

**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: General Annexation Discussion		Meeting Date: September 19, 2011
Department: City Manager	Attachments: <ul style="list-style-type: none"> • Special Purpose Districts – Rates Chart • Review of 2008 Annexation Study Estimates to 2010 Actuals 	Fund Source: N/A Activity Cost: N/A Amount Budgeted: N/A Unencumbered Budget Authority: N/A
Contact: Mike Martin		
Telephone: (206) 248-5503		
Adopted Initiative: Yes No X	Initiative Description:	
<p>PURPOSE/REQUIRED ACTION: The purpose of this agenda item is to continue discussion on the potential annexation of most of the remaining unincorporated North Highline area between Burien and Seattle.</p> <p>BACKGROUND (Include prior Council action & discussion): During the last four Council meetings, Council discussed the potential annexation of most of the remaining unincorporated North Highline area between Burien and Seattle. To date, Council has considered</p> <ul style="list-style-type: none"> • a financial analysis prepared by BERK • crime statistics for the area • presentations from the Special Purpose Districts in the annexation area <p>For this meeting, Council will continue the discussion with information that staff has been able to gather in the last week in response to questions raised at the September 12 meeting.</p> <p>The Council is scheduled to discuss annexation at the September 26 Council meeting.</p> <p>OPTIONS (Including fiscal impacts): N/A</p>		
Administrative Recommendation: N/A		
Committee Recommendation: N/A		
Advisory Board Recommendation: N/A		
Suggested Motion: N/A		
Submitted by: Mike Martin Administration _____ City Manager _____		
Today's Date: September 15, 2011		File Code: \R\CC\Agenda Bill 2011\091911cm-2 Annexation Discussion.docx

Special Purpose District	Rates	Change if Burien Annexes Yes/No
Water District #20	\$19.75 base rate per unit per month	NO
	Summer Rates \$2.50/CCF	
	Winter Rates \$1.50 /CCF	
Water District #45	\$17.50 base rate per unit per month	NO
	\$1.50 street light charge per unit per month	
	\$2.50/CCF for 1-10 ccf per month	
	\$3.50/CCF for 11-25 ccf per month	
	\$4.50/CCF for 26+ ccf per month	
	\$4.50/CCF for all irrigation water.	
Valley View Sewer	King County treatment charge \$36.10	NO
	District O & M charge \$10	
	\$46.10 total/month	
Southwest Suburban Sewer	\$ 25.50/month, flat rate	NO
Notes		
	*1 CCF=100 cubic feet of water. There are approximately 748 gallons in 1 CCF.	

MEMORANDUM

DATE: September 14, 2011
TO: Mike Martin; City Manager, City of Burien
FROM: Morgan Shook and Jay Rogers, BERK
RE: **DISCUSSION DRAFT:** Review of 2008 Annexation Study Estimates to 2010 Actuals

PURPOSE

The City of Burien is contemplating a potential annexation of a portion of unincorporated area commonly known as the North Highline area. BERK had done previous fiscal impact assessments of various annexation scenarios for the City in 2007 and 2008. The City has requested BERK to review current revenues and costs associated with the North Burien annexation area (Area X) and compare them to the estimates cited in the BERK March 2008 Assessment of Partial Annexation Options memo (see Attachments A and B). A copy of a 2010 City provided revenue and cost update is included in Attachments C.

COMPARISON OF 2008 ESTIMATES AND 2010 ACTUALS

This memorandum provides a high-level comparison of estimates of the 2008 BERK analysis to partial year 2010 actuals collected by the City. It should be noted that direct comparison is difficult for three reasons:

- **Financial policy planning.** It is important to note that the 2008 analysis is a financial policy study and not a budget development exercise. It was intended to provide a reasonable estimate of potential costs and revenues associated with annexation given current tax and service conditions within the City and annexation area to allow for the development and evaluation of a larger City of Burien in order to test the fiscal implications of annexation. It did not seek to make changes to service or revenue policies that would be needed to balance the City's budget.
- **Size of Area.** The North Burien (Area X) options analyzed in 2008 (shown in Attachment B) are different than the actual area annexed into the City in 2010. The City also annexed the green shaded areas (noted as SeaTac) on the 2008 Options maps. Of all the scenarios, Option 2 appears to be the closest in terms of boundary and area size.
- **Timing.** Timing affects the comparison in numerous ways – a few key aspects are highlighted below.
 - **City tax and service policy.** The 2008 Burien analysis modeled the City as it existed in 2008 – using existing tax/fee and service policies. The 2010 actuals account for all changes in the intervening years.

- **Partial year actuals.** 2010 values represent only a partial year snapshot, whereas the 2008 values represented an estimated full years' worth of revenue collections or service costs. While costs are more easily measured on a prorated basis, tax revenue collections tend to be more cyclical and volatile over the year. For example, utility tax collections tend to be highest in the winter months due to higher uses of electricity and gas services.
- **Continued effect of the economic recession.** The economic recession continued to put downward pressure on local government tax collections.

With the understanding of the notes above, Exhibit 1 and Exhibit 2 illustrate the estimates for revenues and expenditures based on the 2008 analysis for Option 2 as well as the extrapolated values for 2010.

