

LEVEL OF SERVICE (CONTINUED)

ROADS	
Now: King County With Renton: Renton Public Works	<ul style="list-style-type: none"> Road maintenance cost per capita is lower in Renton (\$14) than in King County (\$70.50). On average, 10 to 20 years elapse between arterial resurfacing in Renton and 17 to 20 years on local streets. These figures are roughly consistent with figures King County has reported in the past (7- to 15-year cycles for arterials and 15- to 20-year cycles for local streets).

WHAT ARE CASCADE'S GOVERNANCE OPTIONS?

Remain unincorporated or annex to Renton. As part of Renton's PAA, the Cascade area was designated as "urban" as part of the County and cities' 1993 Growth Management comprehensive planning. This means: 1) growth will occur there and 2) urban services should be provided in the area. There are implications to remaining unincorporated. Unless King County gets authority to increase taxes in unincorporated areas, departments that are providing services funded by King County's general fund will face significant fiscal pressure to reduce expenditures in urban unincorporated areas like Fairwood and Cascade because of I-747 property tax limits. It is difficult to say which services may be cut or reduced in unincorporated areas as available County revenues continue to lag behind growth in the cost of public services.

Annexation Process

There are several ways for unincorporated areas to annex to a city.

- Residents can request consideration by the Council of the annexing city and a subsequent public vote through a 10% petition among residents of the proposed area.
- The Council of the potential annexing city can pass a resolution requesting a vote among residents of the proposed area of annexation.
- Residents can request annexation without a public referendum by gathering signatures of landowners in the proposed area of incorporation, as long as the combined value of the property owned by the signatories equals at least 60% of the total assessed value of the area.
- Residents can request consideration by the Council of the annexing city without a public referendum by filing "an intention to commence annexation proceeding" signed by owners of 10% of the acreage of the area. If the city council accepts the initial annexation proposal, the initiating parties must circulate a petition including signatures of the owners of a majority of the acreage of the area and a majority of the registered voters.

WHAT WOULD IT COST RENTON TO ANNEX CASCADE?

Operating Costs	Total
Police Services	\$3,728,000
Planning, Building and Public Works	\$1,769,000
Fire Services	\$1,113,000
Administrative, Judicial & Legal Services	\$627,000
Community Services	\$481,000
Finance and Information Services	\$341,000
Human Resources & Risk Management	\$73,000
Economic Development	\$233,000
Legislative	\$14,000
Staff-related Facility Costs	\$340,000
TOTAL COST	\$8,719,000
Operating Revenues	Total
Property Tax	\$3,685,000
Utility Tax	\$1,387,000
Sales Tax	\$833,000
State Shared Revenues	\$546,000
Gambling Tax	\$399,000
Permit Fees	\$345,000
Sales Tax-Criminal Justice	\$323,000
Fines & Forfeits	\$294,000
Cable Franchise Fees	\$137,000
Recreation Fees	\$66,000
Business License Fees	\$23,000
TOTAL REVENUE	\$8,038,000
NET REVENUES	(\$681,000)

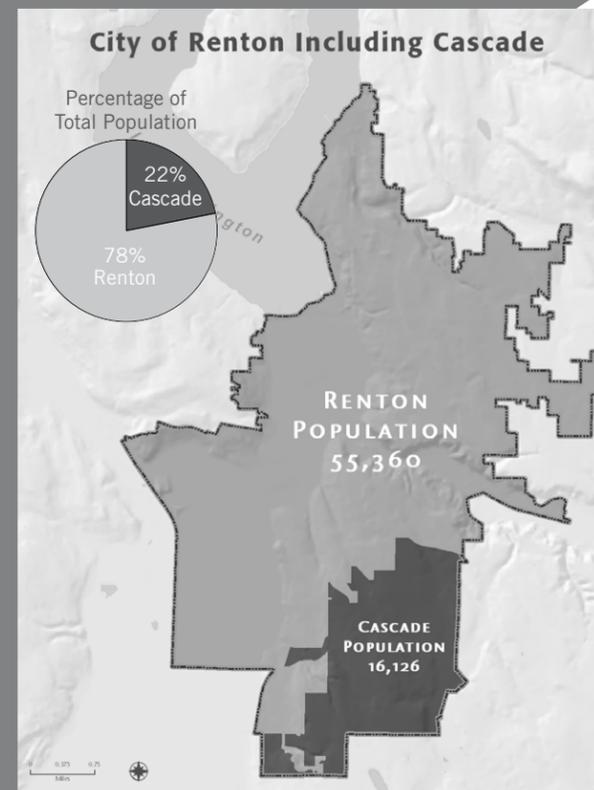
If Cascade was part of Renton today, and the City wanted to provide current levels of service, how much money would Renton need to cover the costs?

Planning-level estimates show that annexing the Cascade area would cost Renton \$681,000 per year in the short-term. This assumes Renton would take responsibility for the FD 40 station in Cascade and locate a fire engine and aid car there.

Estimates focus only on ongoing operating costs, not one-time transition costs, or how Renton might serve the area with different service levels or staffing. Long-term, Renton will need to develop a financial strategy to deal with the shortfall.

