



**Agenda Planning Commission
Gig Harbor Civic Center
Thursday, August 19, 2021
5:00 P.M.**

Due to public health concerns, this meeting will be accessible to listen by using the information below:

Link to join Webinar <https://zoom.us/j/95353411299>

Call-in: (253) 215- 8782 Meeting ID: 953 5341 1299

5:00 p.m. - Call to order, roll call

Approval of Minutes: August 5, 2021

Agenda Items

I. Urban Growth Area Analysis

Other Business

Next meeting Thursday, September 2, 2021

Adjournment



**DRAFT Minutes Planning Commission
Gig Harbor Civic Center
Thursday, August 5, 2021
5:00 P.M.**

5:00 p.m. - Call to order, roll call Commissioner Hoeksema, Commissioner Krawczyk, Commissioner Grina, Commissioner Bradbury, Commissioner Soltess & Commissioner Brown
Staff; Carl deSimas Senior Planner; Kim Mahoney, Senior Planner & Michelle Thomas, Planning Technician

Approval of Minutes: July 1, 2021 Motion Krawczyk/Bradbury All in favor minutes approved as written

Agenda Items

I. Shoreline Master Program Periodic Update: Study Session – Carl de Simas/Kim Mahoney

Other Business

Next meeting Thursday, August 19, 2021 Commissioner Krawczyk will be absent, and Commissioner Bradbury will be late

Adjournment

Motion Krawczyk /Grina all in favor meeting adjourned at 6:30

**PETITION FOR ANNEXATION TO THE
CITY OF GIG HARBOR, WASHINGTON**

The Honorable Mayor and City Council
City of Gig Harbor
3510 Grandview Street
Gig Harbor WA, 98335

Dear Mayor and City Council:

WE, the undersigned, who are the owners of a majority of the acreage and a majority of the registered voters residing in the area legally described on Exhibit "A" attached hereto and is geographically depicted on a Pierce County Assessor's parcel map on Exhibit "B" further attached hereto, lying contiguous to the City of Gig Harbor, Washington (an optional municipal code city), do hereby petition that such territory be annexed to and made a part of the City of Gig Harbor under the provisions of RCW 35A.14.420-450., and any amendments thereto, of the State of Washington.

The territory proposed to be annexed is within Pierce County, Washington, and is legally described on Exhibit "A", attached hereto.

WHEREFORE, the undersigned respectfully petition the City Council of the City of Gig Harbor and ask:

- (a) That appropriate action be taken to entertain this petition, fixing a date for a public hearing thereon and causing notice of the hearing to be published in one or more issues of a newspaper of general circulation in the City and posted in three public places within the territory proposed for annexation, and shall specify the time and place of hearing and invite interested persons to appear and voice approval or disapproval of the annexation; and
- (b) That following such hearing, if the City Council determines to effect the annexation, it shall do so by ordinance, and that property so annexed shall become a part of the City of Gig Harbor, Washington, subject to its laws and ordinance then and thereafter in force.

The City of Gig Harbor Council meet with the initiators of the proposed annexation on _____. It was moved by Councilmember _____ and seconded by Councilmember _____ that the City of Gig Harbor accept the notice of intention to commence annexation proceedings and further authorize the circulation of an annexation petition subject to the following conditions:

1. All property within the territory hereby sought to be annexed shall be assessed and taxed on the same basis as property within the City of Gig Harbor is assessed and taxed to pay for the portion of any then-outstanding indebtedness of the City of Gig Harbor, which indebtedness has been approved by the voters,

contracted for, or incurred before, or existing at, the date of annexation and that the City of Gig Harbor has required to be assumed; and

2. Simultaneous adoption of proposed zoning regulations be required of the said area proposed for annexation as described in the City of Gig Harbor Comprehensive Plan adopted pursuant to Ordinance No. 686 of the City of Gig Harbor, and as implemented through the City Zoning Code, Title 17 of the Gig Harbor Municipal Code. Zoning is hereby established as _____.

This petition is accompanied by and has attached hereto as Exhibit "B", a diagram that outlines the geographic boundaries of the property sought to be annexed as depicted on a Pierce County Assessor's parcel map.

These pages are a group of pages containing identical text and prayer intended by the signers of this petition to be presented and considered as one petition and may be filed with other pages containing additional signatures which cumulatively may be considered as a single petition.

WARNING: Every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

PRAYER OF PETITION: (1) Annexation of the area described in Exhibits "A" and "B", and (2) assumption of indebtedness of the City of Gig Harbor, and (3) adoption of the City of Gig Harbor Zoning Designation of _____.

| Resident/Owner Signature | Printed Name | Address & Tax Parcel Number | Date Signed |
|-------------------------------------|---------------------|--|--------------------|
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City of Gig Harbor: Annexation Summary/FAQ

What is annexation?

