



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

Date: June 22, 2008

Subject: LETTER TO KING COUNTY REGARDING ANNEXATION

RECOMMENDATION:

City Council approves the attached letter in response to a letter received from King County Councilmember Jane Hague and King County Executive Ron Sims regarding annexation.

BACKGROUND:

On May 20, 2008, the City Council received a letter from King County Executive Ron Sims and County Councilmember Jane Hague regarding the potential annexation of Finn Hill, Juanita and Kingsgate. The attached letter acknowledges the correspondence and describes the City Council's direction provided at the May 20th meeting.



King County

Ron Sims

King County Executive

701 Fifth Avenue, Suite 3210

Seattle, WA 98104

206-296-4040 Fax 206-296-0194

TTY Relay: 711

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May 20, 2008

The Honorable James L. Lauinger
Mayor, City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033-6189

Dear Mayor Lauinger:

Thank you for the opportunity to meet with you on May 19, 2008 ,to discuss the City of Kirkland's position on annexation of the Kingsgate-Juanita-Finn Hill potential annexation area (PAA). Over the past three years, the city's approach to studying the annexation issue was open, transparent, and comprehensive. As this process comes to conclusion, you described the city's position to be that the City of Kirkland's current budget challenges prevent it from pursuing annexation in the near future. You were clear that the City Council recognizes the importance and value of the Growth Management Act and the expectation that cities annex their adjacent urban areas but that the city's immediate fiduciary responsibilities must take priority.

As mentioned at our meeting, the county would strongly encourage you to reconsider this position given that the thoughtful integration of the Kingsgate-Juanita-Finn Hill area in the city's long term financial planning could yield solutions otherwise unavailable. However, if you cannot proceed because of the city's budget problems; we ask that the city explicitly articulate that it would support other cities' consideration of annexation of the area.

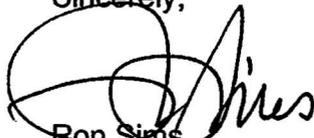
Under today's Countywide Planning Policies framework, if an urban unincorporated area is designated as a PAA of one city, it presents a considerable obstacle to other cities with interest in exploring annexation – it is a barrier with the community, with the Boundary Review Board, and with the county. Accordingly, we request that the City of Kirkland take action to remedy this by passing a motion that supports options that allow other cities to explore annexation of the area and by amending Kirkland's own comprehensive plan. At the regional level, we would then remove the potential annexation area designation of this area on the Countywide Planning Policies PAA Map.



The Honorable James L. Lauinger
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Again, the county as a whole, thanks the City of Kirkland for its tremendous effort to study the question of annexation in a comprehensive manner. By the end of the process, the city was able to develop an annexation option that was effectively financially neutral for the city – the financial challenges faced by the city today would be no worse and possibly, slightly better, if annexation were undertaken. While the final position of the council is disappointing for the county and many of the area's residents, we acknowledge and value the effort made by the city. It is now time to move forward and allow Kingsgate-Juanita-Finn Hill residents and the county to explore other options.

Sincerely,



Ron Sims
King County Executive



Jane Hague
King County Councilmember, District 6

cc: Kirkland City Councilmembers
Metropolitan King County Councilmembers
ATTN: Ross Baker, Chief of Staff
Saroja Reddy, Policy Staff Director
Anne Noris, Clerk of the Council
Frank Abe, Communications Director
Dave Ramsey, City Manager, City of Kirkland
Kurt Triplett, Chief of Staff, Office of the King County Executive
Bob Cowan, Director, Office of Management and Budget (OMB)
Karen Reed, Lead Negotiator
Elissa Benson, Annexation Initiative Manager, OMB

July 1, 2008

DRAFT

The Honorable Jane Hague
Metropolitan King Council Councilmember
516 3rd Avenue Room 1200
Seattle, WA 98104-1024

The Honorable Ron Sims
King County Executive
701 Fifth Avenue Ste 3210
Seattle, WA 98104

Dear Councilmember Hague and Executive Sims:

As you are aware, the Kirkland City Council has been actively engaged in a study regarding annexation of the three neighborhoods to our north. The City's potential annexation area (PAA) represents a major increase in population and land area and will require a significant investment of resources. Throughout our study process, the long term financial implications of annexation have remained the primary obstacle to proceeding with an election. Despite the availability of State funding and the County's offer of financial assistance, the City Council has been reluctant to proceed with annexation given the likelihood of having to increase the financial obligations to its present citizens and those of the PAA.

The City's own financial condition has worsened since the annexation study was initiated. Kirkland has experienced decreases in sales tax revenue due to the overall economic conditions and the potential for additional decreases due to the loss of a major retailer and the competition from two new Costco stores in neighboring cities. Local economic conditions yielding high inflation coupled with a slowdown in new construction will force the City to raise taxes and reduce services just to balance the coming biennial budget. This is a serious challenge for our community that deserves our full attention over the next six months.

We appreciate the concerns expressed by King County and those of the residents of the annexation area regarding an uncertain future. It is not our intent to keep the PAA in an indefinite holding pattern. The Kirkland City Council believes that it is in everyone's best interest to resolve our current budget challenges and then reconsider annexation. We anticipate that our budget process and actions will provide a clearer picture of our long term capacity to successfully serve a population that will nearly double our size.

Councilmember Jane Hague
Executive Ron Sims
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Over the next six months, we understand that PAA residents, King County and neighboring cities may wish to explore alternatives to Kirkland's annexation of the PAA. Although we are not contemplating amending Kirkland's Comprehensive Plan to relinquish the PAA at this time, we will cooperate in any way we can to assist in alternative planning scenarios.

Kirkland maintains its commitment to regional cooperation and the principles of the Growth Management Act. Again, it is our intent to re-examine this annexation issue once our 2009-10 budget process is completed.

Sincerely,
Kirkland City Council

by James Lauinger, Mayor

cc: Metropolitan King County Councilmembers
ATTN: Ross Baker, Chief of Staff
Saroja Reddy, Police Staff Director
Anne Noris, Clerk of the Council
Frank Abe, Communications Director
Kurt Triplett, Chief of Staff, Office of the King County Executive
Bob Cowan, Director, Office of Management and Budget (OMB)
Karen Reed, Lead Negotiator
Elissa Benson, Annexation Initiative Manager, OMB
Dave Ramsay, City Manager
Marilynne Beard, Assistant City Manager