



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Marilynne Beard, Assistant City Manager
Tracy Burrows, Intergovernmental Relations Manager

Date: June 21, 2007

Subject: POTENTIAL ANNEXATION UPDATE

RECOMMENDATION:

City Council receive an update on Phase two annexation activities, consider a request for additional funding for phase two outreach and discuss the possibility of an advisory vote.

BACKGROUND:

Update on Phase Two Activities

In April 2007, the City Council voted unanimously to proceed to phase two of the annexation study. There are five general areas of focus for phase two. Following is a recap of current activities:

- Inter-Agency Negotiations – There are three primary tasks associated with inter-agency negotiations. Staff is in the process of conducting an infrastructure assessment of the area and is expected to report out their results by late August. The infrastructure assessment will help inform our discussions with King County regarding needed capital improvements in the area.

The Annexation Subcommittee and staff are scheduled to meet on Tuesday, June 26th with King County officials to discuss the potential annexation process and transition assistance the County may be able to provide. Unfortunately, County Executive Sims will not be able to attend and we will meet with his Chief of Staff, Kurt Triplett as well as County Councilmember Hague representing the PAA. Since the meeting has not taken place as of this writing, we will provide a verbal report at the July 3rd Council meeting.

The City is beginning to initiate discussions with other agencies in the area regarding transition logistics. To date, initial meetings with the Northshore Utility District and King County Fire District #41 have taken place as well as informal contacts with the Finn Hill Park District. Planning staff is also analyzing current zoning designations and identifying how Kirkland's zoning code would be applied in the PAA and where there are areas needing public discussion and input.

- Outreach – The theme of the phase two outreach will again be focused on listening to residents' questions and comments. The primary change from phase one is extension of our efforts into the PAA. By the July 3rd Council meeting, the City will have held its first annexation public forums in the PAA (scheduled for June 21st and 26th). Postcard mailers inviting PAA residents to the forums were mailed to each household in the PAA and staff has been posting notices and distributing postcards in various locations in Kirkland and the PAA and at the Wednesday Market and Friday Farmers' Market. Currently Kirkland is running a piece on annexation and an announcement about the forums is running on the KGOV channel.

During the coming months, staff will be working with PAA residents to hold smaller, more informal meetings to reach as many people as possible. Council also agreed to hold focus groups in Kirkland and in the PAA to better understand the public's thoughts on annexation and how we can best meet their concerns and answer their questions.

Revised print materials have been developed that summarize phase one activities and describe phase two plans. A new listening log will be initiated to record phase two questions and comments. The phase one listening log will still be available on the City's website. Staff is also in the process of updating and reorganizing the annexation website to enhance usability.

- Facilities – In addition to the infrastructure assessment, staff will be issuing a request for proposals for a Public Safety Building feasibility study that will focus on the use of existing structures for a new public safety facility.
- Finance – The Finance Department is updating the annexation financial model to reflect the most recently-adopted budget and to correct for new assumptions as they emerge. Operating departments will also provide input about service implementation (phasing recommendations) so that start-up costs can be identified and a cash flow analysis can begin to emerge.
- Operational Planning – City departments have been asked to establish service priorities and service delivery recommendations that identify lead time for staff and equipment that should be in place on the effective date of annexation. Even though the City Council has not determined whether to proceed to an annexation election, this advance work is critical if we are to meet the deadlines established for state funding eligibility.

Phase two is expected to continue into November of 2007 and will culminate in a Council decision about whether to proceed to phase three which involves preparing for an annexation election.

Annexation Outreach Funding

When the City first solicited proposals for annexation outreach assistance, consultants were asked to prepare responses that addressed all four phases of the annexation process. EnviroIssues was selected to provide communications and outreach consulting services. As each phase begins, staff and the Council work with EnviroIssues to define the outreach program. A general outreach program was presented to the City Council at the June 5th Council meeting. At that meeting, Council agreed to include additional activities in the phase two outreach program (beyond what EnviroIssues had originally proposed in 2006.) The two

primary additions are a second series of public forums to be held in the fall and five focus groups to be held in Kirkland and in the PAA. Staff noted at the June 5th meeting that additional funding would be needed to address the enhanced program and Envirolssues has submitted a revised cost proposal. The table below compares the original proposal with the revised program.

	Labor	Other Direct Costs*	Total
June Activities	21,914	5,805	27,719
Focus Groups (new)	18,709	12,950	31,659
Fall Forums (new)	9,243	13,515	22,758
Total	49,866	32,270	82,136
Approved Funding			27,700
Funding Needed			54,436

*Includes direct mail to households, printing and materials

The original proposal from Envirolssues addressed the initial June activities which included development of updated print materials and two public forums. An additional \$54,436 is needed for the focus groups and the additional public forums and related direct mailings to all Kirkland and PAA addresses. A fiscal note is included as an attachment to this memo.

Advisory Vote

At the June 5th meeting, a citizen request was made for the City Council to consider an advisory vote on annexation for Kirkland residents. The suggestion was to place an advisory measure on the November ballot. At the time, the Council had indicated that they did not intend to conduct an advisory vote, but requested that the issue be discussed at a future Council meeting. Some background on advisory votes may be helpful.

An advisory vote must be placed on the ballot according to the same procedures and timelines as any other measure.

Cost

The cost of any ballot measure (including an advisory vote) is dependant on whether the City has other items on the same ballot and the number of other jurisdictions having items on the ballot. If an advisory vote were to be placed on the November ballot, the cost would be negligible because the City Council election will already be on that ballot. By comparison, if Kirkland put a voted measure on a special election held in February the cost is estimated to be between \$70,000 and 97,000. The cost is based on the number of registered voters in Kirkland (most recent billing indicated 31,923 active and inactive registered voters) and the cost of running the election including postage, printing, King County staff, voter pamphlet production, etc (estimated to be between \$2.20 and \$3.05 per registered voter).

Timeline

Ballot measures must be approved by the City Council and submitted to King County within the time frames established by the County. The following chart shows the deadlines for two different election scenarios including the November election and the next available special election date. It should be noted that it is too late to hold an election any time before November 2007.

	November 6, 2007 Election	February 5, 2008 Election
Approval by Council of Ballot Measure	August 7	December 11
Ballot Measures due to King County	August 14	December 14
Election Date	November 6	February 5

History and Legal Considerations of Advisory Votes

The City of Kirkland does not have an initiative process, so all measures must be submitted to the County by the City Council. An advisory vote is not binding on the City Council. Staff was unable to identify any time when the City of Kirkland held an advisory election in the past.

FISCAL NOTE

Source of Request							
Marilynne Beard, Assistant City Manager							
Description of Request							
Request for funding of \$54,436 from the Contingency Fund for additional annexation outreach services including focus groups, additional public forums and related direct mailings to all Kirkland and potential annexation area addresses.							
Fiscal Impact							
One-time use of \$54,436 from the Contingency Fund. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2008 Est End Balance	Prior Auth. 2007-08 Uses	Prior Auth. 2007-08 Additions	Amount This Request	Revised 2008 End Balance	2008 Target
	Contingency	3,193,826	0	31,500	54,436	3,170,890	3,285,172
		0	0	0	0	0	0
2007-2008 Prior Authorized Uses includes \$31,500 for the Permit Process Improvement Project.							
Revenue/ Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Budget Analyst	Date	June 21, 2007
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