

### **City Council Action Memorandum**

**TO:** Elizabeth A. Pauli, City Manager

**FROM:** Wesley Rhodes, Senior Planner, Planning and Development Services

Peter Huffman, Director, Planning and Development Services

**COPY:** City Council and City Clerk

**SUBJECT:** Ordinance Setting the Effective Date of the Manitou Area Annexation

**DATE:** November 14, 2023

#### **SUMMARY AND PURPOSE:**

An ordinance authorizing the annexation of the Manitou Potential Annexation Area, located near Lakewood Drive West and 66<sup>th</sup> Street West, to the City of Tacoma, effective April 1, 2024, as set forth in the Interlocal Agreement and Memorandum of Understanding with Pierce County executed on December 15, 2021.

#### **BACKGROUND:**

The 37-acre Manitou Area is located near Lakewood Drive West and 66<sup>th</sup> Street West, abutting the southwest corner of the City of Tacoma (City), and is one of the City's Urban Growth Areas (UGAs) and Potential Annexation Areas (PAAs), as designated in the City's One Tacoma Comprehensive Plan and Pierce County's (County) Comprehensive Plan, pursuant to the State Growth Management Act (Act).

As a designated UGA and PAA, the Manitou Area's annexation to the City is expected by the Act, to ensure the urban growth in the area is properly and effectively supported by urban governmental services. Surrounded by the cites of Tacoma and University Place on all sides, the area is also an unincorporated "island" of the County where future annexation to the City is considered a high priority in regional and countywide planning policies.

As a designated UGA and with more than 60 percent of its boundaries contiguous with the City, the Manitou Area should be annexed to the City through the Interlocal Agreement (ILA) method, pursuant to the Revised Code of Washington (RCW) 35.13.470. RCW 35.13.470 allows either the legislative body of a county or city to initiate an annexation process by adopting a resolution commencing negotiations for an ILA. The County Council adopted Resolution No. R2018-97 on September 4, 2018, and the City Council adopted Resolution No. 40150 on October 30, 2018, to initiate the annexation process and commence the negotiations for said ILA.

As directed by the City Council, per Resolution No. 40150, the Tacoma Planning Commission conducted land use and zoning analysis for the Manitou Area and developed the proposed land use designations and zoning districts for the area to be effective upon its annexation to the City. The proposal was passed by the City Council on September 24, 2019, per Ordinance No. 28609, and has been incorporated into the Memorandum of Understanding (MOU).

Negotiations of the ILA, as well as an associated MOU, were completed in June 2021. The ILA governs the proceeding of the annexation of the Manitou Area and the MOU sets forth the transition of governmental services from the County to the City.



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As required by RCW 35.13.470, the City Council conducted a public hearing on the ILA and the MOU on August 31, 2021, per the recommendation of the Government Performance and Finance Committee on July 20, 2021. The public hearing notice along with the ILA were published twice during the period of August 19, 2021, and August 26, 2021, in both the Tacoma Daily Index and The News Tribune. On October 12, 2021, the Tacoma City Council adopted Resolution No. 40848, authorizing the execution of the ILA and the MOU with the County.

The County also published the ILA twice during the period of September 8, 2021, and September 15, 2021, in The News Tribune. The County Council, as recommended by its Rules and Operations Committee on September 13, 2021, conducted a public hearing on September 28, 2021, and approved Ordinance No. 2021-81s, authorizing the Pierce County Executive to execute the ILA and the MOU with the City.

The ILA and the MOU were signed and officially executed on December 15, 2021. With the ILA and the MOU, the County and the City are committed to completing the annexation and ensuring an effective transition of appropriate governmental services. Subsequently, the City and the County have executed two additional ILAs regarding the transition of stormwater and wastewater infrastructure from the County to the City. While these ILAs do not require formal City Council action they are attached as reference and for the public record. Additionally, a resolution regarding monetary payment from the City to LeMay Pierce County Refuse for remaining sanitation service franchise rights is anticipated to be adopted alongside this ordinance.

