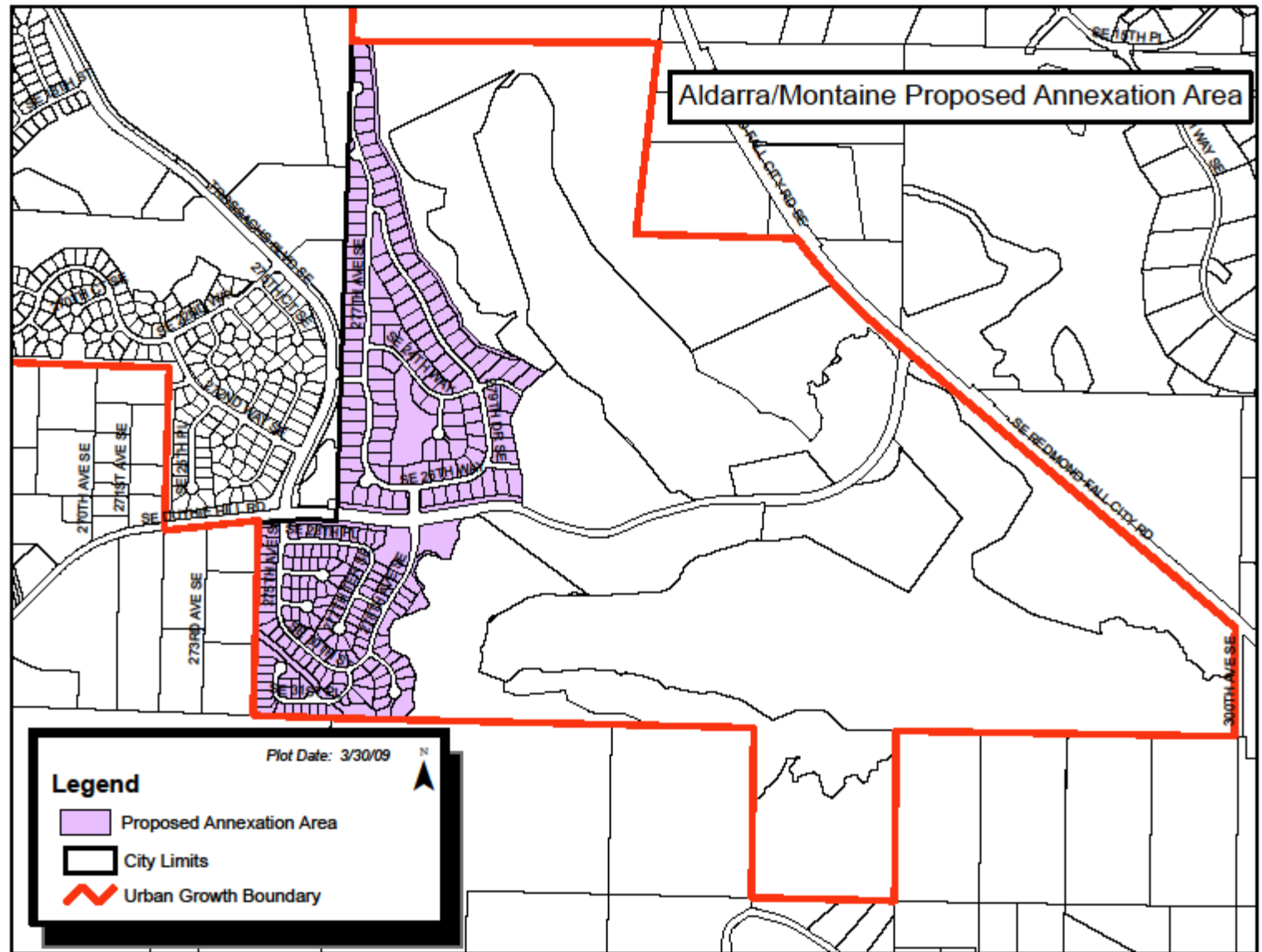




# Aldarra / Montaine Annexation

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Sammamish City Council  
Study Session  
March 9, 2010



# Annexation Timeline - summary

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- **February 2009:** 10% petition submitted
- **April 7, 2009:** Council accepted the 10% petition
- **Feb 1, 2010:** 60% petition submitted
- **March 2, 2010:** 1<sup>st</sup> Reading and open Public Hearing
  
