

WHEN RECORDED RETURN TO:

Richland City Clerk
P.O. Box 190 MS-05
Richland, WA 99352

PID#: 1-2298-202-0005-010, 1-2298-202-0005-011, 1-2298-202-0005-009, 1-2209-202-0004-013, 1-2298-202-0004-005

ORDINANCE NO. 25-17

AN ORDINANCE of the City of Richland, Benton County Washington, annexing approximately 13.2 acres of land located at the eastern terminus of Jericho Road and south of Columbia Park Trail, providing for assumption of existing City indebtedness, and amending the Official Zoning Map.

WHEREAS, the City received a notice of intent to annex from Randy and Abbey Aust, owners of real property, the value of which exceeded 10% of the proposed annexation area and so qualified to commence annexation proceedings for annexation into the City of Richland; and

WHEREAS, a meeting was held on December 6, 2016 between the initiating parties of this annexation and the City Council of the City of Richland, at which time the Council adopted Resolution No. 227-16, accepting the notice of intention to commence annexation proceedings for the real property legally described in Exhibit A attached hereto, subject to simultaneous adoption of the Comprehensive Plan for the proposed annexation area, and the assumption of the appropriate share of all existing City indebtedness; and

WHEREAS, Resolution No. 227-16 further authorizes and directs the Richland Planning Commission to propose and forward a recommendation to the City Council as to the most appropriate zoning designation for the area proposed to be annexed; and

WHEREAS, the Richland Planning Commission held a public hearing on January 11, 2017 to consider an appropriate zoning designation for the proposed annexation area, and recommended adoption of Single Family Residential R-1-10 zoning for the property; and

WHEREAS, a notice of intention to annex was duly filed with the Benton County Boundary Review Board. Jurisdiction of the Boundary Review Board was not invoked within 45 days of filing, and thus, the proposed annexation was deemed approved by the Boundary Review Board on March 24, 2017; and

WHEREAS, on April 4, 2017, Richland City Council adopted Resolution No. 64-17, authorizing the circulation of an annexation petition for annexation of the real property legally described in Exhibit A attached hereto; and

WHEREAS, a petition was circulated and signed by property representing 90% of the assessed value of the proposed annexation area, thereby exceeding the state requirement that owners representing at least sixty percent (60%) of the value of the proposed annexation area petition the City for annexation, with such value determined according to the assessed valuation for general taxation; and

WHEREAS, the Richland City Council held a public hearing to consider the annexation on July 18, 2017, which hearing was duly noticed by the City Clerk through publication in a newspaper of general circulation and through the mailing of notice to all property owners within the annexation area, specifying the time and place of the hearing and inviting interested persons to appear and voice approval or disapproval of the annexation; and

WHEREAS, the matter was duly considered by the City Council of the City of Richland, and the Council has determined that the annexation would be of general benefit to the residents of the City of Richland.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Richland as follows:

Section 1. The real property legally described in Exhibit A attached hereto is hereby annexed to the City of Richland and is hereby declared to be within the corporate limits of the City of Richland, Benton County, Washington (the "Annexed Area").

Section 2. The Richland Comprehensive Plan, adopted October 6, 1997 by passage of Ordinance No. 26-97, shall serve as the comprehensive plan for the Annexed Area. All properties within the annexation shall be designated as "low density residential" under the land use map that is part of the comprehensive plan.

Section 3. The property within the Annexed Area shall be assessed and taxed at the same rate and on the same basis as other property within the City, including assessments or taxes in payment for all or of any portion of the outstanding indebtedness of the City, approved by the voters, contracted, or incurred prior to, or existing at the date of annexation.

Section 4. Title 23 of the City of Richland Municipal Code (RMC) and the Official Zoning Map of the City as adopted by Section 23.08.040 of said title, hereby amends Sectional Map Nos. 47 which is one of a series of maps constituting said Official Zoning Map, bearing the number and date of passage of this ordinance and by this reference made a part of this ordinance and of the Official Zoning Map of the City.