Annexation is the process in which a city adds territory beyond its existing city limits. When land is annexed it becomes incorporated as part of the city. This is the primary way that a city becomes larger. A city can typically only annex areas that are located within its Urban Growth Area (UGA) boundaries, which are areas designated in cooperation with Pierce County.

What is the purpose of annexation?

Areas adjacent to city boundaries often experience rapid development. The *Growth Management Act*, or *GMA*, is a statute under state law ([Chapter 36.70A RCW](#)) designed to make sure urban services are available to urban areas with concentrations of homes and jobs. For this reason, the *GMA* requires cities to plan for future growth in specific designated areas outside of city boundaries and provides a way for the city to eventually annex these “Urban Growth Areas” into its incorporated area.

What is an Urban Growth Area?

Counties establish Urban Growth Areas (UGAs) as part of their long-range planning process. In consultation with cities, counties can designate, expand, or reduce UGA boundaries. UGAs are adjacent to city boundaries and often have significant social and economic connections to the city. Development in the county is typically steered to Urban Growth Areas to encourage continuous development, reduce costs of servicing, and provide for long-term integration into cities.

What is the process of annexation?

State law ([RCW 35.13](#)) guides the annexation process. Typically, annexations are carried out through a “direct petition” method, which require the signatures of property owners representing at least 60% of the assessed value in the proposed area.

Note that other methods exist, such as an **alternative petition** from a majority of voters and a majority of property owners by area, the **approval of a majority of voters** in the proposed area in an election, **direct annexation** of land owned by the city for a public purpose, or **annexation through an interlocal agreement** with the County. These tend to be less common in practice but may be applicable in some specific cases.

For the **direct petition** annexation process to start, written notice must be given to City Council by owners of at least 10% of the assessed value in the proposed annexation area. Once received, Council meets with the initiating parties to determine whether to accept, modify, or reject the proposal, and what other conditions would be necessary for annexation.

If accepted by Council and the County Boundary Review Board, a petition is circulated to property owners in the annexation area, which must describe the annexation proposal, including the proposed area and any conditions associated with annexation. Once signatures from owners totaling **60% of the assessed value** in the annexation area are received, the petition is provided to Council.

After the petition is received, City Council must pass a resolution to approve an annexation, and it provides the application for review to the Board. After approved by the Board, the City must pass necessary ordinances to provide for annexation, and submit an annexation certificate to the state Office of Financial Management (OFM) within 30 days of the effective date of annexation. Notice would also be provided to the state Department of Revenue, special districts, local utilities, and city departments.

What happens after annexation?

For areas annexed to Gig Harbor, the management of land use and development would change to align to existing plans and regulations. Currently, the City has outlined future land use planning and regulation as follows:

- The Gig Harbor Comprehensive Plan [Land Use Element](#) includes policies related to Urban Growth Areas and expected considerations for annexation, as well as proposed land use designations for annexed areas.
- Under [Chapter 17.88 GHMC](#), zoning is established in annexed areas by Council according to the Comprehensive Plan and recommendations from the Planning Commission. Note that the initial petition to the City may request that some areas be designated under certain zoning districts.

What are the effects of annexation?

| Effects on the City of Gig Harbor | Effects on Property Owners |
|--|---|
| <ul style="list-style-type: none"> ▪ Allows growth and infrastructure in newly annexed areas to be managed and coordinated directly. ▪ Increases tax revenues to the City, including sales and use taxes and property taxes. ▪ Increases state-shared revenues based on population. ▪ Increases the bonding capacity of the City. ▪ Increases the associated costs of providing services to the annexed area and its residents. ▪ Reduces the need to provide urban services to county residents surrounding the city. | <ul style="list-style-type: none"> ▪ Improves access to municipal services, including road maintenance and utilities. ▪ Allows for representation in City government for decisions that may already impact these areas. ▪ Reduces redundancies with service providers, and potentially increases levels of service (e.g., law enforcement). ▪ Potentially lowers costs associated with utilities and insurance premiums. ▪ Potentially improves urban utilities, which can lead to increased property values. ▪ Depending on new planning designations, potentially allows for increased development capacity and higher land values. ▪ Changes taxes and fees, including sales taxes, property taxes, impact fees, and other charges. |