- **March 9, 2010 (TONIGHT):** Council study session
  
- **March 16, 2010:** 2<sup>nd</sup> Reading and cont'd PH; Take action on proposed annexation ordinance
  
- **March 19, 2010:** Submit Notice of Intention to BRB
  
- **Apr – Jun, 2010:** BRB process
  
- **July 10, 2010:** Annexation effective

# Main points tonight

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- Land use, schools and vehicles
- Procedural issues and notice
- Finances and taxes
  - Homeowners and City perspectives
- Key public safety services (fire and police)
- Key takeaways
  - ❖ Lower taxes, low debt and AAA credit rating
  - ❖ As good or better services
  - ❖ Local government

# Land use, school district and vehicles

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- Land use and zoning differences for R-1
  - HVAC units –Sammamish code has specific language restricting units in side yard setbacks
  - Other standards – no difference
- School District boundary
  - No change
- Vehicle emissions testing cost
  - \$15 every other year
  - 2009 and newer vehicles not tested
  - Program sunset in 2019

# Procedural issues

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## □ Petition signatures

- Signatures verified by King County
- Faxed withdrawn/amended signatures (“redactions”) received after statutory deadline so cannot be considered
- No additional withdrawals received
- Even with withdrawals, still above 60%

## □ Timeline

- August 1 deadline
- BRB process and meeting dates

# Notice provided for Public Hearing

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Statute requires notice to be:

- ❑ Published in newspaper of general circulation
  - Completed - Seattle Times, our paper of record on February 21, 2010
- ❑ Posted in three public places within the territory proposed for annexation
  - Posted the notice in four locations, one at each entrance
- ❑ Specify the time and place of hearing and invite interested persons to appear and voice approval or disapproval of the annexation
  - Completed as required

# Key public safety services - Fire

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- ❑ Currently the Aldarra and Montaine neighborhoods are primarily served by the Fire District 27 (Fall City)
- ❑ If Aldarra and Montaine are annexed to Sammamish they will be primarily served by Eastside Fire & Rescue (EFR)
- ❑ Both FD 27 and EFR are dispatched from the NORCOM Dispatch Center and both respond to emergencies in Aldarra and Montaine. All jurisdictions respond under mutual aid agreement.
- ❑ 2007 Emergency Service calls
  - FD 27 responded to 27 calls
  - EFR responded to 11 calls
- ❑ 2008 Emergency Service calls
  - FD 27 responded to 27 calls
  - EFR responded to 5 calls
- ❑ Stations locations are close to equidistant, travel time depends on traffic
- ❑ Responding stations are always closest available