Exhibit 1: Comparison of Revenues (2008 Estimates & 2010 Actuals)

GENERAL FUND REVENUES	2008 Estimates for Annexation (Option 2)	2010 Extrapolated Actuals¹
Property Taxes – General Govt.	\$0	\$0
Sales Taxes (Incl. Criminal Justice)	\$785,000	\$588,000
Utility Taxes & Franchise Fees	\$507,000	\$453,000
Licenses, Permits & Charges for Services	\$167,000	\$209,000
Intergovernmental	\$174,000	\$281,000
Fines, Forfeitures & Misc.	\$7,000	\$79,000
Sales Tax Credit RCW 82.14.415	Not Estimated	\$500,000
Total General Fund Revenues	\$1,640,000	\$2,110,000

1 - Based on partial year actual revenue collections

Exhibit 2: Comparison of Expenditures (2008 Estimates & 2010 Actuals)

GENERAL FUND EXPENDITURES	2008 Estimates for Annexation (Option 2)	2010 Extrapolated Actuals^{1,2}
City Council	\$0	\$0
City Manager	\$85,000	\$41,000
Finance	\$138,000	\$0
Legal	\$370,000	\$400,000
Police	\$1,789,000	\$1,180,000
Public Works (General Fund)	\$263,000	\$0
Community Development	\$221,000	\$0
Parks	\$199,000	\$215,000
Total General Fund Expenditures	\$3,065,000	\$1,836,000

1 - Based on partial year actual expenditures

2 - The General Fund incurred approximately \$226,000 in one-time costs that are not included with the ongoing costs:

*Finance Department - \$88,000 for Calm River census studies

*Parks Department - \$138,000 for signage and furnishing in North Burien Parks

The following section compares some selected revenues and costs highlighted in the Attachment C.

Revenues

If 2010 partial year revenues collected in the North Burien area are straight-line extrapolated over the course of an entire year, they appear to be within reasonable ranges of the 2008 estimates (not adjusted for inflation). For example,

- Extrapolating one additional quarter of sales tax revenues would put the 2010 values roughly between \$580,000 and \$600,000. This amount is similar to the estimates cited in the report (\$785,000 for Option 2).
- Using the same methodology for Utility taxes yields the same comparable result: \$450,000 in 2010 compared to an estimate of \$507,000.

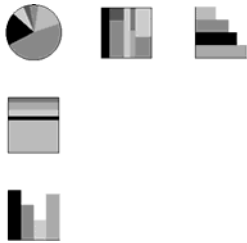
Costs

The costs that the City had incurred in 2010 are considerably less than the costs BERK had originally estimated in 2008. BERK had estimated a range of total General Fund costs of about \$3,065,000 in 2008\$. In addition to the costs shown in Attachment C, the City had identified and additional \$243,000 in costs (partial year beginning April 1, 2010) that bring the total extrapolated annual cost to roughly \$1,836,000. The main drivers of the cost difference include:

- Police, which was projected to be about \$1.8M in 2008\$ (about a \$700,000 over the prorated actual); and
- Community Development, Finance, and Public Works were estimated to be about \$221,000, \$138,000 and \$263,000 in 2008\$, respectively. In actuality, there have been no new staff added (i.e. no General Fund costs) associated with the North Burien annexation for these departments.

ATTACHEMNT A

DISCUSSION DRAFT: Assessment of Partial Annexation Options



MEMORANDUM

DATE: March 24, 2008
TO: City of Burien Finance Department
FROM: Brett Sheckler
RE: DISCUSSION DRAFT: Assessment of Partial Annexation Options

OVERVIEW

Over a period of more than five years, the City of Burien has examined options regarding annexation of the North Highline unincorporated area. Building on what the City has learned in preceding analyses, the City has asked Berk & Associates to assess the fiscal implications of annexing a portion of North Highline which encompasses roughly one-third of North Highline's land area and one-third of the area's population.

This current analysis is intended to provide a snapshot-level picture of likely impacts, working from estimates of impacts that were generated in 2007 using a long-term financial model, looking at annexation of the entire North Highline unincorporated area. This snapshot-level analysis focuses on steady-state operating impacts the City of Burien would face if it was in the position of serving the contemplated annexation areas in 2008.

This memorandum summarizes Berk & Associates' analysis and findings.

ABOUT THE CONTEMPLATED ANNEXATION AREAS

Berk & Associates' analysis focuses on the fiscal implications of annexing roughly the southern third of the North Highline unincorporated area—assessing three alternatives that contemplated slightly different annexation boundaries on the east and northeast (to view the three contemplated options, see the attached PDF document entitled *Annexation_012408_Options.pdf*).

Among the three options, Option 3 encompasses the smallest area, with the eastern annexation boundary coinciding with Des Moines Memorial Drive. Option 1 coincides with Option 3, but extends to include commercial areas on both sides of Des Moines Memorial Drive. Option 2 extends even farther, capturing more commercial areas to the east of Des Moines Memorial Drive and extending to include a higher density residential area just west of SR-509. Exhibit 1 summarizes the characteristics of the three annexation options.

Exhibit 1: Land Area, Housing, and Population Estimates

	Option 1	Option 2	Option 3
Land Area (Square Miles)	2.10	2.14	2.08
Housing			
Single Family Units	3,000	3,149	2,945
Apartment Units	763	1,003	681
Condo Units	97	97	97
Estimated Population	10,600	11,600	10,300

Source: Berk & Associates’ analysis, King County Assessors data extracts, and 2000 US Census data.

With all three options encompassing more than 10,000 residents, annexation of any of the three areas would allow Burien to qualify for the 0.1% annexation sales tax credit.

BIG PICTURE FINDINGS

Overall, Berk & Associates’ analysis finds that annexation of any of the three contemplated options would offer the City of Burien opportunities to maintain its current fiscal position.