Other questions about annexation

- **Where will our tax dollars be going?** Aside from local districts (e.g., school, fire, library, park), your tax dollars are paid to the County and are distributed to projects throughout the entire county. If annexed, some of these taxes would go instead to Gig Harbor and pay for projects only within the city boundaries. As Gig Harbor is a much smaller area than the county, your money would be used for projects that are closer to your home and more directly benefit you.
- **Will school district boundaries change?** No. School district boundaries are drawn independently of city boundaries. Therefore, schools will not be affected by an annexation. The same will be true of other districts, such as the fire and library districts.
- **Will this affect my property value?** Possibly. This may depend on whether you will receive better services from the City, and if City regulations would let you do more on your property. This will differ on a property-by-property basis.
- **Will school district tax rates change?** No. The taxes you pay for schools (as well as the fire and library districts) will remain the same and will continue to go to the same district.
- **Aside from school taxes, will other property tax rates change?** Possibly. While some tax rates won't change, there are differences in the rates charged by the city versus county. However, this changes from year to year based on City budgeting.
- **Will my property taxes change overall as a result of annexation?** Possibly. This will depend both on changes in property value and City taxes. However, residents of annexed areas will have more of a voice in how tax revenue is raised and spent in the City than in the County.
- **Will sales taxes change?** Yes. Currently, the City of Gig Harbor charges 8.8% sales tax, while Pierce County charges 8.0% in the areas surrounding Gig Harbor.
- **Will other revenue to the City change?** Yes. Other sources of revenue for Gig Harbor will also be impacted due to annexation, which range from user fees to external grants. The most notable change would likely be to state-shared revenues that depend on population, such as gas tax and liquor excise tax revenue. Other grant funding from state and federal sources calculated by population may also change.
- **Will impact and development fees change?** Yes. School impact fees will be consistent as they are set at the school district level. Park and traffic impact fees will change based on rates which are determined separately by the City and County. Other charges, such as infrastructure facility charges, may also differ.
- **Will I be required to hook up to public water and/or sewer?** No. You can continue to use a septic system and/or well after annexation.
- **Who will maintain the roads once they become part of the city?** Management of the maintenance and preservation of local roads would transfer from the County to the City and would be financed through local property taxes.
- **Who will be policing newly annexed areas?** Policing will be shifted from the Pierce County Sheriff's Office to the City of Gig Harbor Police Department.

- **Will I be required to put in a sidewalk in front of my house?** No. Sidewalks are only required for re-development or new development of a site. Property owners would not be required to put in sidewalks at existing residential properties. The City may install sidewalks in your neighborhood in the future.
- **If I live on a private road will that change?** No, your road would remain private.

Project Workplan Summary

This project will consist of four distinct tasks:

Task 1: Project Management & Ongoing Coordination

The project team will organize and facilitate a project kick-off meeting to review project scope, data needs, management protocols, and timelines. After this meeting, we will also set up a regular meeting schedule for coordination.

Task 2: Engagement Program Support

It is assumed for this project that City staff will lead the public engagement efforts during the development of the Annexation Feasibility Study. This effort will be supported by the BERK team, which will help facilitate the process in a largely support role.

This task is intended to cover the two different elements of public engagement involved with the development of this study:

- Broader public engagement to provide information and collect feedback from city and UGA residents and other impacted stakeholders.
- Engagement with Planning Commission and City Council to develop the overall strategy for the Comprehensive Plan.

Subtasks include the following:

Task 2.1: Develop Public Participation Plan. As part of this work, we will coordinate and implement a project Public Participation Plan. This will include work by our team to support the City in efforts to engage all stakeholders and the broader public.

Task 2.2: Support for Public Engagement. The project team will coordinate limited public engagement activities related to keeping the public informed about this process. This may include public fact sheets and FAQs, presentations, and website materials.

Task 2.3: Support for Planning Commission and City Council Engagement. We will also coordinate with the Planning Commission and City Council to inform them about the process and the need and develop a prioritization scheme for annexation of the PAAs. This may include initial reviews of information, workshop sessions to review materials and discussion research conducted, and development of approaches for prioritization.

Task 3: UGA Analysis

We will evaluate areas in the UGA for feasibility of annexation through a comprehensive assessment of current conditions and potential impacts from annexation. This is intended to provide supporting materials for the engagement process in Task 2, and present resources for City staff in ongoing efforts to manage the annexation process.

As noted above, this analysis will focus on providing the following information about the individual PAAs:

- **Current conditions**, including existing population and housing characteristics, current land uses and potential conflicts, and availability of buildable lands.
- **Required infrastructure and services**, highlighting the needs for infrastructure and services in each area to meet City standards after annexation. This will rely on existing system and capital plans and discussions with service providers/departments.
- **Fiscal impacts of annexation**, including all costs associated with annexation of individual areas for the City.

The product of this work is envisioned to be the development of a summary report, highlighting overall conditions and impacts for annexation of PAAs, as well as a summary of designated PAAs and individual characteristics of each of these areas.

