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West Hill Governance Alternatives Assessment

WEST HILL



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RENTON



Presented to the
West Hill Governance Alternatives Task Force
October 2005



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WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Executive Summary

INTRODUCTION

The unincorporated area of West Hill has four choices for provision of local government services:

1. Remain an unincorporated area in King County;
2. Incorporate as a new city;
3. Annex to Seattle; or
4. Annex to Renton

In theory, West Hill does have a fifth alternative: *Annex to Tukwila*, but when approached, the City of Tukwila indicated that they were unwilling to consider annexation.

In January 2005, the King County Executive's Office contracted with Berk & Associates (a consulting firm) to provide assistance to the West Hill Governance Alternatives Task Force. Berk & Associates' role was to assist the Task Force in assessing the four alternatives that are available to the West Hill area. This report summarizes the approach, activities, and findings of that assessment.

Berk & Associates' charge in assisting the West Hill Task Force was threefold:

1. Assist the Task Force in collecting information about the governance issues West Hill residents and businesses care about most, and their goals and desires for their community's future;
2. Assist both the Task Force and the public in understanding what governance alternatives would mean in terms of taxes, services, and the ways in which West Hill would relate to its provider of governmental services; and
3. Assist the Task Force in making connections between what West Hill residents and businesses *want* and what residents *would be likely to get* if the area were to pursue any of the four governance alternatives.

Ultimately, the goal of the Task Force was to arrive at a recommendation about (1) what governance option will best achieve West Hill's goals and desires and (2) what steps the West Hill community should take next, if any, to try to pursue the Task Force's recommended path.

UNDERSTANDING WHAT THE WEST HILL COMMUNITY VALUES

During the Governance Alternatives Assessment process, Berk & Associates and the Task Force pursued two phases of community outreach.

The first phase, which took place during March of 2005, was a series of neighborhood meetings throughout the West Hill community. The goal of these March meetings was to get an understanding, early in the governance study, about what public services are most important to residents.

Coming out of these meetings, the understanding gained during the discussions was used to guide analysis and data collection, to ensure that the information provided to the Task Force and West Hill residents directly addressed the issues West Hill cared most deeply about.

During the second phase, Berk & Associates and the Task Force hosted a community forum on May 25th, at Dimmit Middle School. The goals of the community forum were (1) to provide residents answers to the questions they had posed in the March neighborhood meetings and (2) to solicit additional community feedback regarding community preferences and priorities. These preferences and priorities have been used to inform the Task Force recommendations concerning governance alternatives.

What Does the Community Care About?

Overall, the West Hill community values the area as both a place and a community. Residents care a great deal about their library and their fire district. They also feel strongly that high quality police services are important, actions that would undermine property values should be avoided, and low taxes are important. Finally, people would like to see West Hill's commercial center improved so that it can offer more services to a larger portion of the community.

While many people expressed strong opinions about dollars and cents issues like taxes and property values, at the core of most comments and discussions was a deep-seated affection for their community. An overarching theme in the neighborhood meetings and the community forum was a sense that residents cared about West Hill as a place to live, and they carried with them a sense of loyalty towards their community and a strong interest in preserving its quality-of-life. One manifestation of residents' loyalty and sense of stewardship was their attitude about the Skyway Library. People of all ages were dedicated to Skyway Library because it is *their* library and because of what it provides: a positive public space for the community.

GOVERNANCE ALTERNATIVES

Incorporation

Is Incorporating as a New City of West Hill Financially Feasible?

The short answer to this question is: ***probably not***. While this alternative would provide the greatest level of local control over future decisions affecting the community, it does not appear to pass the financial feasibility test. As an area with only a modest tax base, and relatively high

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

demands for costly services like public safety, a City of West Hill's revenues would probably not be sufficient to provide necessary services at a level that would meet the community's desires or expectations.

To clarify the baseline question about incorporation feasibility, the analytic team asked a hypothetical question:

If West Hill were an existing city in 2005, would it have sufficient revenues, given existing tax rates, to pay for the levels of service it now receives?

The answer to this question is: *No*.

At current tax rates and current levels of service, revenues for a City of West Hill would fall short of the City's day-to-day costs of service by \$1.75 million per year.

The principal costs a City of West Hill would face include Public Safety (with an estimated cost of \$3.5 million) and General Government, which includes staffing of City Hall for functions like the City Administrator, City Clerk, Finance, and administration of Public Works.

The principal sources of day-to-day operating revenue would include property taxes (nearly \$2 million); gambling taxes (more than \$1 million); and \$460,000 in revenues distributed by the state (including local distributions of gas taxes and liquor taxes and profits).

By city standards, West Hill supports relatively few businesses, which with the exception of the two casinos, provide little tax base for a proposed city. Businesses in the area generate little in the way of taxable retail sales, and with only 1,000 estimated private sector employees in the area, options for raising revenues via business taxes or business license fees are limited.

Remain Unincorporated

If the area chooses to remain unincorporated, West Hill residents and businesses would see no change in the providers of governmental service. West Hill would continue to receive the majority of local services from King County. Fire services will continue to be provided by Fire District 20. Library services will continue to be provided by the King County Library System. And water and sewer services will continue to be provided by Skyway Water & Sewer District (for the portion of West Hill that receives sewer service).

As a small part of a very large county, West Hill residents have a limited ability to influence governmental decisions that affect most local services. In a given year, King County decisionmakers take many actions that directly or indirectly impact local services in West Hill, including decisions that affect Police, Parks & Recreation, Roads, Land Use & Planning, Stormwater, Human Services and Community Development. As residents of an area that represents less than 1% of the voting population in the county, West Hill residents face barriers when it comes to affecting decisions that directly impact their community.

On the other hand, if West Hill were to remain unincorporated, residents would maintain a great deal of local control over Fire and Water & Sewer services. Both Fire District 20 and the Skyway Water & Sewer District have district boundaries that closely coincide with West Hill's boundaries.

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT
SUMMARY REPORT

This means that West Hill residents and businesses make up virtually 100% of the each district's constituency.

Taxes

As residents of unincorporated King County, the typical West Hill homeowner pays roughly \$193 more in taxes and fees for utility services than she would if West Hill was part of Renton, but \$281 less than if West Hill was part of Seattle (see Table 1).¹ In terms of a trend, taxes in unincorporated West Hill have increased faster in recent years than they have in Renton or Seattle.

From 2000 to 2005, a selected West Hill homeowner with a house valued at \$225,000 (in 2005) saw her total property tax payment increase by 41% (more than \$800). An owner of an equivalent home in Renton saw her overall property tax payments increase by 33% and the equivalent homeowner in Seattle saw her payments increase by an even lower 22%.

Table 1: Taxes and Costs of Service for a Typical West Hill Homeowner

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
Monorail Tax**	--	\$238	--
TOTAL	\$2,944	\$3,248	\$2,940
Difference vs. Unincorporated		Increase \$304	Decrease (\$4)
Service Costs			
Surface Water Fee	\$91	\$122	\$65
Water & Sewer Charges	\$901	\$923	\$901
Solid Waste Collection Charges	\$324	\$248	\$161
TOTAL	\$1,316	\$1,293	\$1,127
Difference vs. Unincorporated		Decrease (\$23)	Decrease (\$189)
GRAND TOTAL	\$4,260	\$4,541	\$4,067
TOTAL COST DIFFERENCE		Increase \$281	Decrease (\$193)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

¹ The higher tax burden as part of Seattle is based on an assumption that, if annexed to Seattle, West Hill residents would be required to pay the Monorail vehicle excise tax. See the note following Table 9 for discussion of this issue.

Level of Service

What should West Hill residents and businesses expect to happen to service levels if the area remains unincorporated?

Unless King County gets authority to increase taxes in unincorporated areas, departments that are providing services that are funded out of King County's general fund will all face significant fiscal pressure to reduce expenditures in urban unincorporated areas like West Hill. (This includes the Sheriff's Office, Parks, Human Services, Land Use & Planning, and Economic Development.) The principal factor causing this fiscal pressure is the effect of the 1% limit on property tax revenue growth enacted by voters when they passed Initiative 747 in 2001. The new 1% limit restricts property tax revenue growth to 1% plus the value of new construction. The previous limit was 6% and was established through state legislative action.

King County's general fund is where most of the revenues are collected by the county to pay for day-to-day operations. From 2002 to 2005, King County expects that general fund revenues will have increased at a rate of 2.7% per year. At the same time, the basic costs of providing services have increased at more than twice that rate. The County estimates that, in order to maintain 2002 staffing levels and levels of service in 2005, King County would have needed an additional \$137 million in general fund revenues in 2005 (25% more than the County actually received).

It is difficult to say which services may be cut or reduced in unincorporated areas as available revenues continue to lag behind growth in the cost of public services. Those decisions must be made each year through the County's budget adoption process. However, until the County is able to fully address its structural deficit, the County will be forced to make cuts across all of its service areas, including services to local urban unincorporated areas like West Hill.

What about other services?

For services that are not funded out of King County's general fund, service levels are likely to fare better. Special service districts like the fire and library district have their own property tax levies. In part because of voter approved levy-lid lifts, revenues from these levies have grown in recent years (part of the reason West Hill residents have seen rapid increases in property taxes).

ANNEXATION

Residents of West Hill cannot simply *choose* to annex to an adjacent city. Rather, the decision to annex must be mutual; both the annexing City and annexation area residents must actively choose to pursue annexation. Presumably, if the recommendation of the West Hill Governance Alternatives Task Force is to pursue annexation, an accompanying recommendation will be for West Hill representatives to begin a dialogue with the potential annexing city.

West Hill as a Neighborhood in Seattle

As part of the City of Seattle, the neighborhood of West Hill would comprise roughly 2% of the City's population of nearly 600,000. West Hill residents would be constituents in the dominant city in Washington State and the Northwest.

West Hill is nine to ten miles southeast of downtown Seattle, which would make it the furthest neighborhood from Downtown. Given Seattle's large population, the addition of West Hill would

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

do little to change the City's center of gravity, which in terms of population, lies north of downtown in the South Lake Union neighborhood. On the other hand, as a part of the state's largest city, West Hill would have the advantage being a part of a city with substantial resources—where it would compete with 38 other city neighborhoods for neighborhood resource allocations.

As a geographically dispersed city, a number of Seattle's outlying neighborhoods fall within the orbit of adjacent cities. With its proximity to Renton, West Hill would be one such neighborhood. West Hill would continue to be part of the Renton School District, and many West Hill residents would continue to shop and play in Renton.

West Hill as a Neighborhood in Renton

If West Hill were part of the City of Renton, the neighborhood of West Hill would represent 20% of Renton's entire population. With a population of roughly 70,000 (2005), the new, larger City of Renton would jump from the 14th most populous city in the state to the 12th.

If West Hill became part of the city, Renton's center of gravity (for population) would shift about a half mile to the northwest. Renton's current center of gravity lies in a residential neighborhood to the east of I-405 (roughly at the intersection of NE 4th and Edmonds Avenue NE). With a neighborhood of West Hill, the center would shift to the west of I-405, to the city's commercial center (the PACCAR plant).

In effect, annexation of West Hill would more closely align Renton's city boundaries with the practical boundaries that describe how Renton functions as a place. As a neighborhood in Renton, West Hill would strengthen already-established connections with the city. Most of West Hill is part of the Renton School District, and according to information provided by participants in neighborhood forums, many of West Hill's residents already shop and play in Renton on a regular basis. Under annexation to Renton, Renton would leave the Skyway Water & Sewer district in place, which would maintain West Hill's local control of that service.

Key Issues

Taxes

As noted previously, if West Hill was part of Renton in 2005, a typical homeowner in West Hill would have faced \$190 less in taxes and utility costs. If West Hill was part of Seattle, that homeowner would have faced tax and utility costs that were roughly \$280 higher due largely to the impact of the Monorail tax (see note accompanying Table 9 on page 23 for a discussion of uncertainty regarding application of the Monorail tax to annexed areas).

Fire Service

If West Hill annexes to Seattle or Renton, the Seattle or Renton fire departments will take over provision of fire and emergency medical services (EMS) in West Hill. Facilities, equipment, and full time fire district staff would be absorbed into Seattle or Renton's department.

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Unlike Seattle or Renton, Fire District 20 augments its full time staff with part time volunteer staff. These volunteer staff would probably not be absorbed into the Renton or Seattle departments upon annexation.

Fire District 20 has two fire stations: **Skyway Fire Station** and **Bryn Mawr Station** near Lake Washington. Bryn Mawr Station is old (built in 1942 and never upgraded), is only staffed in the evening by volunteers, and is viewed by both Seattle and Renton as unnecessary for effective provision of fire and EMS services. Both Seattle and Renton would be likely to close Bryn Mawr Station if they were to annex the area, concentrating instead on providing fire and EMS service to the West Hill area from larger and more modern Skyway Station.

It is unlikely that West Hill residents would see a dramatic difference in response times if the area were to annex to either Seattle or Renton. Closure of the Bryn Mawr Station would mean that responses would no longer originate out of that station (in the evening when it is staffed), which would result in slightly longer travel times for calls in portions of Bryn Mawr during evening hours. Ultimately, however, the Bryn Mawr and Skyway stations are less than a mile apart, and no part of Bryn Mawr is more than a mile and a half from the Skyway Station.

Library Services

West Hill currently receives its library services from the King County Library System (KCLS), a district which operates the 5,100 square foot Skyway Library. Skyway's existing library was built in 1970, and as part of KCLS's recently approved capital bond, the district has plans to build a new 8,000 square foot library in Skyway, with construction beginning in 2011.

If West Hill were to annex to Seattle or Renton, the annexing city would take over provision of library services in the area.

Renton currently has two city libraries and indicates that they would take over operation of the Skyway library, increasing the number of City libraries to three.

The City of Seattle has an extensive library system, with the newly constructed Seattle Central Library and 27 neighborhood branches. Seattle Libraries has indicated that they would be likely to close the West Hill library and seek to provide library services to West Hill through the system's other branches (the nearest being the Rainier Beach Branch).

The KCLS Bond and Construction of the New Library

King County Library System voters recently approved a library capital bond levy. For 2006 through 2011, the new KCLS bond levy will be combined with the 1988 bond levy (which will expire in 2011). Even if West Hill annexes to Seattle or Renton and property owners are no longer in the Library District, taxpayers in West Hill must continue paying property taxes for the bond levy through 2022. (The bond levy in 2006 is expected to amount to slightly less than \$20 for a \$225,000 house.)

If West Hill annexes to Seattle or Renton, and thus leaves the Library District, KCLS will not be legally required to build the Skyway Library now slated to begin construction in 2011. Since Renton has stated that they would want to provide library services in West Hill (if the City annexed the area), the City indicates that they would try to negotiate an agreement with KCLS to get the new library built.

Parks, Recreation, and Community Services

Both Renton and Seattle spend a great deal more providing parks, recreation, and community services than does King County. King County reports that it currently spends less than \$5 per resident on parks and recreation services in West Hill, while Renton reports that it spends \$126 per resident and Seattle reports expenditures of \$184. Annexation to either city would result in a substantial increase in parks and recreation services.

Both Renton and Seattle would probably increase substantially the level of maintenance of Skyway and Bryn Mawr parks and extend their existing recreation programs to the West Hill. Staff at the City of Renton have indicated that the City would make use of all of West Hill's elementary schools to host a full slate of youth programs and community services activities (a relationship between the City and Renton Schools that is well established now within city boundaries).

WHAT DID RESIDENTS SAY ABOUT THEIR PREFERENCES?

At the May 25th community forum, after having a brief opportunity to learn about the alternatives, 120 community members completed a comment form.

Participants were asked to rank their current governance preferences from 1, most desirable, to 4, least desirable. Overall, 60% of respondents picked annexation as their first choice (favoring Renton over Seattle by a ratio of nearly 4 to 1) 38% preferred remaining unincorporated, and 1 person chose incorporation.

Table 2: Governance Alternative Preferences of Respondents Who Indicated a Preference

	Unincorporated	Incorporate	Renton	Seattle
Governance Preferences	43	1	53	15
Percent of Total	38%	1%	47%	13%
Average Score	1.37	2.94	1.14	2.31

Source: Community Forum Respondents

Among respondents, 79% picked annexation to Renton as their first or second choice, 68% picked remain unincorporated as their first or second choice, and 28% ranked annexation to Seattle in their top two choices.

WEST HILL GOVERNANCE OPTIONS ASSESSMENT SUMMARY REPORT

Table of Contents

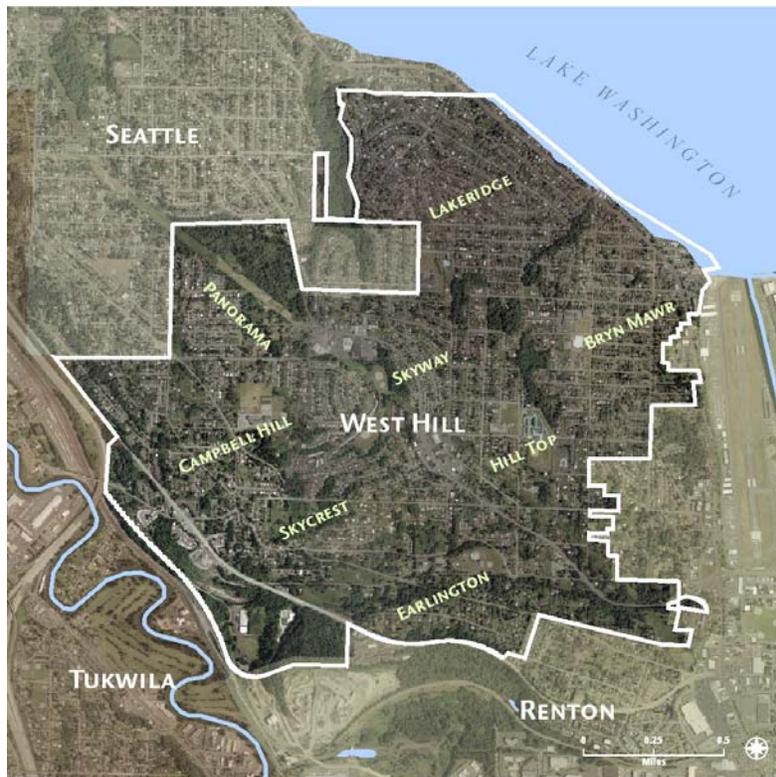
West Hill Characteristics	1
Public Outreach	5
The Community Outreach Process	5
Publicity	5
Phase 1—Neighborhood Meetings	6
Phase 2 - Community Wide Open House Forum	7
Incorporation	13
Is It Financially Feasible for West Hill to Incorporate as a New City?	13
How Would a City of West Hill Compare to Other Recently Incorporated Cities?	14
What are the Key Factors Affecting Feasibility?	15
Property Tax Revenues Are Likely to Erode Over Time	16
Could a City of West Hill increase taxes?	17
Could a City of West Hill Decrease service levels	18
Annexation	21
Taxes and Costs of Service	22
How Might Tax and Cost Burdens Change Over Time	24
Business Taxes	24
Would Higher Business Taxes Harm West Hill’s Prospects for Economic Development?	24
What About West Hill’s Casinos?	25
Approach to Service Provision	25
Levels of Service	26
Key Level of Service Issues	27
Relationship to City	27
Fire Protection	27
Library Services	28
Parks, Recreation, and Community Services	29
Police Services	29
Community and Economic Development	30
Remain Unincorporated	33
Taxes and Costs of Service	33
Levels of Service	34
What Is King County’s Annexation Initiative?	35
APPENDICES	
Appendix A: Governance Profiles and Frequently Asked Questions	
Appendix B: Incorporation Feasibility Assumptions About City Hall Staffing	
Appendix C: Tax Burden and Level of Service Detail	
Appendix D: Community Outreach Tools	

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

West Hill Characteristics

West Hill is an urban unincorporated area at the south end of Lake Washington bordered by the cities of Seattle, Tukwila, and Renton. The area is roughly 2.25 miles from east to west, and slightly more than 2 miles from north to south. West Hill encompasses the neighborhoods of Bryn Mawr, Lakeridge, Skyway, Earlington, Campbell Hill, Panorama, Skycrest, and Hilltop.

Figure 1: West Hill Boundary and Neighborhoods



Source: Berk & Associates

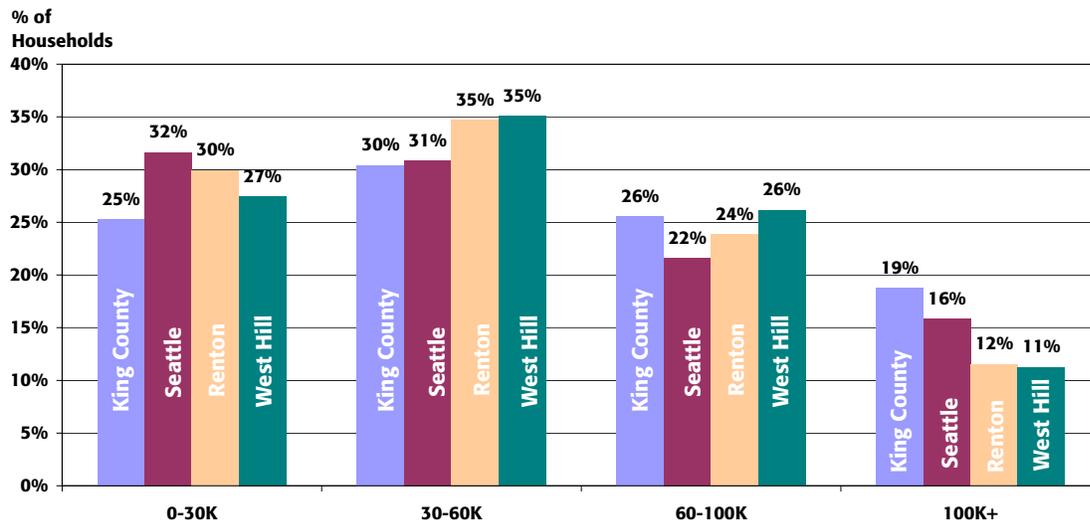
POPULATION AND DEMOGRAPHICS

The West Hill population today is estimated to be about 13,900; an increase of 400 persons since the last Census in 2000. The area population has grown annually by about 0.5%, which is slightly lower than the King County average (0.7%) but faster than neighboring Seattle (0.4%).