Section 5. It is hereby found, as an exercise of the City's police power, that the best zoning for the properties included in the Annexed Area shall be R1-10 Single Family Residential, as depicted on Exhibit B, attached hereto, when consideration is given to the interest of the general public.

Section 6. The City Clerk is directed to file a copy of this annexation with the Board of Commissioners of Benton County and the State of Washington in the manner required by law. The City Clerk is also directed to file with the Auditor of Benton County, Washington, a copy of this ordinance and shall attach the amended sectional map, as necessary, and an amended Annexation map, duly certified by the Clerk as a true copy.

Section 7. As authorized and required by RCW 35.13.280, the City shall negotiate a new franchise with the solid waste collection service provider currently serving the Annexed Area on terms that are acceptable to the City and that comply with the City's Solid Waste Management Plan.

Section 8. This ordinance shall be effective August 15, 2017 following publication in the official newspaper of the City.

PASSED by the City Council of the City of Richland on this 1st day of August, 2017.


ROBERT J. THOMPSON
Mayor

ATTEST:


MARCIA HOPKINS
City Clerk

APPROVED AS TO FORM:


HEATHER KINTZLEY
City Attorney

Date Published: August 6, 2017

EXHIBIT A

Legal Description for the Jericho Road Annexation

The Jericho Road annexation consists of the following lots location within the plat of Badger Heights:

- The portion of Block 4, Lot 4 defined as follows: Beginning at the Southeast corner of Lot 4; Thence North a distance of 152.55 feet; Thence Northwesterly along the property line a distance of 250 feet along the property line; Thence South a distance of 219.5 feet to the South line; Thence east along south property line a distance of 240.89 feet to a Point of Beginning; Together with the portion of vacated road right of way per Resolution #91-1885, recorded 2/5/91;
- Block 4, Lot 5;
- Block 5, Lot 9 subject to right of way and easements 1-6-56 Together with the portion of vacated road right of way per resolution #91-026, recorded 2/5/91;
- Block 5, Lot 10 subject to easements and restrictions of record;
- Block 5, Lot 11 subject to easements and restrictions of record.

Together with the following segments of right of way:

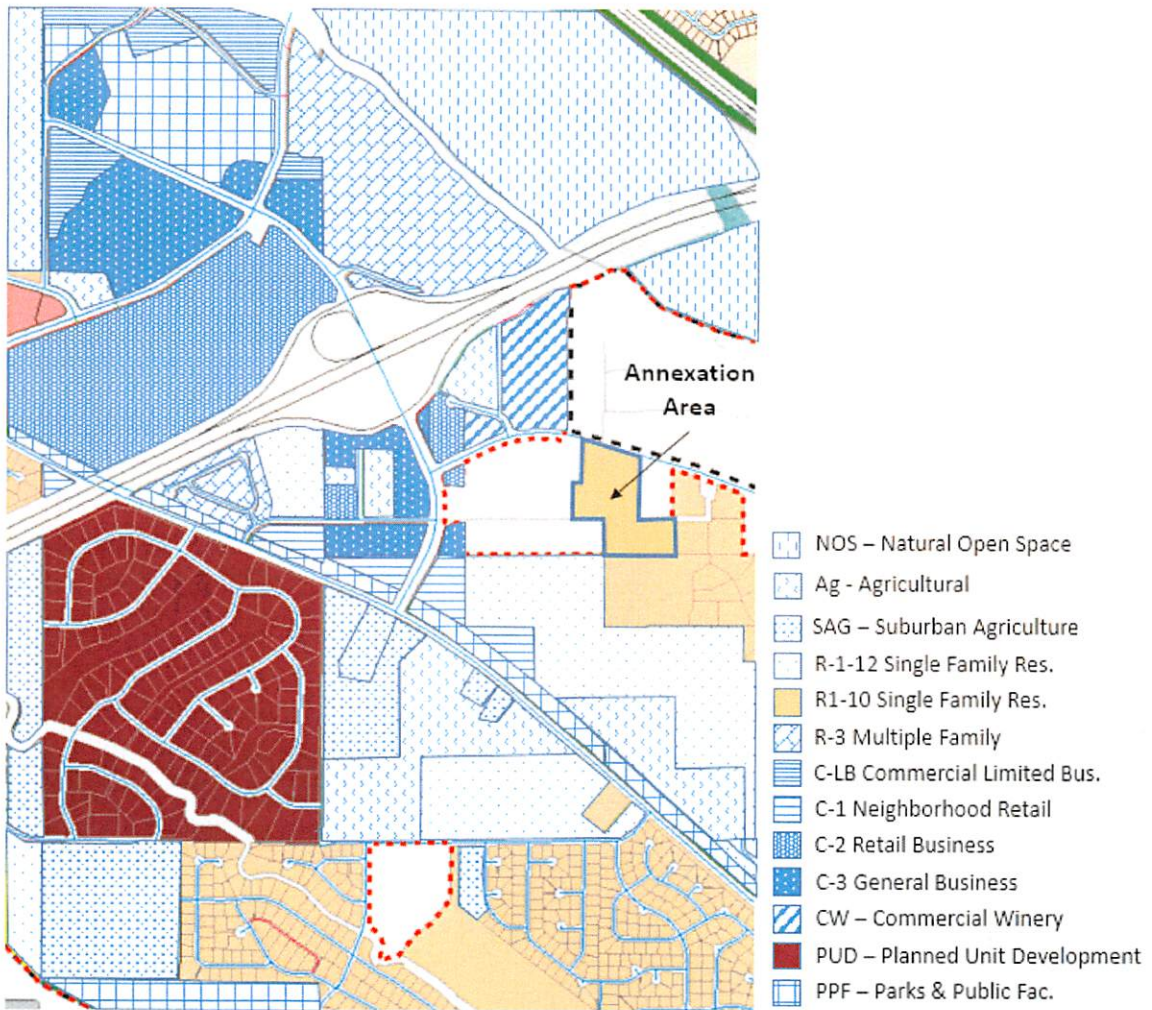
- That portion of Jericho Road lying easterly and adjacent to the westerly line of Block 4, Lot 5 of Badger Heights to the easterly line of Block 5, Lot 11 of Badger Heights; and
- That portion of Columbia Park Trail extending from existing City limits (the right of way adjacent to the eastern boundary of Lot 4, Block 4 of Badger Heights) extending easterly to the easterly line of Block 5, Lot 9 of the Badger Heights.

This description includes the following County Parcel Identification Numbers:

1-2298-202-0005-010
1-2298-202-0005-011
1-2298-202-0005-009
1-2209-202-0004-013
1-2298-202-0004-005

EXHIBIT B

ZONING FOR JERICHO ROAD ANNEXATION



FISCAL IMPACT – PROPOSED JERICO ROAD ANNEXATION

INTRODUCTION

This fiscal analysis has been prepared by staff to identify the impacts of the proposed Jericho Road annexation to the City. The following is a summary of the analysis that was completed and an explanation of the assumptions used in this analysis.

The analysis included in this report focuses on the potential impacts of the annexation to the City's General Fund. Enterprise funds such as medical services, electrical, water, sewer and storm drainage are, by their nature, self-sustaining and, as such, should have neither a significant positive or negative fiscal impact on the City.

REVENUES

The revenue that would be generated by the proposed annexation is largely dependent on the amount of development that occurs in the area over time. Table I provides an estimate of the revenues that would be produced from the annexation area based only on the existing level of development. Table II provides a revenue estimate at full build-out of the annexation area. This full build-out scenario is based on the likely maximum level of development allowed under the zoning regulations applied to the proposed annexation area.

