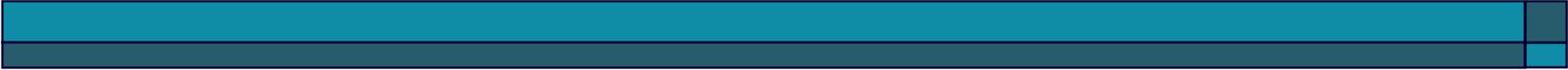


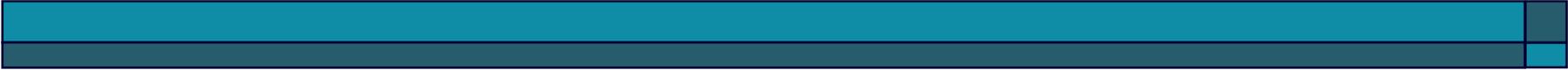
Annexation Strategy Options

City Council Meeting
January 15, 2008



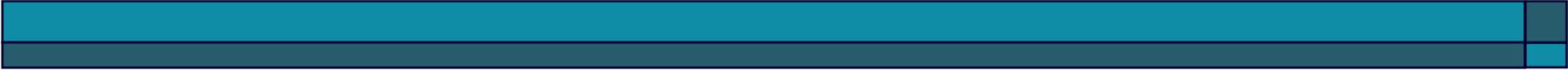
Overview

- Recap of November and December Council meetings
- Strategy Options
- Communications Strategy



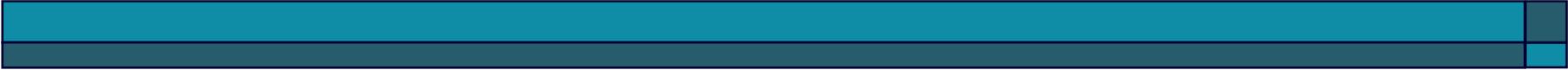
Recap of November and December Study Sessions

- Kirkland has an existing structural imbalance between revenues and expenditures that needs to be addressed with or without annexation
- Updated financial information created more negative long term financial picture



Recap of November and December Study Sessions

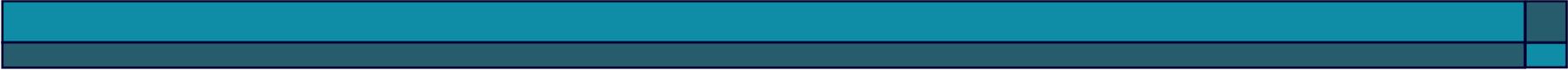
- Council wants to exhaust all options before choosing a “no go” on annexation
- Council confirmed its position on:
 - Casino
 - Assumption of Fire District #41 debt
- Council would like to seek further assistance from King County and the State
 - Financial assistance
 - Time



Recap of November and December Meetings

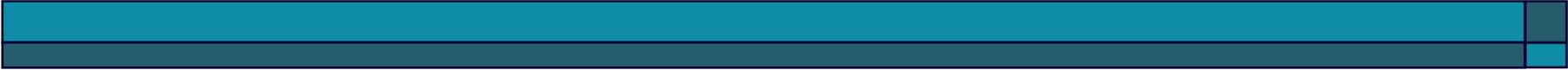
- Council requested more information on level of service options

- Council wants follow-up communication to go out to PAA and City residents concerning annexation



Recommended Process for Tonight

- Review four strategy options
- Review election timing implications of the options
- Choose one of the options
- Discuss a communication strategy

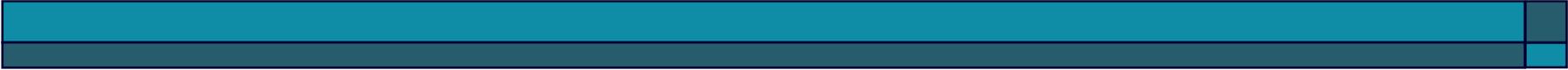


Annexation Strategy Options

- Option 1: Make a “Go” Decision – do additional analysis as we proceed through the BRB process
- Option 2: Develop & Analyze LOS Options First, then make a decision
- Option 3: In addition to Option 2, Analyze Boundary and Phasing Options, then make a decision
- Option 4: Make a “No Go” Decision