Income

Figure 2 shows that West Hill has a higher proportion of households in middle-income categories (making between \$30K and \$100K annually) compared to King County and the neighboring cities of Seattle and Renton. West Hill has about the same concentration of lower-income households (\$30K or less) as the county average but less than Seattle or Renton. In the highest income category (\$100K+), West Hill and Renton have comparable percentages (11-12%) while Seattle and King County have higher proportions of high-income households.

Figure 2 : Percentage of Households by Income Category, 2000

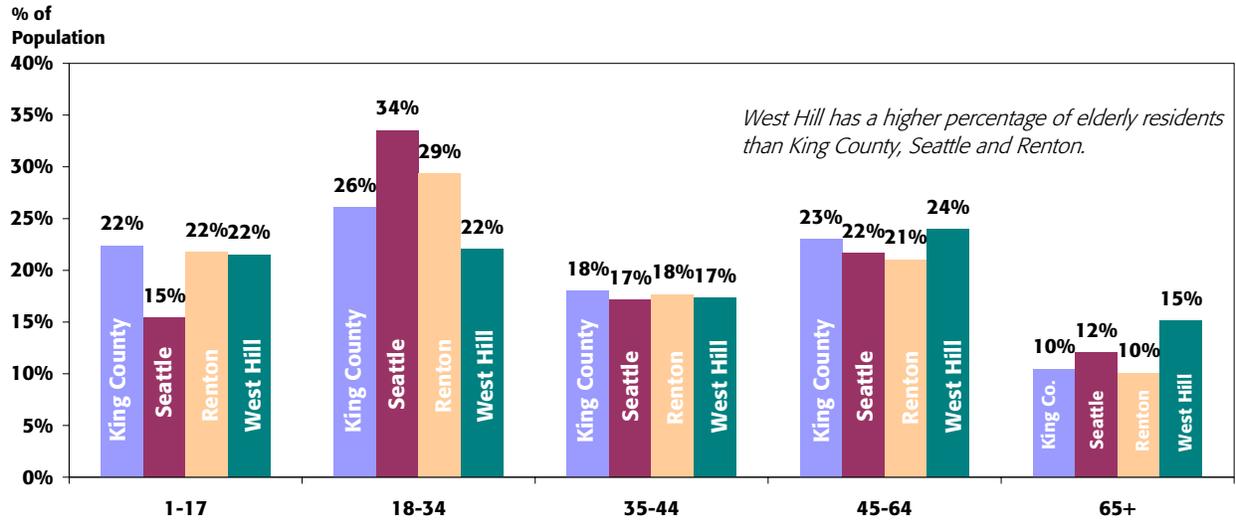


Source: U.S. Census Bureau, 2000

Age

In 2000, West Hill had a larger share of older residents and a smaller share of young adults than did King County, Seattle, or Renton. Roughly 15% of West Hill residents were over the age of 65 and 24% were between the ages of 45 and 64 (see Figure 3).

Figure 3: Percentage of Population by Age Category, 2000

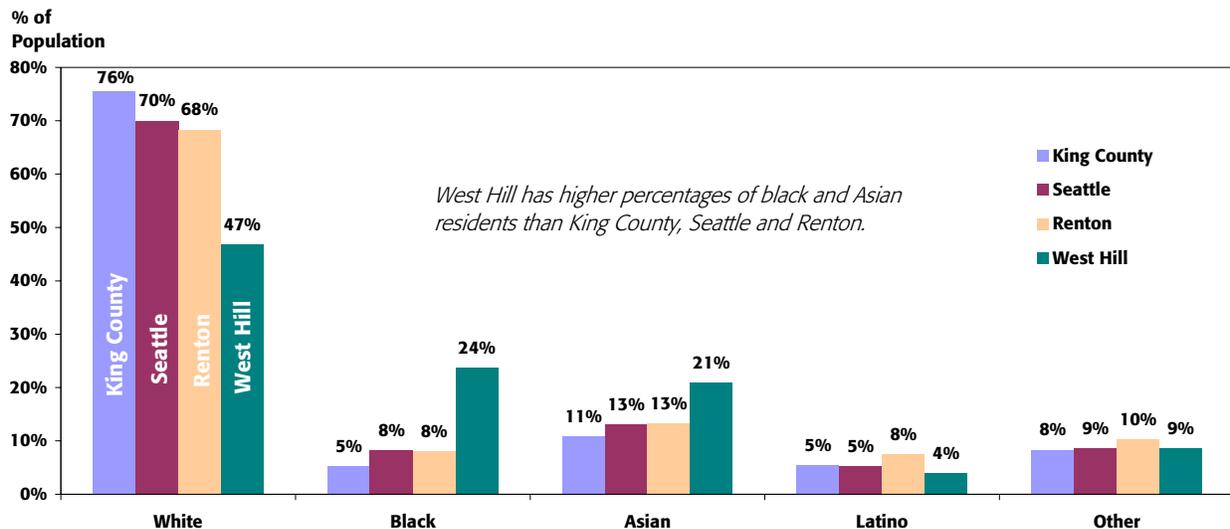


Source: U.S. Census Bureau, 2000

Race

West Hill is a racially diverse area, which is reflected in Figure 4. In 2000, the percentages of residents that were black (24%) and Asian (21%) were much higher than the concentrations seen in King County, Seattle, or Renton. In contrast, only 47% of residents in West Hill were white, much lower than the County and neighboring cities that all had percentages around 70% or higher.

Figure 4: Percentage of Population by Race, 2000



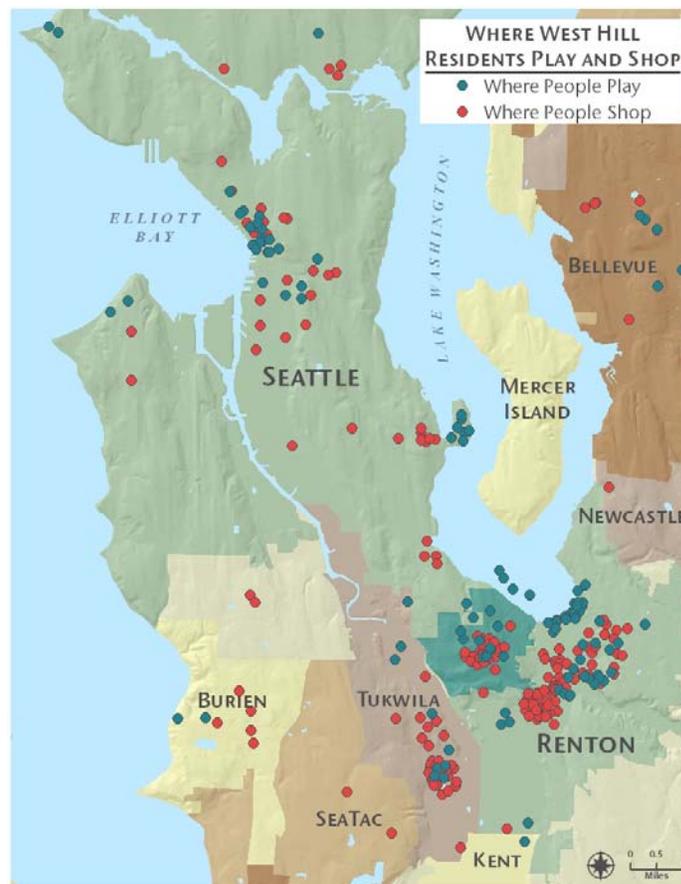
Source: U.S. Census Bureau, 2000

WHERE RESIDENTS WORK, SHOP, AND PLAY

Patterns in the activities of West Hill residents were assessed using data gathered at four neighborhood meetings in March, 2005 (the meetings are described in greater detail in the next section). Meeting attendees were asked to indicate on maps where they worked, shopped, and recreated. These general patterns of activity provide a useful context for considering community cohesion and levels of affinity for neighboring cities.

Figure 5 shows the distribution of where West Hill residents shop and play. Overall, shopping and recreation activities were concentrated in a few areas including Renton, West Hill, Tukwila, and Downtown Seattle. A large majority of residents indicated that they do their shopping in Renton with smaller concentrations indicating that they shop in Tukwila and West Hill (attendees were free to indicate as many shopping different shopping destinations as they wanted). The recreation activity patterns are more spread out with concentrations of activity in and along Lake Washington, in Renton, and in Downtown Seattle.

Figure 5: Where West Hill Residents Play and Shop



Source: West Hill Neighborhood Meetings, March 2005

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Public Outreach

THE COMMUNITY OUTREACH PROCESS

During the Governance Alternatives Assessment process, Berk & Associates and the Task Force pursued two phases of community outreach.

The first phase, which occurred during March of 2005, was a series of neighborhood meetings throughout West Hill. The goal of these March meetings was to get an understanding, early in the governance study, about the list of governance issues and public services that are most important to residents. The understanding gained during these meetings was used to direct later analysis and data collection to ensure that the information provided to the Task Force and West Hill residents addressed the things West Hill cared most deeply about.

In the second phase, Berk & Associates and the Task Force hosted a community forum to inform residents about the implications of governance alternatives and to solicit feedback regarding community preferences and priorities. Indications of community preferences and priorities helped to steer the Task Force when it came to formulating their recommendations concerning governance alternatives.

Publicity

The following efforts were made in February and March to advertise the Neighborhood Meetings and again in April and May to advertise the Community Forum:

- Task Force members placed signs around the community and distributed fliers in their own neighborhoods.
- Berk & Associates staff distributed over 4,000 fliers and posters announcing the meetings throughout the West Hill community, including to businesses in Skyway, Renton and Seattle, community centers, and the Task Force members for distribution.
- Fliers were distributed through the Renton School District to students in the West Hill area and Renton High School.
- Neighborhood churches were contacted and several pastors included the forum announcement in their services.
- Local social service agencies and libraries agreed to have fliers on hand.
- The Greater Skyway Business Association was contacted to help with flier distribution.
- A press release announcing the meeting dates was distributed to all local media outlets through the King County Executive's media relations office.

For the Community Forum in May, avenues listed above were augmented through four additional channels:

- An advertisement was placed in the Renton Reporter.
- All attendees of the neighborhood meetings were called and/or e-mailed with the Forum information.
- Skyway Water & Sewer District placed an insert advertising the Forum in each utility bill.
- Flyers were distributed to all major apartment complexes in West Hill.

PHASE 1—NEIGHBORHOOD MEETINGS

Neighborhood meetings were designed to gather information about West Hill residents' wishes, hopes, and dreams for their community and to gather information about their priorities for public services. Four meetings were held, grouping two neighborhoods together for each meeting: Hilltop/Skyway (March 1); Bryn Mawr/Lakeridge (March 3); Campbell Hill/Panorama (March 8) and Skycrest/Earlington (March 10).

In total, more than 140 community members participated in the neighborhood meetings and 25 surveys and emails were received commenting on the public services of most concern to the community. The Bryn Mawr/Lakeridge meeting had the highest attendance with 68 community members followed by the Campbell Hill/Panorama meeting with 33 attendees. The Hilltop/Skyway and Skycrest/Earlington meetings had 11 and 12 attendees, respectively. Several task force members and the co-chairs attended each meeting and assisted in facilitating groups and providing information.

In addition to gathering input at the meetings, flyers distributed in the community advertising the meeting contained a survey as a means for those not able to attend the meeting to provide input. Over the course of three months 25 surveys were returned.

Key Findings

Berk & Associates used the following key findings in addition to frequently asked questions to direct the governance analysis.

Common concerns and frequently asked questions included:

- Changes in levels of taxation under different governance alternatives
- Levels of Service from:
 - Police
 - Parks
 - Roads/Infrastructure
 - Economic and Community Development
 - Planning, Permitting and Zoning
- Changes in special district service providers and the implications:
 - Library
 - Water & Sewer

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

- Fire
- Schools
- Legality of casinos in Seattle, Renton, or a possible new city of West Hill
- Experiences of other recently incorporated cities
- Business taxes and ordinances under different governance alternatives
- Other non-governance issues:
 - Potential for changes in address (City) or zip code with changes in governance
 - Potential for changes in West Hill's area code
 - Potential impact on home or car insurance rates

PHASE 2 - COMMUNITY WIDE OPEN HOUSE FORUM

Overview of Community Forum

On May 25th, 2005, the West Hill Governance Alternatives Task Force hosted a Community Forum. The goals of this forum included:

1. To share with the community results of the governance alternative assessment;
2. To interact with people from the community to continue to gather information about people's priorities, issues, concerns, and desires; and
3. To give attendees the opportunity to provide written feedback through the comment form.

The information presented at the forum was designed to inform the community about the implications of four governance alternatives—remaining unincorporated, annexing to Seattle or Renton, or incorporating as a new city.

Over 190 residents participated in the open house Forum. When they arrived, participants were directed to four informational stations presenting the results of analysis of each governance alternative. Three of the four stations had four posters, each profiling one governance alternative. The fourth station had posters with frequently asked questions from the neighborhood meetings and answers to these questions. Each poster had a corresponding handout. In addition to the forum, Berk & Associates and the Task Force distributed handout packages, including the comment form, at the Skyway Library and at the Skyway Water & Sewer District headquarters. Finally, comment forms were made available for download on the Task Force website, www.westhillcommunity.com.

During the Community Forum, people from the West Hill community read the governance profiles, asked the Task Force and Berk & Associates staff questions, conversed with their neighbors, and filled out comment forms. In all, 112 comment forms were collected at the meeting, 6 more were received by mail, and two were received via e-mail for a total of 120 returned forms. Most participants reported that they heard about the meeting through the utility bill or from flyers posted throughout the community.

Overview and Summary of Findings

Generally, respondents like living in West Hill and are satisfied with most services. One respondent wrote, "I've lived in Skyway for over 20 years and I love this area." Residents'

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

priorities about a change in governance, which surfaced from the comment forms, include library, fire and police services, tax burden, and property values.

In many instances, concerns that respondents raised, or the stated reasons for their preference in governance, were based on misperceptions and/or a lack of accurate information. In summarizing responses, we have tried to point out instances where we believe an assertion is incorrect, or where respondents may be basing their stated preference on inaccurate information.

Special District Services. Respondents conveyed overall satisfaction with current levels of service in West Hill. Given possible change, they were concerned about losing King County Library System (KCLS) and Fire District 20 service. Fifteen percent of responses mentioned Skyway Library as a priority and 12% mentioned the Fire District. As a whole, respondents are extremely satisfied with both districts and feel strongly that losing service in either arena would be detrimental to the community.

Library. Some respondents said that it was absolutely necessary to keep the library on the hill because it is very important for children, and for the community as a whole. They were clear that the library is a valued community asset because it provides access to information and serves as a safe community gathering place. Also, a few respondents referred to KCLS a “nationally renowned” library system, which some believed compared favorably with other local library systems. Lastly, recognizing that West Hill residents are currently able to access Seattle and Renton public libraries in addition to KCLS, some respondents were concerned about losing access to all of these systems if annexed to Renton or Seattle. *(Such a loss of access would not occur.)*

Fire. Some respondents described the prospect of losing the fire station at Bryn Mawr as “unacceptable.” They did not want to lose service or their volunteer staff, and many think their home insurance rates would increase with the possible loss of fire station and an aid car. *(Our understanding is that residential insurance rates would not increase. Moreover, both Renton and Seattle have better fire insurance ratings than does Fire District 20.)*

Taxes. Approximately 17%, 20 forum respondents, expressed some concern over property and other tax increases from a change in governance. Of the 20 respondents, five were specifically unwilling to pay the monorail tax, while two respondents were proponents of the monorail and were inclined to pay the tax.

On the other hand, 4% of respondents said they were not especially concerned about tax rates if they were being “used for good community improvements such as park, police, fire, sidewalks, and other activities.”

Some respondents were concerned with the manner in which King County spends their tax dollars and were also skeptical of King County’s revenue shortage. They felt that if King County were more efficient, the budget crisis would be less severe. For example, one resident commented: “King County does not need additional revenue. King County administration needs to rethink the priorities and make more efficient and effective use of the revenues that are available.”

Property Values. Twelve percent of respondents were concerned that a change in governance may negatively affect their property values. Most believed that annexation to Renton would inevitably hurt their investment. *(While this issue is open to debate, it is doubtful that property values*

would be negatively affected by annexation to either Renton or Seattle. If anything, higher levels of local services, stricter enforcement to land use and building codes, and city investment in economic development in West Hill would tend to increase property values.)

Police. Respondents see room for improvement in police services. They agree that police services cannot decrease under a governance change and that the residents of West Hill must remain well-served under any alternative.

Respondents' Governance Preferences

Residents were asked to rank their current governance preferences from 1, most desirable, to 4, least desirable. If instead, respondents marked only one box with a check mark or an "x" it was considered a 1. Overall, 60% of respondents preferred annexation to Renton or Seattle over remaining unincorporated.

- 53 respondents preferred annexation to Renton; of those, 28 chose to remain unincorporated and 12 chose Seattle as a second choice.
- 43 respondents preferred to remain unincorporated; of those 28 chose to annex to Renton and 4 chose Seattle as a second choice.
- 15 respondents preferred annexation to Seattle; of those 7 chose to annex to Renton and 5 preferred to remain unincorporated as a second choice.
- One respondent preferred incorporation as a new city.

Table 3: Governance Alternative Preferences of Respondents Who Indicated a Preference

	Unincorporated	Incorporate	Renton	Seattle
Governance Preferences	43	1	53	15
Percent of Total	38%	1%	47%	13%
Average Score	1.37	2.94	1.14	2.31

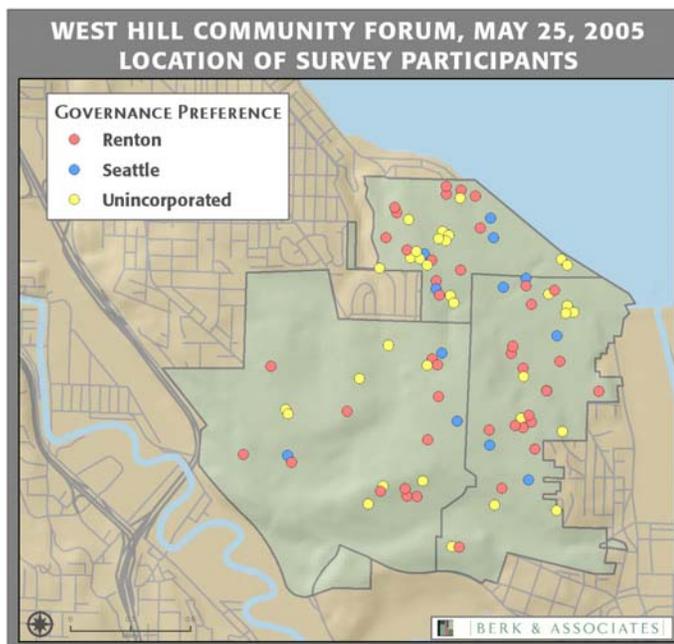
Source: Community Forum Respondents

Among all respondents 79% picked annexation to Renton as their first or second choice, 68% picked remain unincorporated as their first or second choice, and 28% ranked annexation to Seattle in their top two choices.

Respondent's Governance Preferences by Neighborhood

Figure 6 shows the location of comment form respondents (by their address as written on the comment form) and their preference for governance.

Figure 6: Respondents' Governance Alternative Preferences by Location



Source: Community Forum Respondents

Reasoning for Respondents' Governance Preferences by City

Unincorporated. Of 43 respondents who preferred to remain unincorporated, 24 felt simply that life in unincorporated King County is fine as it is. They are content with current services and prefer “known versus the unknown.” For example, one participant responded, “I am happy the way things are. I don't see a worsening of our condition.” Another noted, “don't want to change unless we have to.” Respondents are satisfied with their services, and, as noted earlier, are particularly attached to the KCLS Skyway Library, Fire District 20 stations, and the volunteer firefighter force. Respondents also appreciate the “rural feel of the area.” One participant commented that she “did not want sidewalks.” In general, respondents who preferred to remain unincorporated see no need or reason to change.

Table 4: Reasons Respondents Prefer to Remain Unincorporated

Reason Participants Prefer Remaining Unincorporated	Total Responses	
Content with current governance/services	24	56%
Don't want to be part of Seattle, Renton/Like the rural feel	4	9%
Cost	1	2%
None	15	35%
	43	100%

Source: Community Forum Respondents

Renton. Respondents favored Renton for numerous reasons, the leading reason being that they felt Renton is a natural fit for the community, both culturally and geographically (Table 5). They mentioned that they “work,” “shop,” and “play” in Renton and seven respondents specifically noted that West Hill residents “are already [served by] Renton schools.” Some respondents mentioned they felt that their neighborhood was closer to the core of Renton and was already served by the City; for example, “Earlington is already part of Renton,” and “most of Bryn Mawr is located just a few blocks from Renton, only a mile from the core of downtown Renton.”

Five respondents also selected Renton because of the potential decrease in their annual tax bill. Moreover, respondents were impressed with Renton’s work in economic development; for example, one resident commented that they need Renton’s “leadership on governance [including] economic development, and parks”.

Many respondents who preferred annexation to Renton were satisfied with their current service but felt that the King County budget problems may make a change in governance inevitable. As one respondent noted, “it appears that West Hill can no longer support itself. We would function more efficiently if annexed to Renton.” Another mentioned that “annexing to Renton seems to be the most viable alternative.”

Table 5: Reasons Respondents Prefer Annexation to Renton

Reasons Participants Prefer Annexation to Renton	Total Responses	
Natural Fit/Community Cohesion	15	28%
Liked Renton Services	12	23%
Already part of Renton Schools	7	13%
Responsible Solution	6	11%
Lower Taxes	5	9%
Increased Control/Representation	4	8%
Default/Only Option	3	6%
Economic Development	3	6%
Like a Smaller Community	2	4%
Property Values	1	2%

Source: Community Forum Respondents

Seattle. Eight of 15 of respondents who preferred annexation to Seattle said they believed property values would increase, or at least not decrease under that option. Some respondents who preferred Seattle mentioned that they “purchased a home based on it having a Seattle address” and they wanted to keep it. Three respondents noted that they identified with Seattle and felt they were already a part of the City. As one respondent commented: “Seattle is a metropolitan city - Renton is not”; and another one observed: “...there is a stigma associated with Renton in regards to being a less cultural and less valued city.”

