



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
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MEMORANDUM

To: Dave Ramsay, City Manager
From: Marilynne Beard, Assistant City Manager
Date: March 26, 2007
Subject: LETTER OF RESPONSE TO SIDNEY J. STARR

RECOMMENDATION:

Review the attached draft response letter to Sidney J Starr and authorize the mayor to sign the letter.

BACKGROUND DISCUSSION:

Mr. Starr wrote a letter to the Council expressing his opposition to the proposed annexation due to the financial burden it will place on existing Kirkland residents.

RECEIVED
MAR 13 2007
CITY OF KIRKLAND
CITY MANAGER'S OFFICE

March 8, 2007

812 Market Street
Kirkland, Wa 98033

Kirkland City Council Members
123 5th Ave
Kirkland, Wa 98033

Mayor James L. Lauinger ✓
Deputy Mayor Joan McBride
Council Member Bob Sternoff
Council Member Mary-Alice Burleigh
Council Member Jessica Greenway
Council Member Tom Hodgson
Council Member Dave Asher

RE: Juanita Annexation

Ladies and gentlemen of the Kirkland City Council:

Your report refers to GMA "policy" regarding annexation by cities of rural areas. That is simply policy, Olympia does not and cannot require Kirkland to annex.

My children and grandchildren live in Kirkland(as do my wife & I) and although we could afford the significant additional costs of this annexation, they cannot. Not all of the young families who live here are stock option kids, rather many are young families who simply cannot afford the luxury cost of annexation.

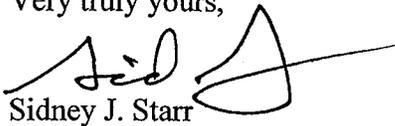
Bigger is not better, in fact as in this case bigger is very much more costly. I just do not understand the long time driving ambition of the Council to annex Juanita, just what really is the genesis of this ambition?

Do not be deceived by the 101 page financial analysis report on your website. Despite all the carefully conceived assumptions in the report, the fact is inescapable it will cost the citizens of Kirkland dearly to annex Juanita and for what and for whose purpose or ambition?

Once again you throw out on the table additional business taxes to help fund this deficit when all of you are knowledgeable additional business taxes serve to prevent business location here and of course drive existing business away. You provided us additional business taxes yet the businesses in Kirkland are not the source of the deficit. What is truly the source of the deficit is a city in which we have had little population growth and an exponential increase in city operating budgets. There seems to be a sentiment on the council we should be all things to all people with a budget that is driving young non stock option kids away from this city.

Please, Ladies and Gentlemen of the council, do not annex Juanita for not one single thing of good will come of it to the residents of Kirkland. This annexation action will be so much more costly than your 101 page financial analysis purports despite all of its carefully crafted limiting assumptions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sid", followed by a large, stylized flourish that extends to the right.

Sidney J. Starr

CC: Mr. Bill Vadino, Exec Dir Kirkland Chamber Commerce

DRAFT

April 18, 2007

Mr. Sidney J. Starr
812 Market Street
Kirkland, Washington 98033

Dear Mr. Starr;

Thank you for your letter regarding the potential annexation of Juanita, Finn Hill and Kingsgate. The City Council has been discussing the potential annexation for years but has chosen not to proceed due to the financial burden it would create. When the State adopted legislation in 2006 providing funding to cities annexing large unincorporated urban areas, the City Council called for further study. One of the Council's primary concerns about annexation has always been the financial impact on both existing City residents and on residents in the annexation area.

The results of the most recent financial analysis indicates that the new state funding significantly closes the financial gap and makes annexation more feasible. As you noted in your letter, the City is not required to annex its potential annexation area ("PAA"), however the annexation of unincorporated urban areas into adjacent cities is a key strategy in the Growth Management Act. The Kirkland City Council supports the provisions of the Growth Management Act and our land use policies reflect its fundamental principles.

You also expressed concern about the use of business taxes as a strategy to balance future City budgets. The financial analysis references business taxes as just one of the many tools the City Council has available to meet its budgetary challenges. Other tools include expenditure reductions and other sources of revenue. Although it has become clear that the City Council will need to take some type of action to balance future budgets, there has not been any commitment to using one particular tool such as a business tax. That is a decision that will be made by the Council with each budget cycle.

Like you, the City Council is concerned about the impact of its financial decisions on its current and future residents and takes this responsibility very seriously. Much of our public outreach concerning annexation has been focused on understanding the concerns and questions of our residents. We will continue to ask for their input as we continue to study annexation and as we work through the challenges of maintaining financial health and quality services to the public.

Sincerely,

James L. Lauinger, Mayor
For the Kirkland City Council