

HOW TO ANNEX TO A CITY

An overview of the annexation process

Under the State's Growth Management Act:

- A City may only annex areas contiguous to its borders.
- Only territory within the urban growth area may be annexed by a City. Rural areas cannot be annexed.
- If territory is claimed by one city as part of its potential annexation area, that territory may not be annexed by a different city.

Annexation Methods

In Washington state there are five methods of annexation. They are summarized below:

- 1) Election Method Annexation:** Residents can file a petition (in prescribed format, signed by not less than 10 percent¹ of the voters in the area to be annexed who voted in the last general election) with the city asking for an annexation election. The city need not agree to hold the election. Alternately, the city council may initiate the process by adopting a resolution calling for the annexation by election. The Boundary Review Board ("BRB", see description below) then reviews the annexation proposal and may either expand or contract the area to be annexed based on certain criteria. The city may then accept the revised annexation proposal, or reject it entirely. If the city chooses to proceed, it then forwards a resolution to the County Council requesting that the matter be placed on the ballot. The County Council then adopts an ordinance setting the date for an election on the question of annexation. Only registered voters within the proposed annexation area may cast ballots in the election. The annexation is approved if supported by a simple majority of those voting.
- 2) Direct Petition Method Annexation ("60% petition"):**² Annexation is initiated by filing two separate petitions with the city. The first petition is signed by owners of property representing not less than 10% of the assessed value of the property in the area proposed to be annexed. This filing notifies the city of the residents' intent to commence annexation proceedings. The city council then accepts, rejects, or geographically modifies the proposed annexation. A second petition must then be signed by the owners of properties representing not less than 60% of the assessed valuation of the area proposed to be annexed (i.e., not all property owners must sign/agree). The city council holds a public hearing and rejects or accepts the petition. If accepted, the petition is submitted to the BRB. The BRB may expand or contract the area to be annexed based on certain criteria. The city may then accept the revised petition, or reject it entirely. Annexation is finalized by the adoption of an ordinance by the city council. This the most common method of annexation in King County.
- 3) 50/50 Direct Petition Method:** In this method, annexation is initiated by securing signatures of both landowners and registered voters. The community initiators (owners of not less than 10% of the land area *or* not less than 10% of the area's *residents*) must notify the city council of their intention to commence annexation. The city sets a meeting

¹ The 10% requirement is applicable in Code Cities (most cities are code cities); in other types of cities and towns, the petition threshold is 20%.

² This paragraph describes requirements for annexation to Code Cities; non-code city requirements differ.

with the initiating parties to determine whether the city will accept, reject or modify the proposed annexation. A second petition, in form approved by the city, is then prepared and must be signed by at least 50% of the *registered voters* in the area **and** the owners of at least 50% of the *acreage* of the area. Following submittal of the petition, the city holds a public hearing and then decides whether to annex (it may reject the annexation, despite having a valid petition).

- 4) **Annexation of Small Unincorporated Islands Method:** This method is only applicable to areas less than 100 acres in size where at least 80% of the area boundaries are contiguous to the city or town. A public hearing must be held, after which the city passes an ordinance to annex. The annexation is subject to resident referendum (i.e., can be overturned) if a petition signed by a number of residents of the area equal to at least 10% of the area residents voting in the last general election is filed with the city within 45 days of the date the city ordinance is adopted. If such a petition is filed, an election on the issue is held and the annexation must be approved by not less than 50% of those persons in the area voting on the matter.

- 5) **Annexation by Interlocal Agreement Method:** This relatively new method of annexation (2003 legislature) allows for annexation to occur based on an *agreement between that city and the County*—but the agreement (and thus the annexation) can be overturned by residents of the proposed annexation area. This method may only be used to annex areas bordered at least 60% by one or more cities. Following a public hearing(s) and approval of the annexation agreement by the city and County, the city council adopts an ordinance annexing the territory. The ordinance must set an annexation effective date at least 45 days following the date the ordinance is adopted. If, during that 45 day period, a petition is filed with the city signed by not less than at least 15% of the registered voters of the area, then an election on the question must be held at which at least a simple majority of those persons voting on the matter approve the annexation.

The Role of the Boundary Review Board

The Washington State Boundary Review Board for King County (BRB) is responsible for reviewing all city and special district (water, sewer, fire) annexations in the county. It evaluates annexation proposals for consistency with state and local laws. The BRB also provides direct assistance to residents on annexation questions, such as how to file a petition or challenge an annexation proposal. The BRB also provides information to those seeking to create new cities through incorporation. The King County BRB may be reached at 206-296-6800 or <http://metrokc.gov/annexations>.

Boundary Review Board Evaluation of each annexation proposal: *Under all annexation methods described above* (excluding the “interlocal agreement” method), there is a point at which the annexation proposal is submitted to the BRB. After ensuring the proposal is technically complete, the BRB circulates a notice of intent (“NOI”) and staff analysis of that document to other affected governments such as King County, adjacent cities, water and sewer providers. Affected parties (including the applicant, citizens via a petition, affected jurisdictions or the County Council) may “invoke jurisdiction” of the BRB, asking it to formally approve, reject or modify an annexation proposal. A public hearing is held at which the BRB takes testimony from all interested parties. The BRB then issues an opinion approving, rejecting or modifying the proposed annexation. The BRB decision may be appealed to King County Superior Court.

