

Lacey City Council

Policies and Procedures Manual

10.06 Annexation Policy

The Annexation policy serves as the framework from which specific annexation requests can be reviewed and evaluated.

Guiding Principles

1. The City ensures that annexations are processed in accordance with State annexation laws in a timely and efficient manner.
2. The City insures that annexations include the participation of the annexation area residents through either the petition or election methods of annexation.

3. The City collaborates on annexations with affected jurisdictions in order to accomplish an orderly transfer of contiguous lands within the urban growth area into the City (county wide policy).

Process and Review Criteria

The City utilizes standard criteria, empirical data, and best practices to evaluate annexation requests to ensure they best meet the service delivery, health and safety, quality of life, financial goals, and policies of the City.

1. The City evaluates all annexations on the basis of their short and long-term community impact. Prior to annexation, the City will perform a study of the annexation area as suggested in the MRSC annexation handbook, which at a minimum, includes the following information:
 - a. Statistical data
 - b. Maps
 - c. Existing public services, level of service, and cost
 - d. Crime statistics
 - e. Roadway condition analysis
 - f. Traffic management deficiencies
 - g. Capital improvement requirements
 - h. Utility assessment
 - i. Water, wastewater, and storm water system assessment
 - j. Environmental assessment
 - k. Urban service needs
 - l. Service requirement costs
 - m. Estimated revenues
 - n. Social and economic characteristics
 - o. Impact on existing inter-local agreements
 - p. Special issues, if any
 - q. Amount of bonded indebtedness to be assumed by the annexation area.
2. The City considers expanding or contracting the area of a proposed annexation when such an expansion or contraction would serve to make City boundaries more regular, where the area to be served is a logical extension of City service capabilities, or where the best interests of the city are an overriding consideration.
3. Annexation of land should be directly dependent upon the City's ability to provide, acquire, operate and maintain services for public works (streets, stormwater, water, and sewer), police protection, parks and recreation, code enforcement, and related municipal services. Annexation should be considered only after the City is satisfied that these services a) can be made available in a manner cost effective to the City, b) are not detrimental to existing services provided Lacey residents, and, c) the annexation is in the best interest of the City.

4. Private streets, facilities, and/or utilities located in an annexation area will not be assumed by the City as a result of annexation unless requested and the private streets, facilities and/or utilities meet the City's current standards for construction and maintenance and, it is in the interest of the City to assume this additional responsibility.
5. An area proposed for annexation will assume its prorated share of the City's bonded indebtedness existing at the time of annexation.
6. The City evaluates proposed annexations based on the following criteria:
 - a. The ability of the City to provide public services at a level equal to or better than that available from current service providers;
 - b. The ability of the City to provide public services at the City's current levels of service;
 - c. Whether the annexation will cause a financial burden or a reduction in level of service to the City or existing citizens;
 - d. Whether the annexation would eliminate an unincorporated island or could be expanded to eliminate an unincorporated island(s);
 - e. Whether the annexation would follow logical boundaries, such as streets, subdivisions, waterways, or substantial topographic changes;
 - f. Whether the annexation would eliminate an irregularity or irregularities in the City's boundaries, thereby improving service delivery;
 - g. The relative costs and affordability to serve the proposed annexation versus the revenue to be derived from annexation;
 - h. The proposed annexation is consistent with the Growth Management Act and the adopted Comprehensive Plan; and
 - i. The capital cost and affordability to the City of making required infrastructure improvements and/or addressing infrastructure deficiencies.
7. In order to accomplish the above, the City will support the following annexation procedures:
 - a. The City Manager designates the Community Development Department and/or other staff to perform the following:
 - i. Receive and process annexation requests.
 - ii. Furnish the public and City officials with annexation procedure information
 - iii. Coordinate the preparation of annexation studies, technical studies and assessments on the impacts from annexation
 - b. The City reviews the zoning of the annexation area to ensure consistency with the adopted comprehensive plan. The annexation request will be referred to the Planning Commission if a comprehensive plan amendment or rezone is warranted.
 - c. Prior to any annexation, the City confers with affected special districts and other jurisdictions to assess the impact of annexation.

- d. The City should follow the provisions of [RCW Chapter 35A.13](#) regarding its relationship to water districts when annexation takes place.
- e. The City creates, updates, refines, and maintains a City annexation brochure and other informational resources relating to annexation.
- f. The City develops a standardized matrix and evaluation process for conducting fiscal feasibility studies to determine the economic impact of proposed annexations.
- g. The City develops a priority list of annexations based on the development potential of land within the planning area and the “squaring” up of boundaries for service enhancement. Annexations processed at the request of property owners will be prioritized as they are received.

Utilities

The City should support the extension of City utilities into the unincorporated Urban Growth Area, provided the utilities extension meets City standards, is consistent with current City utility policies, and the residents to be served commit to annexation into the City when the City deems annexation is appropriate.