# Key public safety services - Police

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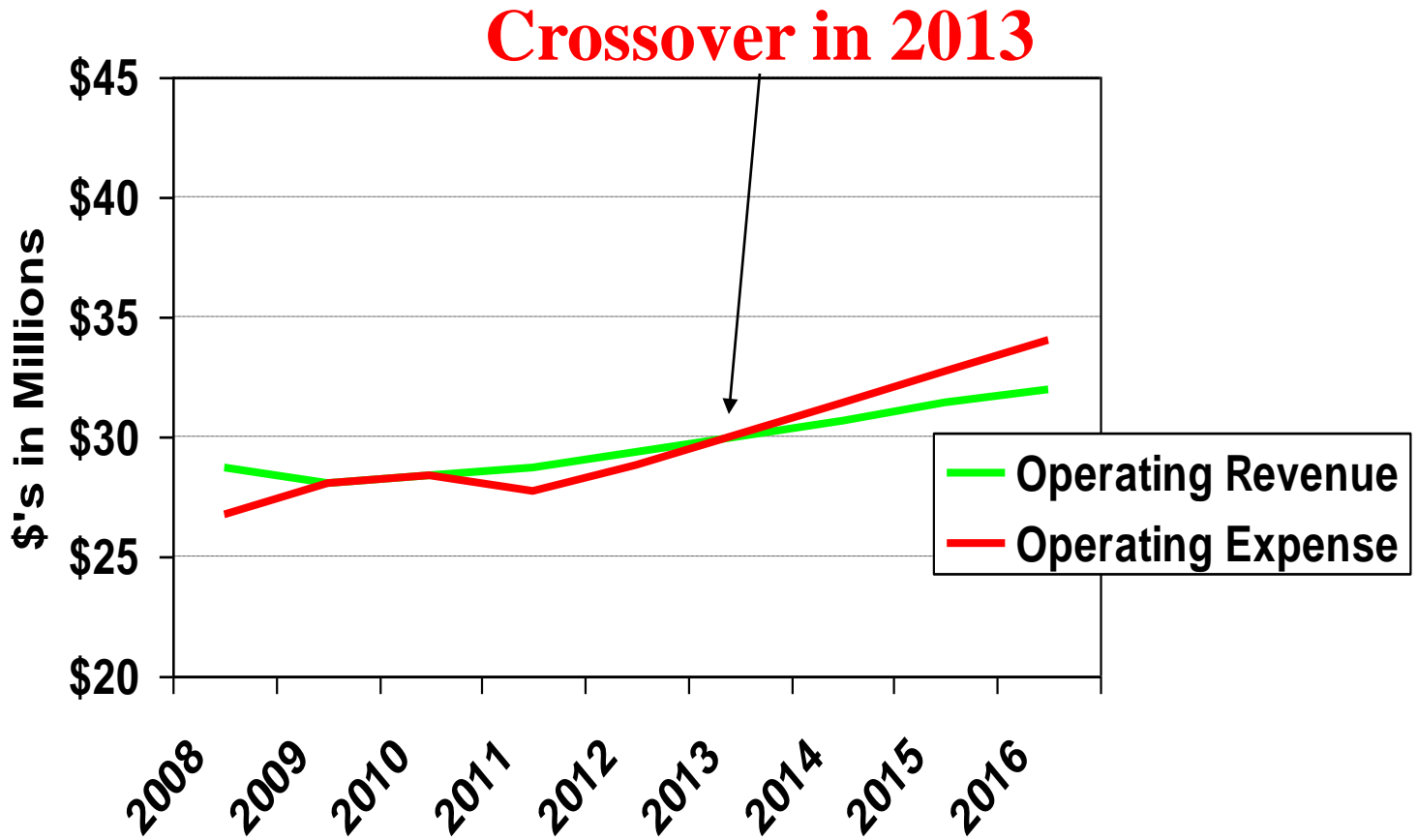
- ❑ Currently the Aldarra and Montaine neighborhoods are served by the King County Sheriff's Office (KCSO)
- ❑ If annexation is approved, area will be served by the Sammamish Police Department
- ❑ Sammamish contracts with the KCSO for Police Services which include: Police Officers, Traffic Officers, Detectives, and School Resource Officers.
- ❑ Same dispatch for both KCSO and Sammamish Police
- ❑ For high-priority calls (emergency), response time will be similar since all agencies support and back each other up
- ❑ For lower priority calls, response times should be better due to higher level of service and local Sammamish patrol area
- ❑ 2 shift officers / 21 sq mi vs. 1 officer / 200 sq mi

