

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Legislative	Meg Moorehead 684-8929	

**Legislation Title:**

A RESOLUTION of the City Council of the City of Seattle, Washington, calling for the annexation, by election, of contiguous unincorporated territory to the City of Seattle consisting of portions of the NW Quarter of Section 4 and the NE Quarter of Section 5, Township 23 North, Range 4 E, W.M., and the SW and the NW Quarters of Section 33, Township 24 North, Range 4 E, W.M. and the NE and the SE Quarters of Section 32, Township 24 N, Range 4E, W.M., King County, Washington, referenced as the Duwamish Annexation Area.

**Summary of the Legislation:**

The resolution initiates an election for registered voters in the Duwamish Annexation Area to accept or reject annexation into the City of Seattle. The Duwamish Annexation Area comprises areas previously referred to as the South Park Sliver on the River and the Duwamish Industrial Triangle.

**Background:**

The Duwamish Annexation Area is in Seattle's Potential Annexation Area (PAA) adopted under Ordinances 118389 and 123854. The state Growth Management Act and the King County Countywide Planning Policies encourage transition of unincorporated urban areas within PAAs from county governance to city governance. This resolution implements that policy intent by initiating an annexation by election of the Duwamish Annexation Area to the City of Seattle.

Please check one of the following:

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Appropriations:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Budget Control Level*</b>	<b>2013 Appropriation</b>	<b>2014 Appropriation</b>
<b>TOTAL</b>				

\*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

Although a 2014 election may be technically possible under the Boundary Review Board (BRB) review schedule, under the BRB timeframe the first election opportunity may occur in 2015. Given the long lead time, City costs for the election have not yet been requested from King County.

If the area is ultimately annexed, an April 2012 City Budget Office (CBO) report said that the incremental cost of serving the annexed area would be negligible for most departments and annual revenues from this area will be adequate to fund General Fund yearly operating costs.

However, the area has environmental liabilities (with potential costs up to \$75 million) that arose while the area was part of unincorporated King County. Fire district service transition to the City and allocation of a proportional share of \$160,000/year of district pension liabilities will need to be addressed by affected jurisdictions. This fiscal note assumes that Seattle, King County and other jurisdictions will reach agreement on a fair distribution of responsibilities and costs on intergovernmental issues.

Substantial utility and other capital improvements may ultimately be needed in the annexed area, particularly if septic systems are replaced by City sewer services (at an estimated cost of \$50 million). City decisions about the size and timing of capital investments can be made in future budgets when the needs of this area would be balanced with the needs of other neighborhoods, which could result in extended schedules for infrastructure upgrades in the annexed area.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
<b>TOTAL</b>				

Revenue/Reimbursement Notes:

This legislation does not directly affect revenue. If the City ultimately annexes this area, annual General Subfund revenues from the area are estimated at about \$1.2 million.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
<b>TOTAL</b>							

\* 2013 positions and FTE are total 2013 position changes resulting from this legislation, not incremental changes. Therefore, under 2013, please be sure to include any continuing positions from 2012.

Position Notes:

No positions are created, modified or abrogated by this legislation.

**Do positions sunset in the future?**

NA

**Spending/Cash Flow:**

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
<b>TOTAL</b>				

\* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

Although a 2014 election may be technically possible under the Boundary Review Board (BRB) review schedule, under the BRB timeframe the first election opportunity may occur in 2015. Given the long lead time, City costs for the election have not yet been requested from King County. If the area is ultimately annexed, the date when spending begins for new services in the area will depend on the annexation date selected by the City.

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

Substantial utility and other capital improvements may ultimately be needed, particularly if septic systems in the area are replaced by City sewer services (estimated cost of \$50 million). City decisions about the size and timing of capital investments can be made in future budgets when the needs of this area can be balanced with the needs of other areas, which could result in extended schedules for infrastructure upgrades.

**b) What is the financial cost of not implementing the legislation?**

If this legislation is not implemented, no City dollars will be spent on an election or services in the proposed annexation area.

**c) Does this legislation affect any departments besides the originating department?**

The Office of Intergovernmental Relations would continue to work with the Legislative Department to resolve annexation-related service issues among various jurisdictions surrounding the Duwamish Annexation Area. If annexation occurs, all City departments may have service responsibilities in the newly annexed area.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

Seattle and King County could use the interlocal agreement (ILA) method of annexation, which likely would require months of negotiation to resolve service issues. An ILA also does not give voters a say in annexation.

**e) Is a public hearing required for this legislation?**

No

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**g) Does this legislation affect a piece of property?**

Annexation would affect many properties. A map is attached to the resolution.

**h) Other Issues:**