WHAT IF THE BENSON HILL COMMUNITIES ANNEXED TO RENTON?

If the Benson Hill Communities were annexed to Renton, the typical homeowner would see a very slight decrease in taxes and utility service of \$12 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%.

TAX BURDEN		
PROPERTY TAXES	Unincorporated	Annex to Renton
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	\$0
Solid Waste Collection Charges	256	256
Total Services Costs	\$1,066	\$1,066
TOTAL TAXES/FEES/SERVICES COSTS	\$4,777	\$4,765

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. This tax burden was based on levy code 4250 and a house valued at \$287K.

WHAT WOULD IT COST RENTON TO ANNEX THE BENSON HILL COMMUNITIES?

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	
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)

Planning-level estimates show that annexing the Benson Hill Communities 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 operation 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.

How Would a Governance Change Affect GARBAGE AND RECYCLING SERVICE?

What Happens Today With Garbage and Recycling Service?

Each household is different. Residents and businesses have the option of paying for garbage and recycling services, or they may haul their own materials to a King County Transfer Station. Curbside collection services are available in unincorporated King County, but collection by a hauling company is not required in unincorporated areas, or in cities that do not have mandatory collection services.

Garbage collection in unincorporated areas of the State is provided by private solid waste companies that hold the hauling Certificate for a particular area, and King County Solid Waste Division sets rates for transfer and disposal of materials. In unincorporated areas of the State, and in cities that do not contract for collection services, the Washington Utilities and Transportation Commission (WUTC) regulates rates of private solid waste haulers. Residents of the Benson Hill Communities pay the following collection rates listed below, today, depending on their approach to disposing of solid waste:

- If residents haul their own garbage and recycling material to transfer stations periodically, the minimum charge for disposal at each visit is \$15.25, or \$88.17 per ton, with additional fees for certain recyclables (such as appliances with refrigerants). King County Solid Waste has 8 transfer stations and 2 drop boxes in King County; the nearest sites are in Enumclaw and Renton.
- Some households purchase curbside collection from Waste Management once a month. A typical household of up to four people usually uses one 32-gallon garbage cart at a cost of \$11.90 per month, which totals to \$143 per year.
- Other households purchase weekly garbage and recycling collection. One 35-gallon garbage cart collected weekly costs \$19.05 per month, which totals to \$229 per year.
- In both cases, recycling collection every other week is included in garbage collection charges.
- Curbside yard waste service is also available weekly March through November, every other week December through February for an additional monthly cost of \$9.00.

What Would Change About Our Service if the Area Annexed?

The current provider of solid waste, for those who choose it, is a private company. Upon annexation, the area would come into the City under a provision of Renton's current contract with Waste Management, and would be provided weekly garbage, recycling and yard waste collection. The service and associated fees would be mandatory.

Any part of an unincorporated area served by another hauler (such as Allied Waste) would not be subject to the mandatory provision, and the existing hauler in the area would continue to provide service, for a period “not less than 7 years.” What this means is that the hauler holding the Certificate for the area would continue to provide service to all customers who opt for curbside collection, and a seven-year grace period would apply after a change in governance before residents would be required to sign up for garbage collection. Therefore, the City of Renton would not initiate mandatory service until the City takes over the area and customers come under the contract.

The City of Renton’s rates are generally lower than those in unincorporated King County for combined garbage, collection and yard waste collection. However, if residents are not currently paying for garbage service, these collection fees would represent a new cost to some households. Differences in collection rates are listed in the table below.

How Do Solid Waste, Recycling and Yard Waste Fees Compare?

The table below gives a comparison of one example of a household with a 32-gallon garbage can, receiving recycling service and yard waste.

Waste Collection Service	King County	City of Renton
One 32-gal Garbage Cart – Collection <i>Frequency of Collection:</i>	\$18.05 <i>Weekly</i>	\$13.44 <i>Weekly</i>
All-in-One Recycling Cart – Collection <i>Frequency of Collection:</i>	Included in rate above <i>Biweekly</i>	Included in rate above <i>Weekly</i>
64-gal Yard Waste Cart – Collection <i>Frequency of Collection:</i>	\$9.00 <i>Weekly in summer, bi-weekly in winter</i>	Included in rate above <i>Weekly</i>
Total Monthly Charges	\$27.05	\$13.44
Annual Cost	\$324.60	\$161.28

Where Can I Learn More?

King County Solid Waste Division: 206-296-4466 (information line) or

<http://www.metrokc.gov/dnrp/swd/garbage-recycling/index.asp>

City of Renton Public Works: 425-430-7201 (information line), or

www.ci.renton.wa.us/pw/utility/collserv.htm

City of Renton Utility Billing: 425-430-6852

How Would Local Service Levels Change?

POLICE

Now: KC Sheriff
With Renton: Renton Police Dept.

- Renton's response time is about two minutes faster for highest priority calls (roughly 2.5 minutes compared with about 4.5 minutes for King County).

