federal Way	North Federal Way	13,500
Federal Way	Lakeland South (East Federal Way)	8,600
Renton	East Renton	6,000
Redmond	English Hill	2,700

**Source: [King County Unincorporated Area Annexation Area Databook, 2018](#)*

B. Annexation-Related Policies in CPPs

Substantive work was done to strengthen coordination expectations between cities and the County. In summary, the new language is as follows:

- DP-24 encourages a holistic approach so that residential and commercial areas are annexed together.
- DP-25 states that cities and the County shall work to establish timeframes for annexation of roadways and shared streets within or between cities, but still under King County jurisdiction.
- DP-27 states that cities and the County shall work to establish pre-annexation agreements.

- DP-28 states that for areas with Boundary Review Board approval (such as North Highline), the affiliated City shall include a process that includes collaboration with King County for annexation in the next statutory update of their comprehensive plan.
- DP-28 also establishes the process by which PAA boundaries and affiliations may be renegotiated and revised.
- DP-30 establishes new criteria for evaluating proposals, including addressing racial and social equity, promoting access to opportunity; and supporting outreach to community to ensure there is interest in timely moving forward with annexation or incorporation.

Future Activity

- King County will update the PAA Map to reflect recent annexations and share with the GMPC when complete (ETA December 2024).
- King County will annually brief the GMPC on annexation activity

For More Information

Please contact Karen Ann Meyering at karen.meyering@kingcounty.gov or 206-263-9697.

Attachment

Potential Annexation Areas Map, 2022