Incorporate as a New City. Forum respondents thought incorporation as a new city was infeasible; however, a few noted that if it was feasible, the amount of local control would be preferable. “Independence” was the main reason for the one participant who preferred incorporating over all other alternatives. Two others ranked incorporation second, calling the alternative “ideal.” Local control appears to be something that is a priority to West Hill residents; however, most respondents are not interested in incorporation.

Remaining Questions from the Community

- The most frequently asked questions were “What are the next steps? When will they come?”
- Some respondents questioned the accuracy of library portion of the profiles, which they believed did not differentiate between the KCLS capital bond and the operating levy and incorrectly referred to a bond as a levy. *(See the Annexation section of the final report for more detailed discussion of the KCLS regular levy versus the bond levy.)*
- Respondents sought clarification regarding electricity providers under different governance alternatives. *(Electric service will continue to be provided by Seattle City Light under all governance scenarios.)*
- Respondents questioned if West Hill would truly remain the Renton School District in the long term. *(School district boundaries are unaffected by changes in city boundaries.)*

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Incorporation

IS IT FINANCIALLY FEASIBLE FOR WEST HILL TO INCORPORATE AS A NEW CITY?

The short answer to this question is: *probably not*.

As an area with only a modest tax base, and relatively high demands for costly services like public safety, a City of West Hill's revenues would probably not be sufficient to provide necessary services.

To clarify the baseline question about incorporation feasibility, this analysis asks a hypothetical question:

If West Hill were an existing city in 2005, would it have sufficient revenues, given existing tax rates, to pay for the levels of service it now receives?

The answer to this question is: *No*.

At current tax rates and current levels of service, the City's revenues would fall short of the City's day-to-day costs of service by \$1.75 million per year (see Table 6).

This assessment assumes that an incorporated City of West Hill would not take on provision of *fire and EMS services, library services, or water and sewer services*. (Those services would continue to be provided by Fire District 20, the King County Library District, Skyway Water & Sewer District, respectively.)

This estimate of service costs also assumes that a City of West Hill would contract with King County departments for provision of *law and justice services* (police, courts, and adult detention), and *roads* maintenance. Such an arrangement is customary in recently-incorporated cities because it means new cities do not have to make large capital investments in vehicles and equipment.

The principal costs a City of West Hill would face include Public Safety (with an estimated cost of \$3.5 million) and General Government, which includes staffing of City Hall for functions like the City Administrator, City Clerk, Finance, and administration of Public Works.

The principal sources of day-to-day operating revenue include property taxes (nearly \$2 million); gambling taxes (more than \$1 million); and \$460,000 in revenues distributed by the state (including local distributions of gas taxes and liquor taxes and profits).

Table 6: Estimates of Core Operating Costs and Revenues for a City of West Hill (2005)

<i>2005 Estimated Population</i>	13,900
<i>Taxable Assessed Value for year 2005 taxes</i>	\$1,224,293,509
<i>Levy rate per \$1,000 of assessed value</i>	\$1.60
Operation (non-constrained)	
Revenues	
Property taxes (Regular Levy)	\$1,940,000
Gambling Taxes	\$1,040,000
State Shared Revenues	\$460,000
Retail Sales tax	\$372,000
Retail Sales Tax - Criminal Justice	\$278,000
Non-Electricity Utility tax	\$280,000
Electric Utility Payment	\$170,000
Cable TV Franchise Fee	\$120,000
Permit Fees	\$130,000
Community Development Block Grant	\$80,000
State Shared Revenues - by Application	\$10,000
Total Projected General Fund Revenues	\$4,880,000
Expenses	
Public Safety (Police)	\$3,500,000
General Government	\$1,470,000
Roads Operation and Maintenance	\$610,000
Planning/Permitting	\$320,000
City Attorney and Prosecution Services	\$180,000
Parks and Recreation	\$70,000
Comprehensive Land Use Plan	\$90,000
Capital Facilities Plan	\$90,000
Human Services (Block Grant expenditures)	\$80,000
Miscellaneous	\$70,000
Operational Contingency	\$75,000
Operating Reserve Fund	\$75,000
Total Projected General Fund Expenses	\$6,630,000
	\$1,750,000

Source: Berk & Associates Analysis

HOW WOULD A CITY OF WEST HILL COMPARE TO OTHER RECENTLY INCORPORATED CITIES?

In the past dozen years, six new cities have incorporated in King County. Compared with these six cities, an incorporated City of West Hill would face substantial financial hurdles.

A city's general fund accounts for most of the revenues a city collects and most of the day-to-day operating expenditures a city incurs. The single largest general fund expenditure most cities face is for law enforcement services (including expenditures for police, jail, and courts). One quick way to judge a city's fiscal strength is to compare its general fund revenues per capita with those of other cities. For a more robust comparison, analysts will often look at the difference between cities' general fund revenues and their law enforcement expenditures.

In the case of West Hill, such a comparison highlights the financial barriers the area would face if it were to pursue incorporation. If West Hill had been an operating city in 2005, it would have collected general fund revenues of roughly \$4.7 million (or \$340 per resident). At the same time, in order to maintain existing levels of law enforcement, the City would have had to spend roughly \$3.5 million (or \$250 per resident) on law enforcement alone.

It is worth noting that some of the cities that rank above West Hill in Table 7 have faced serious financial challenges. Both Kenmore and Covington have reported that it is a challenge to generate revenues that are sufficient to meet the cities' level-of-service goals.

Table 7: General Fund Comparisons with Other Recently Incorporated Cities

	Year Incorporated	2003 Population	General Fund Revenues (per capita)	Law Enforcement Expenditures (per capita)	Remaining General Fund Revenues (per capita)
Sammamish	1999	35,930	\$636	\$100	\$536
Newcastle	1994	8,320	\$523	\$158	\$365
Shoreline	1995	52,730	\$499	\$167	\$332
Kenmore	1998	19,200	\$449	\$138	\$310
Covington	1997	14,850	\$418	\$140	\$278
Maple Valley	1997	15,370	\$396	\$132	\$264
West Hill			\$340	\$250	\$90

* Based on 2003 revenues and expenditures as summarized by the Washington State Auditor's Office. Estimated 2005 revenues and expenditures assume 3% yearly increases between 2003 and 2005.

** 2004 Figures from Covington Budget inflated by 3%.

WHAT ARE THE KEY FACTORS AFFECTING FEASIBILITY?

Most cities in Washington State rely heavily on three principal revenue sources: *retail sales tax*, *property tax*, and *business and utility taxes*. Among these important sources, West Hill is poorly positioned to generate significant revenues from either retail sales or business and utility taxes.

By city standards, West Hill supports relatively few businesses, which with the exception of the two casinos, provide little tax base for a proposed City. Businesses in the area generate little in the way of taxable retail sales, and with only 1,000 estimated private sector employees in the area, options for raising revenues via business taxes or business license fees are limited.²

Except for the two casinos, West Hill's greatest fiscal asset is the value of its real property. However, with estimated taxable assessed value of \$88,000 per capita, West Hill still ranks below most King County cities in that measure (see Table 8).

² West Hill is currently home to 334,000 square feet of active commercial buildings (i.e. commercial buildings that support significant private-sector employment. This estimate excludes churches, schools, apartments, and storage warehouses. Typically, in a place like West Hill, one would expect one employee for every 350 square feet of commercial space, which suggests that the area supports fewer than 1,000 employees in the private sector. This estimate is also supported by PSRC estimates of employment by Transportation Analysis Zone.

Table 8: Taxable Assessed Value Figures for King County Cities (2004)

	Taxable Assessed Value	Population	Assessed Value per Resident
Hunts Point	593,456,567	450	\$ 1,319,000
Medina	1,979,552,449	2,955	\$ 670,000
Yarrow Point	523,297,996	990	\$ 529,000
Clyde Hill	994,149,235	2,790	\$ 356,000
Mercer Island	6,345,660,937	21,830	\$ 291,000
Beaux Arts	70,753,648	300	\$ 236,000
Tukwila	3,373,231,785	17,240	\$ 196,000
Issaquah	3,026,104,987	15,510	\$ 195,000
Redmond	8,787,158,266	46,900	\$ 187,000
Bellevue	21,209,960,837	116,500	\$ 182,000
Woodinville	1,769,120,872	9,915	\$ 178,000
Kirkland	7,422,139,375	45,800	\$ 162,000
Sammamish	5,912,313,518	36,560	\$ 162,000
Snoqualmie	820,409,120	5,110	\$ 161,000
Newcastle	1,288,048,148	8,375	\$ 154,000
Seattle	83,480,019,346	572,600	\$ 146,000
Normandy Park	910,982,746	6,400	\$ 142,000
Bothell	4,195,710,134	30,930	\$ 136,000
SeaTac	3,274,008,104	25,130	\$ 130,000
Lake Forest Park	1,618,292,987	12,770	\$ 127,000
Algona	299,327,957	2,605	\$ 115,000
Renton	6,344,519,649	55,360	\$ 115,000
North Bend	524,048,214	4,660	\$ 112,000
Duvall	584,187,844	5,545	\$ 105,000
Kenmore	1,984,768,702	19,170	\$ 104,000
Black Diamond	403,441,518	4,000	\$ 101,000
Shoreline	5,290,466,808	52,740	\$ 100,000
Kent	8,449,061,721	84,560	\$ 100,000
Auburn	4,495,617,693	46,135	\$ 97,000
Skykomish	19,881,724	210	\$ 95,000
Burien	2,766,091,483	31,130	\$ 89,000
West Hill (2005)	1,224,293,509	13,900	\$ 88,000
Maple Valley	1,407,088,460	16,280	\$ 86,000
Carnation	151,163,978	1,895	\$ 80,000
Covington	1,188,347,421	15,190	\$ 78,000
Federal Way	6,262,874,389	83,590	\$ 75,000
Milton	444,167,578	6,025	\$ 74,000
Des Moines	2,085,218,819	29,020	\$ 72,000
Enumclaw	766,585,951	11,160	\$ 69,000

Source: Berk & Associates analysis of data from State Department of Revenue and Washington State Office of Financial Management

Property Tax Revenues Are Likely to Erode Over Time

In recent years, a series of statewide initiatives have eroded most cities' financial support from taxes and fees. From a city's perspective, the most damaging blows resulted from statewide passage of three initiatives: I-695 (ending collection of the State's motor vehicle excise tax [MVET]); I-747 (limiting the growth of property tax levies on a city's existing property to less than the rate of inflation); and I-776 (ending the collection of vehicle license fees). Combined, these

initiatives have resulted in the immediate reduction of millions of dollars of city revenues, and have set up the long-run erosion of cities' property tax bases.

In inflation-adjusted terms, I-747 limits cause property tax revenues for most cities to fall over time (particularly on a per-resident basis). I-747 limits the growth of property tax revenues to 1% per year (excluding new construction)—a rate of growth that fails to keep up with inflation. Due to compounding effects over time, erosion of property tax revenues becomes more pronounced over a number of years.

Given loss of MVET, the loss of vehicle license fees, and I-747's erosion of property tax revenues, cities in Washington State are becoming increasingly dependent on sales taxes and other taxes and fees levied on commercial activity. As an area that would have only modest property tax revenues to start with, and little commercial activity to underpin a city's fiscal balance, a City of West Hill would face substantial fiscal hurdles.

Another consideration residents should bear in mind is that an incorporated City of West Hill would be heavily dependent on gambling taxes from the area's two casinos. Typically, a city would prefer not to be heavily dependent on taxes stemming from such a concentrated source.

COULD A CITY OF WEST HILL INCREASE TAXES?

Yes, but the options are limited.

A City of West Hill could increase tax rates and generate additional revenues. Beyond the taxes included in the baseline estimate, the City of West Hill would have authority to levy utility taxes of 6% on utilities including telephone, natural gas, water & sewer, storm drainage, solid waste, and cable television service. (Utility taxes beyond 6% are possible with a public vote.) The City would also have the authority to levy business taxes and/or business license fees.

Almost all West Hill residents receive their electrical service from Seattle City Light. The City of Seattle already collects a 6% utility tax on that electrical service, which accrues to the City of Seattle. If West Hill became a city (or if the area annexed to Renton) then it is possible that the City of Seattle would agree to share a portion of those revenues. The preceding revenue estimate assumes that Seattle would agree to a 50/50 split of electrical utility tax revenues generated in West Hill.

In total, if the City were to raise taxes to the maximum allowed without a public vote, one might expect the City to increase tax revenues by as much as \$600,000 to \$800,000.

COULD A CITY OF WEST HILL DECREASE SERVICE LEVELS

The expenditures included in the baseline feasibility assessment were designed to reflect what it would cost a City of West Hill to maintain existing levels of local services. The principal day-to-day costs of the City would stem from:

- Law enforcement services (police, courts, and legal services): \$3.5 million
- General government/City Hall (city manager, city council, city clerk, finance, public works, community development, parks administration): \$1.5 million (see Figure 7)
- Roads maintenance: \$610,000

Among the three, roads maintenance and City Hall expenditures probably offer a few, limited opportunities for cost savings.

Estimated City Hall expenditures include an assumption that 15 full-time employees would staff City Hall. This is a low number compared to many cities comparable in size to West Hill. However, poorer cities across the State do maintain even leaner staffing levels in City Hall.

In regard to road maintenance expenditures, the reality is that reductions in maintenance activities are unlikely to offer long-run savings. The nature of road maintenance is such that reducing maintenance in the short term results in even more costly repairs in the future.

The greatest opportunity for cost savings would stem from reductions in police services. This possibility raises two questions:

- How much appetite would West Hill residents have for reductions in police service?
- How feasible would it be to reduce patrol staffing in the City if that meant reducing safety for residents and officers?

Figure 7: General Government Assumed Staffing and Cost Estimates

Staffing Levels and Salaries	Salary Range		FTE's *	Salary	Total
	High	Low			
City Manager	6,601	8,332	1	100,000	100,000
Director of Admin. & Fin.	5,547	6,876	1	85,000	85,000
Accountant - Senior	3,926	4,828	1	60,000	60,000
Accounting Clerk	2,412	3,001	0	35,000	0
City Engineer	4,949	6,187	1	75,000	75,000
Engineer Tech.	3,190	4,024	1	50,000	50,000
Public Works Director	5,472	6,898	1	85,000	85,000
Community Development Dir.	5,127	6,497	1	80,000	80,000
Computer Support Specialist	3,308	4,226	1	50,000	50,000
City Clerk	3,917	4,987	1	60,000	60,000
Legal Secretary	2,814	3,391	1	40,000	40,000
Administrative Secretary	2,783	3,498	1	45,000	45,000
Receptionist	2,215	2,738	1	35,000	35,000
Senior Planner	4,305	5,451	1	65,000	65,000
Parks Maintenance Supervisor	3,324	4,181	0	50,000	0
Recreation Coordinator	2,742	3,540	0	45,000	0
Miscellaneous FTE's			2	40,000	80,000
<i>Council Members</i>	<i>6</i>			5,400	32,400
<i>Mayor</i>	<i>1</i>			6,000	6,000
Total			15		948,400
Benefits					284,520
Benefits as % of Salaries			30%		
Facility Costs					56,250
Cost per square foot			15		
Square Feet per FTE			250		
Operating Supplies					94,840
Supplies as % of Salaries			10%		
Phone Expenses					15,000
Cost of phone per FTE			1,000		
Computers					19,928
Computer cost per FTE per year			1,329		
Furniture					10,975
Furniture cost per FTE per year			732		
Vehicle Lease					21,464
Number of vehicles			4		
Cost per vehicle per year			5,366		
Vehicle Operation & Maintenance					16,000
Number of vehicles			4		
Vehicle O&M cost per year			4,000		
TOTAL COSTS OF GENERAL ADMINISTRATION					1,467,377

* Full-time equivalent positions

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Annexation

The West Hill Governance Alternatives Task Force worked with King County and the cities of Seattle and Renton to collect information about governance issues to ascertain what governance in West Hill might look like if the area were to annex to either Seattle or Renton. The City of Tukwila declined an invitation to participate, suggesting that the City was not interested in annexation.

The Annexation Process

There are several ways for unincorporated areas like West Hill to annex to a city.

- 1) Residents can request consideration by the Council of the annexing city and a subsequent public vote through a ten-percent petition.*
- 2) The Council of the potential annexing city can pass a resolution requesting a vote among residents of the proposed area of annexation.*
- 3) Residents can request annexation without a public referendum by gathering signatures of landowners in the proposed area of incorporation, as long as the combined value of the property owned by the signatories' equals at least 60 percent of the total assessed value of the area.*
- 4) Residents can request consideration by the Council of the annexing city without a public referendum by filing "an intention to commence annexation proceeding" signed by owners of 10% of the acreage of the area. If the city council accepts the initial annexation proposal, the initiating parties must circulate petition including signatures of the owners of a majority of the acreage of the area and a majority of the registered voters*

For the first and second approaches, once the process has been initiated, the remaining steps are the same. For both, the next step is to submit the resolution/petition to the county's Boundary Review Board. The review board will then hold a hearing where residents and a representative of the annexing city will have the opportunity to be heard. Following this hearing, the Board will approve, disapprove, or suggest a revision to the boundaries of the proposed annexation. If approved, a vote among area residents determines the ultimate success or failure of the proposed annexation.

In contrast to two approaches outlined above, the third and fourth approaches to annexation do not ultimately require a public referendum. Under these alternatives, after initiators gather the required signatures, the question of annexation is taken up, first by the City Council, and then in a public hearing by the county's Boundary Review Board. If both bodies find in favor of the city annexing the area, annexation will move forward.

As noted previously, Berk & Associates' charge in assisting the West Hill Task Force has been threefold:

1. Assist the Task Force in collecting information from West Hill residents and businesses about the governance issues they care about, and about their goals and desires for the future;
2. Assist the Task Force and the public in understanding what governance alternatives would really mean in terms of taxes, services, and the ways in which West Hill would relate to its provider of governmental services; and
3. Assist the Task Force in making connections between what West Hill residents and businesses *want* and what residents would be likely to *get* if the area were to pursue any of the four governance alternatives

In the end, **the Task Force has made a commitment to make a recommendation** about the governance option that will best achieve West Hill's goals and desires.

In light of this commitment, regarding annexation, the Task Force collected information from Seattle and Renton on:

- Tax burden and costs of services;
- Each city's approach to governance (how would the city approach the provision of particular services in West Hill if they were to annex the area?); and
- Levels of service that each city has achieved for particular local services.

TAXES AND COSTS OF SERVICE

In 2005, a typical homeowner in West Hill will pay an estimated \$4,260 in taxes and utility fees for stormwater, water and sewer, and garbage collection.³ Reflected in this figure are all taxes that are paid on a regular basis based on where a family lives.⁴ This figure excludes costs of electrical and natural gas services, since these services will not change with a change in governance. Regardless of what residents decide about local governance, West Hill will continue to receive its electrical service from Seattle City Light and natural gas service from Puget Sound Energy.

If West Hill was part of Renton in 2005, the typical homeowner would potentially see a slight reduction in taxes and a significant reduction in the costs of utility services. Compared with the taxes and utility fees paid by residents currently, the homeowner would see total savings of \$193 per year.⁵

³ For purposes of estimating costs, the typical homeowner is assumed to have a house valued at \$225,000 (the median for houses in West Hill in 2005) and automobiles valued at \$17,000 (using the Monorail valuation schedule, which tends to overstate the true value of vehicles).

⁴ Residents pay other local taxes on a regular basis, such as retail sales tax and, indirectly, business & occupation taxes on goods and services purchased in the City of Seattle. However, those taxes are unlikely to change with a change in governance.

⁵ If West Hill were to incorporate or annex, by state law, the garbage collection contract would remain in force for a number of years. As a result, West Hill residents will not realize savings in garbage collection rates until the current franchise contract expires and a new contract is negotiated by the city.

If West Hill was part of Seattle, the typical homeowner would pay significantly more in taxes—largely due to Monorail taxes, but would see lower costs of utility services. Combining the two effects, the net result would be an increase in costs of \$281. (See the note below Table 9 for a discussion of uncertainty that exists around application of the Monorail tax.)

Table 9: Taxes and Costs of Service for a Typical West Hill Homeowner

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
Monorail Tax**	--	\$238	--
TOTAL	\$2,944	\$3,248	\$2,940
Difference vs. Unincorporated		Increase \$304	Decrease (\$4)
Service Costs			
Surface Water Fee	\$91	\$122	\$65
Water & Sewer Charges	\$901	\$923	\$901
Solid Waste Collection Charges	\$324	\$248	\$161
TOTAL	\$1,316	\$1,293	\$1,127
Difference vs. Unincorporated		Decrease (\$23)	Decrease (\$189)
GRAND TOTAL	\$4,260	\$4,541	\$4,067
TOTAL COST DIFFERENCE		Increase \$281	Decrease (\$193)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

Note: The City of Seattle reports that it is not clear whether the monorail tax would be extended to annexation areas upon annexation. The City has requested an Attorney General opinion on the issue, with the questions focusing on the state statute that enables the monorail taxing authority (the current statute does explicitly address the question of annexed areas). However, even if the Attorney General was to find that the monorail tax would not be applied to annexed areas under current law, the Seattle Monorail Project (SMP) could request clarifying language from the State Legislature authorizing extension of the tax. Given the funding hurdles that SMP faces, if the Monorail project goes forward, and if West Hill were to annex to Seattle, it would be reasonable to expect SMP to seek to extend its tax to West Hill.

If the Monorail tax did not apply to annexed areas of Seattle, and the State Legislature did not add statutory language to *make* it apply, then the estimated cost for Seattle would go from a net increase of \$281 to an increase of \$43.

Assuming the Monorail tax *does* apply, annexation to Renton would save the homeowner roughly \$475 per year when compared with annexation to Seattle (again, based on 2005 rates).

It is important to note that every household in West Hill is different. If a resident owns cars valued at \$35,000 (as opposed to the \$17,000 assumed for the typical homeowner), then the Monorail tax will more than double, approaching \$500. If the value of a house is greater, then the property tax break associated with annexing to Renton or Seattle will be greater. If a homeowner's property values are lower, then the property tax break will also be smaller.

