

UTILITIES COMMITTEE MINUTES

FEBRUARY 1, 2021

12:00 P.M. – 12:41 P.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS KUNKEL (CHAIR), STEADMAN, AND MILLER

STAFF PRESENT: SCOTT SPENCE, RICK WALK, RYAN ANDREWS, SCOTT EGGER,
PERI EDMONDS

Councilmember Steadman requested adding the election of the Utilities Committee chair.

ACTION: APPROVE AMENDED AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS STEADMAN
AND KUNKEL

ELECTION OF UTILITIES COMMITTEE CHAIR

PRESENTER: COUNCILMEMBER STEADMAN

ACTION: NOMINATE A NEW CHAIR FOR THE UTILITIES COMMITTEE

MOTION: COUNCILMEMBER STEADMAN NOMINATED COUNCILMEMBER KUNKEL AS
CHAIR OF THE UTILITIES COMMITTEE. COUNCILMEMBER MILLER
SECONDED. MOTION CARRIED.

CAPITOL CITY ESTATES ANNEXATION PROJECT No. 21-08

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
RYAN ANDREWS, PLANNING MANAGER

ACTION: FORWARD TO FULL CITY COUNCIL AND RECOMMEND APPROVAL TO
PROCEED WITH THE PROPOSED CAPITOL CITY/CHAMBERS ESTATES
ANNEXATION PROJECT No. 21-08, AND INDICATING (1) AUTHORIZE A
PETITION BE SUBMITTED REPRESENTING AT LEAST 60% OF THE ASSESSED
VALUE OF THE PROPERTY TO BE ANNEXED; AND (2) REQUIRE ASSUMPTION
OF ALL OR OF ANY PORTION OF EXISTING CITY INDEBTEDNESS BY THE
AREA TO BE ANNEXED.

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS KUNKEL
AND STEADMAN.

The City received a notice of intent to commence annexation proceedings for the area including Capitol City Golf Club Estates, Chambers Estates, Capitol City Townhomes, and the Capitol City Golf Course. The filing of the notice is the first step in the annexation process under the petition method (RCW 35A.14.120), which requires a petition filed by property owners representing a minimum of 10% of the valuation of the area proposed for annexation. The City has verified that the ownership does comprise a minimum of more than 10% of the assessed valuation for general taxation purposes of the properties for which annexation is requested.

Prior to full City Council review of the annexation, the Utilities Committee reviews the application for the provision of utilities. Additionally, the Committee will review the boundaries of the annexation area for any recommended modification.

The area proposed for annexation is located in the Horizons Planning Area and within the Lacey Urban Growth Area and is generally south of Yelm Highway SE, north of 66th Avenue SE, east of the Chehalis Western trail, and west of Ruddell Road SE. The 2020-2021 assessed value of the parcels is \$134,023,000. The City Lacey has initiated the annexation on behalf of those parcels within the annexation area where the City holds power of attorney agreements regarding annexation. The 2020-2021 assessed value of the parcels with power of attorney agreements in place is \$99,788,600, which represents 74.4% of the assessed valuation and is over the 60% required under the petition method of annexation.

The area proposed for annexation is a logical extension of the City limit boundary to an area that is an unincorporated island. The only way to access the proposed annexation area is through the City limits. The configuration would not create any islands or illogical boundaries. The City Council does have the opportunity to modify any boundaries prior to the applicant proceeding with the annexation, however, this annexation would incorporate the last remaining unincorporated area located within the City's southern Urban Growth Area.

The properties are located within the City of Lacey's water service area and are well served by City of Lacey water lines. The water system is adequate to serve the existing and future development of the properties within the proposed annexation area.

The City sewer service, until recently, has been limited in the annexation area with the Chambers Estates and Capitol City Estates subdivisions being served by individual septic systems. Sewer service is currently being installed by the City of Lacey throughout the Capitol City Estates subdivision. With connection to the City sewer, the City has required that property owners sign power of attorney agreements that allow the City to sign the annexation petition.

Upon annexation, public streets in the area will receive stormwater services from the City. Public stormwater service in the area is limited, particularly because so much of the existing developments are served by their own privately-maintained systems and most of the roadways are private. Soils in the area are relatively free-draining and there have been no recently-identified flooding concerns.

The area is also served by private utilities including Puget Sound Energy and Comcast. No issues are expected concerning provision of these utilities to the area.

Police services are currently provided by the Thurston County Sherriff's Office. According to Thurston County Sherriff's Office data, calls for service in this area were approximately 1,100 per year. The call types were reflective of the current Lacey areas surrounding it with misdemeanor property crimes and domestic violence calls being the highest categories. The proposed annexation should not have an adverse impact on current Lacey Police Department resources based upon current demand for law enforcement services.

Fire services are currently provided by Lacey Fire District 3 except for the Chambers Estates subdivision which is currently served by Fire District 6 (East Olympia). Upon annexation, Chambers Estates would be transferred into Lacey Fire District 3. As with other recent annexations, the issue of bonded indebtedness associated with Fire District 3 needs to be addressed. With other annexations, the City waived the City portion of the bonded indebtedness for the area currently located in District 3. Since this area is already paying the bonds for the county portion, waiving the City portion effectively means that these parcels will not be levied twice.

In addition to the provision of utilities, Lacey Public Works would provide maintenance of the public streets in the area. Upon annexation, the City would begin maintaining approximately 1 centerline mile of public streets within the Chambers Estates subdivision. According, to the City's pavement ratings in this area, the streets are in good condition. The internal streets within the Capitol City Estates subdivision are private and would remain so after annexation. Street lights along public streets would be transferred to the City after annexation. For street lights along existing private streets, ownership and financial responsibilities would not change.

The City Council must pass a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. If the Council votes to approve the petition, then the applicant moves forward on obtaining a petition from a total of 60% of the assessed valuation of the area. Once the City receives the 60% petition, the City can move forward on annexation proceedings.

Staff recommends the Utilities Committee forward a recommendation to the full City Council to approve proceeding with the proposed annexation indicating the following:

1. Authorize a petition be submitted representing at least 60% of the assessed value of the property to be annexed; and
2. Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed.