

Section II-E

Manitou Potential Annexation





Manitou Potential Annexation

Staff Analysis Report

March 20, 2019

The “Manitou Potential Annexation” is one of the applications for the 2019 Annual Amendment to the *One Tacoma* Comprehensive Plan and Land Use Regulatory Code.

Pierce County and the City of Tacoma have been conducting a collaborative planning effort for the proposed annexation of the Manitou Potential Annexation Area to the City, to be carried out through an interlocal agreement. This pre-annexation planning entails two tracks of work: (1) the annexation ordinance to be adopted by the City Council based on the interlocal agreement; and (2) the proposed zoning to be applicable to the subject area if and when the annexation becomes effective.

The "Manitou Potential Annexation" application and this staff analysis report primarily pertain to the second track that would result in amendments to *One Tacoma Plan* and the Land Use Regulatory Code.

Project Summary

Applicant:	Planning and Development Services Department
Location and Size of Area:	The 37-acre subject area is bounded by 64 th St. W., Lakewood Dr. W., 70 th St. W., and the County-City borderline to the east of 52 nd Ave. W.
Current Land Use and Zoning:	Regulated under Pierce County’s “Mixed-Use District” designation, current land uses include a mix of residential dwellings (single-family, multi-family and mobile homes) and commercial development (offices, retail and auto services and repair).
Neighborhood Council Area:	The subject area is adjacent to the South Tacoma Neighborhood Council area.
Staff Recommendation:	(N/A)
Project Proposal:	Through pre-annexation planning, develop potential amendments to the Comprehensive Plan, including changes to the Future Land Use Designations and Map, changes to other maps that include delineations of City boundaries, and as appropriate, amendments to certain goals, policies and provisions applicable to the subject area.

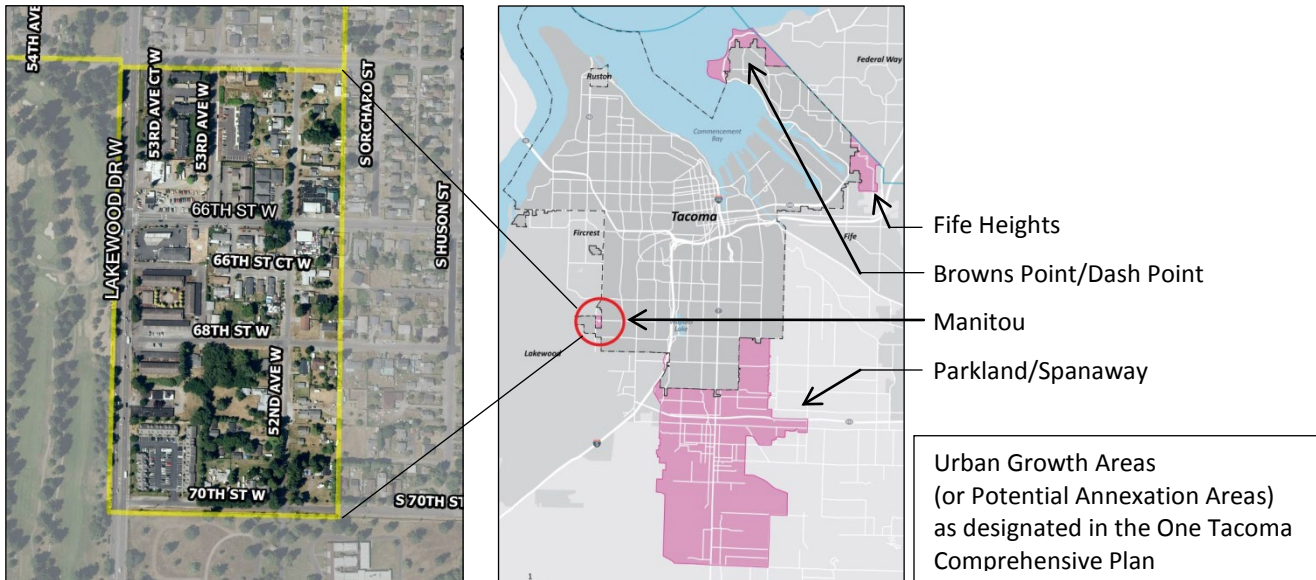


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1. Area of Applicability and Annexation Process

The Manitou area is located on the southwest corner of the City of Tacoma, bounded by 64th St. W. to the north, Lakewood Dr. W. to the west, 70th St. W. to the south, and the County-City borderline to the east that is approximately one half of a block east of 52nd Ave. W. This 37-acre area is an Urban Growth Area (UGA) or Potential Annexation Area (PAA) as designated in both the City of Tacoma's and Pierce County's comprehensive plans. Its annexation to the City is expected by the State Growth Management Act and considered a high priority in regional and county-wide planning policies.