How Might Tax and Cost Burdens Change Over Time

If one uses recent history as a guide, West Hill residents could expect to see their taxes increase more slowly if they annex to Seattle or Renton than they would if the area remains unincorporated.

From 2000 to 2005, a selected West Hill homeowner with a house valued at \$225,000 (in 2005) saw her total property tax payment increase by 41%. An owner of an equivalent home in Renton saw her overall property tax payments increase by 33% and the equivalent homeowner in Seattle saw her payments increase by an even lower 22%.

Business Taxes

According to state law, counties are prohibited from imposing business taxes or business license fees while cities are not.

The City of Seattle collects an annual business license fee (\$45 or \$90 per year, depending on the revenues of the business) and the City also collects Business & Occupation (B&O) taxes on the gross revenues of most businesses (0.415% on Services businesses and 0.215% on Retail and most other business categories). As an example, for a printing business with 20 employees and \$1 million in annual sales, Seattle's business taxes and fees would amount to roughly \$4,200. The business would also pay utility taxes (which would increase upon annexation to Seattle) and property taxes (which for a business that size might decrease by a few hundred dollars).

The City of Renton does not levy a B&O tax, but it does collect annual business license fees (\$55 per employee per year). For the same printing business with 20 employees, this translates to \$1,100 in business taxes per year—roughly a quarter of what the business would pay to if West Hill was part of Seattle. As was true with Seattle, the business would also pay more in utility taxes but save from reduced property taxes (a reduction of close to \$500 if business property is valued at \$600,000).

Would Higher Business Taxes Harm West Hill's Prospects for Economic Development?

Some argue that increasing tax burdens on private firms harms an area's ability to attract or retain businesses. Others argue that businesses are not particularly sensitive to tax burdens, and that instead, businesses base their location decisions on a wide range of characteristics of an area. Most of the available analysis of the issue supports the second argument—that most decisions about locating a business have more to do with the characteristics of the location and

not the tax burden. This is particularly true for retail, consumer services, and businesses that are typically found in neighborhood offices. For these types of businesses, the things they care about most are (1) being near their customers and (2) being in a location that is attractive and convenient to their customers.

What About West Hill's Casinos?

If West Hill were to annex to Renton, then West Hill's casinos would continue to operate and they would be taxed at current rates.

If West Hill were to annex to Seattle, the outcome would not be certain; however, chances are good that the area's two casinos would have to close.

Seattle city planners confirmed that existing casinos would technically become a non-conforming use in Seattle's zoning code. The State of Washington regulates and licenses gambling, and *a city's role is limited to allowing or banning social card game rooms*. Seattle has a moratorium on social card game rooms, extended multiple times over the past decade. Historically, a gambling enterprise would be allowed to stay and operate as a non-conforming use, and no new businesses of that type would be allowed to site in Seattle, and current uses would not be allowed to expand. Recent court cases concerning the status of card rooms in Kenmore and Edmonds will probably force all cities with moratoria to either ban or allow gambling in their cities. If West Hill annexed to Seattle and Seattle banned gambling, the current West Hill casinos would likely have their annual licenses revoked when the State Gambling Commission reviewed them for renewal.

APPROACH TO SERVICE PROVISION

If West Hill were to annex to Renton or Seattle, local services that are now provided by King County departments would be provided by Renton or Seattle, respectively.

Some services, including schools and transit services, are unaffected by changes in local governance. **No matter what choice West Hill residents make about governance, West Hill will remain part of Renton School District, and West Hill will continue to receive transit services from existing Metro Transit.**

Other special districts that serve West Hill include Fire District 20, the King County Library District, and the Skyway Water & Sewer District. Among these special districts, both library and fire service would change with annexation to either city. Upon annexation, either Renton or Seattle would take on provision of fire and library services. In terms of water and sewer service, annexation to Seattle would mean that Seattle would take on provision of those services, but if the area annexed to Renton, Skyway Water & Sewer would remain intact and would continue to provide services to West Hill (see Table 10).

Table 10: Potential for Changes in Service Provider for Services Districts

Service	Provided Now By...	Annex to Seattle	Annex to Renton
Fire	Fire District 20	Seattle Fire Department	Renton Fire Department
Library	King County Library System	Seattle Public Library	Renton Public Library
School	Renton School District	No Change	No Change
Water & Sewer	Skyway Water & Sewer District	Seattle Public Utilities	No Change

LEVELS OF SERVICE

One component of this governance alternatives assessment entailed collection of a wide range of information about what local service providers in West Hill do, and how they do it. The West Hill Task Force and Berk & Associates worked with King County, the cities of Renton and Seattle, and the special service districts in West Hill to collect as much information as possible about:

- How the different jurisdictions approached service delivery in West Hill;
- What services the jurisdictions provide;
- The costs and the level of investment service providers are making in West Hill or their existing service area; and
- Plans for future capital investments.

Tables providing a detailed summary of information provided by service providers are included in the appendix to this report. The following sections focus on key measures of levels of service, levels of resource commitment, and key issues surrounding how services will be provided.

Three key services that West Hill consumes (or would like to consume) include Police, Parks and Recreation, and Economic Development. In West Hill, on these three services combined, King County spends roughly \$240 per resident per year. This is slightly more than half of the \$440 per resident that Renton spends on the same services, and less than half of the \$510 spent by Seattle.

Of course, just because Seattle and Renton invest more in providing services to current residents does not automatically mean that West Hill's annexation would translate into the same levels of service being provided in West Hill. A comparison of expenditures does, however, give readers a feeling for the City's overall priorities.

Key Level of Service Issues

Relationship to City

A Neighborhood in Seattle

As part of the City of Seattle, the neighborhood of West Hill would comprise roughly 2% of the City's population of nearly 600,000. West Hill residents would be constituents in the dominant city in Washington State and a large portion of the Northwestern United States.

West Hill is between nine and ten miles southeast of downtown Seattle, which would make it the furthest neighborhood from Downtown. Given Seattle's large population, the addition of West Hill would do little to change the City's center of gravity for population, which lies north of downtown in the South Lake Union neighborhood. On the other hand, as a part of the state's largest city, West Hill would have the advantage being a part of a city with substantial resources—where it would compete with 38 other city neighborhoods for neighborhood resource allocations.

As a geographically dispersed city, a number of Seattle's outlying neighborhoods fall within the orbit of adjacent cities. With its proximity to Renton, West Hill would be one such neighborhood. West Hill would continue to be part of the Renton School District, and many West Hill residents would continue to shop and play in Renton.

A Neighborhood in Renton

If West Hill were part of the City of Renton, the neighborhood of West Hill would represent 20% of Renton's entire population. With a city population of roughly 70,000 (2005), the new, larger City of Renton would jump from the 14th most populous city in the state to the 12th.

If West Hill became part of the city, Renton's center of gravity (for population) would shift about a half mile to the northwest. Renton's current center of gravity lies in a residential neighborhood to the east of I-405 (roughly at the intersection of NE 4th and Edmonds Avenue NE). With a neighborhood of West Hill, the center would shift to the west of I-405, to the city's commercial center (the PACCAR plant).

In effect, annexation of West Hill would more closely align Renton's city boundaries with the practical boundaries that describe how Renton functions as a place.

As a neighborhood in Renton, West Hill would strengthen already well-established connections with the City. Most of West Hill is part of the Renton School District, and according to information provided by participants in neighborhood forums, many of West Hill's residents already shop and play in Renton on a regular basis.

Fire Protection

If West Hill annexes to Seattle or Renton, the Seattle or Renton fire departments will take over provision of fire and emergency medical services (EMS) in West Hill. Facilities, equipment, and full time fire district staff would be absorbed into Seattle or Renton's department.

Unlike Seattle or Renton, Fire District 20 augments its full time staff with part time volunteer staff. These volunteer staff would probably not be absorbed into the Renton or Seattle departments.

Fire District 20 has two fire stations: **Skyway Fire Station**, the one station that is manned 24 hours a day, and **Bryn Mawr Station** near Lake Washington. Bryn Mawr Station is old (built in 1942 and never upgraded), is only staffed in the evening by volunteers, and is viewed by both Seattle and Renton as unnecessary for effective provision of fire and EMS services. Both Seattle and Renton would be likely to close Bryn Mawr Station if they were to annex the area, concentrating instead on providing fire and EMS service to the West Hill area from larger and more modern Skyway Station.

Given that both Seattle and Renton would provide fire services to West Hill out of the existing Skyway Station, it is unlikely that West Hill residents would see a dramatic difference in response times if the area were to annex to either city. Closure of the Bryn Mawr Station by Seattle or Renton would mean that responses would no longer originate out of that station (in the evening when it is staffed), which would result in slightly longer travel times for calls in portions of Bryn Mawr during evening hours. It is worth noting, however, that the Bryn Mawr and Skyway stations are less than a mile apart, and no part of Bryn Mawr is more than a mile and a half from the Skyway Station.

With only one station in West Hill, Seattle and Renton would both need to draw from their existing systems to respond to simultaneous events. Seattle does not enter mutual aid agreements with neighboring departments; therefore, in terms of bringing backup to West Hill, Seattle would be limited to looking to stations to the northwest. Renton does have mutual aid agreements in place with neighboring departments, and would be in a somewhat better position to access backup.

Library Services

West Hill currently receives its library services from the King County Library System (KCLS), a district which operates a 5,100 square foot library in Skyway. Skyway's existing library was built in 1970, and as part of KCLS's recently approved capital bond, the district has plans to build a new 8,000 square foot library in Skyway, with construction beginning in 2011.

If West Hill were to annex to Seattle or Renton, the annexing city would take over provision of library services in the area.

Renton currently has two city libraries and indicates that they would take over operation of the Skyway library, increasing the number of City libraries to three. In terms of operating expenditures, Renton spends significantly less per resident providing library services than does KCLS or Seattle (\$22 per resident for Renton versus \$62 per resident for Seattle and KCLS).

The City of Seattle has an extensive library system, with the newly constructed Seattle Central Library and 27 neighborhood branches. Seattle Libraries is in the midst of an aggressive capital program, funded through its Libraries for All capital levy. Seattle Libraries has indicated that they would be likely to close the West Hill library and seek to provide library services to West Hill through the system's other branches (the nearest being the Rainier Beach Branch).

King County Library System voters recently approved a library capital bond levy. For 2006 through 2011, the new KCLS bond levy will be combined with the 1988 bond levy (which will expire in 2011). Even if West Hill annexes to Seattle or Renton and are no longer in the Library

District, taxpayers in West Hill must continue paying property taxes for the bond levy through 2022.

In 2005, the total levy paid by taxpayers in the Library District is \$0.53 per \$1,000 of assessed value. Of that total, \$0.48 comes from the operating levy, while the remaining \$0.05 goes to paying off the 1988 capital bond. If West Hill was part of Seattle or Renton in 2005, taxpayers would no longer pay the \$0.48 per \$1,000 for the District's regular operating levy, but they would still pay the \$0.05 per \$1,000 for the bond levy (\$11.25 for a \$225,000 house). In 2006, when the new bond levy gets added to the mix, the bond levy component will increase to about \$0.08.

If West Hill annexes to Seattle or Renton, and thus leaves the Library District, KCLS will not be required, by law, to build the Skyway Library that is now slated to begin construction in 2011. Since Renton has stated that they would want to provide library services in West Hill (if the City annexed the area), the City indicates that they would try to negotiate an agreement with KCLS to get the new library built.⁶

Parks, Recreation, and Community Services

Both Renton and Seattle spend a great deal more providing parks, recreation, and community services than does King County. King County reports that it currently spends less than \$5 per resident on parks and recreation services in West Hill, while Renton reports that it spends \$126 and Seattle reports expenditures of \$184 per resident. Annexation to either city would result in a substantial increase in those services.

For the foreseeable future, it is unlikely that either Seattle or Renton would build new parks in West Hill, but upon folding Skyway and Bryn Mawr parks into their system, both cities would probably increase the level of maintenance of the parks and extend their existing recreation programs to the West Hill. Staff at the City of Renton say that the City would make use of all of West Hill's elementary schools to host a full slate of youth programs and community services activities.

Police Services

Both Seattle and Renton spend more per resident providing police services for their existing cities than does the King County Sheriff in West Hill. In terms of results, Renton provides the fastest response times for highest priority calls, responding in an average of 2.9 minutes. This compares favorably with response times of 3.8 minutes reported by the KC Sheriff and 7 minute average response reported by Seattle.

In terms of logistics, the Sheriff's Office currently polices West Hill out of a station located in the City of Burien. If Seattle were to police the area out of its South Precinct on Myrtle Street, the station would be slightly more proximate to West Hill. Of the three, Renton's police station in downtown Renton would be closest.

⁶ Renton staff suggest that a negotiated agreement might entail a transfer of capital funds to Renton for construction of the library.

Community and Economic Development

West Hill's retail corridor along Renton Avenue has many vacant storefronts and is not heavily developed. Many residents would prefer to shop in West Hill, but due to a lack of options, most residents shop for convenience items in Renton. Residents would like to improve the image of their retail corridor, to attract additional retail, arts and cultural amenities to the neighborhood. Many community members are already active in their pursuit of economic development that provides more local employment opportunities, informal community gathering places, and options to shop locally for everyday needs. When looking at prospects for annexation, the question is: **What City resources would be available to support existing community efforts?**

Seattle's Approach

Seattle's **Department of Neighborhoods** works through the following mechanisms and programs to engage Seattle residents in civic participation, strengthen neighborhood communities, and empower citizens to affect positive change in their neighborhoods.

- Seattle's **Neighborhood Matching Fund** provides money to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing or planning projects. Matching funds are available for small projects as well as projects requiring more than \$15,000.
- The City's **Neighborhood Service Centers** link City government to Seattle's neighborhoods. The Centers facilitate community networks, assist with neighborhood improvements, make referrals to local human services, and serve as staff to District Councils.
- Seattle's **P-Patch Program** provides community garden space in over 1,900 plots for residents of Seattle neighborhoods.
- The **Office of Economic Development's (OED)** mission is to provide business assistance and community and workforce development services to businesses, community organizations and residents. OED funds the following major programs to achieve its goals.
 - **Neighborhood and Community Development Programs.** OED provides Neighborhood Business District support to Business Improvement Areas, neighborhood associations and Chambers of Commerce. In addition, OED supports Community Development Corporations like Southeast Effective Development (SEED) to help revitalize neighborhoods through community development and real estate development projects.
 - **Business Development Programs.** OED works with several entities to ensure business-friendly City policies: Community Capital (which provides technical and financial assistance to small businesses and microenterprises); the Environmental Extension Service (which provides conservation, pollution prevention and environmental clean-up assistance to businesses); and the Seattle/King County

Economic Development Council (which works to recruit and retain businesses in the region).

- **Workforce Development Programs.** The Seattle Jobs Initiative (SJI) partners community-based organizations with community colleges and employers in recruiting, training, placing and retaining low-income residents in living-wage jobs.

Renton's Approach

Renton takes an integrated approach to community and economic development through its Economic Development, Neighborhoods, and Strategic Planning Department (EDNSP). In recent years Renton has been garnered a great deal of regional attention for its successful efforts to revitalize the City's Downtown district.

Renton's Neighborhood Program promotes positive interaction between the City and its residents by administering Neighborhood Grants and sponsoring Neighborhood Picnics. The program is staffed by a team of City employees who serve as volunteer liaisons.

- The **Neighborhood Grant** program provides matching funds for a range of neighborhood improvement projects. \$50,000 is available for grants annually and individual grants range from less than \$100 to several thousand dollars. Typical projects include neighborhood beautification projects (landscaping, signage, public art), safety improvement projects (traffic circles, lighting), and reimbursement for neighborhood newsletters.
- **Neighborhood Picnics.** Once a year, recognized neighborhoods can apply for matching funds from the City for an annual picnic. The picnics bring neighborhoods together, strengthen community bonds, and give residents the chance to meet the Mayor and City Council in a relaxed atmosphere.

Renton's Strategic Planning Division provides long-range land-use planning for the City, including developing, managing and implementing the City's comprehensive plan, growth management compliance, and sub-area plan development. The Strategic Planning Division also formulates zoning and development standards and processes annexation proposals.

The Economic Development Division works in concert with the business community to actively promote and develop economic activity in the City with the goal of strengthening Renton's tax base and providing an even greater variety of job opportunities, housing, and services.

WEST HILL GOVERNANCE ALTERNATIVES ASSESSMENT SUMMARY REPORT

Remain Unincorporated

If West Hill chooses to remain unincorporated, area residents and businesses would see no change in the providers of governmental service. West Hill would continue to receive the majority of local services from King County. Fire services will continue to be provided by Fire District 20. Library services will continue to be provided by the King County Library System. And water and sewer services will continue to be provided by Skyway Water & Sewer District (for the portion of West Hill that receives sewer service).

TAXES AND COSTS OF SERVICE

As noted in the section discussing Annexation, in 2005, a typical homeowner in West Hill will pay an estimated \$4,260 in taxes and utility fees for stormwater, water and sewer, and garbage collection (see Table 9).⁷ Taxes included in this figure reflect all taxes that are paid on a regular basis based on where a family lives.⁸ As a resident of unincorporated King County, this hypothetical homeowner pays \$193 more than she would if she were part of the City of Renton, but a \$281 less than she would as part of the City of Seattle.

Given King County's challenges regarding its General Fund (see following section for more discussion), it is likely that the King and other counties will continue to seek additional taxing authority from the State Legislature in an effort to raise additional revenues in unincorporated areas. If counties are successful in establishing additional taxing authority, it is likely that tax burdens in unincorporated King County will increase further.

As an example, if counties were given authority to levy utility taxes in unincorporated areas (an authority cities already have within incorporated areas) then King County could implement utility taxes that could raise costs for the hypothetical homeowner by \$100 to \$200 per year.

Another area where unincorporated area costs could increase comes from solid waste collection. Rates for garbage collection in unincorporated areas are relatively high compared to rates for comparable service in most cities. Presumably, one of the reasons for higher collection rates in the unincorporated county is the higher cost of collecting garbage in relatively low-density areas. Looking forward, as urban areas of King County continue to transition to incorporated status, this problem could be expected to worsen. In future years, when garbage collectors negotiate rates for collection in the unincorporated area, an increasing portion of their service areas will be very low density areas with high costs of collection.

⁷ For purposes of estimating costs, the typical homeowner is assumed to have a house valued at \$225,000 (the median for houses in West Hill in 2005) and automobiles valued at \$17,000 (using the Monorail valuation schedule, which tends to overstate the true value of vehicles).

⁸ Residents pay other local taxes on a regular basis, such as retail sales tax and, indirectly, business & occupation taxes on goods and services purchased in the City of Seattle. However, those taxes are unlikely to change with a change in governance.

LEVELS OF SERVICE

As a small part of a very large county, West Hill residents can expect to have limited ability to influence governmental decisions that affect most local services. In a given year, King County decisionmakers take many actions that directly or indirectly impact local services in West Hill, including Police, Parks & Recreation, Roads, Land Use & Planning, Stormwater, Human Services and Community Development. As residents of an area that represents less than 1% of the voting population in the county, West Hill residents face barriers when it comes to affecting decisions that directly impact their community.

On the other hand, if West Hill were to remain unincorporated, residents would maintain a great share of local control over fire and water & sewer services. Both Fire District 20 and the Skyway Water & Sewer District have district boundaries that closely coincide with West Hill's boundaries. This means that West Hill residents and businesses make up virtually 100% of the each district's constituency. (Under annexation to Renton, Renton would leave the Skyway Water & Sewer district in place, which would maintain West Hill's local control of that service.)

In addition to the political challenges of being a small community in a big county, West Hill will also be impacted by King County's proposed redistricting plan. Under new district boundaries, West Hill will switch from being at the center of a single district (representing 10% of the district's population base) to portions of West Hill being a small edge of three different districts.

WHAT SHOULD WEST HILL RESIDENTS AND BUSINESSES EXPECT TO HAPPEN TO SERVICE LEVELS IF THE AREA REMAINS UNINCORPORATED?

The short answer is that, unless King County gets authority to increase taxes in unincorporated areas, services that are provided out of King County's general fund will all be under pressure to reduce expenditures in urban unincorporated areas like West Hill for years to come. (This includes Sheriff, Parks, Land Use & Planning, and Economic Development.)

Like all County residents, West Hill residents receive public services from King County that are regional in nature, including most criminal justice, public health, sewage treatment, transit, emergency medical, mental health, and assessor services. Most are mandated by state law or are a service obligation approved by County voters.

Given the combination for demands for County services and limited authority to generate general fund revenue, resources that are available for provision of local services are limited.

King County's general fund is where most of the revenues are collected by the county to pay for day-to-day operations.

From 2002 to 2005, King County expects that general fund revenues will have increased at a rate of 2.7% per year. At the same time, the basic costs of providing services have increased at more than twice that rate. The County estimates that, in order to maintain 2002 staffing levels and levels of service in 2005, King County would have needed an additional \$137 million in general fund revenues in 2005 (25% more than the County actually received).

Without an increase in tax rates, the County's structural deficit will continue to erode its effective resources. This means that, for the foreseeable future, the County will have to make difficult

choices when it comes to the provision of local government services. The County is in a position where it must first fund state-mandated services (criminal justice and public health) and regional services (sewer and courts) before it provides local services (such as parks, human services, and police services).

It is difficult to say which services may be cut or reduced in unincorporated areas as available revenues continue to decline. Those decisions must be made each year through the County's budget adoption process. However, until the County is able to fully address its structural deficit, the County will be forced to make cuts across all of its service areas, including services to local urban unincorporated areas such as West Hill.

What Is King County's Annexation Initiative?

The Growth Management Act, King County Countywide Planning Policies, and the King County Comprehensive Plan encourage all unincorporated areas within King County's Urban Growth Boundary to pursue incorporated status through either annexation or incorporation. State law (RCW 36.70A.110) provides the underlying rationale for these policies: "In general, cities are the local government most appropriate to provide urban governmental services."

