



Legislative Department Seattle City Council Memorandum

Date: June 3, 2015
To: Education and Governance Committee
From: Nate Van Duzer, Councilmember Burgess' office
Subject: Potential Annexation Areas Update

The purpose of this memorandum is to provide updates on two separate annexation processes that have been initiated by the Council.

1. Duwamish Annexation Area

In February 2014, the Council passed Res. [31502](#) calling for annexation of the Duwamish Annexation Area, which comprises areas previously referred to as the South Park Sliver on the River and the Duwamish Industrial Triangle. In August 2014, the City submitted a Notice of Intention to Annex this area with the Boundary Review Board (BRB). The City has since requested several extensions to the BRB's review in order to continue conversations with King County.

The Council has signaled its strong intent to advance this annexation; no additional actions are required by the Council at this time. The steps moving forward are as follows:

- The BRB has scheduled a public hearing on the City's proposal for July 20-21 of this year.
- A decision by the BRB is expected by mid-August, unless an extension is requested.
- Following the BRB's decision (and the 30-day appeal period), the Council must pass another resolution to put this question to voters of the designated area on the ballot at a special or regular election.
- If the voters approve annexation, the Council must then pass legislation setting the effective date for annexation.

2. North Highline Annexation Area

In December 2014, the Council passed Res. [31559](#) calling for the annexation of the larger and more populated North Highline Annexation Area. At that time, the Council made clear its intent that this resolution was a placeholder to preserve the ability to take advantage of an

expiring state sales tax incentive that could come with annexation. The incentive redirects to the City \$5 million a year in sales tax revenues for 10 years, but there have been attempts by the City and the County to improve this incentive from the State Legislature. A legislative proposal was floated to change the incentive to \$8 million a year for 6 years, but nothing has been adopted at this time. The City's efforts in this regard are ongoing.

This Council has not yet taken a policy position on the merits of annexation of North Highline. In order to preserve the option of utilizing the existing sales tax credit, Res. 31559 calls for the filing of a Notice of Intention to Annex with the BRB within 180 days of passage of the resolution. June 5 is the last day to file this notice, which essentially continues and solidifies the placeholder set by the Council last December.

If the BRB completes its review and determines that the City may proceed, the Council would need to make a policy decision about whether or not to send an annexation vote to the residents of North Highline. Presumably, such a decision would come after an extensive public outreach process and more detailed discussions regarding financial and operational considerations.