The Manitou area is an unincorporated "island" of Pierce County, where approximately 83% of its boundaries are contiguous to the City of Tacoma and 17% to the City of University Place. As such, pursuant to RCW 35.13.470, the proposed annexation of the Manitou area is to be processed with the Interlocal Annexation Agreement method, through the following general steps:

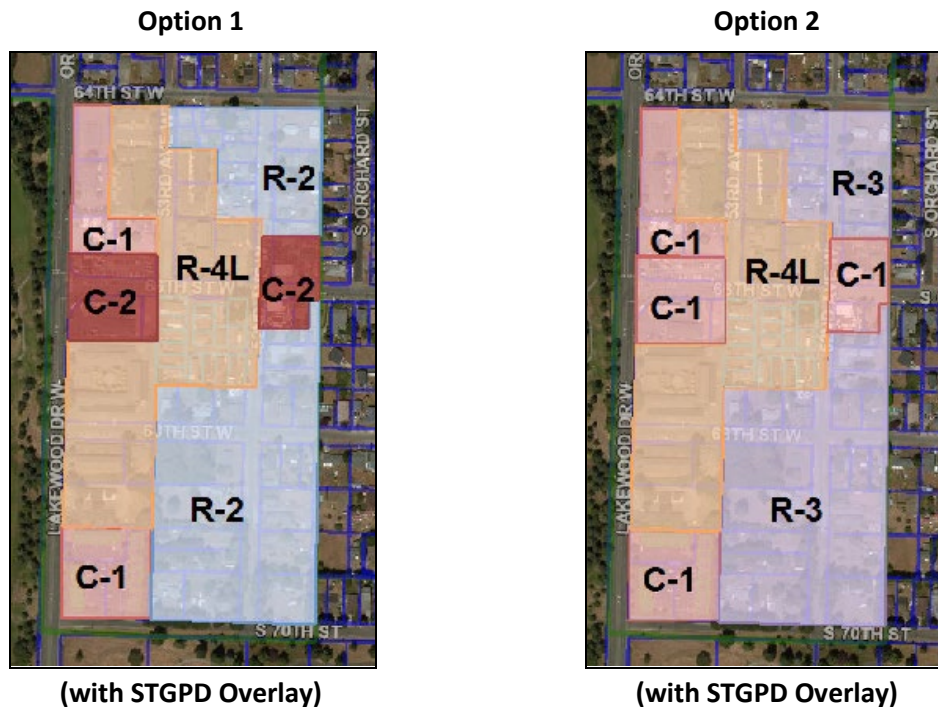
- Initiation of Annexation Process by County Council (Resolution No. R2018-97, September 4, 2018)
- Initiation of Annexation Process by City Council (Resolution No. 40150, October 30, 2018)
- Negotiation of Interlocal Annexation Agreement (spring-summer 2019)
- Public Hearings and Approval of Interlocal Annexation Agreement (summer-fall 2019)
- Approval of Proposed Annexation by Pierce County Boundary Review Board (fall 2019)
- Adoption of Annexation Ordinance by City Council (winter 2019)
- Annexation Effective (winter 2019 or spring 2020)

The pre-annexation planning process for the Manitou area entails the following two tracks of work:

- (1) The above-mentioned work on the preparation, negotiation and approval of the interlocal annexation agreement and the subsequent adoption of the annexation ordinance by the City Council; and
- (2) The establishment of appropriate land use designations and zoning classifications that would be applicable to the subject area if and when the annexation becomes effective (see Section 2 below).

2. Proposed Zoning and Options Analysis

As part of the pre-annexation planning for the Manitou PAA, two options of the proposed land use designations and zoning classifications ("Proposed Zoning") are being established for the area for public review purposes.