In response to the direction of the Growth Management Act (GMA), in the early 1990s, King County and the suburban cities worked together to develop a framework of policies intended to guide jurisdictions as they planned for the future. These policies, referred to as the Countywide Planning Policies, are King County and the suburban cities' interjurisdictional plan for implementing the goals of the Growth Management Act. As directed by the GMA, these Countywide Planning Policies explicitly address the status of unincorporated urban areas. Among other things, the policies call for:

- Elimination of unincorporated urban islands between cities.
- The adoption by each city of a Potential Annexation Area, in consultation with residential groups in the affected area.
- The annexation or incorporation of all unincorporated areas within the urban growth boundary within a 20-year timeframe (1993 – 2013).

In urban unincorporated King County, there are currently 10 large areas (including West Hill, Fairwood, North Highline and Juanita) that have yet to be annexed to a city or incorporate into a new city. There are now about 218,000 residents in these urban areas for whom King County currently provides local services.

In 2003, the Executive's Budget Advisory Task Force suggested that annexation of the remaining urban unincorporated areas not only helps accomplish the region's land use vision but it also "*may be the single most important step the County can take to address its fiscal challenges.*" From this the Executive established the 3-year Annexation Initiative.

The Annexation Initiative is meant to serve as encouragement for potential annexing cities and for unincorporated areas, through funding and other resources, to discuss and plan changes in governance to incorporated status. The Initiative is intended to be a positive step toward assisting communities to determine their own future.

**WEST HILL GOVERNANCE OPTIONS ASSESSMENT
SUMMARY REPORT**

**Appendix A
Governance Profiles and Frequently Asked Questions**

What if West Hill were to...

STAY UNINCORPORATED



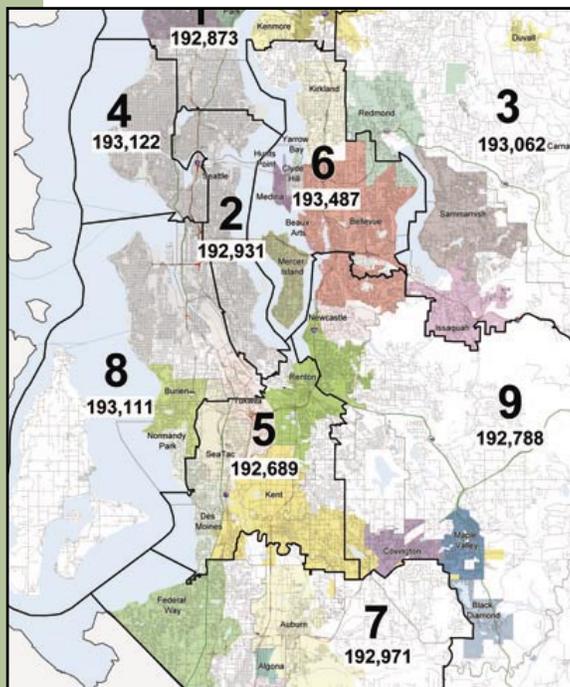
Unincorporated West Hill

If the area chooses to remain unincorporated, West Hill residents and businesses would see no change in the providers of governmental service. West Hill would continue to receive the majority of local services from King County. Fire services will continue to be provided by Fire District 20. Library services will continue to be provided by the King County Library System. And water and sewer services will continue to be provided by Skyway Water & Sewer District (for the portion of West Hill that receive sewer service).

As a small part of a very large county, **West Hill residents would have limited ability to influence governmental decisions that affect most local services.** In a given year, King County decisionmakers take many actions that directly or indirectly impact local services in West Hill, including *Police, Parks & Recreation, Roads, Land Use & Planning, Stormwater, Human Services and Community Development.* As residents of an area that represents less than 1% of the voting population in the county, West Hill residents face barriers when it comes to affecting decisions that directly impact their community.

On the other hand, if West Hill were to remain unincorporated, **residents would maintain a great share of local control over Fire and Water & Sewer services.** Both Fire District 20 and the Skyway Water & Sewer District have district boundaries that closely coincide with West Hill's boundaries. This means that West Hill residents and businesses make up virtually 100% of each district's constituency. (Under annexation to Renton, Renton would leave the Skyway Water & Sewer district in place, which would maintain West Hill's local control of that service.)

County Council Redistricting



Beyond the political challenges of being a small community in a big county, West Hill will also be impacted by King County's proposed redistricting plan. **Under new district boundaries, West Hill will switch from being at the center of a single district (representing 10% of the district's population base) to being a small edge of three different districts.**



Tax Burden

In 2005, as an unincorporated area, **the typical homeowner in West Hill pays \$167 less in taxes and fees than they would if West Hill were part of Seattle, but \$279 more than they would if West Hill were part of Renton.**

Most of the savings related to being part of Seattle comes from not having to pay the Monorail excise tax on motor vehicles. Most additional costs the homeowner pays related to being part of Renton comes from higher fees for services.

Looking to the future (using recent history as an indicator), West Hill residents could expect to see their taxes increase faster if they remain unincorporated than if the area annexes to Seattle or Renton.

From 2000 to 2005, a selected homeowner with a house valued at \$225,000 saw their total property tax payment increase by 41%. Equivalent homeowners saw their property taxes increase by 33% in Renton, and an even lower 22% in Seattle.



King County currently does not have authority to levy utility and most business taxes, while both

Renton and Seattle do levy both utility taxes and some form of business tax. What this means is that, **for most West Hill businesses, annual tax burdens would increase with annexation.** Some argue that increasing tax burdens on businesses harms an area's ability to attract or retain businesses. Others argue that businesses are not particularly sensitive to tax burdens. Most of the available analysis of the issue supports the idea that most decisions about locating a business have more to do with the characteristics of the location and not the tax burden. This is particularly true for retail, consumer services, and businesses that are typically found in neighborhood offices.

Annual Taxes Paid by Typical Homeowner

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
Monorail Tax**	--	\$238	--
TOTAL	\$2,944	\$3,248	\$2,940
Difference vs. Unincorporated		Increase \$304	Decrease (\$4)

Service Costs

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Surface Water Fee	\$91	\$122	\$65
Water & Sewer Charges	\$901	\$923	\$901
Solid Waste Collection Charges	\$324	\$248	\$161
TOTAL	\$1,316	\$1,293	\$1,127
Difference vs. Unincorporated		Decrease (\$23)	Decrease (\$189)
GRAND TOTAL	\$4,260	\$4,540	\$4,067
TOTAL COST DIFFERENCE		Increase \$281	Decrease (\$193)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

Level of Service

What should West Hill residents and businesses expect to happen to service levels if the area remains unincorporated?

The short answer is that, services that are provided out of King County's general fund **will all be under pressure to reduce expenditures in urban unincorporated areas like West Hill for years to come.** (This includes **Sheriff, Parks, Land Use & Planning, and Economic Development.**) For a discussion of the underlying reasons behind this reality, see page 4.



Level of Service

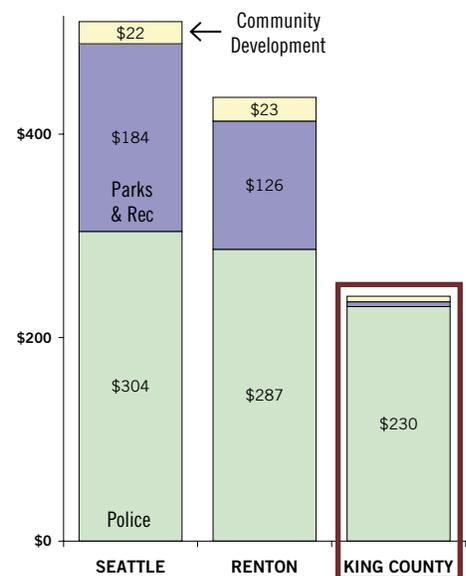
Service & Provider

Police	
Service Provider: KC Sheriff	<ul style="list-style-type: none"> The Sheriff's Office budget relies on funding from the King County general fund. Resources will be increasingly constrained.
Roads	
Service Provider: King County	<ul style="list-style-type: none"> Funded from sources other than the County general fund, so resources will be less constrained to provide road maintenance.
Fire	
Service Provider: Fire District 20	<ul style="list-style-type: none"> FD 20's two stations would continue to be under the control of the Fire District.
Parks	
Service Provider: King County	<ul style="list-style-type: none"> King County currently provides a relatively low level of maintenance at Skyway and Bryn Mawr Park. As a result of constraints on the County's general fund, parks and recreation expenditures have been scaled back in recent years. In some instances, active maintenance of local parks in unincorporated King County has ceased altogether.
Library	
Service Provider: King County Library System	<ul style="list-style-type: none"> King County Library System voters recently approved a library levy to replace and upgrade facilities, and to augment operation of the Library System's buildings. With funding from this levy, KCLS would construct a new 8,000 square foot library in West Hill (estimate: \$3.9 million, planned for 2011).
Utilities	
Service Provider: Skyway Water & Sewer District	<ul style="list-style-type: none"> Skyway Water & Sewer District has embarked on an aggressive capital program to upgrade sewer systems and address long-term system maintenance issues.
Schools	
Renton School District	<ul style="list-style-type: none"> West Hill youth now attend Renton School District schools. This will not change in any scenario.

Like all County residents, West Hill residents receive public services from King County that are regional in nature, including most criminal justice, public health, sewage treatment, transit, emergency medical, mental health, and assessor services. Most are mandated by state law or are a service obligation approved by County voters.

Given the combination for demands for County services and limited authority to generate general fund revenue, resources that are available for provision of local services are limited. Three key services that West Hill consumes (or would like to consume) include *Police*, *Parks*, and *Economic Development*. In West Hill, on these three services combined, King County spends \$240 per resident per year. This is a little more than half of what Renton spends on the same services (\$440) and less than half of Seattle's expenditure of \$510.

Expenditures per capita for selected local services



Should West Hill Expect to See Reduced Service Levels From King County?

King County's general fund is where most of the revenues are collected by the county to pay for day-to-day operations.

From 2002 to 2005, King County expects that general fund revenues will have increased at a rate of 2.7% per year. At the same time, the basic costs of providing services have increased at more than twice that rate. The County estimates that, **in order to maintain 2002 staffing levels and levels of service in 2005, King County would have needed an additional \$137 million in general fund revenues in 2005** (25% more than the County actually received).

Without an increase in tax rates, the County's structural deficit will continue to erode its effective resources. This means that, for the foreseeable future, the County will have to make difficult choices when it comes to the provision of local government services.

The County is in a position where it must first fund state-mandated services (criminal justice and public health) and regional services (sewer and courts) before it provides local services (such as parks, human services, and police services).



It is difficult to say which services may be cut or reduced in unincorporated areas as available revenues continue to decline. Those decisions must be made each year through the County's budget adoption process. However, **until the County is able to fully address its structural deficit, the County will be forced to make cuts across all of its service areas, including services to local urban unincorporated areas such as West Hill.**

In urban unincorporated King County, there are 10 large areas (West Hill, Fairwood, North Highline and Juanita) that have yet to be annexed to a city or incorporate into a new city. There are now about 218,000 residents in these urban areas for whom King County currently provides local services.

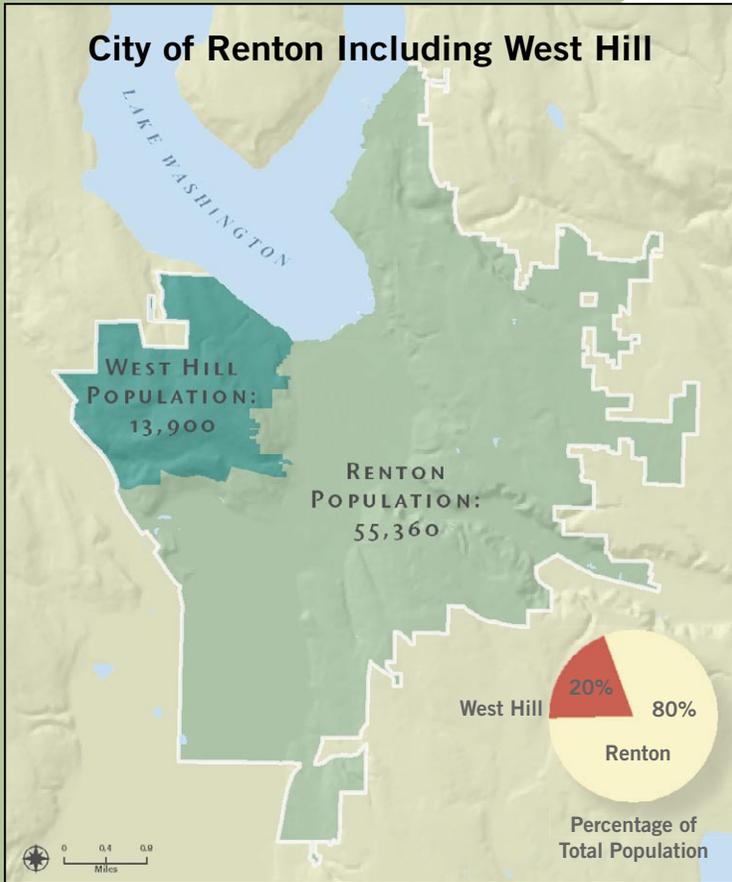
Due to the budgetary issues described above, in 2004, the King County Executive created the County's Annexation Initiative. The Initiative is a 3-year encouragement for these areas, through funding and other resources, to discuss and plan changes in governance to incorporated status. The Initiative is intended to be a positive step toward assisting communities to determine their own future.

The County cannot compel a community to annex or incorporate. At the same time, it is clear that the level of service provided by the County will begin to erode in those communities that don't transition to incorporated status over the next few years. This also assumes that the state legislature will not provide counties with additional funding and/or taxing authority that has been requested in the past.



What if West Hill were to...

ANNEX TO RENTON



The Neighborhood of West Hill

If West Hill were part of the City of Renton, the neighborhood of West Hill would represent 20% of Renton's entire population. With a city population of roughly 70,000 (2005), the new, larger City of Renton would jump from the 14th most populous city in the state to the 12th.

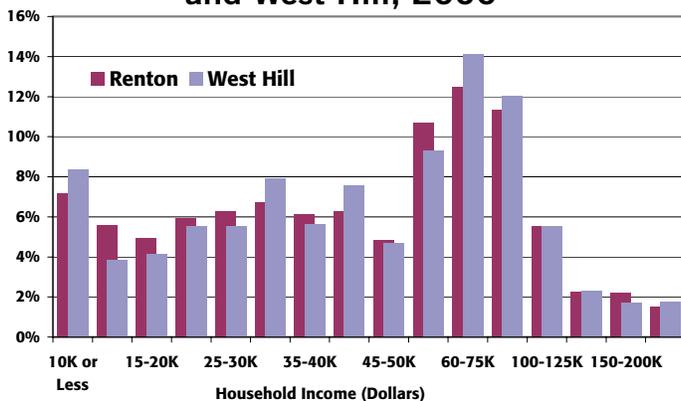
If West Hill became part of the city, Renton's center of gravity (for population) would shift about a half mile to the northwest. Renton's current center of gravity lies in a residential neighborhood to the east of I-405 (roughly at the intersection of NE 4th and Edmonds Avenue NE). With a neighborhood of West Hill, the center would shift to the west of I-405, to the city's commercial center (the PACCAR plant).

In effect, annexation of West Hill would more closely align Renton's city boundaries with the practical boundaries that describe how Renton functions as a place.

As a neighborhood in Renton, West Hill would strengthen already well-established connections with the City. Most of West Hill is part of the Renton School District, and according to information provided by participants in neighborhood forums, many of West Hill's residents already shop and play in Renton on a regular basis.

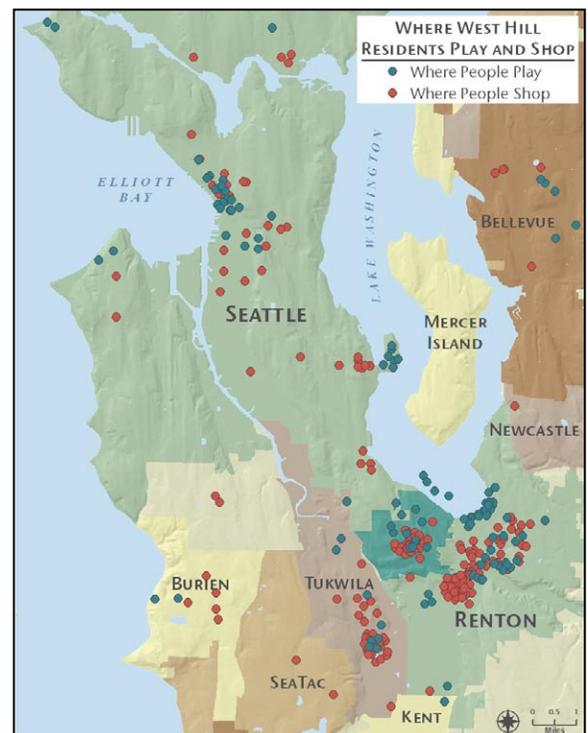
West Hill has a similar distribution of incomes to that of Renton, but slightly weighted to the higher income ranges. West Hill has a slightly smaller portion of households with incomes less than \$30,000 (based on 2000 census data) and slightly larger shares with incomes of \$60,000 or more.

Household Income in Renton and West Hill, 2000



Source: 2000 U.S. Census

Where West Hill Residents Shop and Play



Source: West Hill Neighborhood Meetings, March 2005

Tax Burden

If West Hill were annexed to Renton, **the typical homeowner would see a slight reduction in taxes and a significant reduction in the costs of utility services.** Compared with the taxes and utility fees paid by residents currently, the homeowner would see total savings of nearly \$280 per year. Compared with annexing to Seattle, annexation to Renton would save residents roughly \$450.

In terms of utility services, Renton households face substantially lower costs in surface water fees (which are billed on residents' property taxes) and for solid waste collection.

If one uses recent history as a guide, West Hill residents could expect to see their taxes increase more slowly if they annex to Renton than they would if the area remains unincorporated.

From 2000 to 2005, a selected West Hill homeowner with a house valued at \$225,000 (in 2005) saw her total property tax payment increase by 41%. An owner of an equivalent homeowner in Renton saw her overall property tax payments increase by 33%.

Annual Taxes Paid by Typical Homeowner

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
Monorail Tax**	--	\$238	--
TOTAL	\$2,944	\$3,248	\$2,940
Difference vs. Unincorporated		Increase \$304	Decrease (\$4)

Service Costs

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Surface Water Fee	\$91	\$122	\$65
Water & Sewer Charges	\$901	\$923	\$901
Solid Waste Collection Charges	\$324	\$248	\$161
TOTAL	\$1,316	\$1,293	\$1,127
Difference vs. Unincorporated		Decrease (\$23)	Decrease (\$189)

GRAND TOTAL	\$4,260	\$4,540	\$4,067
TOTAL COST DIFFERENCE		Increase \$281	Decrease (\$193)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

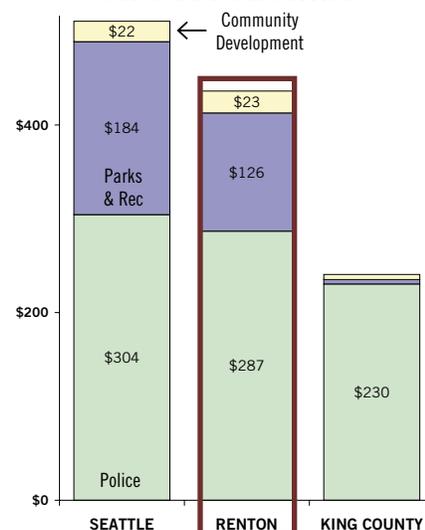
Level of Service

Three key services that West Hill consumes (or would like to consume) include *Police*, *Parks and Recreation*, and *Economic Development*. In West Hill, for **these three services combined, King County spends roughly \$240 per resident per year. This is a little more than half of the \$440 per capita that Renton currently spends on the same services.**

Renton probably already provides *Parks & Recreation Services* to nearby West Hill residents. It is also true that, as an employment center, and as a center for local retail activity, Renton's police services are driven not only by people who live in the City, but also by people who come to the city to work, shop and play.

Overall, when comparing levels of service, **it is not possible to predict exactly how a given service will change if West Hill were to annex to Renton.** However, by looking at indicators like expenditures per resident, **it is possible for West Hill residents to get a feeling for the City's overall priorities, and how the City does what it does.**

Expenditures per capita for selected local services





Level of Service

Service & Provider

Service & Provider	
Police	
Now: KC Sheriff With Renton: Renton Police Dept.	<ul style="list-style-type: none"> • Response Time. Renton's response time is about 1 minute faster for highest priority emergency calls (roughly 3 minutes versus 4 minutes for King County)
Roads	
Now: King County With Renton: Renton Public Works	<ul style="list-style-type: none"> • Road maintenance cost per capita is significantly lower in Renton (\$14) than in King County (\$70.50). • Resurfacing. On average there are 10 to 20 years between arterial resurfacing in Renton and 17 to 20 years on local streets. These figures are roughly consistent with figures King County has reported in the past (7- to 15-year cycles for arterials and 15- to 20-year cycles for local streets).
Fire	
Now: Fire District 20 With Renton: Renton Fire Department	<ul style="list-style-type: none"> • Response Time. RFD has average response times about 1 minute faster than FD 20, but given operating conditions in West Hill, annexation is unlikely to bring significant changes in response time. • Staff. Full-time FD 20 staff would likely be absorbed into RFD. However, Renton does not have a volunteer program. If West Hill is annexed, RFD will not retain the 54 FD 20 volunteers. • Stations. FD 20's two stations would become the property of RFD. The Skyway station would likely be kept in service, but the older Bryn Mawr station near Lake Washington would probably not be necessary within Renton's response area, and would be closed.
Parks	
Now: King County With Renton: Renton Parks & Community Services	<ul style="list-style-type: none"> • Park Space. Renton provides significantly more active and passive park space, trail miles, and athletic fields per capita than King County. • Recreation Services. King County constructed a community center that is operated by the Boys & Girls Club through a 25-year lease agreement. If annexed, building ownership would need to be negotiated, but the operation of the facility would remain with the Boys & Girls Club. • Fees. Renton residents pay smaller fees than non-residents to access Renton Parks & Community Services various programs which include a pool, golf course, organized athletics, and more. • Renton provides over \$1 million in general fund and Community Development Block Grant funding for human services (for seniors, at-risk youth, and the homeless).
Library	
Now: King County Library System With Renton: Renton Parks & Community Services	<ul style="list-style-type: none"> • Renton Libraries. Renton has two library branches: Downtown Renton and the Highlands. Renton has lower collection, circulation, operating costs per capita, reflecting its much smaller size. • KCLS Library Levy. King County Library System voters recently approved a library levy that will fund a new West Hill library in 2011. West Hill residents must continue paying property taxes for the levy through 2022, even if the area annexes. • Possible Futures for the Skyway Library. By law, KCLS is not required to build the new library if West Hill annexes to Renton. Renton suggests that their approach would be to try to negotiate with KCLS for funding of the new Library and to keep the West Hill Library open as a third branch.
Utilities	
Now: Skyway Water & Sewer District With Renton: Skyway Water & Sewer District	<ul style="list-style-type: none"> • Capital Investments. SWWSD has embarked on an aggressive capital program to upgrade sewer systems and address long-term system maintenance issues, which leads per-capita operating and capital costs to be higher than Renton and Seattle. • Future Organization. Annexation to Renton would not affect the status of the District.
Schools	
Renton School District	<ul style="list-style-type: none"> • West Hill youth now attend Renton School District schools. This will not change in any scenario.