Specifically, Berk’s analysis finds that, if the areas had been part of Burien prior to 2008, the area would generate \$2.8 million to \$3.2 million in General Fund revenues, and would generate an additional \$700,000 to \$800,000 in Road Fund revenues (from fuel tax distributions, cable franchise fees, solid waste utility taxes, and additional payments from Seattle City Light) (see Exhibit 2 and Exhibit 3).

In addition to these revenue streams, annexation of any of the contemplated options would allow the City to receive annexation sales tax credit revenues for a 10-year period. By statute, cities are eligible to receive these revenues only to the extent that they are needed to cover financial shortfalls that result from annexation.¹ In 2008, the full 0.1% tax credit would generate roughly \$660,000 to \$670,000.

Against these revenues, Berk’s baseline estimate is that the City would incur additional operating costs of \$3.0 million to \$3.1 million for the General Fund, and an additional \$460,000 to \$480,000 in operating expenses for the Road Fund.

¹ The amount of sales tax credit revenue the City of Burien would be eligible for would be dictated by, among other things, (1) the level of service (e.g. staffing) the City determines to be appropriate to accommodate annexation; (2) mechanisms the City might use to budget non-labor costs; and (3) how the City accounts for fixed costs. Regarding the latter, the City Manager’s salary is not included in any way in the *incremental* costs of annexation estimated here. However, if one were to allocate a *fair share* of such fixed costs to serving an annexed area, the picture of how much it costs to serve an annexation area would shift. To the best of our knowledge, the question of how City’s will demonstrate “need” for annexation sales tax credits have not been fully fleshed out.

Exhibit 2: Estimated Operating Revenues and Costs (General Fund)

Revenues	Option 1	Option 2	Option 3
Property Tax	1,245,000	1,298,000	1,182,000
<i>Taxable Assessed Value</i>	894 M	933 M	850 M
<i>Levy Rate</i>	1.39132		
Sales Tax	409,000	435,000	338,000
Sales Tax from Sourcing Rule Changes	53,000	58,000	52,000
Sales Tax Criminal Justice	267,000	292,000	259,000
Utility Taxes (Excluding Solid Waste and City Light Payments)	466,000	507,000	447,000
B&O Tax	17,000	17,000	13,000
State-Shared Revenue Distributions (Liquor Profits and Taxes)	125,000	137,000	121,000
Recreation Fees	76,000	84,000	74,000
Permits	167,000	167,000	167,000
Grants and Other Revenues	159,000	174,000	155,000
Fines and Forfeits	7,000	7,000	6,000
General Fund Total	2,990,000	3,176,000	2,815,000
Costs			
	Option 1	Option 2	Option 3
Office of City Manager		85,000	
Community Development		221,000	
Finance Administration		138,000	
Legal	338,000	370,000	328,000
Parks and Cultural Services	196,000	199,000	195,000
Public Works (General Fund)		263,000	
Police Contract¹		1,789,000	
Total General Fund Costs	3,056,000	3,064,000	3,019,000
Net Incremental Revenues	(66,000)	112,000	(205,000)
Annexation Sales Tax Credit (0.1 % of Taxable Retail Sales)	667,000	670,000	658,000

Source: Berk & Associates analysis.

Note: ¹ Police contract costs reflect the estimate provided by the King County Sheriff's Office. In absolute terms, more expansive annexation boundaries would result in greater demand for police services. However, the extent to which these changes would result in changes in police contract costs will be determined by logistics and the definition of police patrol areas. For a discussion of potential changes in police service demand, see the discussion entitled Police Services in the following discussion.

Exhibit 3: Road Fund Revenues and Operating Expenses

Revenues	Option 1	Option 2	Option 3
Gas Tax	265,954	291,044	258,427
Cable TV Franchise Fees	117,144	128,195	113,828
Seattle City Light Payment	247,207	268,918	236,858
Solid Waste	105,278	114,524	100,870
Revenues Total	735,582	802,680	709,984
Costs			
	Option 1	Option 2	Option 3
Roads Operation and Maintenance	\$470,436	\$478,485	\$463,976
Excess Road Fund Revenues	265,146	324,195	246,008

Source: Berk & Associates Analysis

DISCUSSION DRAFT: Assessment of Partial Annexations

The modeled expenditures summarized above include an estimated cost of \$1.8 million for police services. The remaining costs assume strict limitations on the number of additional positions added for non-police services. Assumed non-police staffing impacts are summarized in Exhibit 4.

In 2007, Burien's City Manager worked with each of the City's department heads to generate an estimate of staffing increases each department would need if the City was to annex the entire North Highline area (and area with a population of roughly 32,000). Resulting from these efforts, the City estimated that the City would need to add 16.05 full-time-equivalent positions (FTEs) to the General Fund and 3 additional FTEs to Public Works.

The three contemplated annexation areas represent roughly one-third of the land area of North Highline, and roughly one-third of the population. Assumed staffing levels for the contemplated annexations in the current analysis are also slightly more than one-third of the estimated staffing for the 2007 analysis of annexing the entirety of North Highline.

On a pro-rata basis, the contemplated annexation areas include relatively little infrastructure. All three annexation options include a bit more than 24 acres of parks (21% of park acres in North Highline) and few, if any, park facilities. Also, the three annexation options include only 14% to 15% of public road miles in North Highline (based on Berk & Associates' analysis of King County Road Inventory System GIS shapefiles).