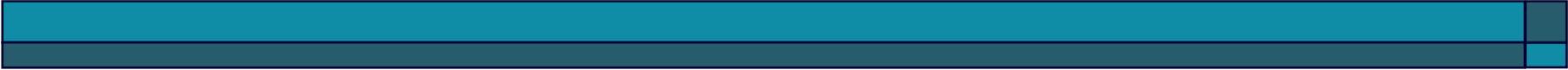
Policy Options

	Go Decision	Defer Decision Pending Additional Information		No Go Decision
Timing of Decision	Jan 2008	Apr 2008	Fall 2008	Jan 2008
Assess Level of Service Impacts of Annexation	X	X	X	
Pursue Additional Funding from King County and the State	X	X	X	X
Negotiate with WFLS	X	X	X	
Pursue Extension of Time-Frame for Annexation with State Incentive		X	X	X
Analyze Adjusted Annexation Boundary - excluding WFLS			X	
Analyze Annexation of Smaller Portion of PAA - Phased Approach			X	
Conduct Further Discussions with PAA Representatives - Alternatives to Annexation				X
Election Date	Fall 2008	Fall 2008/9	Fall 2009	NA



Timing of Annexation Election – Validation Requirements

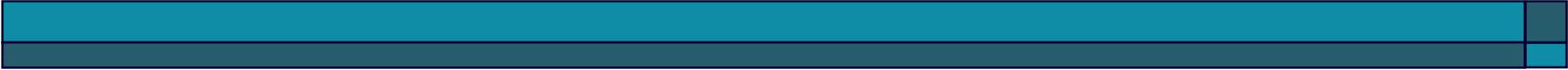
- Applies to elections with voted debt question
- Requires 40% voter turn-out from previous general election
- 2008 presidential election will set high validation thresholds
- Next guaranteed validation: November 2009 general election



Timing of Annexation Election – BRB Process

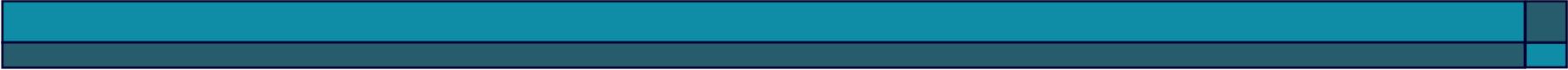
- ❑ Submittal and Acceptance of Application
(2nd Thursday of Month)
- ❑ Public Hearing: Scheduled and Publicized (60 days)
- ❑ Board Deliberation and Publication of Decision (15-30 days)
- ❑ Appeal Period (30 days)

- ❑ TOTAL 105 - 120 days



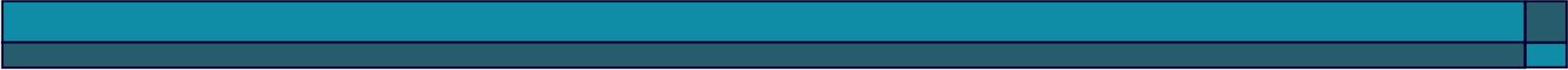
Annexation Election Timing

- Option 1 – Go Decision Now, November 2008 election
- Option 2 –
 - November 2009 election most likely path
 - Need Early March Decision to Keep on Track with November 2008 election
- Option 3 – Decision in Fall 2008 with November 2009 election
- Option 4 – No Go Decision, No Election



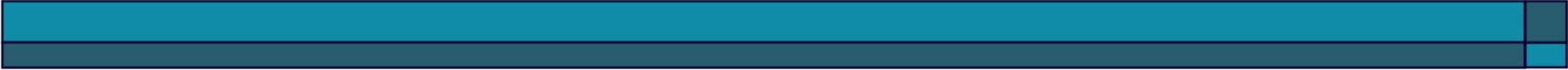
Communication Strategy

- Purpose: Keep Kirkland and PAA residents informed about the Council’s annexation process (“Inform”)
 - Acknowledge recent comments from PAA and Kirkland residents
 - Provide a status report on Council decision process



Recommended Communication Tools

- Direct mail brochure
 - Basic annexation information
 - Update on new information
 - Next steps and timing
- Continue speakers bureau (available for community meetings)
- Update front page of annexation website and send out listserv notice of Council direction
- Re-evaluate in March/April based on information needed for next decision point



Council Discussion