FIRE

Now: Fire District 40
With Renton: Renton Fire Department

- Today, Fire District 40 staffs Station 42 in Benson Hill Communities (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 Benson Hill Communities 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 the new District Station 42, now under construction on 108th. This is subject to negotiations between the City of Renton and Fire District 40
- 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

- Benson Hill Communities currently have three local parks maintained by King County: Boulevard Land Park (30.28 acres), Cascade Park (10.94 acres), and Renton Park (19.09 acres).
- If Renton annexed Benson Hill Communities, it would further develop parks and build a community center. Renton provides significantly more active and passive park space, trail miles, and athletic field 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

- 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

- School district boundaries are not affected by municipal annexations so current Renton School District boundaries would stay the same if Renton annexed Benson Hill Communities.

LIBRARY

Now: King County Library System (KCLS)
With Renton: Renton Library System

- There are currently no libraries in Benson Hill Communities neighborhoods. 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 Benson Hill communities were 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 Benson Hill Communities is no longer part of CKLS, taxpayers must continue to pay property taxes for the part of the levy that supports construction improvements through 2022. (See tax burden table).

How Would Annexation Affect POLICE SERVICES FOR BENSON HILL?

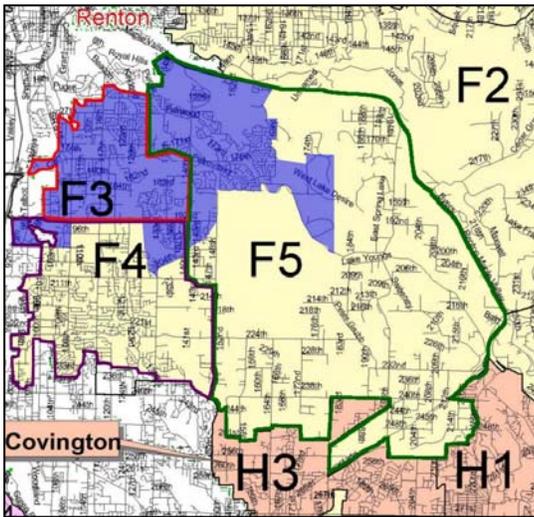
What are Police Response Times for Our Area?

Call Type	2005 Average King County Sheriff Response Times* for the F-3 patrol district	Current City of Renton Response Times*
CRITICAL DISPATCH: incidents which pose an obvious danger to the life of an officer or citizen, including felony crimes in progress, help the officer situations, shootings, stabbings, in-progress robberies and in-progress burglaries where the possibility of a confrontation between a victim and a suspect exists, and for manually-activated commercial ("hold up" or "panic") alarms.	4.48 minutes	2.49 minutes
IMMEDIATE DISPATCH: for incidents requiring immediate police action, all silent passively-activated alarms at banks, businesses, and residences, injury accidents, for major disturbances with weapons involved. Also includes in-progress burglaries of unoccupied structures, other types of crimes in-progress or which have just occurred, where a suspect may still be in the immediate area.	11.09 minutes	8.13 minutes
PROMPT DISPATCH: For situations that could escalate to a more serious degree is not policed quickly. Examples are verbal disturbances, blocking accidents, hazardous situations, separated domestic violence situation, shoplifters in custody who are not causing a problem, and mental or physical trauma situations.	19.98 minutes	11.15 minutes
ROUTINE DISPATCH: Calls for which time is <u>not</u> the critical factor in the proper handling of the call, such as burglaries or larcenies that are <u>not in progress</u> , audible commercial and residential alarms, "cold" vehicle thefts and abandoned calls, and dispatch is made as soon as reasonably possible.	68.2 minutes	23.10 minutes

*Sheriff's Office and City of Renton response times include all time from when the call was received by a 9-1-1 call receiver to the time that the officer arrives on scene.

How Does the Sheriff's Office Respond to Our Area Now?

The Benson Hill Communities are primarily within the F-3 patrol district, although some portions extend into the F-4 district. The darkest shaded area of the map is all of Renton's Soos Creek PAA including Benson Hill Communities.



The Sheriff's Office typically staffs this patrol district with a minimum of one deputy per shift. A school resource officer is assigned to Lindbergh High School, with financial support from Renton School District. Patrol officers from the surrounding unincorporated areas are available to backup the assigned officers within minutes. The 2005 *average* response time to high-priority calls was under 5 minutes.

Patrol sergeants are headquartered at the Maple Valley precinct facility, but spend time in the field supervising deputies and responding to significant events. Investigations for crimes such as burglary, larceny, simple assaults, and drugs also are provided from the Maple Valley precinct. The precinct command staff (captains and major) are housed at the precinct.

Members of the public can visit the precinct or the storefront located near 140th and Petrovitsky Road to talk to deputies, report accidents, or receive many of our public services. All other Sheriff's Office services, including major investigations (e.g., homicide, rape, fraud), K-9 units, SWAT, and administration are provided by central units, many of which are headquartered in Kent. Many of the detectives in these units are recognized for their professionalism and expertise.

What is Renton's Police Level of Service?

Renton staffs patrol districts with 1.6 officers per 1,000 residents. *Average* response time to high-priority calls is under 5 minutes.

