

Annexation 2014

City Council Workshop
April 21, 2014

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Parks & Community Development Department

Subject

Summary

- Discussion - Annexation for November 2014 Ballot
- (City Council Ordinance in July or August)

Relationship to Council Goals:

- City Council Goals (2014 Goal Setting):
- Goal: “Facilitate sustainable, manageable growth”
 - Objective 2: “Review annexation policy”
 - Action 1: “Annexation of properties into the City limits”

Subject

Background

- March 4, 2014 City Council Workshop
- (Background and Issues Available, Not Repeated Today)
- Draft Prepared by Staff
- Draft Reviewed and Discussed by Executive Staff

Purpose of Today's Workshop

- Present Draft Proposal and Associated Information
- Questions and Answers, Discussion
- Direction from City Council Today, and
- Follow-Up Workshop on April 28 if Needed
- (April 28 is joint CC/BOCC workshop)

Background

March 4, 2014 City Council Workshop:

- #1 City Council Goal for this Year
- Honor IGA provisions for annexation within 1 year
- Annexations in areas with annexation agreements
- Triple majority and consent annexations

- Proposal that “makes sense”
 - Correct/avoid new pockets/checkerboard/interspersed/sawtooth patterns
 - Look at all general areas with agreements, don't limit to one area
 - Potential opposition should not preclude annexation proposals in areas with agreements that make sense

- Help identify pros/cons

Executive Staff Review:

- No issues identified with draft proposal

Background

Principles

- Annex most annexation agreements, except where:
 - Many interspersed lots that couldn't be addressed with triple majority
 - Limited interspersed lots on portion/end of street outside city limits
 - Lack of viable access
- Avoid islands, except where necessary to include large block(s) of outlying annexation agreements
- Include both sides of continuous street segments where possible, some one side only if necessary due to agreements

Background

Considerations

- **Primary annexation service issues are public safety**
 - Provision of services, property taxes to public safety
- **Some parts of triple majority areas lacking sewer and/or water lines throughout**
 - (developed on well/septic, or community water system/sewer district)
- **Annexing some areas with agreements now may preclude larger triple majority in future (high %, prior to development, etc.)**
 - could enable more logical boundary in the future
 - (very limited in current proposal, but some examples)

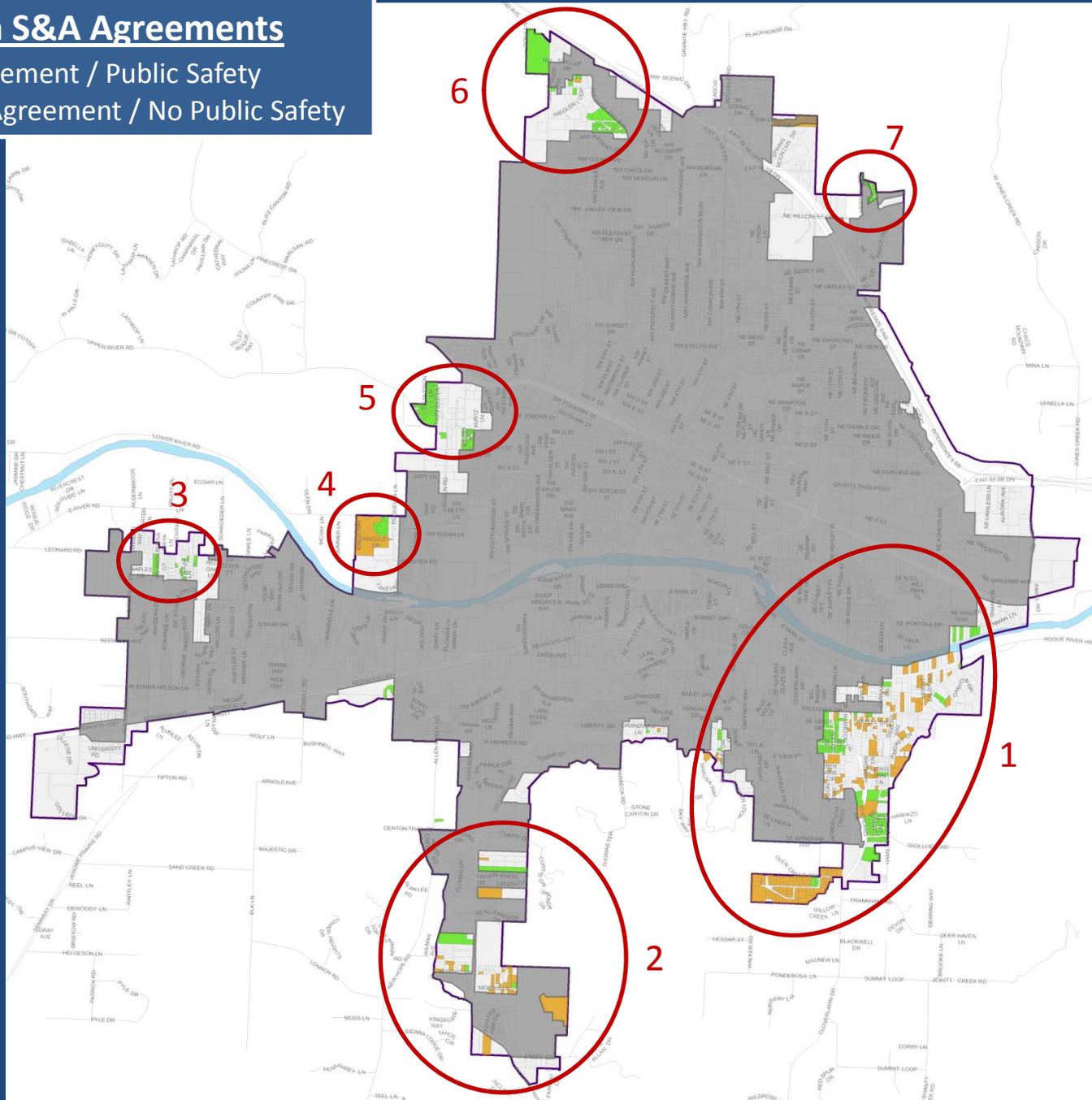
Background

When considering triple-majority:

- Areas that have subdivided with annexation agreements often have high number of lots and high value in a small area.

