



April 24, 2009

On behalf of James L. Lauinger, Kirkland Mayor

Dear Citizens of Kirkland and the Finn Hill, Juanita, and Kingsgate Neighborhoods,

Thank you for your recent correspondence to the Kirkland City Council regarding the City's potential annexation of the Kingsgate, North Juanita, and Finn Hill neighborhoods. Whether you are new to this process or have been involved over time, your interest and concerns are valued by the City Council. As you can imagine, there has been a great deal of information to be analyzed about this very complex issue.

On April 7, 2009 the City Council voted to proceed to the next step of annexation by approving a resolution of intent to annex. This resolution signals the Council's intent to file an application with the Boundary Review Board (BRB) to initiate the formal process leading to an election. The BRB review process will include a public hearing and is a required step in the process of annexation. Assuming successful completion of the BRB process, the City Council will still need to formally choose an election date and file for the election with King County. We expect that this next step will take place in early August. If the Council does file for an election, the decision to annex will be in the hands of voters of potential annexation area. If the annexation is approved by voters, the City Council will set an effective date and begin the process of planning for a transition of services. Given the size of the annexation and the many services and service districts involved, we anticipate that an effective date would not be set until the latter part of 2010 or early 2011.

Many citizens of Kirkland and the potential annexation area (PAA) wrote letters to the City Council and provided input and testimony during one of the many public forums and regular Council meetings held over the past several years. There were some common themes heard and we wanted to address some of the issues, questions and concerns most often heard.

Why annex? The State's Growth Management Act (GMA) calls for annexation of unincorporated urban areas by the year 2010. An underlying principle of GMA is that urban services should be provided by cities and that rural and regional services should be provided by counties. Providing urban-level services to small pockets of unincorporated area is inefficient and creates a burden for all County taxpayers. Our PAA has long been assigned to Kirkland in the countywide planning policies and in the City's comprehensive land use plan.

Can the City afford to annex now? Like many cities and other governmental agencies, Kirkland is feeling the tight squeeze of the current economic downturn. Throughout our study of annexation, the financial implications were our primary focus. In fact, the City Council put the annexation "on hold" last spring so that we could turn our attention to our own budget challenges. Once the 2009-2010 Budget was balanced, the City Council revisited the annexation as promised. Our most recent analysis revealed that the actions taken to balance the adopted 2009-2010 Budget contributed positively to the annexation financial outcome. Although the City of Kirkland still has financial challenges ahead, the annexation does not make those challenges any worse.

Will levels of service in Kirkland be negatively impacted? The 2009-2010 Budget establishes the level of service that we can afford to provide with the resources available at this time. The annexation does not detract or add to that service level. In fact, the annexation may assist by providing a more uniform level of public services throughout the eastside urban area. By enhancing police presence in the PAA, the existing city residents will benefit. Although citizens in the PAA will notice an immediate increase in the level of urban services, we do not anticipate that



existing Kirkland residents and businesses will be negatively impacted by the annexation. Current economic conditions are more likely to continue to impact service levels in Kirkland as they did in the last budget cycle.

How will our quality of life change? The City Council is committed to maintaining Kirkland as vibrant community with an excellent quality of life. Most residents of the PAA consider themselves part of the Kirkland community and work, live and play side by side with Kirkland residents now. People often refer to Kirkland's "small town feel" as one of the attributes they appreciate the most. We believe that a sense of community in Kirkland starts at the neighborhood level. The annexation would add three new neighborhoods to Kirkland, each with its own sense of identity and that each neighborhood will retain its unique character, including those in the PAA.

If the annexation is approved, when will it be effective? The effective date for annexation would be established after an election, if the voters approve the ballot measure. The City will conduct a detailed analysis of cash flow (the timing of revenue and expenses for the new area) and develop service transition plan that assure continuity of services for both Kirkland and the PAA.

Will the City Council allow the casino to continue to operate? The City Council is awaiting action by the State legislature that would provide the option of allowing the one casino currently operating in the PAA to remain in operation without having to allow any new establishments. If the legislation is not passed, the City's existing code would not allow the casino to operate. If the legislation is passed, then the City Council would need to determine whether or not to allow the casino to continue to operate. This decision has not been made.

Much of the annexation process is guided by State law and involves a strict sequence of events. However, pending legislation affecting annexation may factor into the Council's decisions in the coming months. Your correspondence to the City shows your interest to stay informed. An excellent source of information is our annexation web page—www.ci.kirkland.wa.us/annexation. To receive email notices of annexation information and City Council meeting agendas, subscribe to a list serve at www.ci.kirkland.wa.us/e-bulletins.

You can be assured that the City Council is constantly and continually assessing the impacts of annexation, especially as they relate to our financial health. We thank you for your interest and encourage you to attend or watch Council meetings, host an informational meeting in your neighborhood and subscribe to on-line updates about annexation.

Sincerely,
Kirkland City Council

A handwritten signature in blue ink, which appears to read "James L. Lauinger". The signature is written in a cursive style and is positioned above a horizontal line.

James L. Lauinger, Mayor
City of Kirkland

JL:jm