There are 239 police departments in Washington, and Renton is proud to be one of the twelve of those agencies that are nationally accredited. The national accreditation program was started in 1979 to develop a set of law enforcement standards, and to establish and administer an accreditation process through which law enforcement agencies could demonstrate voluntarily that they meet professionally recognized criteria for excellence in management and service delivery. Accreditation addresses department policy and procedures, management, operations, and support services. The Renton Police Department has to comply with 442 standards in order to maintain accredited status. Accreditation lasts for three years, and Renton Police Department has earned re-accredited status three times.

The benefits of accreditation include: Controlled/limited liability, risk and exposure, stronger defense against lawsuits and citizen complaints, greater accountability within the agency, staunch support from government officials, and increased community advocacy.

Would my address change upon annexation?

Addresses in the Benson Hill Communities would not change upon annexation.

The City of Renton recently adopted a new policy and city code for street naming that allows newly annexed areas to retain their current addresses in this entire area except that SE Carr Road, SE 179th St., SE 176th St and SE Petrovitsky Rd. shall be named SE Carr Rd west of 108th Ave SE, and SE Petrovitsky Rd. east of 108th Ave SE. In addition, the SE Renton-Maple Valley Rd. will be renamed Maple Valley Highway.

Where are the Benson Hill Communities?

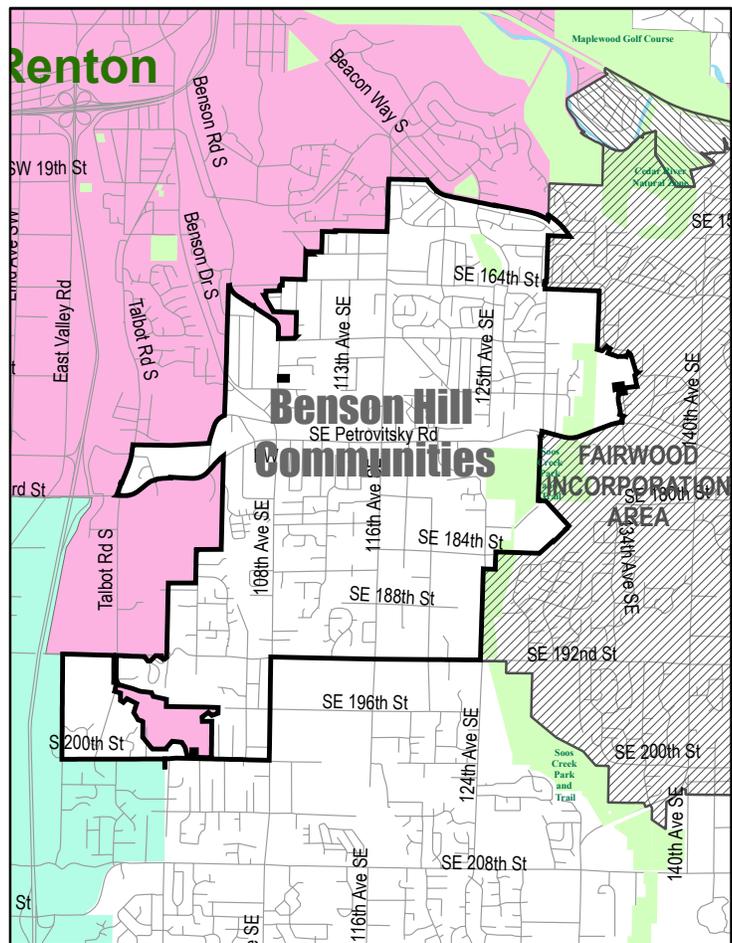
The Benson Hill Communities are made up of residents living South and Southeast of the City of Renton, West of 130th Ave SE, and North of Kent (between SE 200th and SE 192 depending on the cross streets). This area includes Spring Glen, Springbrook, Cascade, Renton Park and many other neighborhoods.

Governance Options. The Benson Hill Communities are part of the City of Renton's Potential Annexation Area (PAA). The residents of this area have the option of annexing to the City of Renton or staying unincorporated. The City of Renton's PAA also includes the proposed City of Fairwood. The Benson Hill Communities are not included in this proposed incorporation area.

Population. The population of the Benson Hill Communities in 2005 was approximately 16,400. If the Benson Hill Communities 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 councilmember's 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 Benson Hill Communities and Fairwood areas, residents of the Benson Hill Communities rated their neighborhood and the level of public service both positively and better than nearby cities. Overall, Benson Hill Communities 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 the fear that service levels would not improve. Residents would rather have the whole Fairwood area join the City of Renton than incorporate any part.



SHOULD THE BENSON HILL COMMUNITIES EXPECT TO SEE REDUCED SERVICE LEVELS FROM KING COUNTY?

From 2002 to 2005, King County general fund revenues increased at a rate of 2.7% per year. At the same time, the basic costs of providing services increased at more than twice that rate. The County estimates that, in order to maintain 2002 staffing levels and levels of service in 2005, King County would have needed an additional \$137 million in general fund revenues in 2005 (25% more than the County actually received).