Establishing the Proposed Zoning requires amendments to the *One Tacoma* Comprehensive Plan and the Land Use Regulatory Code. Such amendments are also subject to public review. Based upon public comments and the Planning Commission's recommendation, the City Council will consider adopting one of the options or a consolidated option, which would be applicable to the Manitou PAA if and when the annexation becomes effective. The analysis of these options, a description of the proposed amendments to the Plan and the Code, and pertinent background information are summarized in Exhibit "A."

3. Policy Framework and Objectives

See Exhibit "B" for the policy framework and objectives pertaining to the proposed annexation of the Manitou area.

4. Public Outreach

Two community meetings have been conducted jointly by Pierce County and City staff on May 14 and December 10, 2018, at the Manitou Park Elementary School, to engage the community and affected parties in the pre-annexation planning process. The Manitou Annexation Fact Sheet (Exhibit "C") was provided to the attendees at both meetings. Questions and comments received at the meetings as well as the corresponding staff responses were summarized in Exhibit "D", which is subject to continued updates.

In addition, stakeholders were also notified of and invited to attend the following meetings when the Manitou Annexation was on the agenda:

- Planning Commission meetings on July 18, 2018, November 7, 2018, and February 6, 2019
- City Council's Government Performance and Finance Committee meetings on August 21 and October 16, 2018
- City Council meeting on October 30, 2018

At the October 30th meeting, the City Council adopted Resolution No. 40150 to officially initiate the annexation process and begin the negotiation of the interlocal annexation agreement with Pierce County (See Exhibit "E").

5. Impacts Assessment

See Exhibit "A" for the assessment of potential impacts of the Proposed Zoning. See Exhibit "F" for the assessment of the fiscal impacts to the City and to the residents and businesses of the Manitou area.

6. Exhibits

- "A" – Manitou Annexation Proposed Zoning and Options Analysis
- "B" – Manitou Annexation Policy Framework and Objectives
- "C" – Manitou Annexation Fact Sheet (August 2018)
- "D" – Manitou Annexation Community Questions and Staff Responses (January 31, 2019)
- "E" – Manitou Annexation Initiation by City Council (Resolution No. 40150, October 30, 2018)
- "F" – Manitou Annexation Fiscal Impacts (February 27, 2019)
- Project Website: www.cityoftacoma.org/Manitou (for additional information)