Areas with S&A Agreements

- 'Fee' Agreement / Public Safety
- 'No Fee' Agreement / No Public Safety

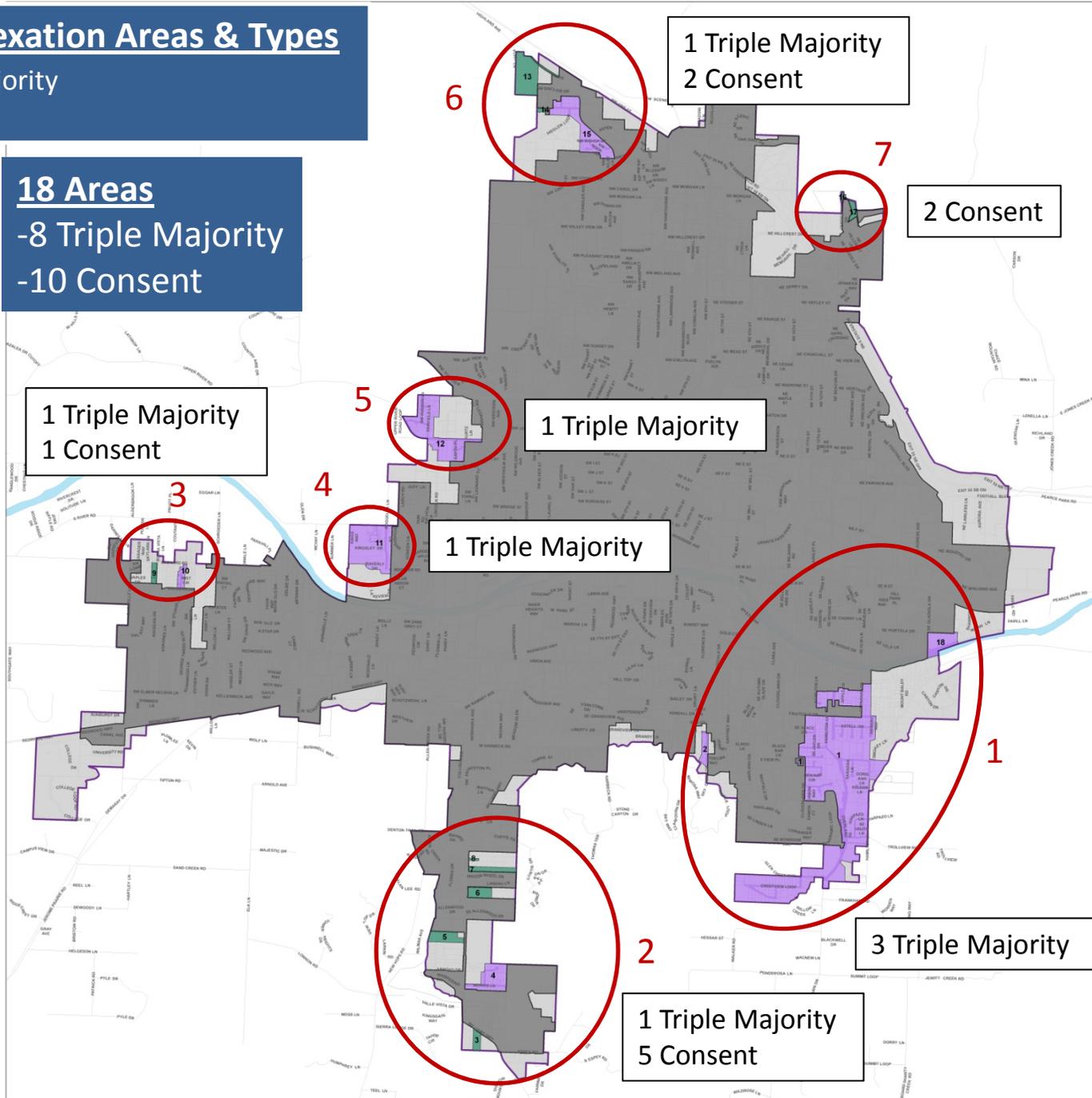


Draft Annexation Areas & Types

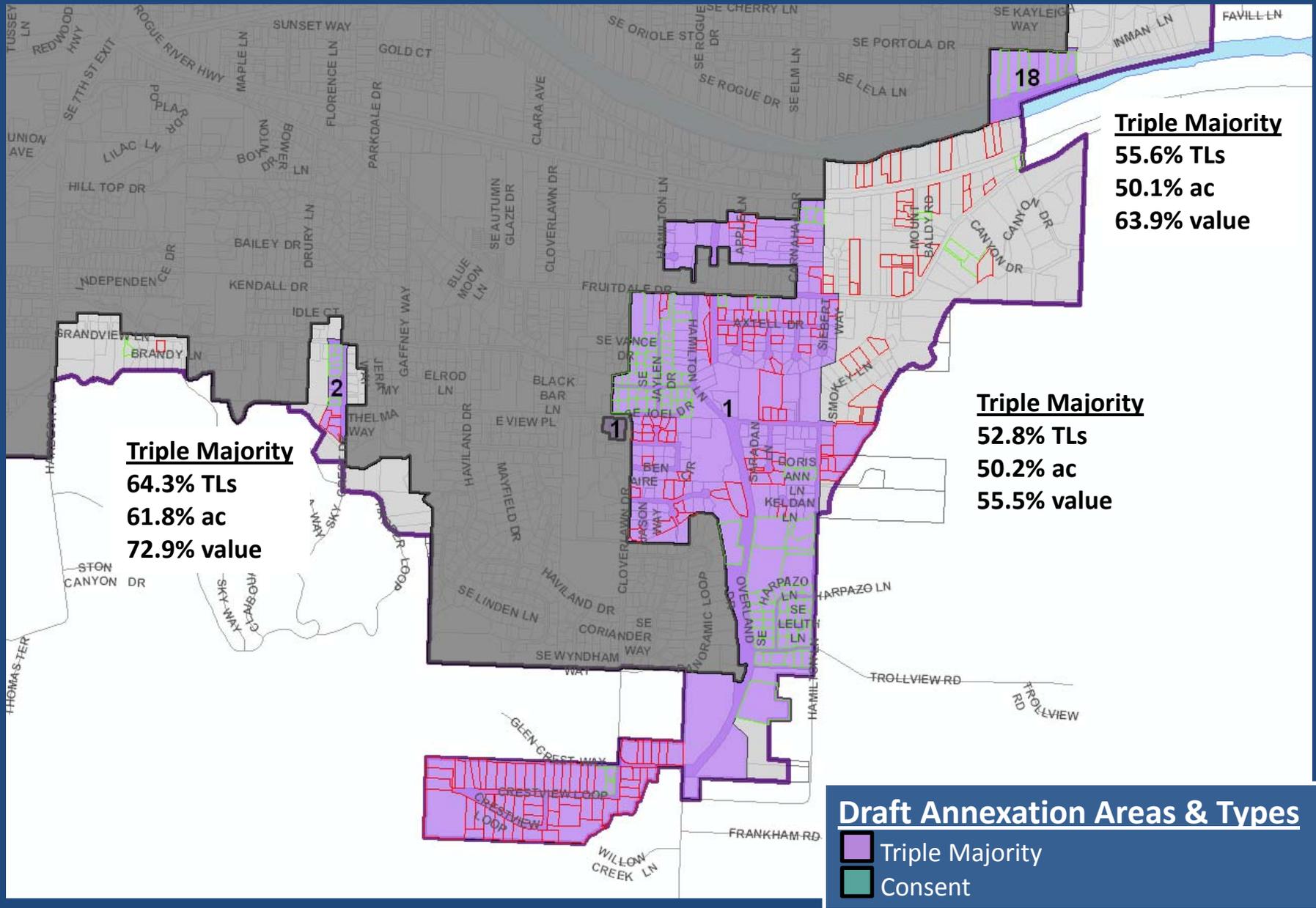
- Triple Majority
- Consent

18 Areas

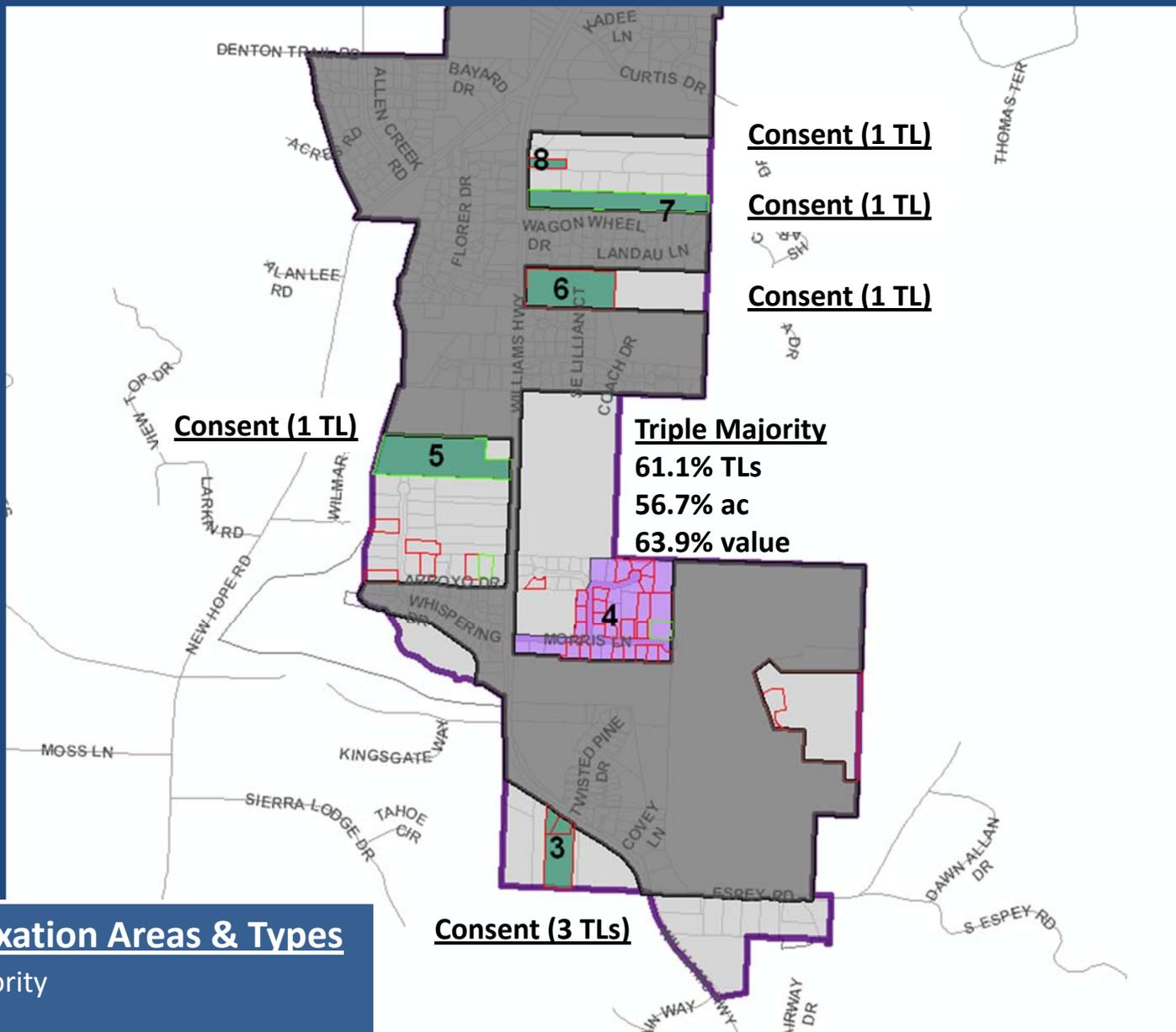
- 8 Triple Majority
- 10 Consent



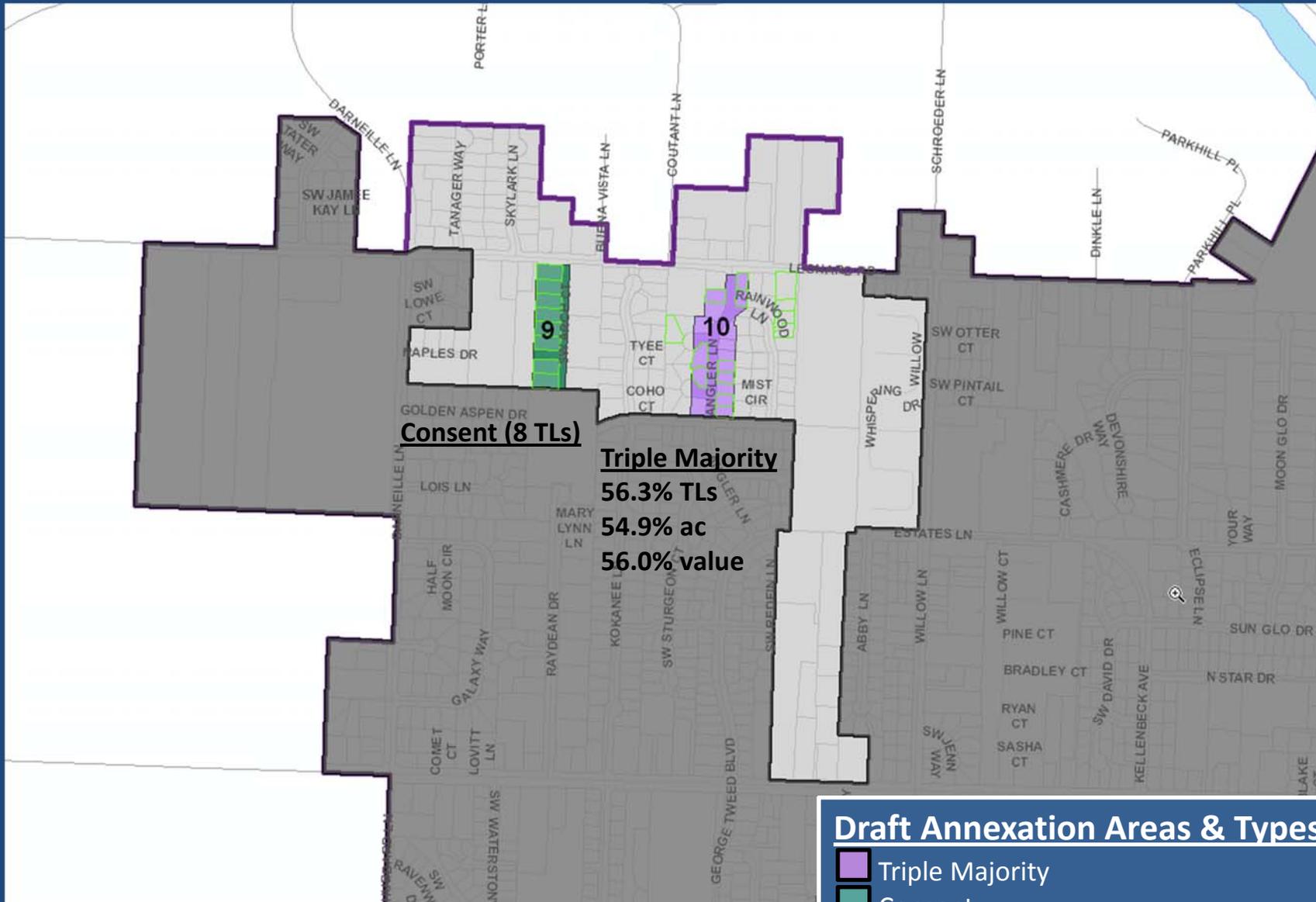
Fruitdale Area and Portola Area



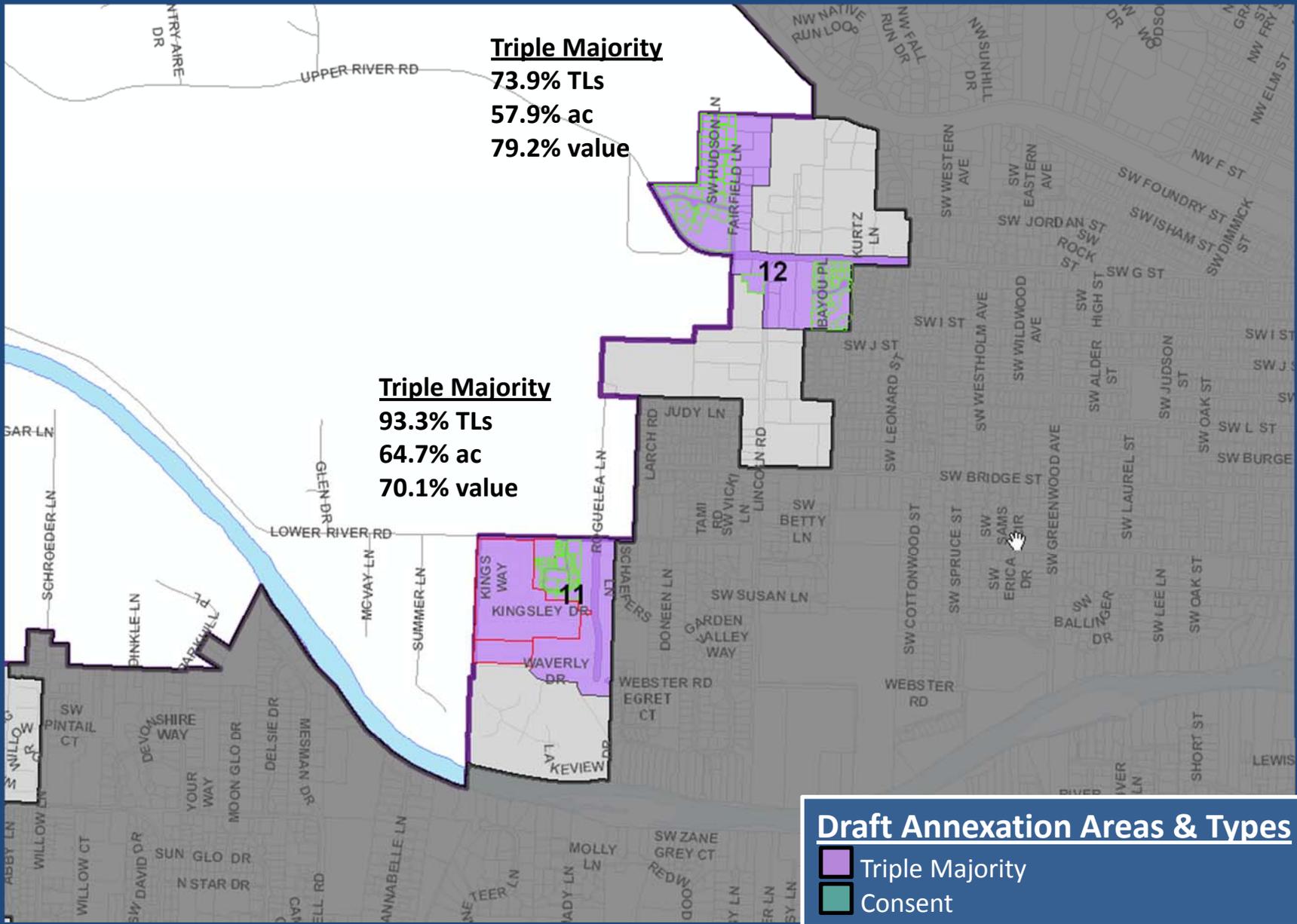
Williams Highway Area



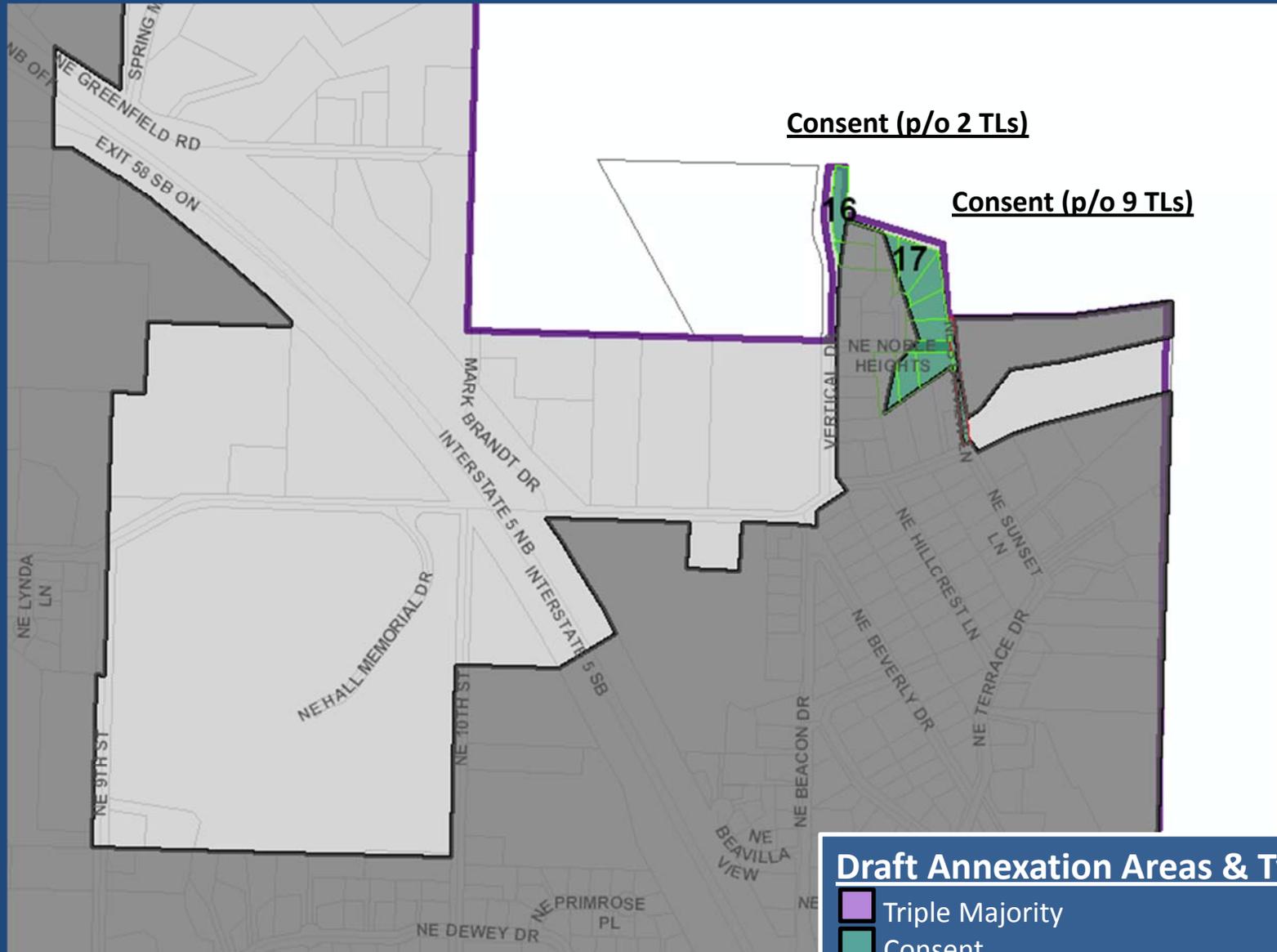
Redwood Area



Upper / Lower River Road Areas