Without an increase in tax rates, the County's structural deficit will continue to erode its effective resources. This means that, for the foreseeable future, the County will have to make difficult choices when it comes to the provision of local government services. The County is in a position where it must first fund state-mandated services (criminal justice and public health) and regional services (sewer and courts) before it provides local services (such as parks, human services, and police services).

King County's general fund is where most of the revenues are collected by the county to pay for day-to-day operations. The short answer is that, services provided out of King County's general fund will all be under pressure to reduce expenditures in urban unincorporated areas.

- The Sheriff's Office budget relies on funding from the King County general fund. Resources will be increasingly constrained.
- Roads are funded from a source other than the general fund, so road maintenance dollars would still be available. However, the construction and capital funding for roads would be increasingly constrained.
- As a result of constraints on the County's general fund, parks and recreation expenditures have been scaled back in recent years. In some instances, active maintenance of local parks in unincorporated King County has greatly decreased.

It is difficult to say which services may be cut or reduced in unincorporated areas as available revenues continue to decline. Those decisions must be made each year through the County's budget adoption process. However, until the County is able to fully address its structural deficit, the County will be forced to make cuts across all of its service areas, including services to local urban unincorporated areas.

In urban unincorporated King County, there are ten large areas that have yet to be annexed to a city or incorporate into a new city. There are now about 218,000 residents in these urban areas for whom King County currently provides local services.

Due to the budgetary issues described above, in 2004, the King County Executive created the County's Annexation Initiative. The Initiative is a three-year encouragement for these areas, through funding and other resources, to discuss and plan changes in governance to incorporated status. The Initiative is intended to be a positive step toward assisting communities in determining their own future.

The County cannot compel a community to annex or incorporate. At the same time, it is clear that the level of service provided by the County will begin to erode in those communities that don't transition to incorporated status over the next few years.

How would annexation affect

DRAINAGE AND SURFACE WATER MANAGEMENT?

King County Surface Water Management services in the Benson Hill Communities area are provided primarily through the Water and Land Resources Division's Stormwater Services unit. Services can be generally described as follows:

1. Coordinate, track, and demonstrate County compliance with state and federal stormwater management regulations
2. Update and facilitate implementation of County stormwater regulations applied to development
3. Investigate and respond to drainage and water quality problems reported by citizens
4. Enforce correction of drainage code violations to solve reported problems where indicated
5. Conduct plans or studies to analyze stormwater impacts/problems and recommend mitigation/solutions
6. Provide emergency response during severe storm or flood events
7. Enforce the County water pollution code's required use of pollution prevention best management practices
8. Operate, inspect, and maintain County-owned drainage facilities.
9. Inspect and enforce proper operation and maintenance of drainage facilities for commercial properties that are maintained by property owners.

The City of **Renton** Surface Water Utility is part of the Planning/Building/Public Works Department and is funded to effectively manage storm and surface water runoff within the City. The City addresses the same surface water management issues as the County does in items 1-6 above, managing drainage issues from a City perspective and according to City code. In addition, the City provides the following services:

1. Maintain, operate and inspect all publicly-owned storm systems and facilities.
2. Develop and implement an annual Capital Improvement program to replace and improve infrastructure, to reduce flood hazards and problems, and to protect water quality and habitat.
3. Provide technical assistance to other City Departments on projects and programs.
4. Maintain a storm system inventory database and map of storm systems in the City
5. Coordinate with adjacent and regional jurisdictions regarding surface water management regional issues and solutions.

These services would be provided to the area following annexation. The City of Renton Surface Water Utility would assume ownership of all county owned stormwater facilities when an area is annexed into the City. Capital improvements to address drainage problems are incorporated into the City of Renton Surface Water Utility's 6-year Capital Improvement Program in order of priority compared to all problems citywide. The average annual capital improvement program expenditure is approximately \$2,500,000.

What are the differences between CITY AND COUNTY FINANCES?

How Can Renton Afford to Be Our Government if King County Says it Can't?

Cities and counties have different taxing authority under state law. Counties have been designated and are equipped with the taxing resources to provide regional and local rural services. Cities are structured and have the tools to most efficiently provide urban local services. This does not mean that joining a city requires residents to pay more taxes rather that cities have greater flexibility in how they collect and spend taxes and fees.

Here are a few examples.

Local Property Taxes

Under state law, the local portion of the property tax King County collects in unincorporated areas must be spent for roads. In cities, the local portion of property tax collected by cities contributes to a general fund that elected officials have the option to direct towards the priorities of their communities— be it roads, public safety, economic development, or a variety of other services.

Local Sales Taxes

Over the years, urban unincorporated King County has become primarily residential with most shopping and commercial centers developing in cities. As a result, residents in unincorporated urban areas frequently shop in cities, meaning a portion of their sales tax dollars goes toward supporting city services rather than the local services in their neighborhoods.

Utility & Business Taxes

In addition to property and sales tax, cities have other revenue sources that tend to keep pace with the growth of service costs – such as business tax and utility tax revenues.

Due, in part, to the limitations placed on how the county collects and spends taxes, the county's budget for local urban services does not balance. County services have had to be significantly cut in recent years. Examples of such cuts include the elimination of all park and recreation service programming and reduction in local human services programs.