West Hill Concerns About Community and Economic Development



West Hill's retail corridor along Renton Avenue has many vacant storefronts and is not heavily developed. Many residents would prefer to shop in West Hill, but due to a lack of options, most residents shop for convenience items in Renton. Residents would like to improve the image of their retail corridor, to attract additional retail, arts and cultural amenities. Many community members are already active in their pursuit of economic development that provides more local employment opportunities, informal community gathering places, and options to shop locally for everyday needs. When looking at prospects for annexation, the question is: **What City resources would be available to support existing community efforts?**

Renton Approach to Community to Economic Development

Renton takes an integrated approach to community and economic development through its Economic Development, Neighborhoods, and Strategic Planning Department (EDNSP). In recent years Renton has been garnered a great deal of regional attention for its successful efforts to revitalize the City's Downtown district.

Renton's Neighborhood Program promotes positive interaction between the City and its residents by administering Neighborhood Grants and sponsoring Neighborhood Picnics. The program is staffed by a team of City employees who serve as volunteer liaisons.

- o The **Neighborhood Grant** program provides matching funds for a range of neighborhood improvement projects. \$50,000 is available for grants annually and individual grants range from less than \$100 to several thousand dollars. Typical projects include neighborhood beautification projects (landscaping, signage, public art), safety improvement projects (traffic circles, lighting), and reimbursement for neighborhood newsletters.
- o **Neighborhood Picnics.** Once a year, recognized neighborhoods can apply for matching funds from the City for an annual picnic. The picnics bring neighborhoods together, strengthen community bonds, and give residents the chance to meet the Mayor and City Council in a relaxed atmosphere.



Renton's Strategic Planning Division provides long-range land-use planning for the City, including developing, managing and implementing the City's comprehensive plan, growth management compliance, and sub-area plan development. The Strategic Planning Division also formulates zoning and development standards and processes annexation proposals.

How Might the West Hill Community Work with Renton EDNSP?

The Economic Development Division works in concert with the business community to actively promote and develop economic activity in the City with the goal of strengthening Renton's tax base and providing an even greater variety of job opportunities, housing, and services.

If the West Hill neighborhood wanted to take steps to revitalize its commercial corridor, proponents would first approach the Neighborhood Program and take advantage of possible Neighborhood Grants. The City's Economic Development Division would be called in to work with the community to help identify potentially viable commercial uses and financing mechanisms. One possible outcome is that the Strategic Planning Division would work with proponents to propose development standards that would make the commercial area more attractive for businesses and shoppers.



What if West Hill were to...



INCORPORATE

Is It Financially Feasible for West Hill to Incorporate as a New City?

Is it financially feasible for West Hill to incorporate?

The short answer to this question is: **probably not.**

As an area with only a modest tax base, and relatively high demands for costly services like public safety, a **City of West Hill's revenues would probably not be sufficient to provide necessary services.**

To clarify the baseline question about incorporation feasibility, this analysis asks a hypothetical question:

If West Hill were an existing city in 2005, would it have sufficient revenues, given existing tax rates, to pay for the levels of service it now receives?

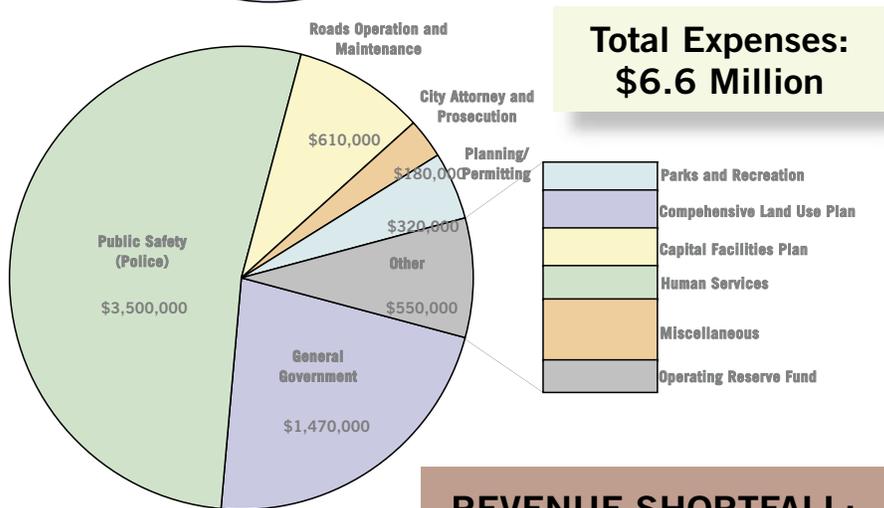
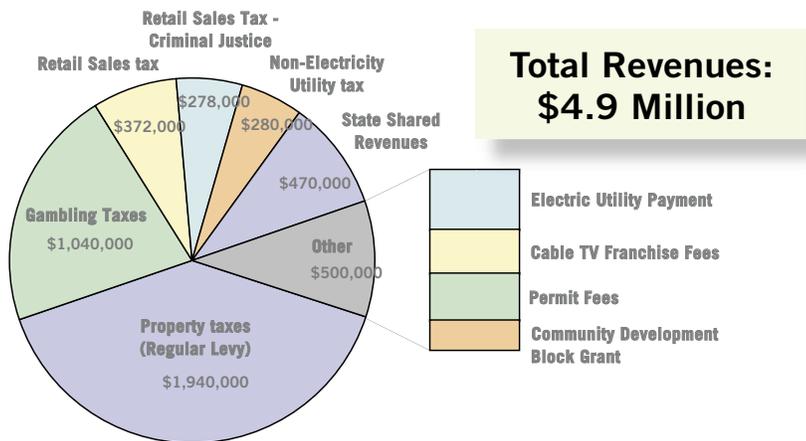
The answer to this question is: **No.**

At current tax rates and current levels of service, **the City's revenues would fall short of the City's day-to-day costs of service by \$1.75 million per year.**

If we use other cities' experiences as a guide, this initial shortfall would be likely to worsen over time. Most cities in Washington State rely heavily on three principal revenue sources: **retail sales tax, property tax, and business and utility taxes.** Among these important sources, West Hill is poorly positioned to generate significant revenues from either retail sales or business and utility taxes.

Another consideration residents should bear in mind is that an incorporated City of West Hill would be heavily dependent on gambling taxes from the area's two casinos. Typically, a city would prefer **not** to be heavily dependent on taxes stemming from such a concentrated source.

A final barrier to incorporation revolves around the **start-up costs** of creating a new city. Many newly incorporated cities find that it is necessary to have some financial cushion in place to cover one-time start-up costs like filling new positions, procuring space for a new City Hall, and initial purchases of capital equipment.



REVENUE SHORTFALL: \$1.75 Million (26%)



How Would West Hill Compare with Other Newly Incorporated Cities?

In the past dozen years, six new cities have incorporated in King County. Compared with these six cities, an incorporated City of West Hill would face substantial financial hurdles.

A city's general fund accounts for most of the revenues a city collects and most of the day-to-day operating expenditures a city incurs. The single largest general fund expenditure most cities face is for law enforcement services (including expenditures for police, jail, and courts). One quick way to judge a city's fiscal strength is to compare its general fund revenues per capita with those of other cities. For a more robust comparison, analysts will often look at the difference between cities' general fund revenues and their law enforcement expenditures.

In the case of West Hill, such a comparison highlights the financial barriers the area would face if it were to pursue incorporation. **If West Hill had been an operating city in 2005, it would have generated general fund revenues of roughly \$4.7 million (or \$340 per resident).** At the same time, in order **to maintain existing levels of law enforcement, the City would have had to spend roughly \$3.5 million (or \$250 per resident) on law enforcement alone.**

It is worth noting that some of the cities that rank above West Hill in the table to the right have faced serious financial challenges. Both Kenmore and Covington have reported that it is a challenge to generate revenues that are sufficient to meet the cities' level-of-service.

	Year Incorporated	2003 Population	General Fund Revenues (per capita)	Law Enforcement Expenditures (per capita)	Remaining General Fund Revenues (per capita)
Sammamish	1999	35,930	\$636	\$100	\$536
Newcastle	1994	8,320	\$523 *	\$158 *	\$365
Shoreline	1995	52,730	\$499	\$167	\$332
Kenmore	1998	19,200	\$449	\$138	\$310
Covington	1997	14,850	\$418 **	\$140 **	\$278
Maple Valley	1997	15,370	\$396	\$132 *	\$264
West Hill			\$340	\$250	\$90

* Based on 2003 revenues and expenditures as summarized by the Washington State Auditor's Office. Estimated 2005 revenues and expenditures assume 3% yearly increases between 2003 and 2005.

** 2004 Figures from Covington Budget inflated by 3%.

Tax Burden



Because a City of West Hill does not appear feasible, it is not possible to assess the tax burden of residents in the hypothetical city. As residents of unincorporated King County, a typical West Hill homeowner currently pays more in taxes and fees than they would if West Hill was part of Renton (\$279 more per year), but less than they would pay if West Hill were part of Seattle (\$167 less per year).

As noted previously, this assessment of feasibility is based on a hypothetical question:

If West Hill were an existing city in 2005, would it have sufficient revenues, given existing tax rates, to pay for the levels of service it now receives?

Given the way this question is framed, **the tax burden used to assess feasibility is the same tax burden that the West Hill homeowner currently faces as an unincorporated area resident.**



Tax Burden

We can say two things about the tax burden that would be necessary to allow a City of West Hill to be feasible:

1. The proposed City would not have legal authority to levy tax rates at the level necessary to achieve feasibility.
2. If the City **did** have authority, tax burdens on households would have to increase dramatically to bridge the funding gap.

Because few opportunities exist to increase tax revenues from businesses in the area, virtually all of the revenue gap would need to come from taxes on households.

A typical homeowner in West Hill would need to pay hundreds of dollars more in taxes each year to ensure a feasible City of West Hill.



Annual Taxes Paid by Typical Homeowner

	Taxes at Existing Rates	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
Monorail Tax**	--	\$238	--
TOTAL	\$2,944	\$3,248	\$2,940
Difference vs. Unincorporated		Increase \$304	Decrease (\$4)

Service Costs

	Taxes at Existing Rates	Annex to Seattle	Annex to Renton
Surface Water Fee	\$91	\$122	\$65
Water & Sewer Charges	\$901	\$923	\$901
Solid Waste Collection Charges	\$436	\$248	\$161
TOTAL	\$1,428	\$1,292	\$1,127
Difference vs. Unincorporated		Decrease (\$136)	Decrease (\$274)
GRAND TOTAL	\$4,372	\$4,540	\$4,067
TOTAL COST DIFFERENCE		Increase \$167	Decrease (\$279)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

Service Levels

As with the tax burden, the fact that incorporation is not feasible makes it difficult to theorize about the service levels that an incorporated City of West Hill might provide.

Again, the assessment of feasibility summarized in this profile is based on one basic question:

If West Hill were an existing city in 2005, would it have sufficient revenues, given existing tax rates, to pay for the levels of service it now receives?

In fact, the feasibility assessment assumes that a new City of West Hill would contract directly with King County to continue providing certain services, including police, roads, and surface water services.

To say that incorporation is not feasible also means that the proposed City would be unable to provide even the levels of local services that exist in the area today.

What Options Would a City Have for Increasing Revenues or Decreasing Costs?

The options are limited.

In recent years, a series of statewide initiatives have eroded most cities' financial support from taxes and fees. From a city's perspective, the most damaging blows resulted from statewide passage of three initiatives: I-695 (ending collection of the State's motor vehicle excise tax); I-747 (limiting the growth of property tax levies on a city's existing property to less than the rate of inflation); and I-776 (ending the collection of vehicle license fees). Combined, these initiatives have resulted in the immediate reduction of millions of dollars of city revenues, and have set up the long-run erosion of cities' property tax bases.

Could the City Raise Taxes?

Yes, a City of West Hill could increase tax rates and generate additional revenues. Beyond the taxes included in the baseline estimate, the City of West Hill would have authority to levy utility taxes of 6% on utilities including telephone, natural gas, water & sewer, storm drainage, solid waste, and cable television service. (Utility taxes beyond 6% are possible with a public vote.) The City would also have the authority to levy business taxes and/or business license fees.

Almost all West Hill residents receive their electrical service from Seattle City Light. The City of Seattle already collects a 6% utility tax on that electrical service, which accrues to the City of Seattle. If West Hill became a city (or if the area annexed to Renton) then it is possible that the City of Seattle would agree to share a portion of those revenues. The preceding revenue estimate assumes that Seattle would agree to a 50/50 split of electrical utility tax revenues generated in West Hill.

In total, if the City were to raise taxes to the maximum allowed without a public vote, one might expect the City to increase tax revenues by as much as \$600,000 to \$800,000.

Could the City Reduce Levels of Service?

The expenditures included in the baseline feasibility assessment were designed to reflect what it would cost a City of West Hill to maintain existing levels of local services. The principal day-to-day costs of the City would stem from:

- o Law enforcement services (police, courts, and legal services): \$3.5 million
- o General government/City Hall (public works, community development, parks, administration): \$1.5 million
- o Roads maintenance: \$610,000

Among the three, roads maintenance and City Hall expenditures probably offer a few, limited opportunities for cost savings.

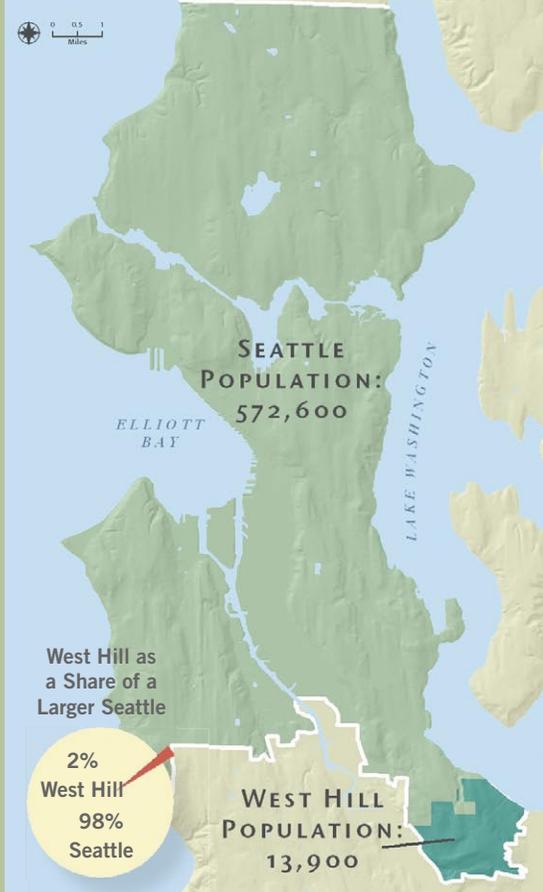
Estimated City Hall expenditures include an assumption that 15 full-time employees would staff City Hall. This is a low number compared to many cities comparable in size to West Hill. However, poorer cities across the State do maintain even leaner staffing levels in City Hall.

In regard to road maintenance expenditures, the reality is that reductions in maintenance activities are unlikely to offer long-run savings. The nature of road maintenance is such that reducing maintenance short results in even more costly repairs in the future.

The greatest opportunity for cost savings would stem from reductions in police services. This possibility raises two questions:

- o How much appetite would West Hill residents have for reductions in police service?
- o How feasible would it be to reduce patrol staffing in the City if that meant lowering community safety for residents and officers?

City of Seattle Including West Hill



The Neighborhood of West Hill

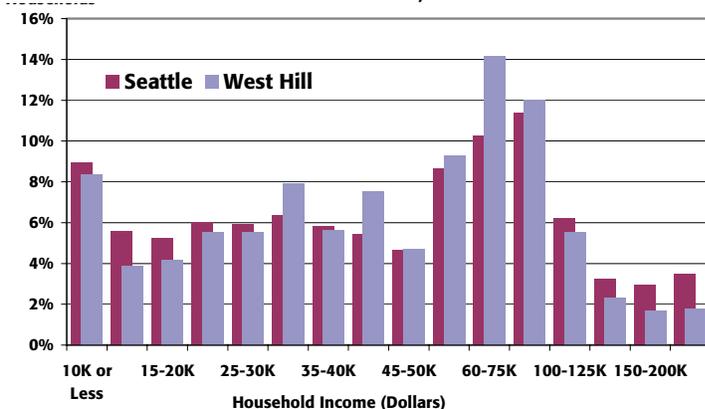
As part of the City of Seattle, the neighborhood of West Hill would comprise roughly 2% of the City's population of nearly 600,000. West Hill is between nine and ten miles southeast of downtown Seattle, which would make it the furthest neighborhood from Downtown.

Given Seattle's large population, **the addition of West Hill would do little to change the City's center of gravity for population, which lies north of downtown in the South Lake Union neighborhood.** On the other hand, as a part of the state's largest city, West Hill would have the advantage being a part of a city with substantial resources—where it would compete with 38 other city neighborhoods for neighborhood resource allocations.

As a geographically dispersed city, a number of Seattle's outlying neighborhoods fall within the orbit of adjacent cities. With its proximity to Renton, West Hill would be one such neighborhood. West Hill would continue to be part of the Renton School District, and many West Hill residents would continue to shop and play in Renton. Overall, residents are likely to continue to be oriented as much to the commercial centers of Renton and Tukwila as they are to centers in Seattle.

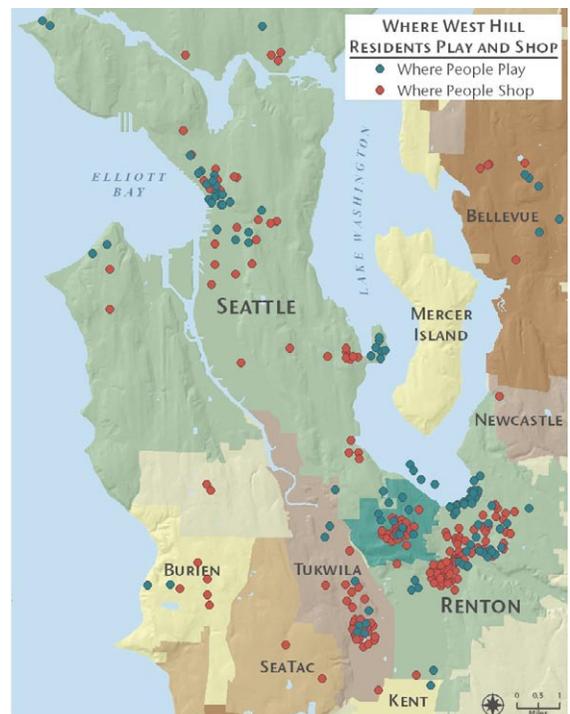
In terms of income distribution, West Hill would align with other outlying Seattle neighborhoods. Seattle has relatively large shares of households with very low and very high incomes, while West Hill households are more concentrated in middle income ranges.

Household Income in Seattle and West Hill, 2000



Source: 2000 U.S. Census

Where West Hill Residents Shop and Play



Source: West Hill Neighborhood Meetings, March 2005



Tax Burden

If West Hill were annexed to Seattle, the typical homeowner would face a tax increase of nearly \$280 per year (based on 2005 tax rates). As part of Seattle, however, utility service costs would be somewhat lower than what West Hill residents currently pay. The end result would be a total out-of-pocket increase of \$167 per year for all taxes and services.

Seattle levies relatively high utility taxes and Seattle residents also pay a Monorail excise tax on vehicles. For a household that owns a vehicle valued at \$17,000, this Monorail tax would amount to \$238 per year. These taxes are partially offset by a property tax levy that is lower than what West Hill residents currently pay.

Virtually all of West Hill residents receive their electrical services from Seattle City Light. By State law, the City of Seattle is authorized to collect utility tax on all revenues generated by City Light, regardless of where the customer lives. This arrangement would continue even if West Hill were to incorporate or annex to the City of Renton.

Annual Taxes Paid by Typical Homeowner

	Stay Unincorporated	Annex to Seattle	Annex to Renton
Property Tax*	\$2,860	\$2,710	\$2,680
Utility Taxes	\$60	\$288	\$236
Cable Franchise Fee	\$24	\$12	\$24
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Difference vs. Unincorporated		Decrease (\$23)	Decrease (\$189)

GRAND TOTAL	\$4,260	\$4,540	\$4,067
TOTAL COST DIFFERENCE		Increase \$281	Decrease (\$193)

* House assessed at \$225,000

** Assumes total vehicle value of \$17,000

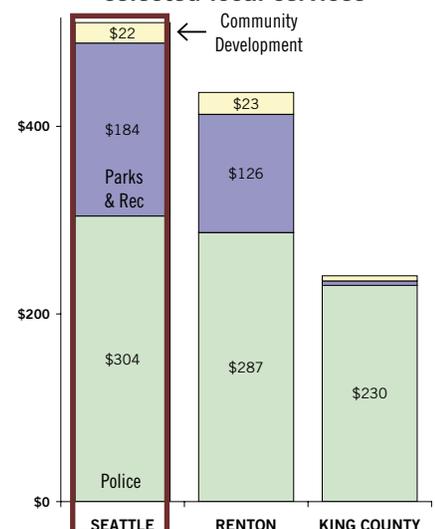
Levels of Service

Three key services that West Hill consumes (or would like to consume) include *Police*, *Parks and Recreation*, and *Economic Development*. In West Hill, on these three services combined, King County spends roughly \$240 per resident per year. This is less than half of the \$510 per capita that Seattle currently spends on the same services.