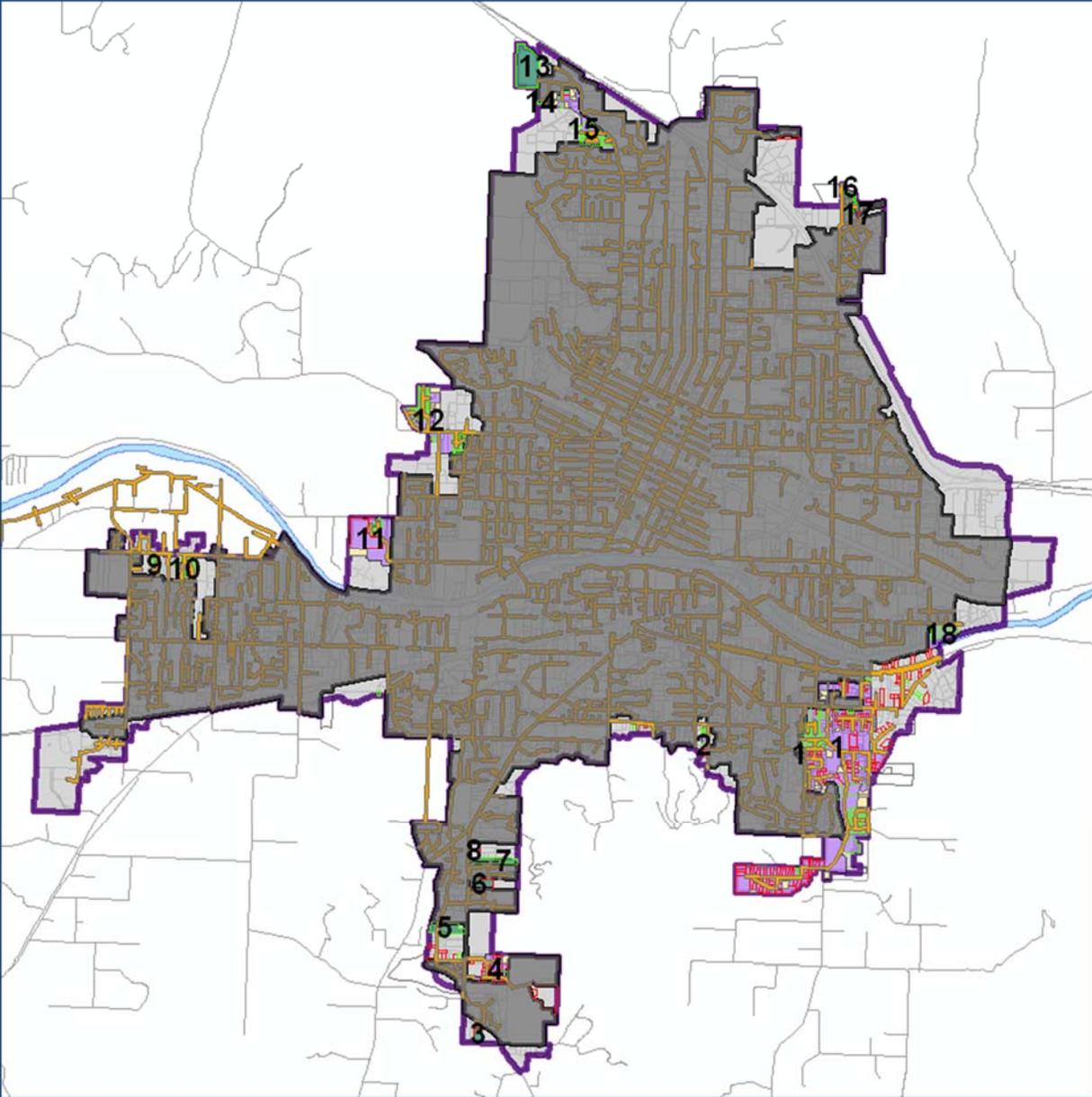
NE Vertical Drive Area



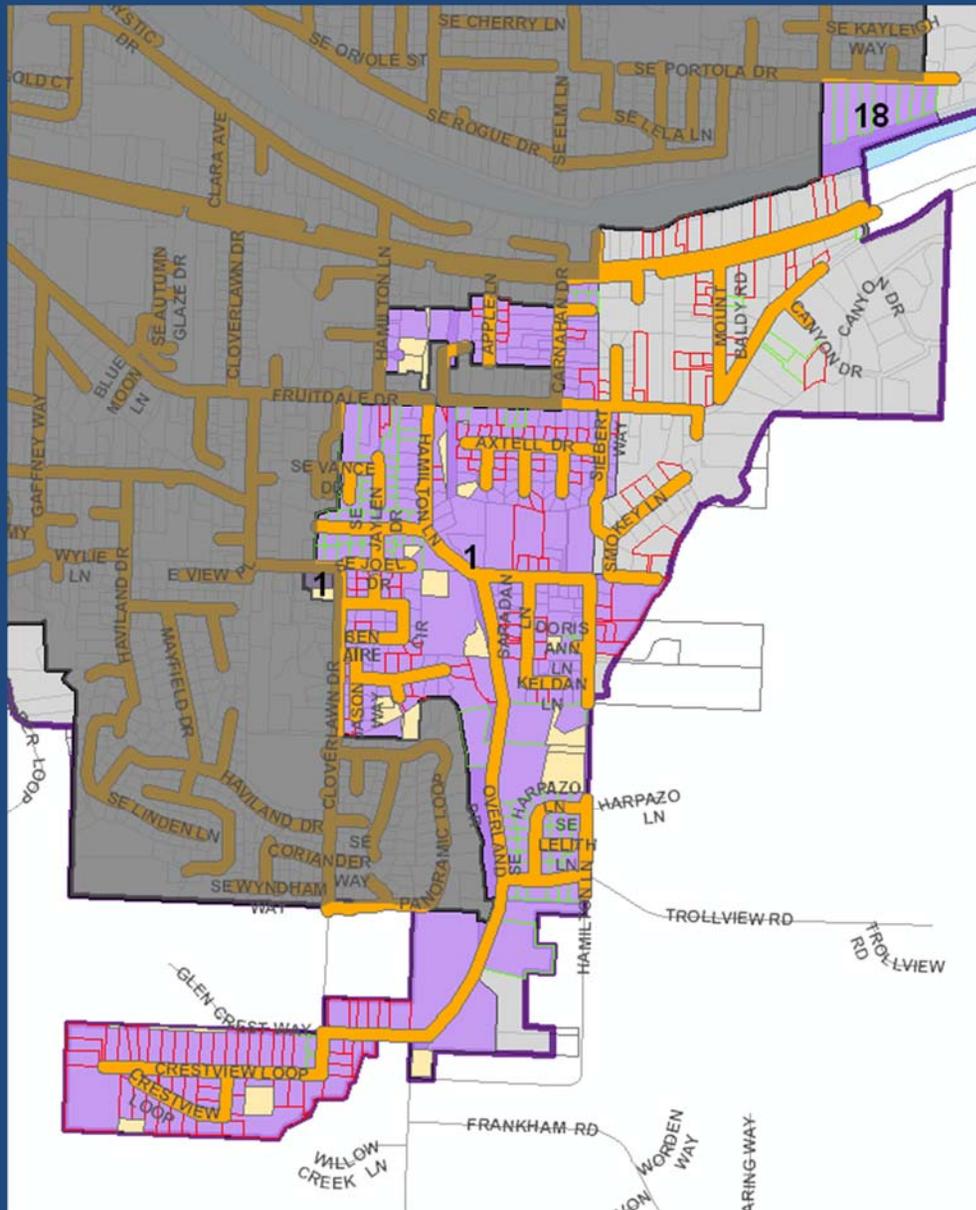
Draft Annexation Areas & Types

- Triple Majority
- Consent

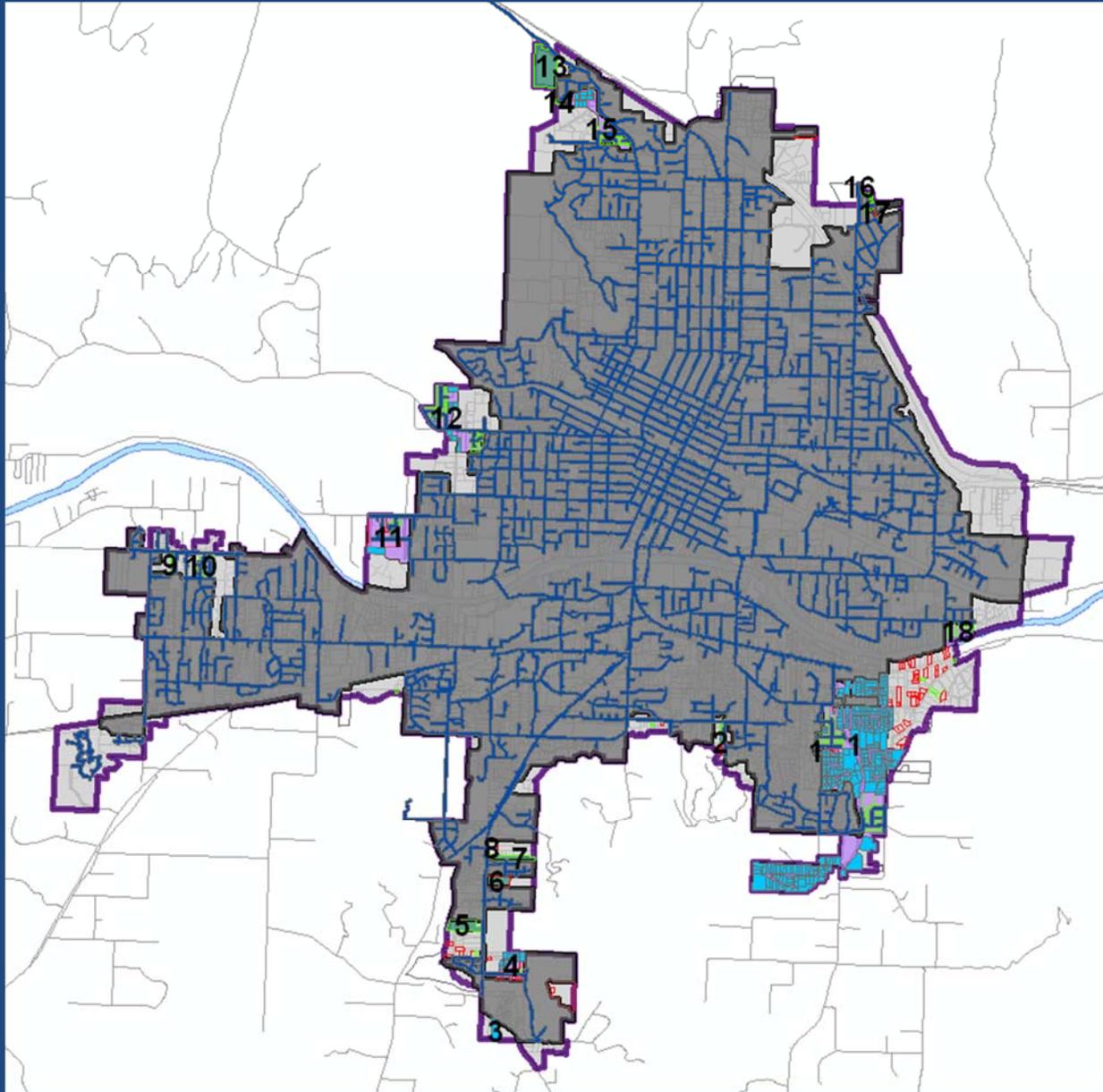
City Sewer



City Sewer



City Water



Cost Implications (cont).

Revenue Considerations

Assessed Value Information

Unincorporated UGB	Tax Lots	Acres	Assessed Value	If City w/PS Op. Levy (5.9235)	If PS Station Bond (0.3857)	If Combined (6.3092)
Unincorporated UGB	~1,413 (100%)	1,267 (100%)	\$220.3M (100%)	\$1,305,194	\$84,986	\$1,390,180