Exhibit 4: Comparison of Modeled Staffing Increases to Accommodate Annexation

	Estimate for Full North Highline Annexation (2007 Analysis)	Estimate for 2008 Annexation Scenarios
City Manager's Office		
Executive Assistant	0.50	0.5
Dept Assistant - Econ Development	0.4	0
Mgmt Analyst - Econ Development	1	0
Total City Manager's Office	1.90	0.50
Community Development		
Building Inspector	2	1
Code Compliance Officer	1	0
Senior Planner	1	1
Planner	1	0
Total Comm Dev	5	2
Community Relations		
Public Information	0.25	0
HR Analyst	1	0
Records Mgmt/Deputy City Clerk	1	0.5
Total Comm Relations	2.25	0.5
Finance & Administration		
Accountant	1	0
Total Fin & Admin	1	0
Legal		
City Attorney	0.4	Treated as Contract Services
Paralegal	0.5	
Total Legal	0.9	
Parks, Recreation & Cultural Svcs		
Park Supervisor	1	0
Rec Specialists	2	1
Total Parks, Rec & Cultural Svcs	3	1
Public Works		
General Fund		
ROW Inspector	1	1
Site Dev Inspector	1	1
Total General Fund Pub Works	2	2
Total General Fund FTE Additions	16.05	6.00
Public Works Non-Gen Fund FTE's		
Street Fund		
Capital Projects Manager	1	0
Engineering Tech	1	1
Total Street Fund	2	1
Surface Water Management Fund		
Capital Projects Engineer	1	0
Total Surface Wtr Mgmt Fund	1	0
Total All FTE's	19.05	7.00

DISCUSSION DRAFT: Assessment of Partial Annexations

Burien's 2008 Budget includes nearly 50 General fund FTEs (excluding police) for providing services to a population of a bit more than 31,000 and to businesses that represent roughly 12,000 jobs. Annexation of any of the contemplated areas would increase Burien's population by more than one-third (although with a much more modest increase in commercial activity). If the City was to hire an additional 6 FTEs to accommodate such an annexation, that represents only a 12% increase in City staffing.

What all of these figures suggest is that, if the City was to pursue annexation in this manner, the City will be enjoying *substantial* economies of scale. Ultimately, however, City staff know the most about Burien's operating structure, they know better than anyone what it takes to provide services to Burien constituents, and they are in the best position to assess what resources they would need to extend services to new constituents.

Differences Among Annexation Options

From a perspective of long-term strategy, there are good reasons why Burien might want to include in its annexation all of the commercial areas around Des Moines Memorial Drive. Given Washington State's tax structure, when annexing primarily residential areas, it almost always makes sense to annex community commercial centers that serve those residents.

Beyond that common-sense finding, if one reviews the above tables and takes the estimated revenues and costs at face value, then it appears that the largest of the three annexation options is the most attractive. While revenues change in a linear fashion with the size of the annexation, many of the costs included in the estimates change little, or not at all. As modeled, all three annexation options would require the same increase of 6 General Fund and 1 Public Works FTEs. In some instances, these static staffing estimates may be realistic. In other instances, they may not.

For non-police services, the key question City decision makers must address is the question of thresholds:

Will annexing a larger area be likely to stretch City resources to a point where additional staffing must be added?

If the answer to this question is yes, then the above cost estimates must be revised to reflect new incremental costs for a more expansive annexation.

For police services, it is undoubtedly the case that a more expansive annexation would result in increased demand for police resources. The key question is: *Does the service package envisioned by the Sheriff's Office offer enough resources to annex the most expansive option? Or would the service package need to be expanded?*

Berk & Associates is not in a position to answer the above question directly. What we can say, however, is that our models for estimating police demand suggest that Options 1 and 2 bring with them increased demand over Option 3.

Over the years, Berk & Associates has developed models based on statistical analyses of 170 cities in Washington State—examining the relationship between police department staffing and fundamental characteristics of a city (type and tenure of housing, levels and type of commercial activity, etc.). Based on these relationships, we estimate that Option 1 would bring with it a 6% increase in demand

DISCUSSION DRAFT: Assessment of Partial Annexations

for police services compared with the least expansive option (Option 3). We also estimate that the most expansive option (Option 2) would bring with it 18% more demand for police services, when compared with Option 3.

These estimates reflect the reality that the more expansive annexation options include (1) areas of commercial activity, and (2) (in the case of Option 2) areas with concentrations of multifamily rental housing—two uses that typically translate into higher demand for police services. If the contemplated package for extending police services to the annexation area was to be increased by 18%, it would suggest additional police contracting costs of roughly \$320,000 (18% of \$1.8 million).

Ultimately, the relative attractiveness of these options will hinge on the logistical and threshold issues related to extending police services to these areas. If the City can extend services to these areas without needing to alter its police annexation package, then these larger annexation probably are, indeed, more attractive than the more modest Option 3. If police capacity becomes a significant issue, then it is likely that Option 1 would be more fiscally attractive than Option 2.

Other Revenue Streams

In addition to the revenue streams estimated above, if Burien annexes any of the contemplated areas, the City will be in a position to receive distributions of unincorporated Road Levy revenues collected in the area during a period of transition. Depending on the timing of the annexation, the lag between annexation and collecting of City property taxes in the annexed area can be as much as a year-and-a-half.

The good news for the City is that the County's Road levy rate is currently higher than the City's levy rate (1.61 per \$1,000 of assessed value in 2008, compared with the City's levy of \$1.39). This means that, during the interim period, the City will receive more property tax revenues from the annexation area than it would receive once the City's property tax levy kicks in (see Exhibit 5).