EXHIBIT "A"
Manitou Annexation –
Proposed Zoning and Options Analysis



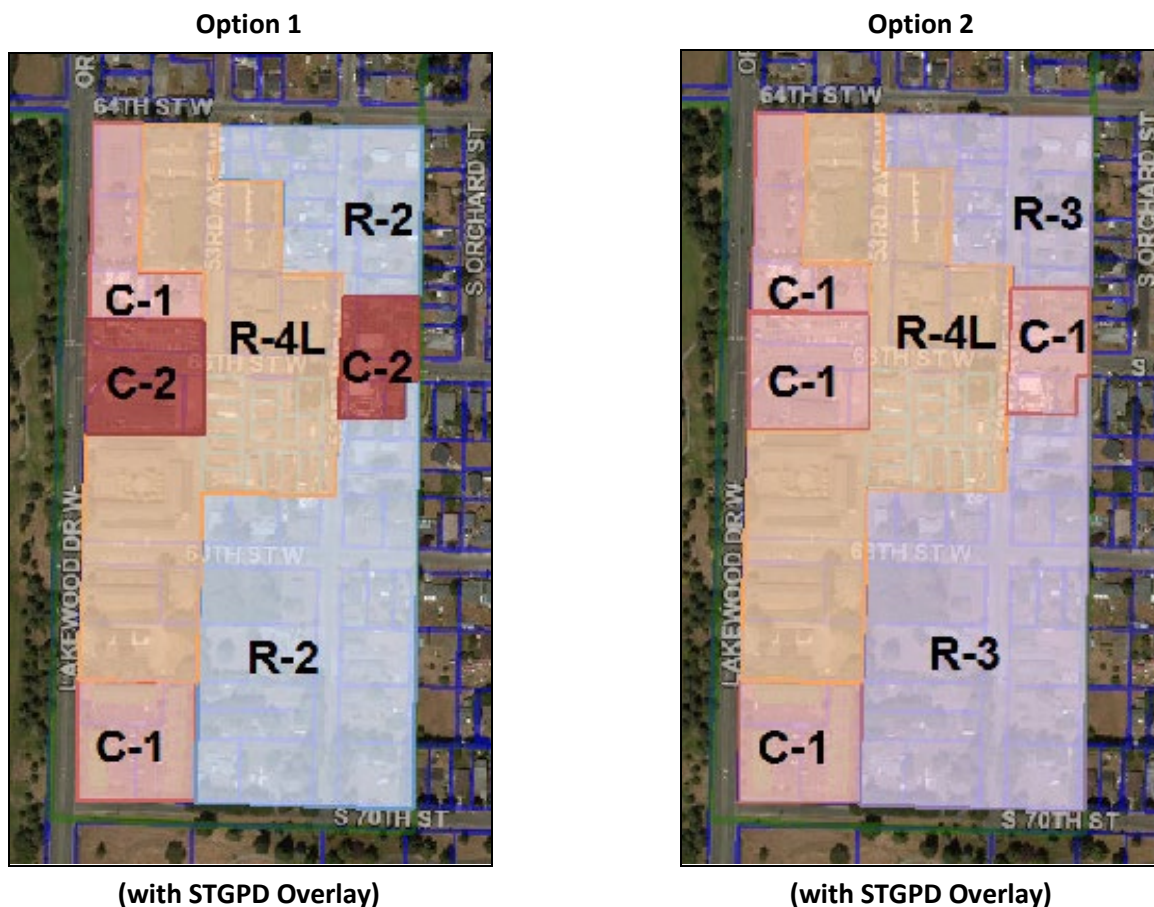
A. Introduction

Summarized in this Discussion Outline are:

- Two options of proposed land use designations and zoning classifications ("Proposed Zoning") established for the Manitou Potential Annexation Area (PAA);
- Required amendments to the *One Tacoma* Comprehensive Plan and the Land Use Regulatory Code that are processed in the 2019 Annual Amendment cycle; and
- Pertinent background and supporting information.

At its meeting on February 6, 2019, the Planning Commission released both options of the Proposed Zoning as part of the 2019 Annual Amendment package for public review.

B. Proposed Zoning – Options



Option 1 would designate the following zoning classifications to the Manitou PAA:

- C-1 for the northwest corner of the Manitou area where there are offices and a doggie daycare;
- C-1 for the Meadow Park Office Condominiums at the southwest corner;
- C-2 for the area near Lakewood Dr. and 66th St. where there are a gas station, a mini mart, and a vehicle repair shop with used car sales;
- C-2 for the area near the eastern segment of 66th St. where there are a used tire shop and a used car sales;
- R-4L for the existing areas where there are apartments, condos, duplexes and mobile homes;
- R-2 for the existing single-family residential areas; and
- STGPD overlay district applying to the entire Manitou area.

Option 2 is the same as Option 1, with two exceptions:

- Changing the two C-2 areas to C-1; and
- Changing the two R-2 areas to R-3.

Both Options 1 and 2 are intended to reflect and respect the existing land use and development pattern, allow reasonable development opportunities, and preserve the residential characters of the area that are compatible with the surrounding South Tacoma neighborhood. Both options are also consistent with the previously adopted land use and zoning scheme for the Manitou PAA.

Both Options 1 and 2 are being developed based on a relatively conservative approach, which respects and reflects to a large degree the existing land use and development pattern and is expected to generate the least impacts to the neighborhood. However, they may be viewed by some property owners as too restrictive, as compared to what could be allowed to occur under the current Pierce County regulations. Pierce County currently regulates land and building in the Manitou neighborhood under the Mixed Use District (MUD) designation, which allows a broad variety of mid-density residential, commercial, and industrial land uses, such as multi-family housing, nursing homes, mobile home parks, sewage collection facilities, offices, malls, restaurants and bars, and auto sales. Up to 60-foot-tall buildings could be permitted with these uses. As the Proposed Zoning (either option) becomes effective upon the area's annexation to the City, it is not unreasonable to expect that there may be requests for property rezone from interested property owners seeking broader development opportunities.

Option 2 recognizes that a lot of the parcels in the R-2 areas as proposed in Option 1 are larger and lower volume, making R-3 (or even R-4L) a possible fit, which could result in a denser neighborhood and work as a transition from the surrounding South Tacoma neighborhood to the more established denser multi-family and commercial development pattern of the Manitou core to the west. Option 2 also proposes C-1 for all the commercial areas, intended to maintain the existing commercial uses at the neighborhood level and scale and deter higher intensity commercial development in the future. It is noted that Option 2 would make existing vehicle rental/sales businesses nonconforming to use and vehicle service/repair businesses nonconforming to development standards. The nonconforming status would not impact the continued operation of the businesses but would restrict their expansions or changes to another nonconforming use.