-With S&A	501 (35%)	247 (19%)	\$76.9M (35%)	\$455,427	\$29,654	\$485,081
--Fee	301 (21%)	118 (9%)	\$44.7M (20%)	\$265,048	\$17,258	\$282,306*
--No Fee	200 (14%)	129 (10%)	\$32.1M (15%)	\$190,378	\$12,396	\$202,775
-Without S&A	~912 (65%)	~1,020 (81%)	\$143.5M (65%)	\$849,768	\$55,331	\$905,099

*Already pays fee equal to city tax rate and receives City Public Safety service

Cost Implications (cont).

Revenue Considerations

Assessed Value Information

Draft Annexation	Tax Lots	Acres	Assessed Value	If City w/PS Op. Levy (5.9235)	If PS Station Bond (0.3857)	If Combined (6.3092)
Draft Annexation	712	360	\$108.1M	\$640,267	\$41,690	\$681,957
-With S&A	447 (63%)	211 (59%)	\$69.2M (64%)	\$409,875	\$26,688	\$436,564
--Fee	289 (41%)	114 (32%)	\$43.3M (40%)	\$256,327	\$16,690	\$273,017*
--No Fee	158 (22%)	97 (27%)	\$25.9M (24%)	\$153,549	\$9,998	\$163,547
-Without S&A	265 (37%)	149 (41%)	\$38.9M (36%)	\$230,391	\$15,002	\$245,393

~\$408,940 net

*Already pays fee equal to city tax rate and receives City Public Safety service

Cost Implications (cont).

Revenue Considerations

VERY ROUGH ESTIMATE - State Revenue Sharing Information