The City sent letters to Manitou Potential Annexation Area stakeholders three times in 2022, on March 24, 2022, May 25, 2022, and October 20, 2022. A postcard notification was mailed in mid-November 2023, to occupants and owners within and near the affected area to advise on the remaining timeline and the anticipated effective date of April 1, 2024. Additional outreach and communications are planned for early 2024 from the City as well as utility and service providers to ensure a smooth transition. An in-person "Welcome to Tacoma" community information session is also planned for February 2024.

The City must now pass an ordinance to set the annexation effective date, which staff recommends being set as April 1, 2024. Per RCW 35.13.470, the legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the City of Tacoma and in one or more newspapers of general circulation within the territory to be annexed.

The annexation ordinance is subject to referendum for 45 days after passage. Upon the filing of a timely and sufficient referendum petition with the legislative body, signed by registered voters in number equal to not less than 15 percent of the votes cast in the last general State election in the area to be annexed, the question of annexation shall be submitted to the voters of the area in a general election, if one is to be held, within 90 days or at a special election called for that purpose according to RCW 29A.04.330.

It is expected that residents and businesses in the Manitou Area, upon its annexation to the City, will enjoy the same services, facilities, infrastructure, employment opportunities, and government representation as Tacomans currently do. It is in the best interest of the City to pass an ordinance to set an annexation effective date and proceed to accomplish the proposed annexation of the Manitou Area in accordance with RCW 35.13.470.

For more information about the project, please visit <a href="www.cityoftacoma.org/Manitou">www.cityoftacoma.org/Manitou</a>.

### **COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

In addition to the City Council public hearing on August 31, 2021, four community meetings were conducted in May and December 2018, April 2019, and June 2021 by Planning and Development Services staff in collaboration with County staff. Notices for these meetings were distributed to residents and businesses within the Manitou Area, the South Tacoma Neighborhood Council, departments of the City's General Government and Tacoma Public Utilities, as well as various service providers. The City sent letters to Manitou Potential Annexation Area stakeholders three times in 2022, on March 24, 2022, May 25, 2022, and October 20, 2022. A postcard notification



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# **Key Engagement/Outreach Timeline:**

- Letter to Manitou Neighborhood, April 27, 2018
- Community Meeting at Manitou Elementary, May 14, 2018
- Parkland Spanaway Midland Community Plan Updates Meeting, August 15, 2018
- Notice of Manitou Area Pre-Annexation Planning Community Meeting, November 21, 2018
- Community Meeting at Manitou Elementary, December 10, 2018
- Proposed Land Use and Zoning Open House, February 21, 2019
- Manitou Annexation Area Walk-About, April 26, 2019
- Planning Commission Public Hearing, May 15, 2019
- Notice of Manitou Community Meeting, June 16, 2021
- Online Community Meeting, June 30, 2021
- Public Hearing on ILA-MOU, August 31, 2021
- Manitou Annexation Update Letter, March 24, 2022
- Manitou Annexation Update Letter, May 25, 2022
- Manitou Annexation Update Letter, October 20, 2022
- Postcard Notification Mailer (Mid-November 2023)

#### **Upcoming**:

- Additional communications and notifications (largely by mail) from the City as well as utility and service providers throughout early 2024
- "Welcome to Tacoma" Community Information Session planned for February 2024

#### **2025 STRATEGIC PRIORITIES:**

# **Equity and Accessibility:** *Equity Index Score*: Moderate Opportunity

The Manitou Potential Annexation Area is a moderate opportunity area according to the Tacoma Equity Index. It is expected that residents and businesses in the Manitou Area, upon its annexation to the City, will enjoy the same services, facilities, infrastructure, employment opportunities, and government representation as Tacomans currently do. As such, they will benefit from the equity driven approach to policy and regulations within the City of Tacoma, including additional services and protections. Furthermore, they will gain new opportunities for civic engagement and representation as official Tacoma residents, property and/or business owners.