Subtasks include the following:

Task 3.1: Initial Data Collection. All necessary information for the UGA analysis will be compiled, focusing on information specific to the City and the UGAs, including current and expected infrastructure and services capacity and local infrastructure needs, and fiscal data from the City necessary to evaluate impacts from annexation.

Task 3.2: Summary of Conditions. We will provide a summary of overall conditions in the Gig Harbor UGA, based on available information collected. This will include summary charts, tables, and graphics to highlight current conditions, required infrastructure and services, and major implications of annexation. These summaries will be provided at the UGA level and highlight any potential areas of concern for the annexation process.

Task 3.3: Preliminary Fiscal Impact Analysis. We will coordinate an analysis of the potential impacts of annexation. The current operating fiscal structure and the potential fiscal impact of annexation of the UGAs overall will be assessed, highlighting differences in incremental costs by area. The planning-level model will use factors in the land base (such as population, employment, commercial activity, and levels of development/redevelopment) to understand both demand for services and the tax base, this analysis can be more geographically specific, highlighting differences in costs in different parts of the Gig Harbor UGAs.

Task 3.4: Preliminary Delineation of PAAs. We will also prepare a recommended delineation of Potential Annexation Areas for use in ongoing engagement. These PAAs will be developed in coordination with City staff and will attempt to identify distinct areas that could be feasibly incorporated into the City as part of individual annexations.

Task 3.5: Review of the UGA Analysis. We will review this material with internal (and potentially external) stakeholders as necessary.

Task 3.6: Revisions and Development of Final Report. We will revise the report according to the feedback received in Task 3.5. Updates for summaries of the individual PAAs will also be coordinated based on any boundary adjustments included. The final report will also include a review of the long-term fiscal impacts of annexation, as well as recommendations for annexation priorities

Task 4: Project Documentation and Closeout

To conclude the project, materials will be provided to City staff to ensure effective ongoing support for the annexation of PAAs over time. Although this data transfer will not include our internal proprietary fiscal model, BERK will provide detailed outputs to highlight expected fiscal impacts by PAAs.

This work will conclude with a project close-out meeting, which will be intended to review and confirm the receipt of all project deliverables, discuss next steps for City staff, and review overall project performance.



Staff Memorandum

TO: Planning Commission

FROM: Carl de Simas, Senior Planner
Planning Division

SUBJECT: Gig Harbor UGA Analysis – Overview and Status

DATE: August 12, 2021

At the upcoming Planning Commission (PC) meeting on **August 19, 2021**, staff will provide an overview of current work being done to assess Gig Harbor’s Urban Growth Area (UGA). The Planning Division, assisted by BERK Consulting, Inc, is coordinating this review to provide long-term guidance to City Council on decisions related to area-wide and site-specific annexations in the coming years. At previous meetings, staff has provided a high-level overview of the project, and this will be an opportunity for a review of the project and methodology with staff and the consultant, in preparation for a more detailed discussion in October 2021 involving preliminary findings from an assessment of these areas.

As part of this work, staff, in cooperation with the consultant, are intending to do the following:

- Develop an analysis of the UGA that can identify Potential Annexation Areas (PAAs) that could be feasibly incorporated into the city in the future. This will focus on a fiscal model that can identify the financial impacts of incorporating these areas.
- Coordinate discussions with Planning Commission to provide guidance for the assessment of the Gig Harbor UGA, including additional characteristics for evaluating feasibility and considerations for prioritizing certain areas for annexation.
- Work with Council to develop policies related to long-term planning for the UGA and PAAs, including recommendations for changes to be included in upcoming Comprehensive Plan revisions
- Provide summary information on the City’s website to support ongoing engagement with different neighborhoods in the UGA.

In your packet are several documents to help guide the discussion regarding the UGA Analysis Report:

- A brief version of the Project Charter, outlining the major tasks included in the project.
- An FAQ about the annexation process and the rationale for annexation.
- A sample petition to be submitted to Council by neighborhoods interested in annexation; this is typically presented at the start of the most common annexation process.

Here is the project schedule, which may be subject to change:

| Date | Action | Notes |
|----------------------------|--|---|
| August 12, 2021 | PC Meeting: Study Session #1 | Provide for an initial discussion and review of the project, including assumptions and intended outcomes. |
| October 7, 2021 | PC Meeting: Study Session #2 | Review initial analysis and results, discuss additional information to be included in the UGA Analysis Report |
| October 28, 2021 | City Council: Workshop #1 | Discussion and review of report findings and conclusions, feedback provided for final report |
| December 2021 (TBD) | City Council: Review of Report | Submission of final report and opportunities for public comment. |

Should you have any questions, please contact me at your convenience. Thank you.