King County and cities are working to annex or incorporate all areas in the urban growth boundary by 2012. Becoming incorporated gives residents more value per tax dollar spent and frees up resources for the county to provide regional services that everyone in the county benefits from, including criminal justice, public health and human services, regional parks, and bus service.

Where are the Benson Hill Communities?

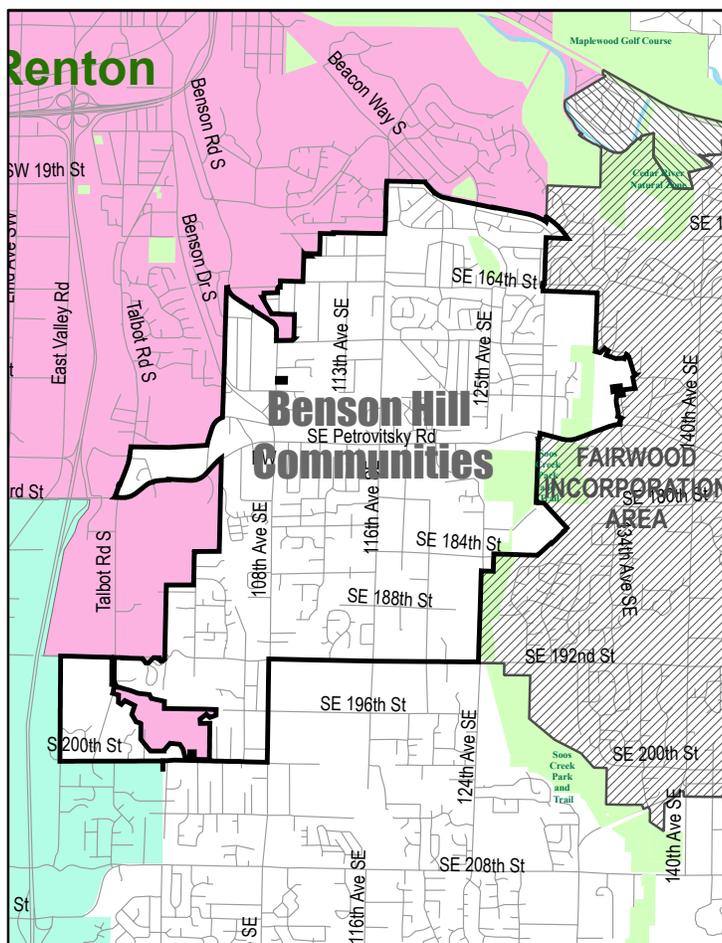
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WHAT IF THE BENSON HILL COMMUNITIES ANNEXED TO RENTON?

If the Benson Hill Communities were annexed to Renton, the typical homeowner would see a very slight decrease in taxes and utility service of \$12 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%.

TAX BURDEN		
PROPERTY TAXES	Unincorporated	Annex to Renton
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	\$0
Solid Waste Collection Charges	256	256
Total Services Costs	\$1,066	\$1,066
TOTAL TAXES/FEES/SERVICES COSTS	\$4,777	\$4,765

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. This tax burden was based on levy code 4250 and a house valued at \$287K.

WHAT WOULD IT COST RENTON TO ANNEX THE BENSON HILL COMMUNITIES?

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	
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)

Planning-level estimates show that annexing the Benson Hill Communities 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 operation 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.

How Would Local Service Levels Change?

POLICE

Now: KC Sheriff
With Renton: Renton Police Dept.

- Renton's response time is about two minutes faster for highest priority calls (roughly 2.5 minutes compared with about 4.5 minutes for King County).

FIRE

Now: Fire District 40
With Renton: Renton Fire Department

- Today, Fire District 40 staffs Station 42 in Benson Hill Communities (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 Benson Hill Communities 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 the new District Station 42, now under construction on 108th. This is subject to negotiations between the City of Renton and Fire District 40
- 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

- Benson Hill Communities currently have three local parks maintained by King County: Boulevard Land Park (30.28 acres), Cascade Park (10.94 acres), and Renton Park (19.09 acres).
- If Renton annexed Benson Hill Communities, it would further develop parks and build a community center. Renton provides significantly more active and passive park space, trail miles, and athletic field 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

- 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

- School district boundaries are not affected by municipal annexations so current Renton School District boundaries would stay the same if Renton annexed Benson Hill Communities.

LIBRARY

Now: King County Library System (KCLS)
With Renton: Renton Library System

- There are currently no libraries in Benson Hill Communities neighborhoods. 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 Benson Hill communities were 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 Benson Hill Communities is no longer part of CKLS, taxpayers must continue to pay property taxes for the part of the levy that supports construction improvements through 2022. (See tax burden table).

SHOULD THE BENSON HILL COMMUNITIES EXPECT TO SEE REDUCED SERVICE LEVELS FROM KING COUNTY?

From 2002 to 2005, King County general fund revenues increased at a rate of 2.7% per year. At the same time, the basic costs of providing services increased at more than twice that rate. The County estimates that, in order to maintain 2002 staffing levels and levels of service in 2005, King County would have needed an additional \$137 million in general fund revenues in 2005 (25% more than the County actually received).