As the Northwest's largest City, Seattle's parks facilities serve people from across the Pacific Northwest and beyond. Likewise, as the region's dominant employment center, demand for Seattle's police services is driven not only by people who live in the City, but also by tens of thousands of people who come to the city to work, shop and play.

Just because Seattle spends a great deal on *Police* and *Park Services* does not automatically mean that West Hill's annexation would translate into more parks and recreation services and more police. It does, however, give readers a feeling for the City's overall priorities.

Expenditures per capita for selected local services



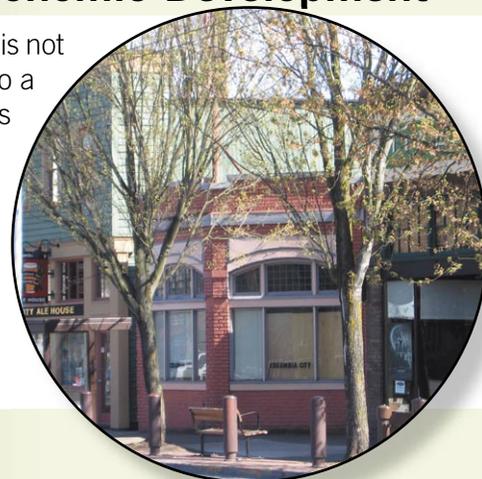
Levels of Service

Service & Provider

Service & Provider	
Police	
<p>Now: KC Sheriff With Seattle: Seattle Police Department</p>	<ul style="list-style-type: none"> • Response Time. Seattle’s response time is about 3 minutes slower for highest priority emergency calls (roughly 7 minutes versus 4 minutes for King County).
Roads	
<p>Now: King County With Seattle: Seattle Department of Transportation (SDOT)</p>	<ul style="list-style-type: none"> • Road maintenance expenditures per capita is significantly lower in Seattle (\$23.77) than in King County (\$70.50). • Resurfacing. Seattle is much less proactive than King County when it comes to major roadway maintenance. On average, Seattle resurfaces arterials every 39 years, 11 years on local chipseal streets and much longer (400 years) for local asphalt streets. • Traffic congestion in Seattle varies widely, however the City rates congestion at a “D” for intersections during peak evening hours, compared to King County’s congestion standard of “E”. (Scale: A-F)
Fire	
<p>Now: Fire District 20</p> <p>With Seattle: Seattle Fire District (SFD)</p>	<ul style="list-style-type: none"> • Response Time. SFD’s average response times are 1 minute faster than FD 20, but given operating conditions in West Hill, annexation is unlikely to bring significant changes in response time. • Staff. Full-time FD 20 staff would likely be absorbed into SFD. However, Seattle does not have a volunteer program. If West Hill annexes, SFD will not retain the 54 FD 20 volunteers. • Stations. FD 20’s two stations would become the property of SFD. The Skyway station would likely be kept in service, but the older Bryn Mawr station near Lake Washington would be closed.
Parks	
<p>Now: King County With Seattle: Seattle Parks and Recreation</p>	<ul style="list-style-type: none"> • Seattle invests substantial City resources in Parks and Recreation—spending \$184 per resident Citywide. King County provides only minimal maintenance of West Hill’s one active park, Skyway Park—spending less than \$5 per West Hill resident. • Recreation Services. King County constructed a community center that is operated by the Boys & Girls Club through a 25-year lease agreement. If annexed, building ownership would need to be negotiated, but the operation of the facility would remain with the Boys & Girls Club.
Library	
<p>Now: King County Library System</p> <p>With Seattle: Seattle Public Library</p>	<ul style="list-style-type: none"> • Seattle Libraries. Seattle has 27 library branches. Seattle has similar collection and operating costs per capita compared with KCLS, smaller circulation and significantly more square footage per capita. • Current SPL Capital Improvement Bond. West Hill residents would not be liable for taxes from the 1998 voter approved Libraries for All levy, which funded recent capital improvements. • KCLS Library Levy. King County Library System voters recently approved a library levy that will fund a new West Hill library in 2011. West Hill residents must continue paying property taxes for the levy through 2022, even if the area annexes. • Possible Futures for the Skyway Library. By law, KCLS is not required to build the new library if Seattle annexes West Hill. Seattle could close the Skyway Library and provide residents with Library Services through other branches in the system (the nearest branch is Rainier Beach).
Utilities	
<p>Now: Skyway Water & Sewer District With Seattle: Seattle Public Utilities</p>	<ul style="list-style-type: none"> • Skyway Water & Sewer District has service boundaries that closely match West Hill’s boundaries—which means that West Hill residents currently have a great deal of control over how their water and sewer resources are used. • Seattle Public Utilities has greater resources, but a transition would reduce West Hill’s local control.
Schools	
Renton School District	<ul style="list-style-type: none"> • West Hill youth now attend Renton School District schools. This will not change in any scenario.

West Hill Concerns About Community and Economic Development

West Hill's retail corridor along Renton Avenue has many vacant storefronts and is not heavily developed. Many residents would prefer to shop in West Hill, but due to a lack of options, most residents shop for convenience items in Renton. Residents would like to improve the image of their retail corridor, to attract additional retail, arts and cultural amenities to the neighborhood. Many community members are already active in their pursuit of economic development that provides more local employment opportunities, informal community gathering places, and options to shop locally for everyday needs. When looking at prospects for annexation, the question is: **What City resources would be available to support existing community efforts?**



Seattle Approach to Community and Economic Development

Seattle's **Department of Neighborhoods** works through the following mechanisms and programs to engage Seattle residents in civic participation, strengthen neighborhood communities, and empower citizens to affect positive change in their neighborhoods.

- Seattle's **Neighborhood Matching Fund** provides money to Seattle neighborhood groups and organizations for a broad array of neighborhood-initiated improvement, organizing or planning projects. Matching funds are available for small projects as well as projects requiring more than \$15,000.
- The City's **Neighborhood Service Centers** link City government to Seattle's neighborhoods. The Centers facilitate community networks, assist with neighborhood improvements, make referrals to local human services, and serve as staff to District Councils.
- Seattle's **P-Patch Program** provides community garden space in over 1,900 plots for residents of Seattle neighborhoods.

The **Office of Economic Development's** (OED) mission is to provide business assistance and community and workforce development services to businesses, community organizations and residents. OED funds the following major programs to achieve its goals.

- **Neighborhood and Community Development Programs.** OED provides Neighborhood Business District support to Business Improvement Areas, neighborhood associations and Chambers of Commerce. In addition, OED supports Community Development Corporations like Southeast Effective Development (SEED) to help revitalize neighborhoods through community development and real estate development projects.
- **Business Development Programs.** OED works with several entities to ensure business-friendly City policies: Community Capital (which provides technical and financial assistance to small businesses and microenterprises); the Environmental Extension Service (which provides conservation, pollution prevention and environmental clean-up assistance to businesses); and the Seattle/King County Economic Development Council (which works to recruit and retain businesses in the region).
- **Workforce Development Programs.** The Seattle Jobs Initiative (SJI) partners community-based organizations with community colleges and employers in recruiting, training, placing and retaining low-income residents in living-wage jobs.



Frequently Asked Questions (FAQs) about West Hill Governance Options: May 2005

Q. Are casinos allowed in...

- **King County?** Yes
- **Renton?** Yes
- **New city?** That depends on the future decisions of a government running the city.
- **Seattle?** Seattle ordinances state that social card games are not allowed, but Seattle does, allow punch cards and other minor types of gambling, which are taxed.
- **If West Hill were annexed by Seattle, would current casinos be grandfathered in?** City planners confirmed that existing casinos would technically become a non-conforming use in Seattle's zoning code. The State of Washington regulates and licenses gambling, and a city's role is limited to allowing or banning social card game rooms. Seattle has a moratorium on social card game rooms, extended multiple times over the past decade. Historically, a gambling enterprise would be allowed to stay and operate as a non-conforming use, and no new businesses of that type would be allowed to site in Seattle, and current uses would not be allowed to expand. Recent court cases concerning the status of card rooms in Kenmore and Edmonds will likely, soon, force all cities with moratoria to either ban or allow gambling in their cities. If West Hill annexed to Seattle and Seattle banned gambling, the current West Hill casinos would likely have their annual licenses revoked when the State Gambling Commission reviewed them for renewal.

Source: 117 Wn. App. 344, Edmonds Shopping Ctr. Assocs. v City of Edmonds, local ordinances, interviews with City of Kenmore and City of Seattle staff

Q. What would happen with special districts if governance changed?

A. Generally the status of a special district would not change with a change in governance unless the service was provided by the new government and the special district is dissolved.

Service	Provided Now By...	Stay Unincorporated	Incorporate	Annex to Seattle	Annex to Renton
Fire	Fire District 20 (special district)	No Change	No Change	Seattle Fire Department	Renton Fire Department
Library	King County Library System (special district)	No Change	No Change	Seattle Public Library	Renton Public Library
School	Renton School District (special District)	No Change	No Change	No Change	No Change
Water & Sewer	Skyway Water & Sewer District (special district)	No Change	No Change	Seattle Public Utilities	No Change

Q. Community and Economic Development

- **How can we improve our community image?**
- **What would attract businesses to the corridor?**
- **What are economic development efforts that we could undertake?**
- **What grants are available?**

A. Please see governance profiles for more information about how Seattle, Renton and King County each approach economic development.

The public sector has a relatively limited role in the economic development of communities. Most drivers of the economy rely on the actions of private businesses. Cities and counties are financial partners in economic development and can invest public funds in a limited manner to promote industrial and commercial growth, through infrastructure improvements and/or increasing the industrial and commercial property development through zoning. Economic development is carried out through partnership agreements of state, local governments, small business development centers, port districts, community and technical colleges, private industry councils, and other development organizations.

Recently an economic development element of local comprehensive planning became required (previously it was optional), meaning that cities and counties now spend more focus on economic development. Cities are relatively well-positioned to address economic development issues, with more organizational and funding mechanisms and leverage than unincorporated areas. Listed below are state laws and local government tools to spur economic development. Whatever governance option West Hill residents may choose, different options will be available.

The associate development organization (ADO) is defined in [RCW 43.330.010](#) and is the lead economic development agency in each county. In King County, that organization is formerly known as the economic development council of Seattle-King County, and now known as enterpriseSeattle (see www.edc-sea.org).

King County's economic development efforts are primarily in business development, to retain, expand, create and recruit businesses within industry clusters that are core to the region's economic base and offer the greatest potential for growth. See www.metrokc.gov/exec/bred/business/business.htm. In partnership with cities, generally, chambers of commerce are the leaders of business attraction efforts.

Parking and business improvement areas (PBIAs) aid general economic development and facilitate merchant and business cooperation by establishing a special assessment district. [Chapter 35.87A RCW](#)

Community Renewal Areas ([Ch. 35.81 RCW](#)) improve the ability of cities, towns, and counties to implement economic development projects in blighted areas. The law provides a limited form of tax increment financing, allowing a city to pledge excess local excise taxes generated by business activity within the boundaries of the community renewal area to pay for bonds issued to finance public improvements in that area.

Downtown and Neighborhood Commercial Districts ([Ch. 35.100 RCW](#)) allow cities over 100,000 population to designate certain areas as "downtown" or "neighborhood commercial districts," to undertake certain kinds of revitalization activities, measure the increase in its local sales tax

revenue in the areas, and spend that increase on revitalization costs, debt service on bonds issued for projects in these districts. Seattle's Department of Planning and Development has a Downtown Business District program underway.

Industrial Redevelopment Bonds ([Ch. 39.84 RCW](#)) can be issued through city or county ordinances creating public corporations "for the purpose of facilitating economic development and employment opportunities in the state of Washington through the financing of the project costs of industrial development facilities" separate from the municipality that created them. The definition of "industrial development facilities" is quite broad, and even includes public sports facilities and parking facilities. Seattle has an active Seattle Industrial Development Corporation authorized by Seattle Municipal Code [Chapter 3.116 Industrial Development Corporation](#), and King County Economic Enterprise Corporation, [King County Code, Section 2.32.210](#) is permitted but not active.

Source: Municipal Research and Services Council. See <http://www.mrsc.org/Subjects/Econ/ed-tech.aspx> for links to technical assistance sources for economic development.

Q. Community Identity: If the area is annexed to Seattle or Renton, will West Hill be a part of another neighborhood or will it be a neighborhood with its own identity? What kind of influence would West Hill residents have on public decisions?

A. The answer to this question depends on residents' engagement and the approach and receptivity of each local government to public involvement. A perception exists that residents would have the most control and influence over public decisions as a city of 14,000 residents run by a city council of their own choosing, which is supported by the experience of other newly incorporated cities. If annexed, West Hill's place in Seattle or Renton might look like:

- **Seattle:** If West Hill became part of Seattle, West Hill neighborhoods would be a part of the Seattle Department of Neighborhoods' Southeast District. That district includes all neighborhoods south of I-90 to the city limits and east of I-5. West Hill would probably not become a part of the Rainier Beach neighborhood for neighborhood planning purposes, but would be identified by its historical name (such as Skyway and Bryn Mawr). The Southeast District is one of 13 serving on Seattle's City Neighborhood Council (CNC), a citizen-led advisory group, to provide city-wide coordination for the Neighborhood Matching Fund, Neighborhood Budget Prioritization, and Neighborhood Planning programs. West Hill neighborhoods would have access to these programs if annexed.
- **Renton:** Has 23 officially recognized neighborhoods. West Hill would be able to apply and follow an established process to create a neighborhood association. The City supports the neighborhoods through two programs (Neighborhood Picnic and Neighborhood Grant).

Q. How could water, sewer, sidewalks, and streetlights be extended into my neighborhood if West Hill annexed to a city?

A. It depends on the type of improvement and how much capital investment is needed.

It is very rare for a city to make major capital investments of any kind in a newly annexed area all at once. It is more likely that over time, through the annual budget and 6-year capital improvement program (CIP), that a city would plan and save to set aside funds, or issue debt to build and maintain sidewalks and paths or utility system improvements would be made through rate increases.

A financing tool that can be used to pay for capital improvements is the creation of a Local Improvement District (LID). Both cities and counties can create LIDs. Neighbors who gather and petition a city or utility district to extend utilities or sidewalk/street improvements form a special assessment district to finance and pay for needed capital improvements. Assessments are paid by “benefitted properties,” which receive direct benefit from the improvements (essentially a specific group of neighbors elects to receive the benefits of an improvement to their property).

LID creation leads to the sale of bonds to investors and the retirement of those bonds through annual payments of the property owners. LIDs have two goals: assess property owners fairly in relation to the special benefit they will receive, and offer an attractive bond portfolio to investors.

State law says that the cost or assessment per parcel cannot be more than the benefit of the improvement to that parcel. For example if the appraised value of a sewer system, would only increase a property's value by \$1,500, then only an assessment up to \$1,500 on that property would be considered in forming an LID.

LIDs can be formed by initiation by a city council, or by petition by property owners to initiate an LID. The city must gauge citizen support; hold informational meetings; advertise the formation of the district; allow for protest periods and options for deferral for low-income and senior citizens; and ultimately, approve the LID creation through city ordinance.

A Utility LID (ULID) is similar to an LID for a utility improvement such as water or sewer projects. The difference between ULIDs and LIDs is that, in addition to the assessments on the benefitting properties, utility revenues are also pledged to the repayment of the ULID debt.

Source: Municipal Research Services Council and Skyway Water and Sewer District

Q. What was the recent experience of other cities with incorporation?

Covington. The City of Covington incorporated in 1997. The population at incorporation was 12,500, and is currently 15,190 (approximately 22% growth). • The city incorporated because: (1) City of Kent was steadily annexing and residents did not identify closely with Kent; (2) residents were frustrated by recent commercial developments permitted by King County; and (3) residents wanted more control over commercial and residential development in the area. The incorporation was approved with an overwhelming vote; however, immediately thereafter the new city had to deal with two moratoriums: Covington Water District imposed a moratorium on new connections and was not issuing new certificates of water availability, and the City Council imposed a moratorium on development until the zoning codes were refined. • After the moratoriums were lifted, commercial and residential development within the city limits exploded. Most of the growth in population came from new residential development (1,042 new residential units built since incorporation through 2004, representing 25% increase), but significant

commercial development also occurred (new retail, office buildings, apartments, Walgreen, Wal-Mart, and a proposed new Costco). • Covington still contracts with King County for most services, including police and street maintenance. • Number of City Hall staff increased from approximately 6 at incorporation to about 28 current full time positions today. • Most important lesson learned: newly incorporated cities should pass the usual “set” of allowed property taxes at incorporation, in order for funding to remain adequate in the future. Covington had enough revenues from the development boom in the area and did not impose a utility tax. However, when the development subsided, the revenues diminished as well. The city passed an ordinance instituting a 3.5% utility tax, however, the citizens collected signatures on petitions opposing the tax and requiring the issue to be placed on the ballot. Utility tax collection has been suspended pending the outcome of an election on May 17, 2005, which could result in the loss of potential revenue for the city.

Source: Covington website and City Attorney

Kenmore. Incorporated 1998, incorporation committee formed in 1995 • Population in 1998 was 16,874 ; population today 19,170 (14% growth) • Key issues driving incorporation were better municipal services, more local control over zoning including control over adult entertainment, improved municipal services, perceived threat of annexation by Bothell, Lake Forest Park or Kirkland • Kenmore is a mostly residential community; King County Annual Growth report shows 383 businesses and 4,280 jobs • In 1998, Kenmore contracted with King County for police, surface water, road maintenance, traffic, animal control, business license, district court services. Contracted with private company planning, building inspection, traffic & City engineering, Building Official, city attorney, prosecution, public defense. Services the city did in-house included planning (supplemented by contracts), administration and finance. The City didn't do: code enforcement, parks maintenance (didn't have parks transferred for several years), or recreation. Today, Kenmore still contracts with King County for police, surface water, minimal road maintenance, traffic maintenance, animal control, and district court services. Contracts with the city of Lake Forest Park for road maintenance, parks maintenance. Most 1998 contracts for planning, administration, engineering and legal support are still in place. Now done in-house: administration and finance, code enforcement, building inspection, city engineer. • Number of City Hall staff at incorporation was 8 (City Manager, Assistant City Manager, Senior Planner, Community Development Director, Receptionist, Administrative Assistant, Accounting Tech, City Clerk). Today, the City has 16 staff (added Public Works Superintendent, Engineer, Administrative Assistant, Code Compliance Officer, Building Inspector, and planning and finance support staff). • Surprising or unexpected issues City since incorporation? Incorporation study is considered a public commitment to operate based on the assumptions made by a private consultant, even though later elected officials have policy making authority. The world has drastically changed since incorporation, affecting underlying assumptions for the financial health of Kenmore (property tax initiatives, elimination of sales tax equalization). This resulted in a changed vision about growth and development very soon after incorporation. This change in vision appears to the public to be the result of incorporation, but not really. "Scarcely a day passes without some striking evidence of the delays and perplexities springing merely from the want of precedents." (Representative James Madison, May 31, 1789, First Federal Congress). This quote is inscribed along the top trim board at the National Archives above the Constitution. In other words, everything is harder and takes longer, because it's never been done before.

Source: Kenmore website and Assistant City Manager

Q. What are differences in city and county ordinances for business regulations?

A. West Hill businesses could potentially face more regulation and taxes with a change in governance. All persons engaging in business activity in the City of Seattle and the City of Renton must obtain a business license and pay taxes. Only those businesses located in unincorporated King County engaging in a regulated activity must license their business.

King County:

- King County business licenses are required for businesses engaged in specific regulated activities within unincorporated King County (outside of any city limits). Regulated activities are amusement parks and places, amusement devices, bowling alleys, carnivals, go-cart tracks, skating rinks, video games, pool tables, outdoor and indoor entertainment, dances, adult entertainment establishments, massage and bathhouse businesses, process servers, secondhand dealers, pawnshops, charitable organizations, taxicabs and drivers, pet shops, kennels, grooming businesses, or theaters. Otherwise, King County does not require a general business license. However, businesses must be in compliance with zoning code regulations.
- See <http://www.metrokc.gov/lars/business/obtain.htm> and <http://www.metrokc.gov/dedes/business/index.shtm>

Seattle:

- Anyone engaging in business within the Seattle city limits needs a business license and may have to pay business taxes as well. Any business whose annual taxable gross revenue (gross receipts less allowable deductions) is less than \$50,000 is not required to remit a tax payment or a return even if no tax is due. The business license tax is levied on all gross receipts, with some deductions and exemptions are provided by the Seattle Municipal Code. A two-tier business license fee is also in place with fees based on the entity's projected worldwide annual gross income and/or value of products, and a business license fee of \$90 and \$10 for each additional branch.
- Business & Occupation Tax (B&O) is calculated on the gross income of the business multiplied by 0.215%; 0.415% for service-related industries.
- For more information please visit: <http://www.seattle.gov/rca/taxes/Taxmain.htm> and <http://www.cityofseattle.net/rca/licenses/Licmain.htm>

Renton:

- Businesses operating in Renton need a business license from the City of Renton. Over 80% of funds are used to improve and expand City streets. All applicants must have a Uniform Business Identification Number (UBI). Home-based businesses must apply for a home occupation license, and have permission from the landlord to conduct business out of an apartment. Commercially zoned businesses must have a commercial business license. City of Renton Business Licenses fees are based on person-hours worked in a quarter by all personnel multiplied by rate per hour (.029). This includes all corporate officers, partners, family etc. regardless if a salary is paid or not, billed quarterly. Businesses located outside the City limits and coming into the City to do business must have a license for business conducted in the city.
- For more information please visit: <http://www.ci.renton.wa.us/>

Source: city and county websites, interviews with local government staff

Q. What about non-governance issues? Would these things change?

- **Address and zip code?** Currently, West Hill residents' city and zip code is Seattle, 98178. The Berk & Associates team assumes the following:
 - If the area annexed to Seattle or remained unincorporated, neither city name nor zip code in the address would change.
 - If the area annexed to Renton or incorporated as a new city, the city name would change but the zip code would remain the same.The U.S. Postal Service was unwilling to speculate about their response to a change in governance for either city name or zip code. Occasionally the US Postal Service will add new or realign existing ZIP Code areas to accommodate population growth. New ZIP Codes are released by the District Office approximately 30 days before the ZIP Code change goes into effect, and mail with the old ZIP Code will continue to be delivered for one year.
- **Area code/phone number?** Berk & Associates assumes that area codes would not change. Area codes are determined by the telephone companies and regulated by the state. An area code only changes when an area runs out of prefixes. Area codes are not determined by urban boundaries.
- **Insurance rates?** The insurance rates might or might not change – there is no clear indicator as to what would happen. Special risk assessment organizations determine the risk ratings of a particular area, which then leads the insurance providers to assign different risk premiums based on these risk ratings. These risk ratings depend on a number of items: which fire or police department serves the area, the response times, distance from the fire hydrant, geographic location (proximity to lake, woods, etc.), crime rates, number of accidents.