Usually, residential areas cost more than the revenues they generate. Development may bring one-time revenues from construction sales taxes, impact fees, and real estate excise taxes. Long-term, how Renton responds to Initiative 747's 1% limits, or relies on sales tax growth from commercial areas, will determine the attractiveness of annexing any residential area, and will determine the City's long-term strategy to address the gap.

What if the Cascade Area were to...



ANNEX TO RENTON

THE CASCADE AREA

Where is the Cascade area? The Cascade and Spring Hill neighborhoods, referred to here as the Cascade area, are the western part of the City of Renton's Fairwood Potential Annexation Area (PAA). The Cascade area is bounded on the north and west by Renton, on the south by 192nd Street SE, and on the east by 128th Avenue SE (the western boundary of the proposed Fairwood incorporation area). The area includes residential areas of Spring Glen, Auria Woods, Chinquapin, Village Gate, Springfield, Benson Hill, Gainsborough Commons, and Youngs Lake Commons.

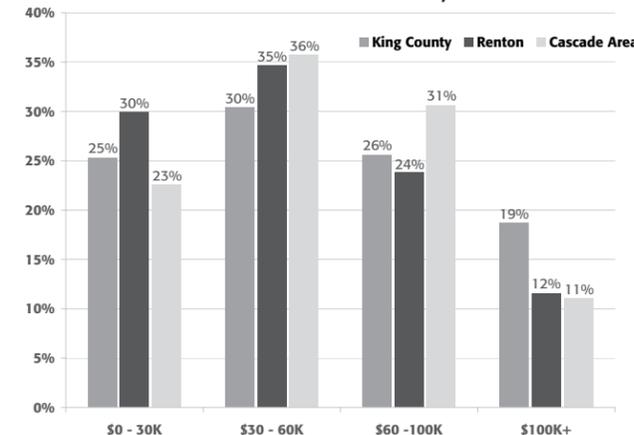
Renton's PAA also includes the proposed City of Fairwood, which has an incorporation petition before the Boundary Review Board. The Cascade area is not included in this incorporation proposal.

Population. The population of the Cascade area in 2005 was 16,100. If the Cascade area was part of the city of Renton, the area would represent 22% of Renton's total population. A voter in a larger city of Renton would vote for Councilmembers elected at-large (not from districts). Future councilmembers could come from the newly annexed area.

Community Desires. In a survey commissioned by King County and conducted by Evans/McDonough Company in March 2005 for the Cascade and Fairwood areas, residents of the Cascade area rated their neighborhood and the level of public service both positively and better than nearby cities. Overall, Cascade residents responding were opposed to the incorporation of the nearby City of Fairwood and thought the area would be better off by joining Renton. These residents wanted to see the quality of local government services improve, but strongly opposed being annexed into the City of Fairwood because of fear that service levels would not improve. Residents would rather have the whole Fairwood area join the City of Renton than incorporate any part.

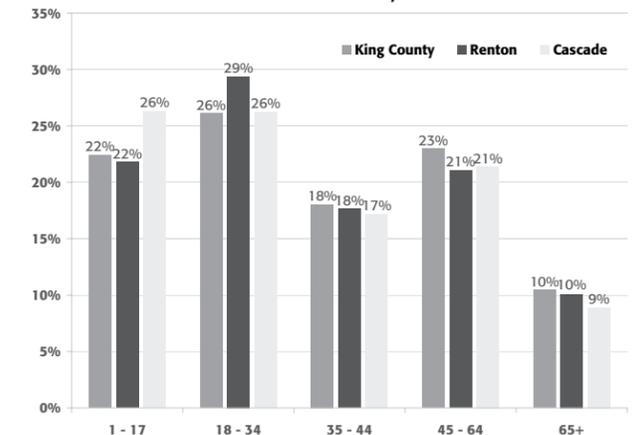
Area Demographics. The Cascade area has a greater percentage of residents in the middle income brackets (\$30K to \$100K) than the City of Renton, and a lower percentage in the lowest income bracket (less than \$30K). There are slightly more children under 17 and slightly fewer 18 to 34 year-olds in the Cascade area than in all of Renton.

Household Income in King County, Renton and Cascade, 2000



Source: 2000 U.S. Census

Age in King County, Renton and Cascade, 2000



Source: 2000 U.S. Census

TAX BURDEN

If the Cascade area were annexed to Renton, the typical homeowner would see a very slight decrease in taxes and utility service fees of \$11 per year.

In terms of utility services, Renton households face substantially lower costs in surface water fees (which are billed on residents' property taxes).

For purposes of illustration only, from 2000 to 2005, a selected homeowner with a house valued at \$250,000 (in 2005) saw their total property tax payment increase by 20%. An owner of an equivalent home in Renton saw overall property tax payments increase by 15%.



