



# Manitou Annexation

City of Tacoma | Planning and Development Services

**Government Performance and Finance Committee Meeting**

**October 16, 2018**

**ITEM #6**



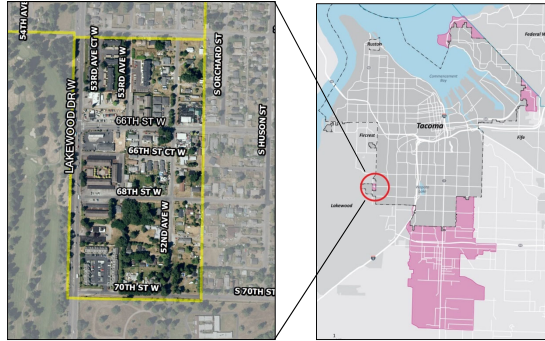
## OVERVIEW



- Continued Review from August 21, 2018
- Focus – Fiscal Impacts
- Recommendation – Initiate Annexation Process

## ISSUES REVIEWED (on Aug. 11, 2018)

- Area of Applicability
- Legislative Framework
- Process and Timeline
- Issues and Concerns
- Land Use and Zoning
- Financial Impacts



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## FINANCIAL IMPACTS (Preliminary)

- Property Tax (total levy rate) →
- Water (residential surcharge) →
- Solid Waste →
- Electricity →
- Natural Gas →
- Wastewater →
- Stormwater →
- Business License Fee →
- Business and Occupation Tax →
- Sales Tax →

Property Tax Comparison (\$)				
Land Use Type	2018 Taxable Value (Median)	2018 Tax (Current)	2018 Tax (If Annexed)	Difference
Single family	240,400	3,899	3,789	(110)
Multi-family (Apts)	1,245,900	20,207	19,638	(569)
Mobile Home	68,300	1,108	1,077	(31)
Office Condo	277,500	4,501	4,374	(127)
Commercial	423,000	6,861	6,667	(193)

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## SCALE OF MANITOU



- Size (acres): 37 (0.1% of Tacoma)
- Population: 425 (0.2% of Tacoma)
- Parcels: 97
- Households: 197
- Businesses: 26
- Traffic Lights: 1
- Street Mileage: 3.5 (lane miles)
- Land Uses: Residential and Commercial

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## FISCAL IMPACT – REVENUES



- Property Taxes: \$97,600
- B&O Taxes: \$30,000 (starting in the 4<sup>th</sup> year)
- Sales Taxes: \$2,500
- Trans. Benefit Dist.: \$3,900 (1 vehicle per household)
- Water (reduction): (\$2,800)

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\$131,200

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## FISCAL IMPACT – EXPENDITURES



- Major New Services (Police, Fire, Sewer, and Roadways):
  - All capable of maintaining quality service with current staffing level
  - Fiscal impacts TBD
- Sewer:
  - 20% on sewer; 80% on septic
  - No connection fee, but subject to in-lieu assessment (site specific) – TBD
- Roadways:
  - New Construction (Roadways Rehab, Sidewalks, Curbs, Streetlights) – TBD
  - Operations & Maintenance (Roadways) – \$92,000 per life cycle

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## FISCAL IMPACT MODELS



- Cost of Community Services (COCS) –  
Determining the fiscal impacts of different land use types.

For each dollar of revenue raised, the cost to provide public services:		
Residential	Commercial/ Industrial	Sources
1.18	0.38	"Cost of Community Services Studies", American Farmland Trust, September 2016
1.00 – 1.40	0.15 – 0.90	"A Meta-Analysis of Cost of Community Service Studies", Kotchen (UCSB) and Schulte (Univ. of Colorado), July 2009
1.02 – 2.11	0.05 – 1.04	"The Fiscal Impacts of Land Uses on Local Government", Dorfman, Univ. of Georgia, April 2006
1.15 – 1.50	0.35 – 0.65	"Costs of Community Services", Univ. of Illinois Extension, 2000
1.03 – 2.11	0.06 – 0.37	"Calculating a Cost of Community Services Ratio for Your Pennsylvania Community", Penn State Univ., 1998

- COCS Ratio for Residential 1: 1.50
- COCS Ratio for Commercial 1: 0.50

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## CONCLUSIONS (Preliminary)



- Given the scale of the Manitou area, fiscal impacts are expected to be minimal and manageable (relatively speaking), but should be further evaluated.
- The City has the physical and financial capability to provide the required services in the Manitou area.
- What people want and expect:
  - Police and fire services of assured quality
  - Streetlights and sidewalks
  - Sewer
  - Manageable cost of doing business

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## NEXT STEPS / RECOMMENDATION



Date	Activity
Sep. 4, 2018	Pierce County Council Initiation (Resolution)
Oct. 16, 2018	GPFC Recommendation
Oct. 30, 2018	City Council Initiation (Resolution)
Nov 2018 – Mar 2019	Interlocal Agreement (Negotiation, Public Hearings, and Approval)
Mar – Apr 2019	Boundary Review Board Approval
May – Jun 2019	Annexation Ordinance



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