(For additional information about what each of the zoning classifications entails, what existing land uses are, and what the previously adopted land use and zoning scheme is, see Section D – Background and Supporting Information.)

C. Amendments to the Comprehensive Plan and Land Use Regulatory Code

Establishing the Proposed Zoning for the Manitou PAA requires amendments to the *One Tacoma* Comprehensive Plan and the Land Use Regulatory Code in the following manner:

1. Amending the Official Zoning Map as referenced in the Land Use Regulatory Code by adding the Manitou area to the City and mapping appropriate zoning classifications accordingly;
2. Amending the *One Tacoma Plan's* Future Land Use Map (Figure 2 in the Urban Form Element) by adding the Manitou area to the City and mapping appropriate land use designations accordingly;
3. Amending the *One Tacoma Plan's* Potential Annexation Areas Map (Figure 38 in the Public Facilities and Services Element) by de-designating the Manitou PAA and adding the area to the City; and
4. Correcting any additional references to the Manitou area throughout the *One Tacoma Plan* and the Land Use Regulatory Code as appropriate.

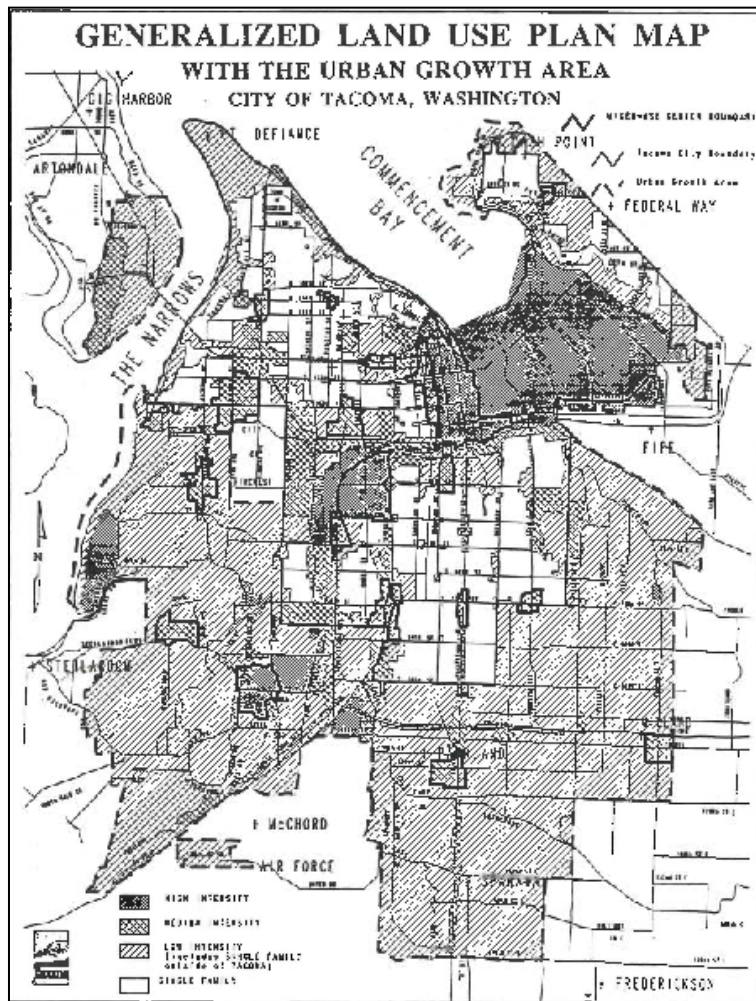
These proposed amendments, along with the Proposed Zoning Options 1 and 2, are packaged as one of the applications for the 2019 Annual Amendment. All applications have been released for public review in April 2019, in preparation for the Planning Commission's public hearing in May 2019. Subsequent to the public hearing, the Commission will make its recommendations on the 2019 Amendment package to the City Council. The Council will conduct its review and consider adopting the 2019 Amendment package in June-July 2019. The adopted Plan and Code amendments pertaining to the Manitou Annexation will become effective when the annexation becomes effective, which is anticipated to occur in winter 2019.