Our understanding of Washington statute, however, is that transferred Road Levy dollars need to flow to the City's Road Fund (and the City's General Fund would not see property tax revenues from the annexed area for some period). Depending on the City's strategy, this may mean that Burien might want to change its current policies about earmarking certain General-Fund-eligible revenues to the City's Road Fund (at least temporarily).

Exhibit 5: Road Levy Revenues Generated in Annexation Areas in 2008

Road Levy Revenues Generated in 2008	1,441,000	1,503,000	1,368,000
Road Levy Rate	1.61081		

Source: Berk & Associates analysis of King County Assessor data extracts.

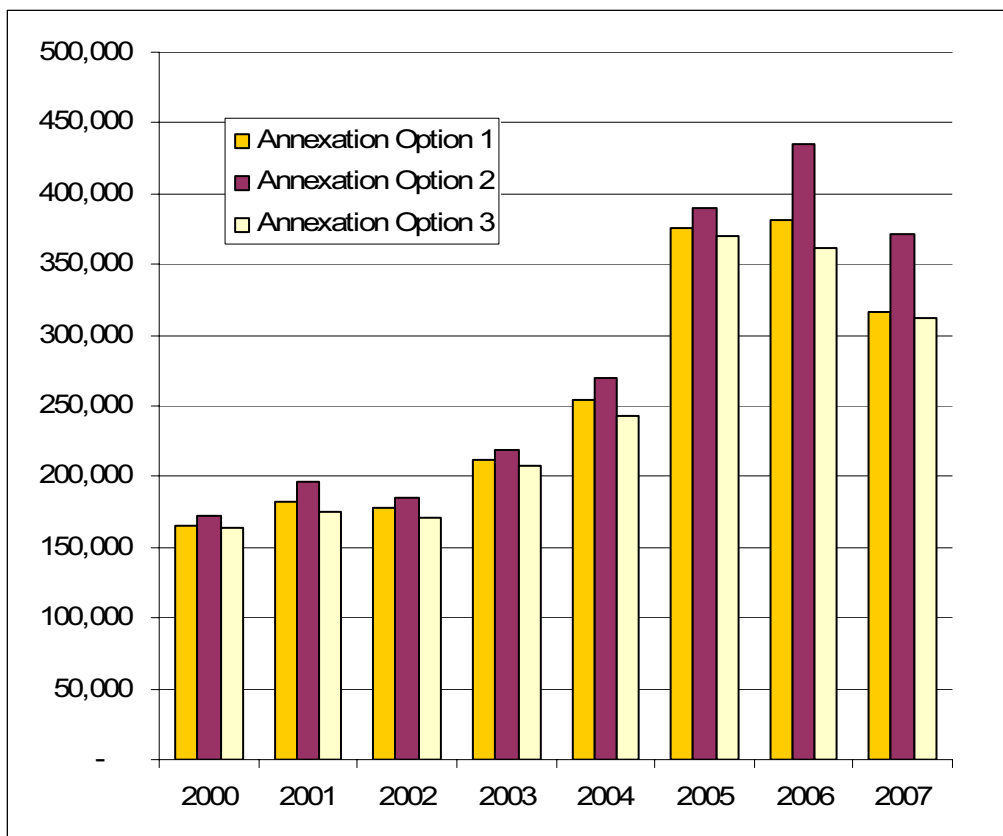
Capital Revenues (Real Estate Excise Taxes)

In addition to one-time transfers of Road Levy revenues, annexation of any of the contemplated options would result in new Real Estate Excise Tax (REET) revenues flowing to the City.

From 2000 to 2007, REET revenues generated in the annexation areas grew from roughly \$160,000 per year to more than \$400,000 in 2006 (see Exhibit 6). REET revenues tapered off a bit from 2006 to 2007, and with the current slowdown in the housing market, it is probably safe to

assume that revenue generation in 2008 will be well off the highs of 2006, but Exhibit 6 offers a good sense of what the City might expect in terms of REET revenue generation in coming years.

Exhibit 6: Real Estate Excise Tax Revenue Generated in Annexation Areas (2000 through 2007)



Source: Berk & Associates analysis of King County Assessor data extracts.

NOTES ABOUT METHODOLOGY

The revenue and cost figures presented above reflect a combination of Berk & Associates original analysis for this project, review and analysis of Burien's current 2008 Adopted Budget, interpolations/allocation of cost estimates for providing services to all of North Highline (developed during Burien's 2007 analyses), and interpolations of revenue estimates generated by King County's Office of Management and Budget (OMB).

Following are brief descriptions of methods for determining key revenue sources:

- **Property Tax** – Berk & Associate analysis of 2008 Assessors data extracts and parcel-level GIS shapefiles provided by King County. Values of personal and intercounty utility property are assumed to be equal to 2% of the value of real taxable property.

DISCUSSION DRAFT: Assessment of Partial Annexations

- **Sales Tax** – Berk & Associates allocations of King County OMB estimates of sales taxes generated in North Highline (augmented by Berk’s analysis of retail and commercial sites). In recent years, OMB has invested considerable resources to generate estimates of revenues generated in each of the County’s 10 major unincorporated urban areas, and in our estimation, OMB’s estimates reflect the best information available of where sales tax and utility tax revenues are generated in the county.

Estimates of revenues that will result from pending changes in sales tax sourcing rule changes are based on Berk’s simple assumption that the rule changes will result in a net increase of \$5 per resident in sales tax revenues.