1. Unincorporated, undeveloped land which is immediately adjacent to the City boundary should be required to annex to the City at the time development is proposed in order to receive the full range of urban services. Provided, the policies and requirements of this document are satisfactorily met.
2. Unincorporated and undeveloped land, which is located within the Urban Growth Area but is not adjacent to the City boundary and is not practical to annex at the time of development may be developed subject to compliance with the Comprehensive Plan and implementation ordinances, standards and guidelines. Connection to utilities should not occur unless public improvements are constructed to City standards and the properties served commit to annexation into the City when the City deems annexation is appropriate.
3. Until adequate water rights are obtained as determined by the City, annexation of undeveloped properties will be considered only if the terms of Resolution 917 are met, summarized below: (Resolution 917)
 - a. Sufficient water production is available and the owner or developer of the property provides water rights to the City sufficient to serve such property and the transfer of such water rights for municipal use is approved by the Department of Ecology.
 - b. The owner or developer of the property provides water rights to the City and facilitates an acceptable water supply agreement with another qualified water purveyor for furnishing to the City sufficient water to serve the subject property.

- c. The owner or developer of the property enters into an agreement acceptable to the City which commits such owner or developer to use reclaimed water for all irrigation and toilet flushing within the development and, in addition, where feasible and allowed by state law and regulation, use for other purposes within the development. The City shall not approve such an agreement unless a sufficient supply of reclaimed water beyond that needed for water right mitigation is available in the area in question and the agreement makes provision for the installation or advanced payment for the infrastructure necessary to store, distribute and convey such reclaimed water from LOTT reclaimed water facilities to the development.
4. The City may, by Council approval, coordinate the extension of City utilities and services to developed and undeveloped properties to encourage and guide needed and desirable urban growth, provided that (Resolution 541):
 - a. The owners of lands to be served by such water and/or sewer service agree to participate financially by formation of local improvement district or other means, to the extent and in the manner agreeable to the City, in capital improvements taking or projected to take place.
 - b. The area and property owners served by water and/or sewer are subject to a contractual arrangement wherein it is agreed all utility improvements meet City standards and residents of the area agree to annex to the City at such time the City deems appropriate.
 - c. The owners of lands to be served by such water and/or sewer service, provide when requested by Local Improvement District or other non-City funds, specified water and/or sewer supply, transmission, distribution and storage facilities, intertied with City systems. Ownership and control of such facilities shall be transferred to the City following construction, inspection and acceptance.

Inter-local Agreements

1. The City where appropriate, collaborates with adjacent jurisdictions in the creation of inter-local agreements to provide technical and financial support for the extension and improvement of public services and facilities within in the City's Urban Growth Area.
2. The City supports the Memorandum of Understanding between the Lacey, Olympia Tumwater and Thurston County relating to Urban Growth Area Zoning and Development Standards establishing uniform adoption and implementation of comprehensive plan, zoning and development standards within the Urban Growth Boundary.

The City participates in the planning for areas outside its boundaries but within its urban growth area to ensure that land uses are compatible with the City and Thurston County Land Use Plan for the Lacey Urban Growth Area, goals, polices and land use designations.

(Refer to Attachment 10.06A through 10.06E – Growth & Annexation Policies.)

10.07 Interlocal Agreements Approval Process

Policy

The following policy is established for Interlocal Agreements approved by the Lacey Council.

Definition

Interlocal Agreements are authorized through the Interlocal Cooperation Act, Chapter 39.34 RCW. The act provides for public agencies to contract with one or more other public agencies to perform governmental activities or services which each agency is authorized by law to perform individually. This means a city may contract with another city, the county, a special purpose district, or an agency of the state or federal government.

Procedure

1. Determine classification category for the interlocal agreement.
 - a. Routine
 - i. Any Interlocal Agreement that requires a City commitment of equal to or less than \$25,000; or
 - ii. Any agreement previously established that is set for renewal or amendment that does not include any significant language changes or increase in level of City support.
 - b. Substantial or Significantly Modified
 - i. Any Interlocal Agreement that requires a City commitment of more than \$25,000; or
 - ii. Any agreement previously established that is set for renewal or amendment that **includes** significant language changes or increase in level of City support.
2. Each category must follow its respective approval process for Interlocal Agreements.
 - a. Routine Category
 - i. The City Manager is authorized to execute Interlocal Agreements categorized as "Routine."
 - ii. The City Manager will report on approved Routine Interlocal Agreements during the City Manager's Report.

b. Substantial or Significant Category

- i. Any Interlocal Agreement categorized as “Substantial” or “Significantly Modified” should be presented to the respective Council Committee.
- ii. After committee review, the Interlocal Agreement should then be forwarded to the full Council for consideration.