# Financial Considerations

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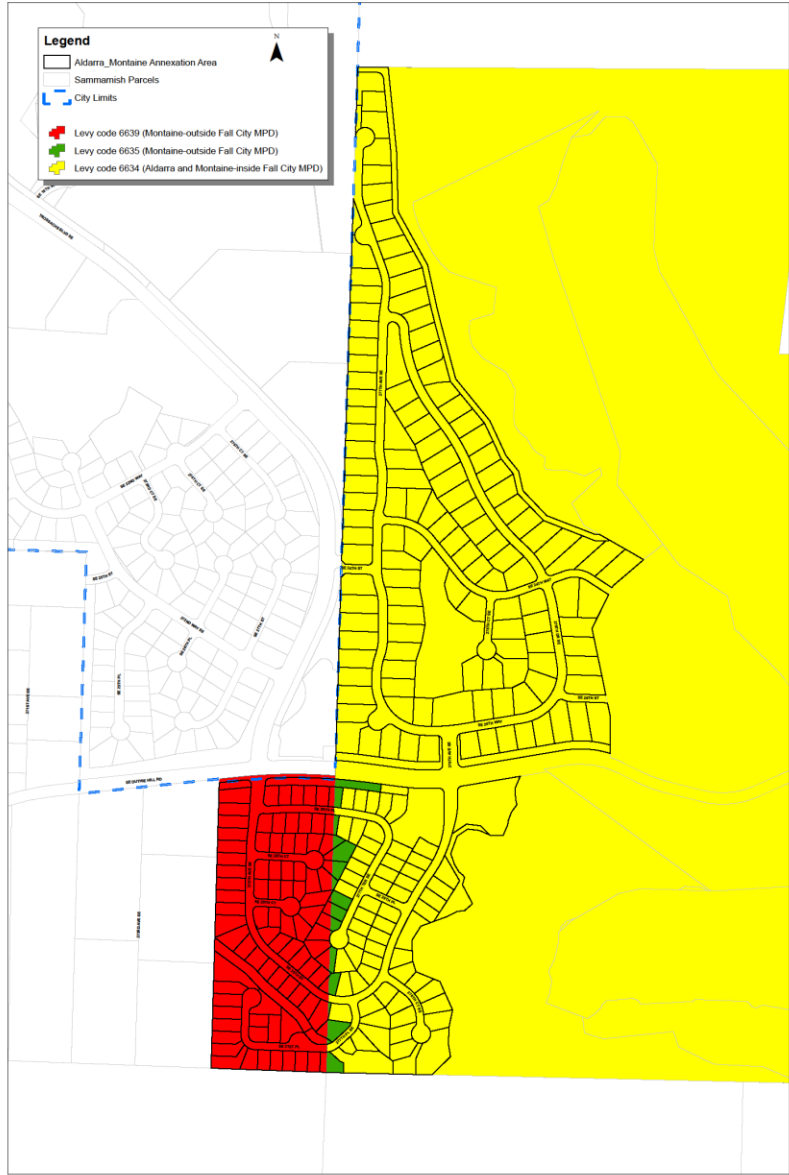
- ❑ Overall financial picture
- ❑ Estimated revenues and expenditures for this annexation
- ❑ Revised Fiscal Summary
- ❑ Debt Comparison

# PROJECTED CITY OPERATING Revenues & Expenses (2009 Model Update)



Structural Imbalance, crossover is coming,

# Aldarra and Montaine Tax Levy Codes



# Overview of 2010 Property Taxes

	CURRENT - 2010		Hypothetical Rate		Hypothetical Diff.	
	Aldarra/Montaine W/FCMP	Montaine WO/FCMP	Aldarra/Montaine W/FCMP	Montaine WO/FCMP	Aldarra/Montaine W/FCMP	Montaine WO/FCMP
Emergency Medical Svc	\$0.30	\$0.30	\$0.30	\$0.30		
Library	\$0.49	\$0.49	\$0.49	\$0.49		
Hospital Levy	\$0.63		\$0.63			
School	\$3.13	\$3.13	\$3.13	\$3.13		
King County	\$1.28	\$1.28	\$1.28	\$1.28		
Port of Seattle	\$0.22	\$0.22	\$0.22	\$0.22		
State School Fund	\$2.22	\$2.22	\$2.22	\$2.22		
Ferry Levy	\$0.00	\$0.00	\$0.00	\$0.00		
King Co Flood Zone	\$0.11	\$0.11	\$0.11	\$0.11		
<b>CITY OF SAMMAMISH</b>			\$2.43	\$2.43	\$2.43	\$2.43
King Co. Road Levy	\$1.94	\$1.94			(\$1.94)	(\$1.94)
KC Fire District 27	\$1.23	\$1.23			(\$1.23)	(\$1.23)
Fire District 27 Bond	\$0.13	\$0.13	\$0.13	\$0.13		
Fall City Metro Park	\$0.09		\$0.09			
<b>TOTAL</b>	<b>\$11.76</b>	<b>\$11.04</b>	<b>\$11.02</b>	<b>\$10.30</b>	<b>(\$0.74)</b>	<b>(\$0.74)</b>
					<b>(\$570)</b>	<b>(\$570)</b>

With \$767,000 Average Home Value: 2010 Property Tax collected would have been

Hypothetical Rates are the rates that would have been levied had these areas been annexed to the city in calendar year 2010