#### **Economy/Workforce:** *Equity Index Score*: Moderate Opportunity

Increase the number of Tacoma households that have livable wage jobs within proximity to the city. Increase the number of infrastructure projects and improvements that support existing and new business developments.

### **Civic Engagement:** *Equity Index Score*: Moderate Opportunity

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Representation at public meetings will reflect the diversity of the Tacoma community



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**Livability:** *Equity Index Score*: Low Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

### Explain how your legislation will affect the selected indicator(s).

The Manitou Area is currently part of unincorporated Pierce County is surrounded by the City of Tacoma on three sides and the City of University Place to the north making it an unincorporated "island." As such, the area is geographically isolated from other parts of unincorporated Pierce County making many of the public services for the area far away. The ordinance would set an effective date for the proposed annexation of the Manitou Area. Upon annexation, residents and businesses in the Manitou Area will enjoy the same services, facilities, infrastructure, employment opportunities, and government representation as Tacomans currently do. As such, they will benefit from the equity driven approach to policy and regulations within the City of Tacoma, including additional services and protections, and overall improved livability. Furthermore, they will gain new opportunities for civic engagement and representation as official Tacoma residents, property and/or business owners.

#### **ALTERNATIVES:**

Alternative(s)		Positive Impact(s)	Negative Impact(s)
1. Delay t ordina	the approval of the nce.	<ul> <li>Allows more time for public engagement, if desired.</li> <li>Allows more time to supply Council with additional information, if needed.</li> </ul>	Delays the completion of the annexation process.
2. Reject	the ordinance.	Avoids or delays potential financial impacts and the additional responsibilities of providing municipal services.	<ul> <li>Inconsistent with         Resolution No. 40848         authorizing the execution         of the ILA and MOU         between the City and the         County that governs the         terms of the annexation         transition and states the         mutual commitment to         completing the annexation         process.</li> <li>Inconsistent with the         intent of Resolution No.         40150 that initiated the         annexation process.</li> <li>Not fulfilling requirements         of the Act, the Countywide         Planning Policies, and the         One Tacoma         Comprehensive Plan.</li> </ul>



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#### **EVALUATION AND FOLLOW UP:**

Upon City Council's approval of the ordinance, staff will work to proceed with the next steps for the Manitou Annexation as required by State laws, including actions to ensure a smooth transition for all parties, especially impacted occupants and owners, within the affected annexation area.

# **STAFF/SPONSOR RECOMMENDATION:**

Staff recommends the City Council pass the ordinance with an annexation effective date of April 1, 2024.

#### FISCAL IMPACT:

The City Council already considered the financial impacts when it adopted Resolution No. 40848 on October 12, 2021, approving the execution of the ILA and the MOU with Pierce County. At that time a fiscal impact assessment concluded that the City was anticipated to receive approximately \$131,200 per year of revenues from taxes and fees, based on a preliminary analysis done in 2018-2019. The cost for providing municipal services in the Manitou Area were expected to exceed the projected revenues; however, given the relatively small scale of the Manitou Area, the fiscal impacts were anticipated to be minimal and manageable, and the City should have the capacity and capability to provide the required services for the area.

In November of 2023, City and County staff worked to update the fiscal analysis and identify any changes that might meaningfully impact the conclusions of the original fiscal impact assessment. While some rates and fees have changed since the original analysis, the overall conclusion remains the same. Fiscal impacts are anticipated to be minimal and manageable, and the City should have the capacity and capability to provide the required services for the area.

### **ATTACHMENTS:**

- Exhibit A: City/County Stormwater ILA Draft
- Exhibit B: City/County Wastewater ILA Draft
- Exhibit C: County Council Resolution No. R2018-97
- Exhibit D: City Council Resolution No. 40150
- Exhibit E: County Council Ordinance No. 2021-81s
- Exhibit F: City Council Resolution No. 40848
- Exhibit G: City/County Manitou Annexation ILA/MOU