Without an increase in tax rates, the County's structural deficit will continue to erode its effective resources. This means that, for the foreseeable future, the County will have to make difficult choices when it comes to the provision of local government services. The County is in a position where it must first fund state-mandated services (criminal justice and public health) and regional services (sewer and courts) before it provides local services (such as parks, human services, and police services).

King County's general fund is where most of the revenues are collected by the county to pay for day-to-day operations. The short answer is that, services provided out of King County's general fund will all be under pressure to reduce expenditures in urban unincorporated areas.

- The Sheriff's Office budget relies on funding from the King County general fund. Resources will be increasingly constrained.
- Roads are funded from a source other than the general fund, so road maintenance dollars would still be available. However, the construction and capital funding for roads would be increasingly constrained.
- As a result of constraints on the County's general fund, parks and recreation expenditures have been scaled back in recent years. In some instances, active maintenance of local parks in unincorporated King County has greatly decreased.

It is difficult to say which services may be cut or reduced in unincorporated areas as available revenues continue to decline. Those decisions must be made each year through the County's budget adoption process. However, until the County is able to fully address its structural deficit, the County will be forced to make cuts across all of its service areas, including services to local urban unincorporated areas.

In urban unincorporated King County, there are ten large areas that have yet to be annexed to a city or incorporate into a new city. There are now about 218,000 residents in these urban areas for whom King County currently provides local services.

Due to the budgetary issues described above, in 2004, the King County Executive created the County's Annexation Initiative. The Initiative is a three-year encouragement for these areas, through funding and other resources, to discuss and plan changes in governance to incorporated status. The Initiative is intended to be a positive step toward assisting communities in determining their own future.

The County cannot compel a community to annex or incorporate. At the same time, it is clear that the level of service provided by the County will begin to erode in those communities that don't transition to incorporated status over the next few years.

**Benson Hill Communities Governance Options:
Who Provides Service Now, and What Would Change?**

Service	Current Provider	If Annexed to Renton
Roads/Streets (Public Works)	King County Department of Transportation	Renton Public Works Department
Local Parks & Recreation	King County (although the County no longer provides local parks services)	Renton Parks & Recreation Division
Police	King County Sheriff	Renton Police Department
Fire Protection & Emergency Medical Services	Fire Protection District 40 (and small parts of Districts 25 and 37)	Renton Fire Department
Land Use Planning and Zoning	King County Development & Environmental Services (DDES)	City of Renton EDNSP
Building Code Review & Inspection	King County DDES	Renton Development Services Division
Library	King County Library System (KCLS)**	Several options exist**: <ul style="list-style-type: none"> • Renton Library System • Renton annexes into KCLS • Renton contracts with KCLS
Schools	Renton and Kent School Districts	No change
Sewer & Water	Cedar River Water & Sewer District or Soos Creek Water & Sewer District	No change
Surface Water Management (Public Works)	King County Water & Land Resources Division	Renton Public Works Department
Garbage collection & recycling	Private hauler and recycler	Renton must continue existing franchise agreement (can renew after 7 years)
City Administration (executive and legislative branch)	King County Executive & Metropolitan King County Council	City of Renton (Elected Mayor and Council)

Benson Hill Communities Governance Options:

Who Provides Service Now, and What Would Change?

Service	Current Provider	If Annexed to Renton
Human Services	King County and private non-profit agencies	Renton Human Services Department and private non-profit agencies
Jail	King County Department of Adult & Juvenile Detention	Renton city jail (misdemeanant), King County (felony, juvenile detention)
Animal Control	King County	Renton Police Department
Court Services	King County District Court (misdemeanors) King County District Court (small claims)	Renton Municipal Court (misdemeanors) King County District Court (small claims)
Public Defense	County or contract	Contract with private firm
Prosecutor/City Attorney	King County Prosecutor's Office	City of Renton Administrative, Judicial & Legal Department
Public Health Services	Seattle-King County Board of Health and Department of Public Health	No change
Transit Services	King County Metro and Sound Transit	No change

**The City of Renton and the King County Library District have a reciprocal use agreement that means residents may use the library facilities of both entities. Upon annexation, several options exist for providing library service. Renton is embarking on a planning process to determine the future of its library system. Options under discussion include enhanced funding and services for current and annexed branches, or annexation to KCLS, or provision of services to current KCLS facilities by contract.

Why Can't the Community Just STAY UNINCORPORATED?

No one can compel the Community to incorporate as a new city or to annex to Renton. The community has a choice whether to annex or remain unincorporated.

Individuals have the right to join together with their neighbors to sign a petition seeking to annex to Renton. There are a variety of legal processes to achieve annexation. Renton has discretion whether to accept annexation of large areas. Renton can only annex areas contiguous to its city limits.

Why Are Urban Areas Being Encouraged to Annex or Incorporate?

The state law known as the "Growth Management Act" (GMA), King County Countywide Planning Policies, and the King County and Renton City Comprehensive Plans (all enacted to be consistent with the state GMA requirements) , encourage all unincorporated areas inside King County's Urban Growth Boundary to pursue incorporated status through either annexation or incorporation. State law (RCW 36.70A.110) provides the underlying rationale for these policies: "In general, cities are the local government most appropriate to provide urban governmental services."