**TABLE I – Jericho Road Annexation Proposal
Projected Revenue – Year 2017**

<u>Revenue Source</u>	<u>Rate</u>	<u>Basis</u>	<u>Annual Amount</u>
Property Tax	\$2.98492709/assessed valuation	\$805,690 assessed value	\$2,405
Permit Fees ¹	\$47/person	2 persons	\$94
Utility Taxes ²	0	No present utility connections	0
Sales Taxes ³	\$243/person	2 persons	\$486
Total			2,985

**TABLE II – Jericho Road Annexation Proposal
Projected Revenue – Full Build-Out**

<u>Revenue Source</u>	<u>Rate</u>	<u>Basis</u>	<u>Amount</u>
Property Tax	\$2.98492709/assessed valuation	\$8,023,325 total assessed value	\$23,949
Permit Fees ¹	\$47/person	52 persons	\$2,444
Utility Taxes ²	\$240/person	52 persons	\$12,480
Sales Taxes ³	\$243/person	52 persons	\$12,636
Total			\$51,509

Table I & II Notes:

- ¹ Permit fees are based on the total 2017 adopted budget figures for licenses and permits, (\$2,551,425) divided by the current population (54,150).
- ² Utility taxes based on adopted budget figures for total utility tax revenue (\$13,018,600) divided by estimated number of current population (54,150).
- ³ Sales tax determined by total sales and use tax revenue (\$13,140,474) divided by current population (54,150).

Table II Assumptions:

- Assumes site would be developed at a density of approximately 2 units/gross acre, which is a typical density for South Richland sloping properties zoned R-1-10.
- Average value of new construction for a single-family residence is \$320,933 according to 2016 year building permit activity records.
- Assumes 2.6 persons/household (2017 OFM Estimate).
- Assumes all new development will be served by City utilities.

No estimate has been provided on the length of time it would take to achieve full build-out of the proposed annexation area. This would be dependent upon any number of factors, including the desires of the property owner and market conditions. Rather, the two tables are offered as a comparison of revenues that would be generated from the area based on its existing and maximum potential levels of development.

PUBLIC ASSETS

Existing Infrastructure

There is no infrastructure in the area that the City would inherit as a result of this annexation, except for an unimproved section of Jericho Road of approximately 650 feet in length that runs across the site from east to west. Also included in the annexation is approximately 1,000 feet of frontage of Columbia Park Trail, which forms the northern boundary of the annexation area.

DEMANDS FOR NEW/EXPANDED INFRASTRUCTURE

As development would occur within the area, water, sewer and electrical services would be extended to serve new development. Depending upon the number of lots created within the annexation area, additional roadways may need to be constructed within the site and additional traffic created by new development would add to existing traffic volumes on City streets. New development would also trigger requirements for installation of storm drainage facilities and street lighting. Additional demands would be placed on the City's parks and open spaces. The developer would be responsible for the extension of City utilities, access roads, storm drainage facilities, street lighting, park dedication and/or payment of park fees.

The City's present system of development regulation/permitting ensures that, to a large degree, new residents are paying for the costs associated with the extension/expansion of City infrastructure. It also ensures that new development will not occur unless appropriate infrastructure improvements are put in place.

EXISTING SERVICES

Presently, the proposed annexation area is served by the following entities:

<u>Service</u>	<u>Service Provider</u>
Fire & Emergency Service	Benton County Fire District #4
Police Services	Benton County Sheriff's Department
Electrical Service	Benton County PUD #1
Water Service	Private Well
Sewer Service	On-Site Septic Systems
Solid Waste Disposal	No Service Currently Provided

FUTURE DEMAND FOR SERVICES

As development of the proposed annexation area occurs, future demands would be placed on City services. Some of these services would not be greatly impacted. Emergency fire/medical protection would be provided from the new South Richland Station #74. As population increases, there would be more calls for service within the area.

City utility services, including power, water, sewer, and storm drainage would see increased usage. Present capacity of the City systems could accommodate this increased demand as the growth was anticipated and planned for in the City Comprehensive Plan. The fees charged for the connection to City utility services and the monthly user charges are designed to recover the costs associated with the provision of those services. Consequently, development within the proposed annexation area should not have fiscal impacts on those services.

Other services, including parks and recreation and library services, would likely see some increase in use. Table III demonstrates the effects of annexation, both initially and at full build-out, given the assumption that service levels and cost of service per capita will remain constant.