**ONLY 2 ENTITIES ARE SHIFTING (IF ANNEXED)**

# Financial Considerations:

## (Property Owner's Perspective)

BEFORE	AFTER
<u>Property Tax Changes:</u>	
King Co. Road Tax \$1.93	City Levy \$2.43
FD 27 Levy \$1.23	
<u>\$3.16</u>	<u>\$2.43</u> (Diff = \$0.74/1000AV)
	\$767,000 Average Home Price (AV)
	Average Savings = <u>\$570</u> Annually
<u>Surface Water Rates:</u>	
King County - SWM \$111 Annually	<u>\$150</u> Annually (Diff = \$39.00 additional)
<u>Vehicle Emissions:</u>	
Current Area \$0	<u>\$15</u> (2 vehicles, bi-annual check) (Diff = \$15.00 additional)
<u>RTA Sales or Vehicle Tax</u>	
Current Area \$0	<u>\$0</u> No change
	<b>Average NET Savings = <u>\$516</u> Annually</b>

# Fiscal Estimate Summary-**PRELIM.**

STUDY AREA	ANNUAL SUMMARY	Operating Revenue	Operating (Expense)
	NET OPERATING Estimate*	Estimate*	Estimate*
Aldarra/Montaine Area	<b>\$9,000</b>	\$630,000	<b>(\$621,000)</b>

Units Estimate	Population Estimate	Assessed Valuation 2010 Estimate
273	832	\$209,455,000

\*Rate estimates used in this analysis were derived from per capita analysis +/- any special assessments/considerations

INPUTS: Assessed Valuation, Unit & Population data provided by Community Development, Surface Water Management estimate provided by Public Works; Rates assume the current adopted 2009-2010 Biennial Budget; Assessed Valuation(AV) of potential area to be annexed = 2.5% of the city's 2010 Total Assessed Valuation

No capital expenses were modeled - EX: New Public Works, Parks, or Surface Water improvements needed to serve this area

# Fiscal Estimate Summary-REVISED

STUDY AREA	ANNUAL SUMMARY	Operating Revenue	Operating (Expense)
	NET OPERATING Estimate*	Estimate*	Estimate*
Aldarra/Montaine Area	<b>\$75,000</b>	\$630,000	<b>(\$555,000)</b>

Units Estimate	Population Estimate	Assessed Valuation 2010 Estimate
273	832	\$209,455,000

\*Rate estimates used in this analysis were derived from per capita analysis +/- any special assessments/considerations

INPUTS: Assessed Valuation, Unit & Population data provided by Community Development, Surface Water Management estimate provided by Public Works; Rates assume the current adopted 2009-2010 Biennial Budget; Assessed Valuation(AV) of potential area to be annexed = 2.5% of the city's 2010 Total Assessed Valuation

No capital expenses were modeled - EX: New Public Works, Parks, or Surface Water improvements needed to serve this area



# Fiscal Estimate Revision

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- Preliminary estimate used TOTAL cost for Station 83 attributed to Aldarra/Montaine (\$114k)
- Should have used the NET increase to Sammamish of that total cost (\$48k)
- Difference = \$66k decrease in cost
- Revised Result = \$9k + \$66K = \$75K
- \$75k is now available for capital/other improvements

# Financial Considerations:

(City of Sammamish Perspective-**REVISED**)

## REVENUE ESTIMATES:

Property Tax	\$510,000
Sales Tax	\$50,000
State Shared Revenue	\$30,000
Surface Water Management	<u>\$40,000</u>
Subtotal Revenues:	\$630,000

## EXPENDITURES ESTIMATES:

Per Capita M&O Estimate	(\$502,000)
EF&R Fire Service Estimate	(\$48,000)
EF&R Reserves Component	(\$4,000)
Surface Water Management-OPR	<u>(\$1,000)</u>
Subtotal Expenditures:	(\$555,000)

**NET OPERATING ESTIMATE = \$75,000**

# Financial Considerations:

## (City of Sammamish Debt Summary)

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VOTED DEBT = \$0

NON-VOTED DEBT = \$8.84 Million

CURRENT S&P Rating = AAA

\$8.84 Million is composed of two issues:

2001 PWTF Loan @ 0.5% interest rate & 20-Year Original Term  
for 228<sup>th</sup> Ave SE, remaining balance = \$6.4 M\*

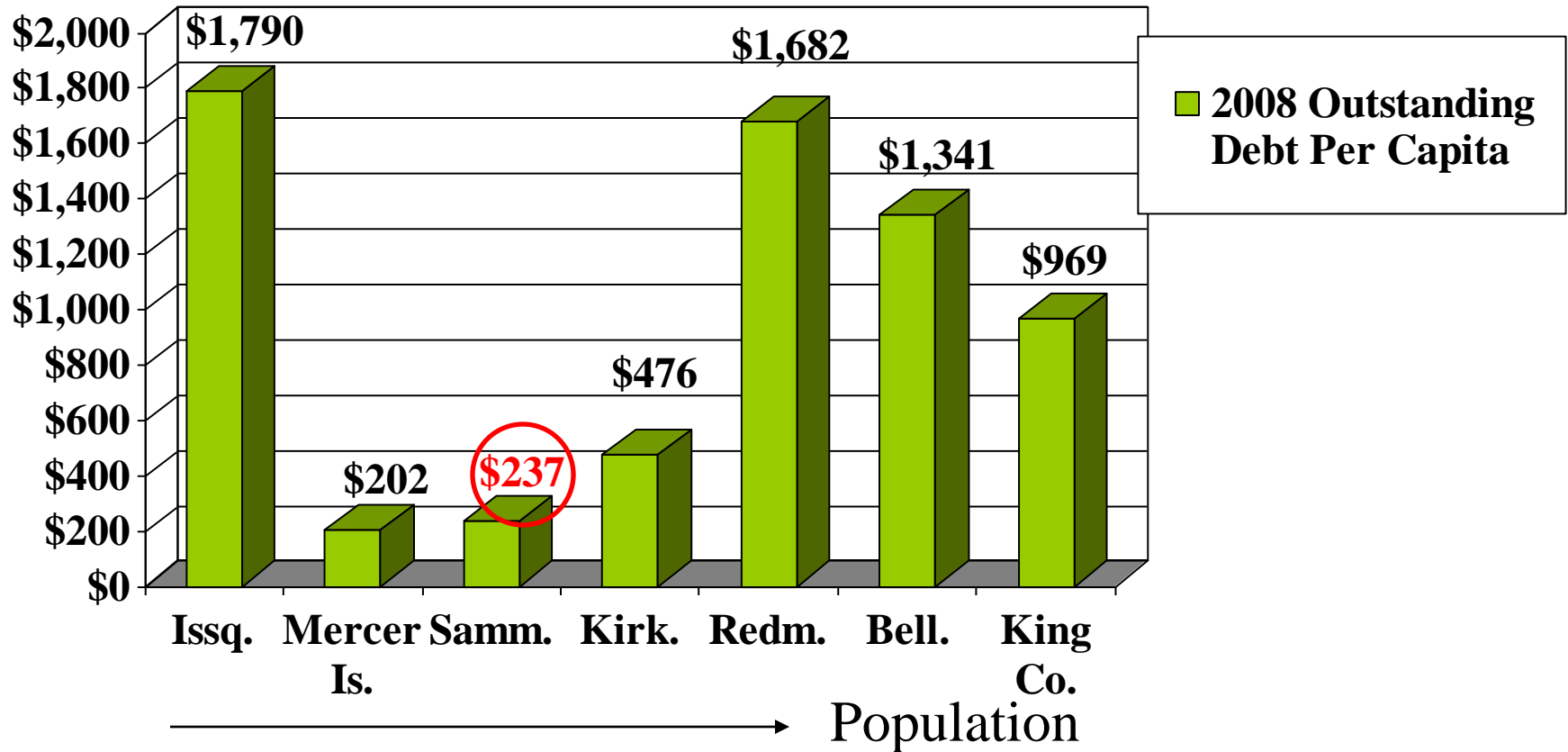
2002 LTGO Park Bond, 15-Year Original Term  
for Sammamish Commons Park, remaining balance = \$2.44 M\*

--NOTE: Could have paid cash, desire to establish credit in  
markets, originally AA rated, recently upgraded to AAA.