per capita allocation to cities based on population in city limits

Unincorporated UGB	Approx. Tax Lots	Rough Average Population Estimate (~2.4 PPTL)	If State Revenue Sharing (~\$78.24 per capita) (SRS, cigarette, liquor, gas tax)
Draft Annexation	712	~1,709	\$133,697
Unincorporated UGB	1,411	~3,395	~\$265,600
-With S&A	500	~1,200	~\$94,100
--Fee	300	~720	~\$56,300
--No Fee	200	~480	~\$37,600
-Without S&A	911	~2,200	~\$172,128

Statistics

- 63% of TLs in annexation areas have S&A Agreements
 - 41% have fee agreements
 - 22% have no-fee agreements
- 37% of TLs in annexation areas do not have S&A Agreements
 - (properties within triple majority areas)

Statistics

Annexation would include:

- 50% of Unincorporated **Tax Lots** in UGB (712 of 1,413 TLs)
- 28% of Unincorporated **Acres** in UGB (360 of 1,267 acres)
- 49% of Uninc. **Assessed Value** in UGB (\$108M of \$220.3M)
- (Subdivided lots with improvements tend to be smaller and have higher value, therefore 50% of tax lots & 49% of value is only 28% of acreage)

Statistics

Of the unincorporated UGB, the proposal would annex:

~50% of unincorporated TLs in UGB (712 of ~1,413 TLs, leaving 701 / 50%):

- 89% of TLs with S&A Agreements (447 of 501, leaving 54 / 11% of current)
 - 96% of TLs with Fee Agreements (289 of 301, leaving 12 / 4% of current)
 - 79% of TLs with No-Fee Agreements (158 of 200, leaving 42 / 21% of current)
- 29% of TLs without S&A Agreements (265 of 912, leaving 647 / 71% of current)

Call to Action

- Discussion
 - Comments, Questions
 - Additional Information?
- Direction
 - Concur?
 - Revisions or Alternatives?
 - Follow-Up on April 28?
- Thank You!