	Stay Unincorporated	Annex to Renton
PROPERTY TAXES		
Consolidated Levy	\$4.33	\$4.33
Property Tax (City)	0.00	3.23
Road Levy (County)	1.83	0.00
School Levy	3.99	3.99
Fire Levy	0.99	0.00
Hospital Levy	0.09	0.09
Library	0.53	0.05
EMS	0.23	0.23
Flood Levy	0.00	0.00
Total Regular Levy	\$12.00	\$11.92
Total Property Tax	\$3,443	\$3,420
OTHER TAXES AND FEES		
Utility Taxes	\$0	\$190
Fire District 40 Benefit Charge	142	0
Surface Water Fee	102	65
Cable Franchise Fee (5%)	24	24
Total Other Taxes & Fees	\$268	\$279
SERVICE COSTS		
Soos Creek Water & Sewer charges	\$810	\$810
Cedar River Water & Sewer charges	0	0
Solid Waste Collection Charges	256	256
Total Service Costs	\$1,066	\$1,066
TOTAL TAXES/FEES/SERVICE COSTS	\$4,777	\$4,765
Difference from Unincorporated		-\$11

This table is based on actual 2005 taxes and fees, and is for illustration purposes only. Individual tax experiences will vary by household based on consumption. There are 9 levy codes in Cascade. This tax burden was based on levy code 4250 and a house valued at \$287K.

LEVEL OF SERVICE

POLICE	
Now: KC Sheriff With Renton: Renton Police Dept.	<ul style="list-style-type: none"> Renton's response time is about two minutes faster for highest priority calls (roughly 2.5 minutes compared with about 4.8 minutes for King County).
FIRE	
Now: Fire District 40 With Renton: Renton Fire Department	<ul style="list-style-type: none"> Today, Fire District 40 staffs Station 42 in Cascade (Headquarters) located on 176th/Petrovitsky Road and Benson Highway (SR 515). FD 40 responds to most area calls with one fire engine. In addition, Renton Fire Department responds to calls from Station 13 (on 108th Avenue) with one fire engine. Annexation of Cascade means a portion of facilities, equipment, and full-time fire district staff would become part of the Renton Fire Department. Renton indicates that Station 13 would likely be closed, and the City would respond from either the District's Station 42, or a new station that the District plans to build on 108th. In addition to moving the existing Station 13 engine and crew to Station 42, Renton would locate an aid car and crew there, for a total of five full-time staff positions.
PARKS	
Now: King County With Renton: Renton Parks & Recreation	<ul style="list-style-type: none"> The Cascade area currently has two local parks maintained by King County: Boulevard Lane Park (30.28 acres) and Cascade Park (10.94 acres). If Renton annexed the Cascade area, it would further develop parks and build a community center. Renton provides significantly more active and passive park space, trail miles, and athletic fields per capita than King County. Renton residents pay lower fees than non-residents for Renton Parks & Recreation programs, including a pool, golf course, boat launch, athletics, and more.
UTILITIES	
Soos Creek Water and Sewer District	<ul style="list-style-type: none"> Annexation to Renton would not affect the status of water and sewer services provided by Soos Creek Water and Sewer District.
SCHOOLS	
Renton School District	<ul style="list-style-type: none"> School district boundaries are not affected by municipal annexations, so current Renton School District boundaries would stay the same if Renton annexed the Cascade Area.
LIBRARY	
Now: King County Library System (KCLS) With Renton: Renton Library System	<ul style="list-style-type: none"> The City of Renton would assume responsibility for library services in the annexation area. There are currently no libraries in the Cascade neighborhood. The nearest libraries likely used by residents include Renton Library System, KCLS' Foster/Tukwila library and Southcenter Mall sites to the west, and the Kent Regional and Fairwood libraries to the south and east. If Cascade was to annex to Renton, Renton would assume responsibility for library services in the area. Renton is not currently part of the KCLS system, but residents may use libraries in both systems through reciprocal borrowing agreements, which are borrowing privileges extended to people who live or own property in the cities. Today, Renton spends less per resident for library operations than does KCLS (\$22 per resident for Renton versus \$62 per resident for KCLS). KCLS voters approved a 2004 bond levy to support system capital and operating costs. Even if Cascade is no longer part of KCLS, taxpayers must continue to pay property taxes for the part of the levy that supports construction improvements through 2022. (See tax burden table.)

LEVEL OF SERVICE

The biggest changes that might occur with annexation include police, parks and recreation, and economic development. In the unincorporated areas, King County spends roughly \$240 per resident per year for these three services combined. This is a little more than half of the \$440 per capita that Renton currently spends to provide the same services to its residents.

Renton probably already provides some park and recreation services to nearby unincorporated area residents. It is also true that, as an employment center and as a center for local retail activity, demand for Renton's police services is driven by people who live in the City, but also by people who come to the city to work, shop and play. Most of Renton's economic development activity is focused on the downtown core, which generates tax revenues that benefit the whole City.

Renton takes an integrated approach to community and economic development through its Economic Development, Neighborhoods, and Strategic Planning Department (EDNSP). Recently, Renton has garnered regional attention for successful efforts to revitalize the City's downtown areas. The City also administers and sponsors neighborhood grants and picnics for residents. By looking at indicators like expenditures per resident, it is possible for Cascade residents to get a feeling for the City's overall priorities, and how the City does what it does.

Expenditures per capita for selected local services