Criminal Justice sales tax estimates are based on Berk & Associates’ analysis of recent trends in per-resident distributions of CJ sales tax distributions in King County. Based on those trends, we estimate per-resident distributions in 2008 of slightly more than \$25.

- **Utility Taxes/Cable Franchise Fees/Seattle City Light Payments** – Estimates are based on allocations of King County OMB estimates, checked against revenue generation patterns in other cities in the Puget Sound region and across the state. Estimates of City Light payments also reflect OMB’s estimate of electrical utility usage in North Highline, cross-checked against usage information developed by City Light for previous fiscal analyses.

Estimates of costs for services other than police services are based on staffing assumptions outlined in Exhibit 4, 2008 budgeted salaries and benefits for those positions, and loading of departmental non-staffing costs based on relationships between salaries and benefits and non-staffing costs for each department.

For Parks and Cultural Services, beyond the assumed staffing costs, we assumed that a 35% increase in city population would translate to a 21% increase in demand for recreation services (an elasticity of 0.6). The underlying assumption here is that many residents of North Highline probably already avail themselves of Burien’s recreational services. However, as new, official residents of the City of Burien, they can be expected to increase their usage of the City’s recreational services. This assumption translated into an assumed 20% to 22% increase in the department’s contracted costs for instructional services.

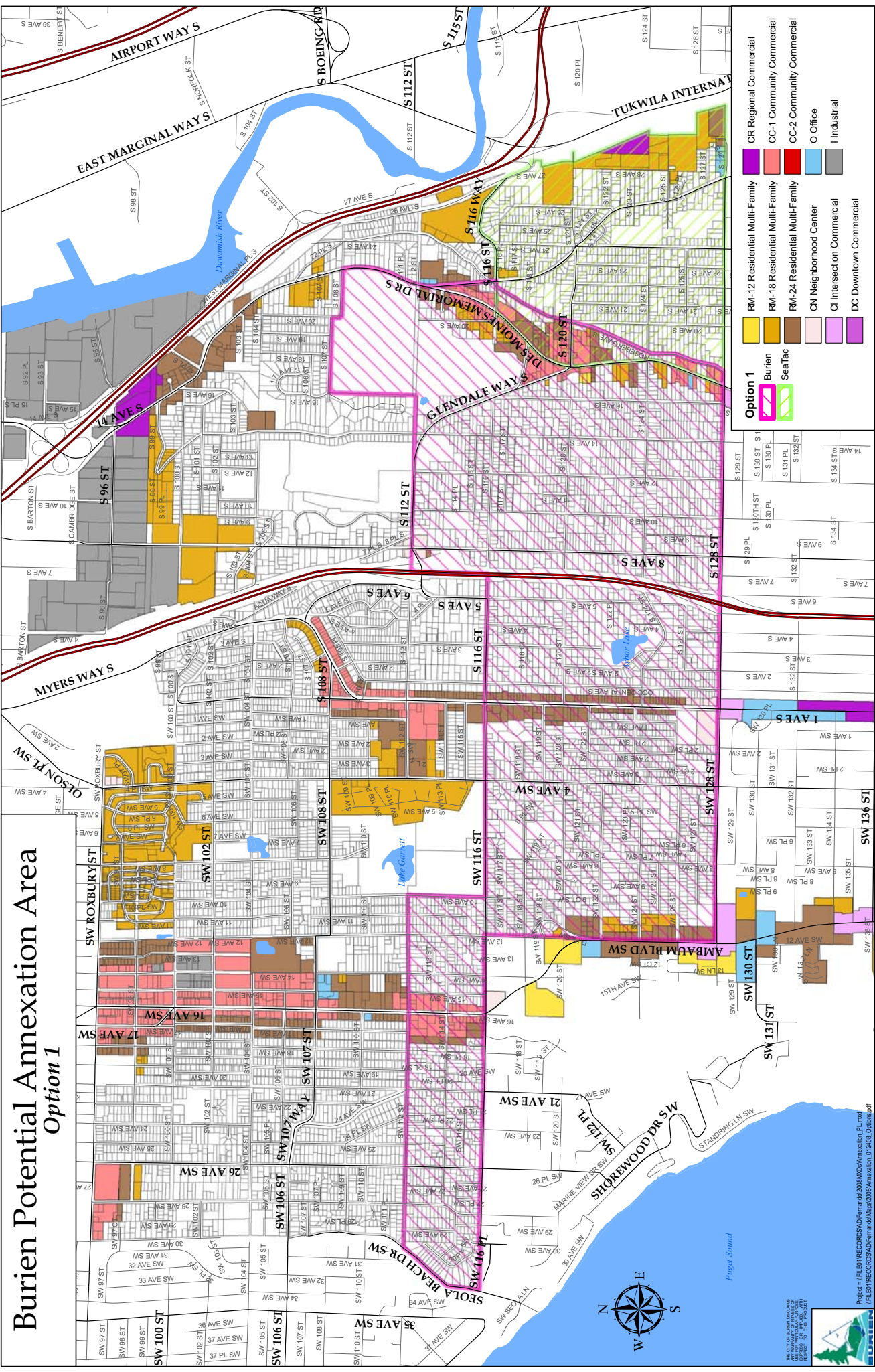
Also for Parks, we assumed a contracted cost of maintenance for the acquired parks equal to \$3,500 per acre. This figure is roughly half of the typical cost of maintaining an acre of active park acre, but reflects the reality that many of the acquired 24 acres of parkland are relatively unimproved.