**TABLE III – Jericho Road Annexation Proposal
Expense of Providing City Services**

Service	Annual Cost of Service	Level of Service ¹	Cost of Annexation ²	
			Initial	Full Build-Out
Fire & Emergency Service ³	\$151/person ³	5 minute emergency response time	\$302	\$7,852
Police ⁴	\$247/person ⁴	1.24 police/1,000 population	\$494	\$12,844
Parks ⁵	\$131/person ⁵	2.8 acres/1,000 population	\$262	\$6,812
Street ⁶ Maintenance	\$56/person	None established	\$112	\$2,860
Library ⁷	\$39/person	None established	\$78	\$2,028
Administrative Services ⁸	\$178/person	None established	\$296	\$9,256
Total	802		\$1,604⁹	\$41,652

Notes for Table III:

¹Level of Service reported from City of Richland Comprehensive Plan

²Cost of Annexation – Initial Impacts are based on current estimate of 2 persons residing within the proposed annexation area. Full build-out figures are based on projected population of 52 persons in 20 residences.

³Represents total current expense '17 budget for fire and emergency services (\$8,170,338) divided by current city population (54,150).

⁴Represents total current expense '17 budget for police (\$13,397,779) divided by current city population (54,150).

⁵Represents total current expense '17 budget for parks and facilities and recreation (\$7,119,605) divided by current city population (54,150).

⁶Represents streets capital construction fund '17 budget (\$3,061,814) divided by current city population (54,150).

⁷Library costs were derived by dividing 2017 total library budget (\$2,134,328) by total number of persons in the City (54,150).

⁸Administrative service costs represents the total current expense budgets for City Manager, Assistant City Manager, City Clerk, City Attorney, Communications and Marketing, Cable Communications, Information Technology, and Hanford Communities (\$9,650,248) divided by current city population (54,150).

⁹Costs for police and fire services would not likely be zero for existing levels of development, but are difficult to accurately quantify and would vary greatly based on the number of times that emergency calls for service were made.

Service costs for Table III include those services that are directly provided to residents and also include estimates for costs associated with general administrative services. Presumably, there would be some efficiencies accrued by the City in serving a larger population that would be located in a relatively small geographical area that is

immediately adjacent to the City's existing service boundaries. Costs for actually providing services listed in Table III are somewhat overstated. The per capita listing for fire and emergency services, police services and administrative services assumes that all expenses associated with providing services are directly related to residential uses. Clearly, there are costs associated with providing services to commercial and industrial lands as well. The estimated costs of park and library services may be slightly overstated also, as some service is provided to non-City residents, which, if accounted for, would slightly decrease the per capita costs reported here. Finally, Table IV provides some comparison of the costs and revenues associated with the proposed annexation.

**TABLE IV – Jericho Road Annexation Proposal
Summary of General Fund Revenues and Expenses**

	Estimated Number of Households	Projected Revenues	Projected Expenses	Net Annual Benefit
Initial Annexation	1	\$2,985	\$1,604	\$1,381
Annexation at Max. Build-Out	20	\$51,509	\$41,652	\$9,857