D. Background and Supporting Information

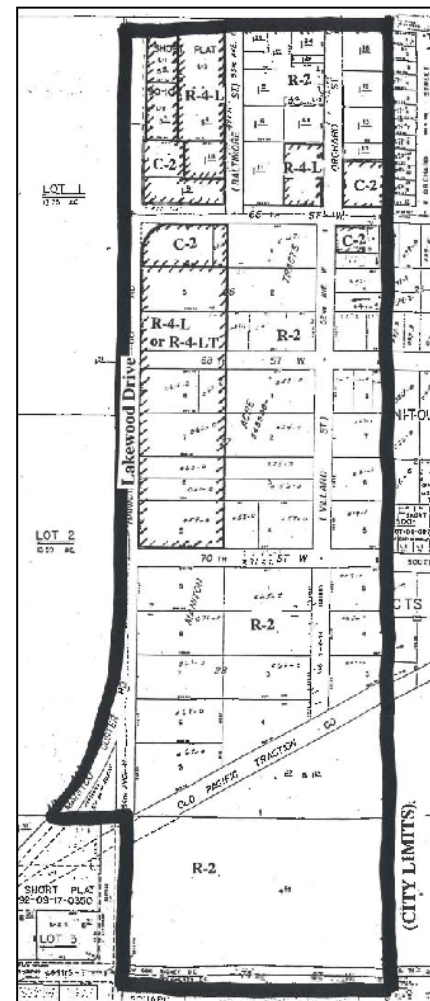
1. Pre-Annexation Planning in 1993, 1995 and 2004

The Manitou area was part of the "Lakewood Area" and adjacent to the "University Area", two of Tacoma's Urban Growth Areas (UGAs) as designated in the City's first Comprehensive Plan developed pursuant to the State Growth Management Act in 1993. Within these UGAs, the Meadows Golf Course was annexed to Tacoma in 1994, University Place incorporated in 1995, Lakewood incorporated in 1996, and the Calvary Cemetery was annexed to Tacoma in 1997, leaving a small area that has remained unincorporated, i.e., the Manitou Potential Annexation Area (PAA).

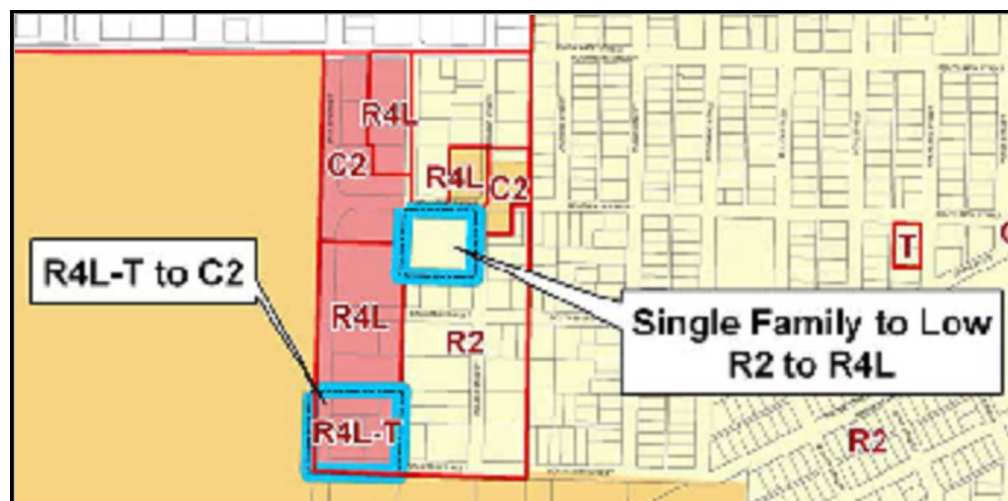
In 1995, as part of the Annual Amendment to the Comprehensive Plan, the City Council adopted land use intensity designations and zoning classifications for the Manitou PAA that would become effective if annexation were to occur. Such pre-annexation planning effort continued in 2004 when the land use intensity designations and zoning classifications were modified to reflect the existing land uses of that time. The modifications were adopted by the City Council on November 16, 2004, as part of the 2004 Annual Comprehensive Plan Amendment.