Source: Inquiries to U.S. Postal Service, local telephone and insurance providers

Q. So When Do We Vote?

A. There are several mechanisms for a city to annex an area or for an area to incorporate as a new city. All annexation methods require city consent, and residents can initiate the process but can't compel the city to annex. Concerted resident opposition can stop annexation. The options are listed below.

“Old” Petition Method: RCW 35A.14.120 (reinstated Supreme Court Feb.'04) is most-often-used form of annexation.

- Petition to annex with signatures of property owners owning at least 10% of area
- Petition presented to city council; council decides whether or not accept petition
- Petition is circulated with signatures of property owners representing 60% of assessed value
- Subject to BRB process; city must pass an ordinance effecting the annexation.

“New” Petition Method: RCW 35A.14.420 (laws of 2003)

- Residents may petition to be annexed to a city by filing “an intention to commence annexation proceeding” signed by owners of 10% of the acreage of the area
- City council decides whether to accept annexation proposal (accept, modify or reject)
- Circulation of petition including signatures of the owners of a majority of the acreage of the area and a majority of the registered voters
- Council passes ordinance annexing subject area subject to BRB process.
- Petition may set forth zoning and whether area will assume existing bonded indebtedness

Election Method: RCW 35A.14.015

- Petition with signatures equal to 10% of votes cast in last state general election OR city may pass a resolution expressing its intent to annex
- Subject to BRB approval process
- Election held – simple majority needed
- City can choose to reject even if election vote is favorable
- Voters vote for/against annexation and bonded indebtedness

“New Island” Method: RCW 35.14.460 laws of 2003

- Unincorporated island, with 60% of area must be surrounded by one or more cities
- Annexing city and county develop an interlocal agreement that sets forth the conditions and timing of annexation
- City and county councils adopt interlocal agreement following public hearings; city passes ordinance annexing the area.
- Action is subject to 45 day referendum – a petition signed by 15% of registered voters will put the question of annexation before the voters. Simple majority required.
- Subject to BRB process

Incorporation: RCW 35.02

- Petition requirement: 10% of registered voters residing within boundaries 180 days after proposed incorporation public meeting is held
- Review by BRB: May approve, modify boundaries (may not add or remove more than 10% of total area), or recommend against the proposal. Determine division of assets and liabilities between two governments. Present proposal and modified proposal for election.
- Election: At next special election date, 60+ days after the final public hearing by the BRB. If vote in favor of incorporation gets 40% or less of the total, no new election on incorporation for the area or any portion may be held for 3 years from the failed election
- If the voters approve the proposed incorporation, a primary election to nominate candidates for city council (and, in mayor-council cities, a mayor) and then an election to select the city council must be held.
- New city must officially incorporate, at a date set by the initial city council, within 360 days of the incorporation election.

**WEST HILL GOVERNANCE OPTIONS ASSESSMENT
SUMMARY REPORT**

**Appendix B
Incorporation Feasibility Assumptions about City Hall Staffing**

APPENDIX B TECHNICAL INCORPORATION TABLE

Table B-1: General Government Staffing Levels and Salaries

	Salary Range		FTE's *	Salary (Annual)	Total
	High	Low			
City Manager	6,601	8,332	1	100,000	100,000
Director of Admin. & Fin.	5,547	6,876	1	85,000	85,000
Accountant - Senior	3,926	4,828	1	60,000	60,000
Accounting Clerk	2,412	3,001	0	35,000	0
City Engineer	4,949	6,187	1	75,000	75,000
Engineer Tech.	3,190	4,024	1	50,000	50,000
Public Works Director	5,472	6,898	1	85,000	85,000
Community Development Dir.	5,127	6,497	1	80,000	80,000
Computer Support Specialist	3,308	4,226	1	50,000	50,000
City Clerk	3,917	4,987	1	60,000	60,000
Legal Secretary	2,814	3,391	1	40,000	40,000
Administrative Secretary	2,783	3,498	1	45,000	45,000
Receptionist	2,215	2,738	1	35,000	35,000
Senior Planner	4,305	5,451	1	65,000	65,000
Parks Maintenance Supervisor	3,324	4,181	0	50,000	0
Recreation Coordinator	2,742	3,540	0	45,000	0
Miscellaneous FTE's			2	40,000	80,000
<i>Council Members</i>	<i>6</i>			<i>5,400</i>	<i>32,400</i>
<i>Mayor</i>	<i>1</i>			<i>6,000</i>	<i>6,000</i>
Total			15		\$948,400
Benefits					284,520
Benefits as % of Salaries			30%		
Facility Costs					56,250
Cost per square foot			15		
Square Feet per FTE			250		
Operating Supplies					94,840
Supplies as % of Salaries			10%		
Phone Expenses					15,000
Cost of phone per FTE			1,000		
Computers					19,928
Computer cost per FTE per year			1,329		
Furniture					10,975
Furniture cost per FTE per year			732		
Vehicle Lease					21,464
Number of vehicles			4		
Cost per vehicle per year			5,366		
Vehicle Operation & Maintenance					16,000
Number of vehicles			4		
Vehicle O&M cost per year			4,000		
TOTAL COSTS OF GENERAL ADMINISTRATION					\$1,467,377

* Full-time equivalent positions

Source: Berk & Associates

**WEST HILL GOVERNANCE OPTIONS ASSESSMENT
SUMMARY REPORT**

**Appendix C
Tax Burden and Level of Service Detail**

APPENDIX C TECHNICAL TAX AND LEVEL OF SERVICE TABLES

Attachment C contains technical analysis concerning annexation alternatives. Tables C-1 and C-2 detail the property tax levy and utility taxes.

Table C-1: Property Tax Levy Structure

Levy Description	Uninc. King County	Seattle	Renton
Consolidated	4.32501	4.32501	4.32501
Roads	1.83168	0	0
City	0	3.35344	3.22704
School District	3.9925	3.9925	3.9925
Fire	1.72621	0	
Hospital	0.09039	0.09039	0.09039
Library	0.53255	0.04955	0.04955
EMS	0.23182	0.23182	0.23182
Total Levy	12.73016	12.04271	11.91631

Source: Berk & Associates analysis of Assessor King County Assessor Summary of Codes and Levies, 2005

Table C-2: Utility Tax Detail

Levy Description	Uninc. King County	Seattle	Renton
Telephone	--	6% x 960 = \$57.60	6% x 960 = \$57.60
Gas	--	6% x 360 = \$21.60	6% x 360 = \$21.60
Electricity	6% x 1000 = \$60.00	6% x 1100 = \$60.00	6% x 1000 = \$60.00
Water & Sewer	--	10% x 720 = \$72	6% X 620 = \$37.20
Storm Drain	--	\$12.17	\$3.88
Cable TV	--	8.2% x \$40 basic x 12 months = \$39.36	6% x \$40 basic x 12 months = \$28.80
Solid Waste	--	10% x \$248 = \$24.80	6% x \$161 = \$9.68
Total Utility Taxes	\$60	\$288	\$236

Source: Berk & Associates analysis of cities of Seattle and Renton and King County data

Tables C-3 through C-19 are data compiled from a request to King County and the cities of Seattle and Renton.

**Table C-3
Library Services**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...	King County Library System	Renton Library	Seattle Public Library
Collection Size (Books) per capita	3.27	3.39	3.48
Circulation (items) per capita	14.90	9.25	10.96
Library Square Footage per capita	0.44	0.52	0.99
Operating Cost per capita	\$62.87	\$21.93	\$62.61
Planned Annual Average Capital Expenditure per capita (6 years)	not ansered	\$6.05	\$3.39
Historical Annual Average Capital Expenditure per capita (5 years)	not ansered	\$5.42	\$72.46
Collection size	not ansered	not ansered	575,000

Source: Cities of Renton and Seattle and King County

**Table C-4
Law Enforcement**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...	King County Sheriff	Renton Police Department	Seattle Police Department
Dispatched Calls for Service per Officer	3,971	1,236.87	415.11
Response Time (minutes): Highest Priority Emergency Calls	3.84	2.93	7
Response Time (minutes): 2 nd Priority Emergency Calls	6.31	7.76	N/A
Response Time (minutes): 3 rd Priority Calls	12.19	11.23	10.4
Response Time (minutes): 4 th Priority Calls	35.84	22.48	20.9
Criminal Investigations per 1,000 Population (Part 1 Crimes)	43.66	87.26	81.37
Operating Cost per capita	not ansered	\$286.80	\$304.37
Planned Annual Average Capital Expenditure per capita (6 years)	N/A	0	N/A
Historical Annual Average Capital Expenditure per capita (5 years)	N/A	0	N/A

Source: Cities of Renton and Seattle and King County

**Table C-5
Roads/Streets**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...	King County	City of Renton	City of Seattle
Traffic Congestion Standard (at evening rush hour): scale = A – F, with A best, F worst • Level of service standard (i.e., lowest acceptable ratio of volume to capacity)	“E” is adopted standard; except for those projects identified in King County Code 14.70.285 that are applied a LOS “F”	No LOS Standard based on A-F scale. City LOS Standard = 42 (sum of the travel distance in 30 minutes from the City in all directions)	"D"
Years Between Overlays or Resurfacing: Arterials	not answered	10 to 20	39 year for arterial resurfacing
Years Between Overlays or Resurfacing: Local Streets	not answered	17 to 25	Chipseal streets:11 years; asphalt streets: 400 years
Road Maintenance Cost per capita	Traffic: \$16.19 Maintenance: \$70.50	\$14	\$23.77
Planned Annual Average Capital Expenditure per capita (6 years)	\$157	\$98	\$188
Historical Annual Average Capital Expenditure per capita (5 years)	\$195	\$101	\$86

Source: Cities of Renton and Seattle and King County

**Table C-6
Sewer**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Average MONTHLY COST OF Sewer Service per Equivalent Residential Unit	ERU = 7.5 CCF \$46.24	\$13.43 Collection \$25.60 Treatment	ERU= 5.2 CCF ERU = 7.5 CCF ERU=5.2 CCF: \$34.20 ERU=7.5 CCF: \$32.50 ERU=7.5 CCF: \$16.80
Operating Cost per Equivalent Residential Unit	\$435.78 (relatively small # of ERUs)	\$40.15	\$32.50
Planned Annual Average Capital Expenditure per capita (6 years)	\$337.75	\$43.35	\$207
Historical Annual Average Capital Expenditure per capita (5 years)	\$21.50	\$36.13	\$185

Source: Cities of Renton and Seattle and King County

**Table C-7
Solid Waste**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Frequency of Service – Garbage	Weekly	Weekly	Weekly
Frequency of Service – Recycle	Bi-weekly	Weekly	Bi-weekly
Frequency of Service – Yard Waste	Bi-weekly	Weekly	Bi-weekly
Frequency of Service – Yard Waste (December – February)	Monthly	Weekly	Bi-weekly
Monthly Cost – Garbage (One Can) and Recycle	\$26.46	\$13.44	\$16.35
Monthly Average Cost – Yard Waste (60 – 64 gal.)	\$9.00 (96 gal cart: \$9.85)	Included in base solid waste rates	\$4.30
Planned Annual Average Capital Expenditure per capita (6 years)	N/A	No CIP	\$260
Historical Annual Average Capital Expenditure per capita (5 years)	N/A	No CIP	\$36

Source: Cities of Renton and Seattle and King County

**Table C-8
Water**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...	SWWSD		
			ERU=6.2 CCF ERU = 7.5 CCF
Average Water Pressure (PSI) per Equivalent Residential Unit	80-85 psi	40 psi 60 110 psi	30 psi
Average Monthly Cost of Water per Equivalent Residential Unit	\$28.85	\$13.05	ERU=6.2 CCF: \$23.83
Operating Cost per Equivalent Residential Unit	\$328.32 (relatively small # of ERUs)	\$156.68	ERU=7.5 CCF: \$12.60
Planned Annual Average Capital Expenditure per capita (6 years)	\$174	\$69	ERU=7.5 CCF: \$738
Historical Annual Average Capital Expenditure per capita (5 years)	\$512	\$83	\$651

Source: Cities of Renton and Seattle and King County

**Table C-9
Gambling Tax Rates**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Amusement Games (net)	not answered	\$30 per machine/qtr	2% of the net gambling receipts
Punch Boards and Pull Tabs – for profit (gross)	not answered	5% gross/qtr (pull tabs)	5% of gross receipts
Punch Boards and Pull Tabs – non profit (net)	not answered	10% net/qtr (pull tabs)	10% of net receipts
Bingo (net)	not answered	5% net/qtr	10% of net gambling receipts
Raffles (net)	not answered	5% net/qtr	10% of net gambling receipts
Card Games (gross)	not answered	10% gross/qtr	n/a

Source: Cities of Renton and Seattle and King County

**Table C-11
Utility Tax Rates**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Natural Gas	not answered	6%	6%
Electricity	not answered	6%	6%
Telephone	not answered	6%	6%
Cellular Phones	not answered	6%	6%
Pay Phones	not answered	6%	B&O local rates
Pagers	not answered	6%	6%
Cable TV	not answered	6%	10%
Garbage	not answered	6%	10%
Water	not answered	6%	10%
Sewer	not answered	6%	10%
Storm Drain	not answered	6%	10%

Source: Cities of Renton and Seattle and King County

**Table C-12
Rates of Other Taxes and Fees**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Business and Occupation (B&O) Local Tax Rates	None	N/A	0.415% for service; 0.215% for retail/wholesale, manufacturing/extracting, printing/publishing; 0.0215% for wheat wholesaling/flour mfg. \$90 per year for businesses with gross income greater than \$20k annually; \$45 per year for businesses with gross income below \$20k annually
Business License Rates	None	\$55 per employee/yr	
Utility Tax Rates	None	6%	Vary
Franchise Fee Rates: Cable TV	5%	5%	3.50%
Development Fees – Permit, Inspection, Review (2,500 sq. ft. home with 500 sq. ft. garage)		\$3,389	\$2,827 (for construction cost estimate of \$230k)
Transportation Mitigation or Impact Fees • <i>per single family house</i>	Zone 194 \$166/household Zone 195 \$137/household Zone 196 \$262/household \$0.00	\$75 per daily trip generated plus site-specific mitigation	N/A
Park Mitigation or Impact Fees • <i>per single family house</i>	NOTE: Parks Levy Fund, rate of .049/\$1,000 AV in place 2004-2007	\$531	N/A
Fire Mitigation or Impact Fees • <i>per single family house</i>	not answered	\$488	N/A
Tax Rate on Taxable Retail Sales	not answered	8.80%	0.85%

Source: Cities of Renton and Seattle and King County

**Table C-13
Planning and Land Use Regulation**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Employees per 1,000 population	not answered	0.29	0.60 for whole dept. 0.05 including prof urban designers and long-range planners; not including land use project review staff
Major Permit Processing Turnaround Time (days)	not answered	84	120
Minor Permit Processing Turnaround Time (days)	not answered	42	48 hours and 6 week goals "to initial review;" not tracked to "final disposition"
Code Enforcement Cases per Code Enforcement Officer	not answered	411.5	150 per inspector, not including 2 supervisors who also do some inspections
Operating Cost per capita	not answered	\$25	\$95
Description of planning department's approach to working with neighborhoods and neighborhood commercial districts.	not answered	with the creation of the Economic Development, Neighborhoods and Strategic Planning Department in 1997, the City integrated neighborhood services, long-range strategic planning, and economic development into one department	Land Use Project Review: Neighborhood meetings for design review, and at request of neighborhoods. Long-Range Planning: Various community meetings, focus group discussions, work with advisory groups, etc. depending on planning project.

Source: Cities of Renton and Seattle and King County

**Table C-14
Parks**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Active Park Land Acres per 1,000 Population	1.6027	8.66	Total park acres: 10.83
Passive Park Land Acres per 1,000 Population	0.334	12.01	N/A
Trail Miles per 1,000 Population	None	0.189	N/A
Athletic Fields per 1,000 Population	0.416	0.975	0.36
Operating Cost per capita	4.74	\$125.94	\$187.00
Operating Costs per capita (Special)	N/A	N/A	N/A
Total Operating Cost per capita	4.74	\$125.94	\$187.00
Planned Annual Average Capital Expenditure per capita (6 years)	\$0.00	5,218.M = \$94,255 per 1,000	05/06 CIP: \$97/capita. Projections for '07-'10
Historical Annual Average Capital Expenditure per capita (5 years)	\$0.00	\$2.2M = \$36,488 per 1,000	\$62.00

Source: Cities of Renton and Seattle and King County

**Table C-15
Corrections**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...			
Correctional Facility Beds per 1,000 Population	not answered	0.9	0.47
Operating Cost per Incarcerated Person per Day	not answered	\$47.05	\$103
Operating Cost per Home Detention Person per Day	not answered	\$24.34	\$13.43
Operating Cost per capita	not answered	\$40.77	\$18.32 per person (NOTE: not per capita)
Planned Annual Average Capital Expenditure per Capita (6 years)	not answered	\$0.00	N/A (Seattle currently contracts for jail services)
Historical Annual Average Capital Expenditure per Capita (5 years)	not answered	\$0.00	N/A (Seattle currently contracts for jail services)

Source: Cities of Renton and Seattle and King County

**Table C-16
Courts**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...			
Annual Cases per Judge	not answered	12,251	1,876 criminal filings per judge (not including non-criminal infractions and parking violations)
Operating Cost per capita	not answered	\$23.41	\$33.28 per person (NOTE: not per capita)

Source: Cities of Renton and Seattle and King County

**Table C-17
Fire & Emergency Medical Services**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...	FD 20	Renton Fire Department	Seattle Fire Department
Average Response Time (Structure Fire) - minutes	4.62	5.78	4.62
Insurance Fire Rating (Scale = 1, best to 10, worst)	5	3	2
Average Response Time (BLS)	4.79	5.18	4.09
Percent of BLS Responses In Less Than 6 Minutes	84%	77%	97%
Percent of ALS Responses In Less Than 12 Minutes	93%	87.40%	100%
Uniformed Personnel per 1,000 population	4.7	1.6	2.8
Operating Cost per capita	\$123.87	\$197.29	\$2,130
Planned Annual Average Capital Expenditure per capita (6 years)	\$53.96	\$23.55	Fleets & Facilities Department
Historical Annual Average Capital Expenditure per capita (5 years)	\$164.92	\$26.13	Fleets & Facilities Department

Source: Cities of Renton and Seattle and King County

**Table C-18
Animal Control**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...			
Animal Control Complaints and Calls for Service per 1,000 Population • Total animal control complaints and calls divided by population (times 1,000)	not answered	115.3	31.5
Operating Cost per capita • Annual cost (excluding capital) divided by population	not answered	\$2.72	\$4.52
Planned Annual Average Capital Expenditure per capita (6 years) • 6-year future CIP divided by 6 years (divided by population)	not answered	0	0
Historical Annual Average Capital Expenditure per capita (5 years) • most recent 5 years actual capital expenditures divided by 5 years (divided by population)	not answered	0	0

Source: Cities of Renton and Seattle and King County

**Table C-19
Human Services (Local, Excluding Regional)**

	Remain Unincorporated	Annex to Renton	Annex to Seattle
Who would provide service...			
At Risk Senior Program Cost per capita			\$89.63
Basic Needs/Survival Cost per capita			\$27.63
Youth Services Cost per capita			\$14.67
Family Support/Child Development Cost per capita			\$13.03
Information and Referral Cost per capita			\$3.65
Sexual Assault Cost per capita			\$1.62
Domestic Violence Program Cost per capita			\$3.46
Administration Cost per capita			\$13.95
Total Human Services Cost per capita			\$167.64

**WEST HILL GOVERNANCE OPTIONS ASSESSMENT
SUMMARY REPORT**

**Appendix D
Community Outreach Tools**

Public Services	Status of Today's Service: Assessment (A to F)	What's needed in West Hill as a community?
Economic Development		
Community Development/Image		
Neighborhood Programs		
Parks & Recreation		
Planning: Permitting, Zoning, Design Standards		
Police		
Streets, Roads, Sidewalks		
Ability to Pay for Capital Projects		
Overall Tax Rates		
Public Transportation		
Social & Housing Services		
Library		
Fire & Emergency Medical Services		
Utilities: Water, Sewer, Drainage		
Schools		
Other - What public services are important to you?		

What our group most wants to know about a change in governance is...

WEST HILL GOVERNANCE ALTERNATIVES

MAY 2005 COMMUNITY FORUM

1 What I would like to tell the Task Force is...

2 Other questions I have about a potential governance change are...

3 Please rank your preferences from most desirable (1) to least desirable (4):

- Stay Unincorporated
- Incorporate as a New City
- Annex to Renton
- Annex to Seattle

Because...

.....

Name: _____

Phone: _____

E-mail: _____

Address: _____

Please contact me with updates on the process

I attended a March Neighborhood Meeting

WANT TO KNOW MORE, SAY MORE, GET INVOLVED? PLEASE CONTACT US

West Hill Governance Task Force Co-Chairs
Sylvia Bushnell and Kathleen Royer

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