As directed by the GMA, the Countywide Planning Policies explicitly address the status of unincorporated urban areas. Among other things, the policies call for:

- Elimination of unincorporated urban islands between cities.
- The adoption by each city of a Potential Annexation Area (PAA), in consultation with residential groups in the affected area.
- The annexation or incorporation of all unincorporated areas within the urban growth boundary within a 20-year timeframe (1993 – 2012).

In urban unincorporated King County, there are currently 10 large areas (including areas such as West Hill, Fairwood, North Highline and Juanita among many) that have yet to be annexed to a city or incorporate into a new city. There are now about 218,000 residents in these urban areas for whom King County and special districts currently provide local services. Over time, King County will continue to be the provider of **regional services** to all 1.7 million residents of King County, and the provider of local services to people who live outside of cities in the rural area (some 136,000 people in rural King County).

The Fairwood / Benson Hill Communities (including Cascade and Spring Glen) area is part of Renton's PAA. The decision to annex must be mutual: both the City and a majority of area residents must actively choose to pursue annexation. Under current City policy, residents or property owners would need to circulate for signature a "10% annexation petition" to formally

begin the annexation process. As an alternative, voters in the area could choose to incorporate a new city.

We Hear the County Can't Afford to Continue to Serve Some Areas. What Does That Mean?

King County faces a situation in its General Fund in which long-term expenditure growth exceeds revenue growth. As a result of this budget situation and as matter of policy, King County is unable in the long-term to provide urban services in the unincorporated areas as compared to the local urban revenues that are generated there. The County currently spends about \$126 million on local services such as roads, police, courts, building permits and inspections, and surface water management. The urban unincorporated are generates about \$104 million in local tax revenues at County rates. When looking at local services funded from the General Fund--such as sheriff, district court, misdemeanor jail, code enforcement and general government--approximately \$42.5 million is spent annually in the urban unincorporated areas, while local General Fund revenues are only about \$22.6 million.

At the same time, all 1.7 million residents depend on County regional services--those provided county-wide services--such as criminal justice, public records and licensing, elections, and public health. Regional service levels are being eroded by transferring regional revenues to cover the cost of providing local services across the County in areas outside cities. Local services have been cut back in recent years as a result of the budget gap. The County is taking steps to close that financial gap between revenues and expenditures, but it is not likely to be resolved in the near-term. The County expects local and regional service levels will continue to erode over time unless significant changes in County service responsibility or revenue occur. Transition of urban unincorporated areas to city-status (by incorporation or annexation) will significantly reduce budget pressures on County services.

In 2003, the County Executive's Budget Advisory Task Force also identified annexation of the remaining urban unincorporated areas as not only helping accomplish the region's land use vision but also noted annexation "*may be the single most important step the County can take to address its fiscal challenges.*" Based on this recommendation, the County established the 3-year Annexation Initiative, to encourage potential annexing cities and for unincorporated areas, through funding and other resources, to discuss and plan changes in governance to incorporated status. The Initiative is intended to be a positive step toward assisting communities to determine their own future.

The County has cut about \$100 million from its General Fund in the last 4 years from all service areas, with parks and human services taking the biggest reductions. All services will continue to face budget pressure, and for now, policy makers face the decision to keep covering local service costs in urban unincorporated areas, or to use those dollars for regional services.

What about our PETS AND LIVESTOCK?

Are there differences in pet licensing?

King County and Renton both require licenses for dogs and cats.

King County	City of Renton
www.metrokc.gov/lars/animal/ Fees range from \$5 for a juvenile pet for a 6-month license to \$60 for an unaltered pet. Persons over age 65 and those with disabilities pay these fees once for the lifetime of the animal.	Pet licenses: 425-430-6850 Animals over 4 months of age must be licensed. Fees range from \$4.50 for an altered cat to \$20 for an unaltered dog. Persons over 62 pay these fees only once per the lifetime of the animal.

What about livestock?

King County Code (KCC 21A.30.020 and 21A.30.030) sets rules for pens and setbacks. In general, King County allows people to keep more animals than Renton does. Also see <http://dnr.metrokc.gov/wlr/LANDS/livestoc.htm> or contact King County at 206-296-1471 to learn more.

Renton's rules for pens and setbacks are contained in Renton Municipal Code Sections 4-4-010 and 4-9-030. You may also contact the City at 425-430-7294 to learn more.

Renton grandfathers in existing animals, similar to other non-conforming uses. Owners or tenants are allowed to keep the number of animals existing at the time of annexation but upon losing an animal through death or selling or giving it away, are not allowed to replace animals exceeding Renton's allowed numbers. The chart below is a brief comparison of County and City Animal Standards relating to the allowed number of larger animals.

King County	City of Renton
No large animals on less than 20,000 sq. ft.	No animals are allowed on lots less than 1 acre in size
Livestock: 6 or fewer medium or large animals per gross acre in stables or barns or 3 per acre with approved Farm Management Plan.	Animal Husbandry: 4 or fewer medium animals per acre
Large Livestock: 1 large animal per 2 acres without approved Farm Management Plan	Animal Husbandry: 1 large animal per acre