\*Could repay both issues with current cash on hand this was recently  
discussed at the Finance Committee (2002 LTGO is non-callable until 2012)

# OUTSTANDING DEBT/CAPITA:

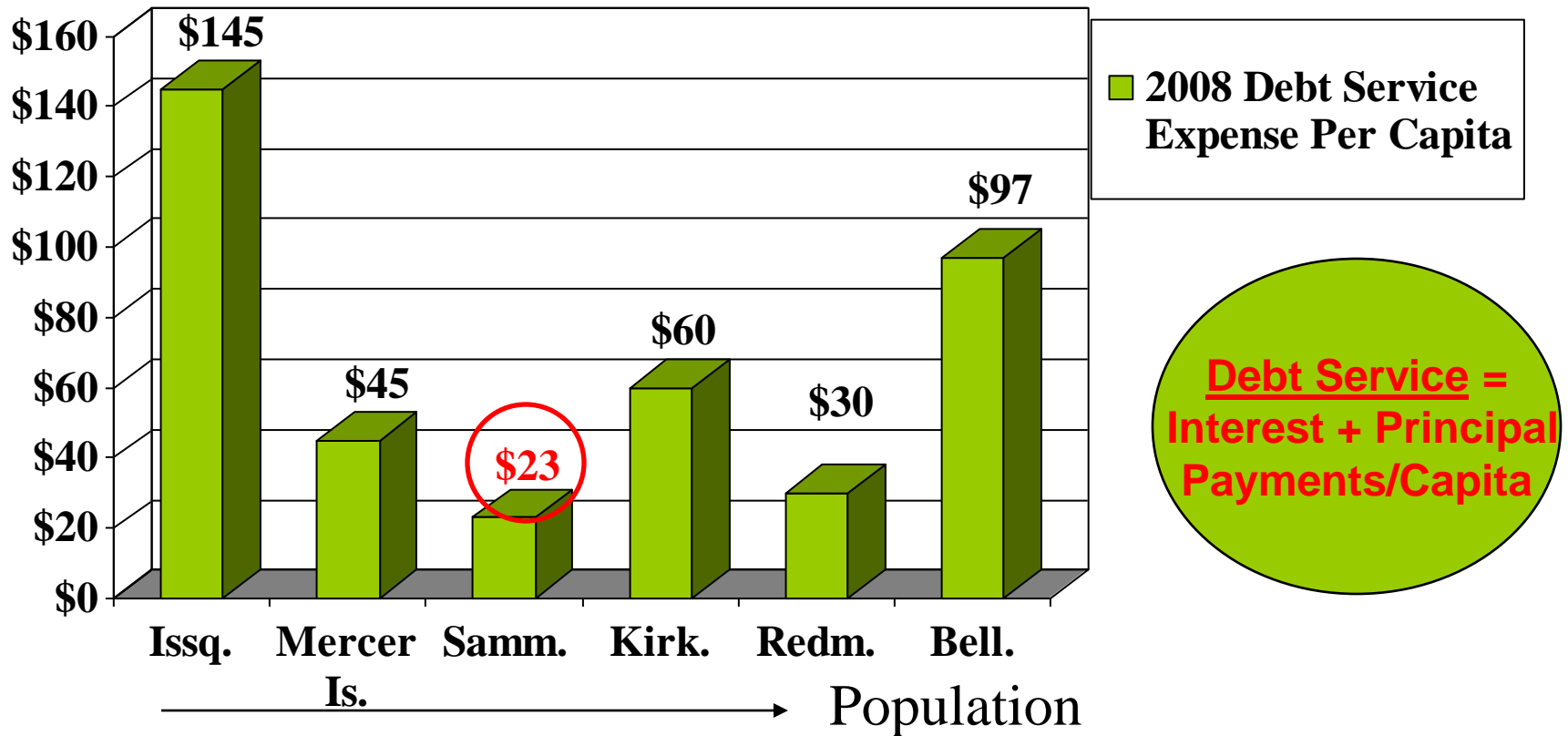
## Eastside Cities Comparison (Year-End 2008)



### 2008 Outstanding Debt Expenses for Eastside Cities

Source: Each Entities Annual Financial Statements for Year End 2008

# COMPARISON GETS EVEN BETTER: DEBT EXPENSE/CAPITA in 2008:



**2008 Debt Service Expenses, lowest of Eastside Cities**

# Recap key takeaways

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- ❖ Lower taxes, low debt and great credit
- ❖ As good or better services
- ❖ Local government



# Questions?