Estimated Legal costs are based on per-resident costs of providing legal services based on the City’s 2008 Adopted Budget, excluding non-litigation services and 50% of litigation services. This reflects an assumption that non-residential uses drive a significant share of litigation services, and the contemplated annexation areas include few commercial enterprises.

ATTACHEMNT B

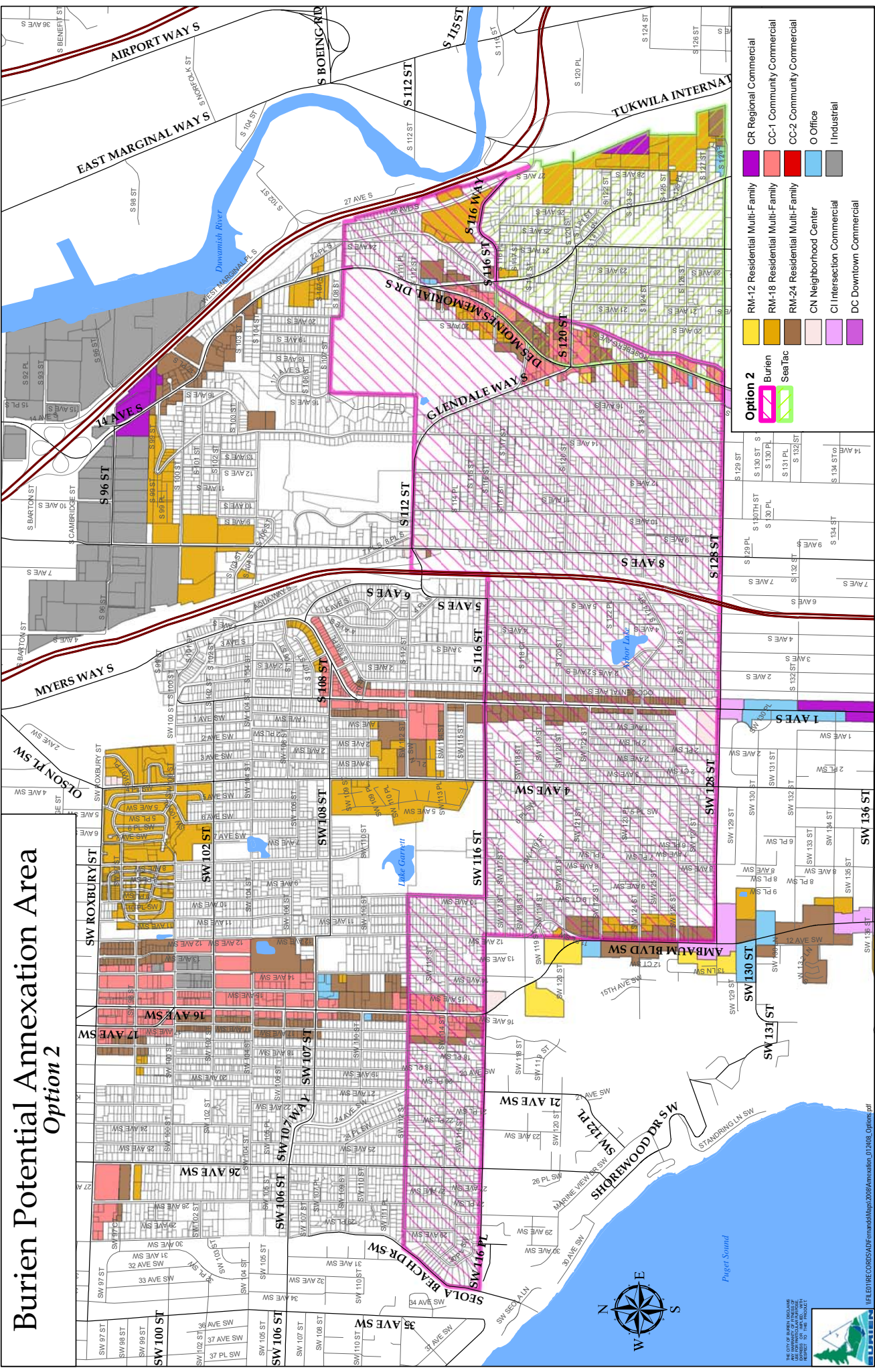
**Maps of Annexation Options
(referenced in Attachment A)**