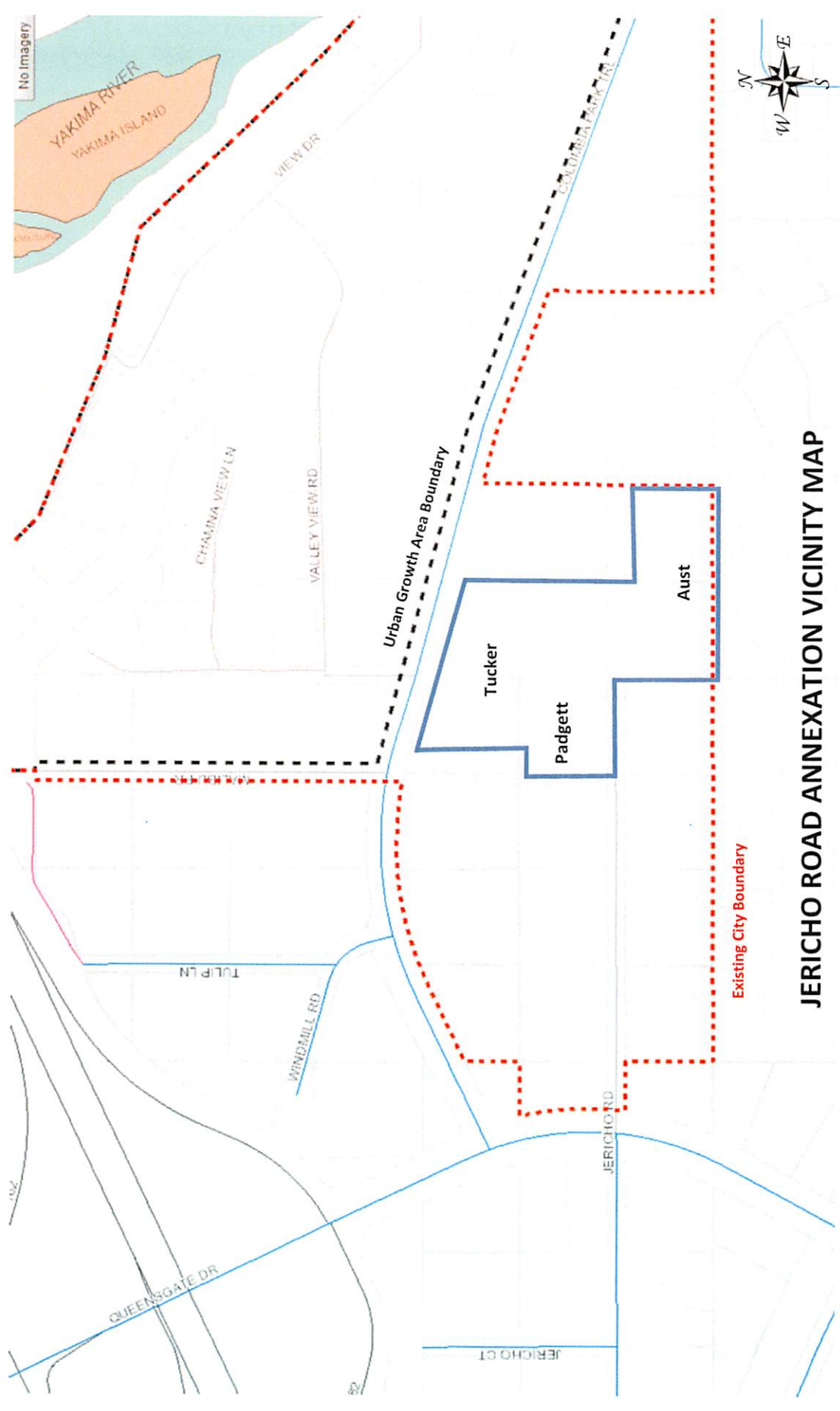
CONCLUSION

Staff concludes that the proposed Jericho Road annexation would have slight positive fiscal impacts to the City both at the time of initial annexation and at the time that the area is fully developed. The City's enterprise funds would not be negatively impacted as expenses associated with providing power, water, sewer, storm drainage and solid waste disposal would necessarily equal the revenues associated with providing such services.

A general rule of thumb holds that the costs of providing services to residential neighborhoods generally exceed the revenues derived from those residential areas. This analysis presumes that additional sales tax would be generated from future development in the area at the same proportion as the rest of the City. However, to the extent that retailers performing market studies consider community growth, additional population may have the effect of stimulating new retail development. Ultimately this could increase the per capita sales tax revenue that the City receives.

There are other factors that are difficult to quantify. If the area is not annexed, and some level of development occurs, City services will still be directly impacted. The street system will be forced to handle more traffic, and park and library use may increase, along with police and fire service calls. However, without annexation the City will not receive any revenues from those unincorporated developments. In total, the drain on City services would likely be greater without annexation than with annexation.

Annexation also provides the City with some opportunity to control the development so that it conforms to City plans and standards. Street layout and design, the extension of street and utility corridors to adjacent parcels, the overall density of development, and the dedication of park and open spaces are all issues that the City would not control if annexation does not occur.



JERICHO ROAD ANNEXATION VICINITY MAP