



TO: Elizabeth Pauli, City Manager
FROM: Peter Huffman, Director, Planning and Development Services
Brian Boudet, Planning Manager, Planning and Development Services
COPY: City Council and City Clerk
SUBJECT: Request for Resolution – October 30, 2018
DATE: October 12, 2018

SUMMARY:

Initiating the planning process and the negotiation of an interlocal agreement with Pierce County regarding the proposed annexation of the Manitou Potential Annexation Area.

STRATEGIC POLICY PRIORITY:

The initiation of the annexation process is best aligned to the following strategic policy priorities:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The Manitou Potential Annexation Area (PAA) (see location map in Exhibit “A”) is one of the City’s Urban Growth Areas (UGAs) as designated in the One Tacoma Comprehensive Plan and Pierce County’s Comprehensive Plan, pursuant to the State Growth Management Act (“Act”) and consistent with the Regional VISION 2040 and the Pierce County Countywide Planning Policies (CPPs).

With approximately eighty-three percent of its boundaries contiguous to the City of Tacoma and seventeen percent to the City of University Place, the Manitou PAA is identified as one of the unincorporated “islands” of Pierce County, and as such, its annexation to the City of Tacoma is encouraged by the Act and considered a high priority in VISION 2040 and the Pierce County CPPs. As set forth in One Tacoma Plan’s Public Facilities and Services Element, Goal PFS-2, the City of Tacoma will “in partnership with residents, service providers and adjoining jurisdictions, incorporate the City’s Urban Growth Area by 2040.”

Pierce County has approached and suggested the City of Tacoma to collaboratively pursue planning efforts for the annexation of the Manitou PAA. A community meeting was held jointly by staff of Pierce County and City of Tacoma on May 14, 2018 to inform and engage residents, business owners and property owners before the planning process was officially commenced.

RCW 35.13.470 allows the legislative body of a county or a city to initiate an annexation process for unincorporated territory by adopting a resolution commencing negotiations for an interlocal agreement, provided that the territory proposed for annexation meets both criteria of being a designated UGA within the annexing city and having at least sixty percent of its boundaries contiguous to the annexing city. Pierce County Council has adopted Resolution No. R2018-97 on September 4, 2018, in accordance with RCW 35.13.470, to initiate the negotiation of such interlocal agreement with the City of Tacoma.

The City Council’s Government Performance and Finance Committee has reviewed the matter at its meetings on August 21 and October 16, 2018, and recommended that the City Council consider adopting a resolution, corresponding to the action of the Pierce County Council, to commence the annexation process. The resolution would also (a) authorize the City Manager and designated officials to begin negotiating the terms of an interlocal annexation agreement with Pierce County; (b) request the Planning and Development Services Department to continue to conduct community outreach and engagement, in

collaboration with Pierce County, and continue to analyze the potential fiscal impacts of the annexation to the City; and (c) request the Planning Commission to conduct appropriate pre-annexation planning for the Manitou PAA, in accordance with Tacoma Municipal Code, Section 13.02.040.K.

ISSUE:

At the community meeting conducted at the Manitou Park Elementary School on May 14, 2018, there was general support for the proposed annexation expressed by residents from the subject area and the adjacent South Tacoma neighborhood. There were concerns from some business owners about the anticipated increases in business and utility related taxes and fees. Other issues that were brought up included police and fire services, sewer hook-up, public roadways and infrastructure improvements, land use and zoning, street names and addresses, and property taxes.

ALTERNATIVES:

The City Council can decide not to proceed with the annexation process, not to negotiate the interlocal agreement with Pierce County, and/or defer the matter to a later date. However, it is noted that annexation planning for designated Urban Growth Areas is part of the requirements and expectations of the State Growth Management Act and regional planning policies.

RECOMMENDATION:

The City Council is recommended to adopt a resolution on October 30, 2018 to commence the annexation process for the Manitou Potential Annexation Area and begin the negotiation of the interlocal annexation agreement with Pierce County.

FISCAL IMPACT:

A preliminary review of the potential fiscal impacts indicates that City is expected to receive approximately \$97,000 per year in property taxes upon annexation and approximately \$30,000 per year in business and occupation taxes starting in the 4th year upon annexation. All service providers have indicated the confidence of being able to incorporate the Manitou area into their current scope of service while maintaining the level of service comparable to what is being provided. However, the estimated costs of providing services are not readily available and are subject to further studies. While fiscal impacts remain to be determined, depending on various factors associated with different services, it is noted that the size of the Manitou area (37 acres) is 0.1% of that of the City of Tacoma (31,765 acres) and the population (425) is 0.2% that of the city (213,418 according to U.S. Census, 2017). These proportions might be useful in anticipating the scale of the fiscal impacts.