Burien Potential Annexation Area Option 1



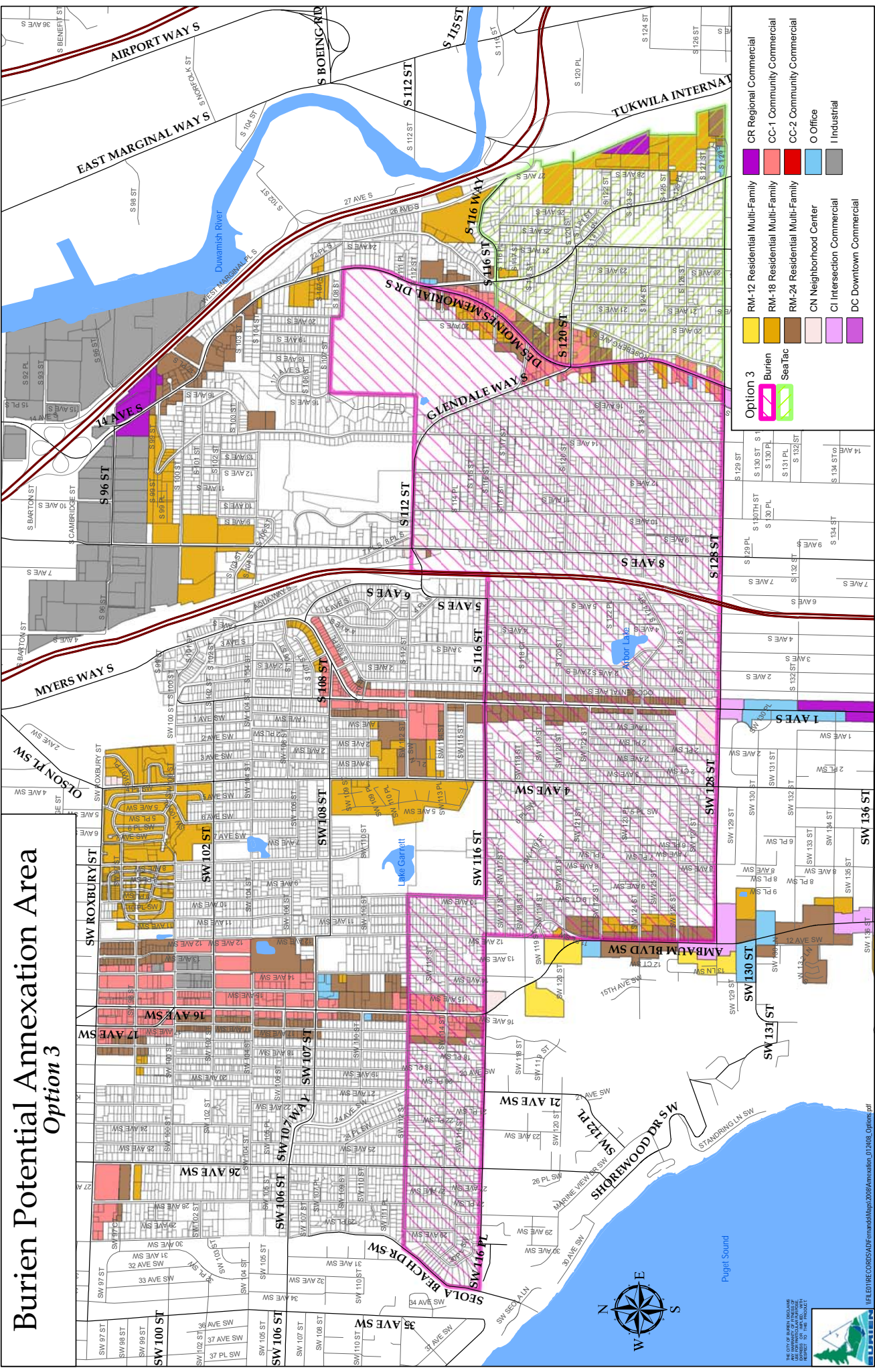
- Option 1**
- RM-12 Residential Multi-Family
 - RM-18 Residential Multi-Family
 - RM-24 Residential Multi-Family
 - CN Neighborhood Center
 - CI Intersection Commercial
 - DC Downtown Commercial
 - CR Regional Commercial
 - CC-1 Community Commercial
 - CC-2 Community Commercial
 - O Office
 - I Industrial
- Burien**
- Sea Tac**

Burien Potential Annexation Area Option 2



- Option 2**
- Burien
 - SeaTac
 - CR Regional Commercial
 - CC-1 Community Commercial
 - CC-2 Community Commercial
 - O Office
 - I Industrial
 - RM-12 Residential Multi-Family
 - RM-18 Residential Multi-Family
 - RM-24 Residential Multi-Family
 - CN Neighborhood Center
 - CI Intersection Commercial
 - DC Downtown Commercial

Burien Potential Annexation Area Option 3



- Option 3**
- RM-12 Residential Multi-Family
 - RM-18 Residential Multi-Family
 - RM-24 Residential Multi-Family
 - CN Neighborhood Center
 - CI Intersection Commercial
 - DC Downtown Commercial
 - CR Regional Commercial
 - CC-1 Community Commercial
 - CC-2 Community Commercial
 - O Office
 - I Industrial
- Burien Sea Tac**
- Burien
 - Sea Tac



FILED IN RECORDS AND INFORMATION SERVICES DIVISION
 2025/05/01 AM 10:00
 BURIED, WASHINGTON

ATTACHEMENT C:

2010 Actuals provided by the City of Burien



North Burien – 1 Year Later

Finance Department

May 2, 2011

NORTH BURIEN REVENUE

(Partial Year Beginning April 1, 2010)

GENERAL FUND	INCREASE IN \$
Property Taxes – General Govt.	\$0
Sales Taxes	\$294,000
Utility Taxes & Franchise Fees	\$340,000
Licenses, Permits & Charges for Services	\$157,000
Intergovernmental	\$211,000
Fines, Forfeitures & Misc.	\$59,000
Sales Tax Credit RCW 82.14.415	\$250,000
Total General Fund	\$1,311,000

NORTH BURRIEN EXPENDITURES

(Partial year beginning April 1, 2010)

FUND	INCREASE IN \$
General Fund	
City Council	\$0
City Manager	\$26,000
Finance	\$0
Legal	\$99,000
Police	\$885,000
Public Works	\$0
Community Development	\$0
Parks	\$124,000
TOTAL GENERAL FUND *	\$1,134,000

* The General Fund incurred approximately \$226,000 in one-time costs that are not included with the ongoing costs:

- Finance Department - \$88,000 for Calm River census studies
- Parks Department - \$138,000 for signage and furnishing in North Burien Parks