Urban Growth Areas
(Generalized Land Use Plan, 1993)



Proposed Zoning for the Manitou Area
(1995 Comprehensive Plan Amendment)

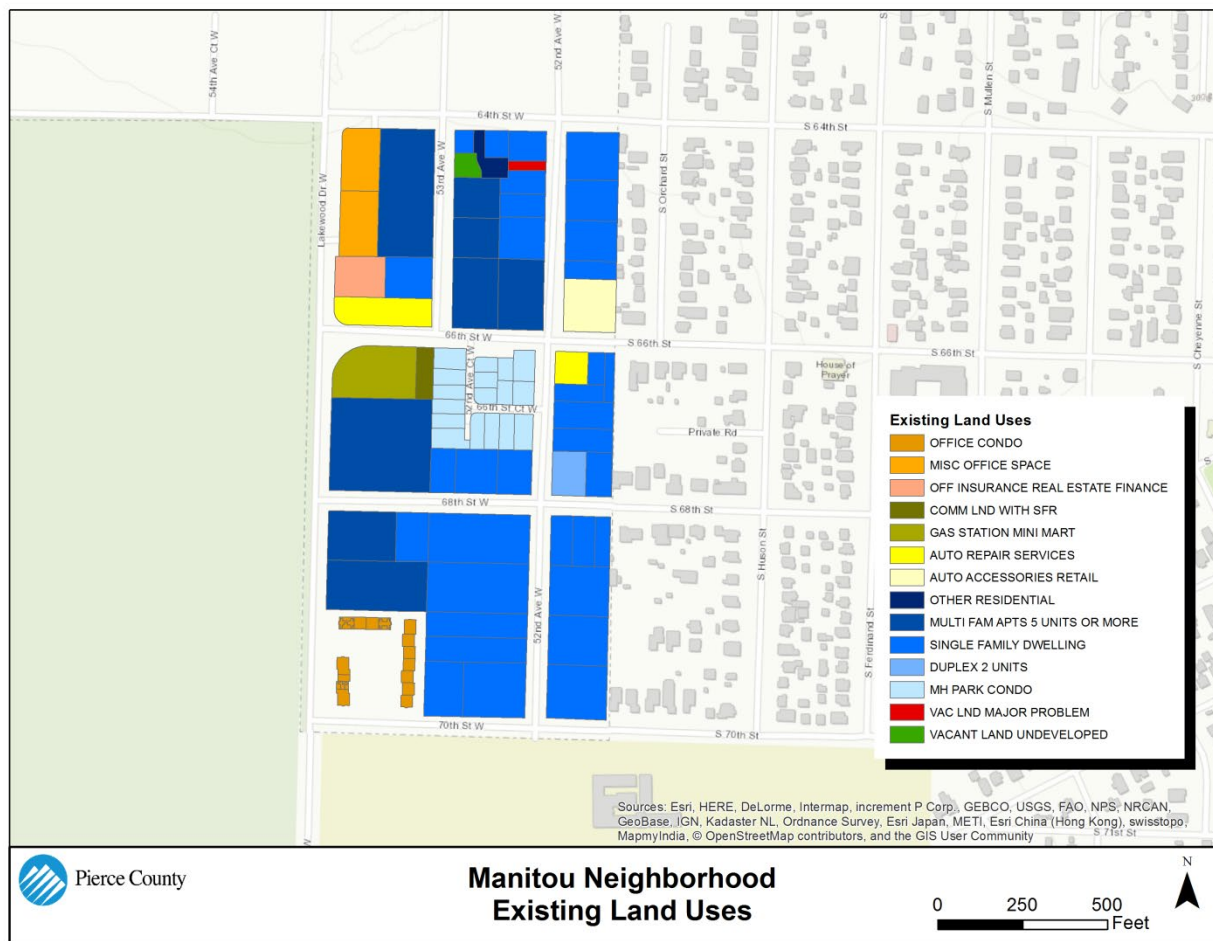


Intensity and
Zoning Change
for the Manitou
Area (2004
Comprehensive
Plan Amendment)





2. Existing Land Use and Zoning





Pierce County currently regulates land and building in the Manitou PAA under the Mixed Use District (MUD) designation, which allows a broad variety of mid-density residential, commercial, and industrial land uses, including multi-family housing, nursing homes, mobile home parks, day-care centers, sewage collection facilities, offices, agricultural supply, malls, restaurants and bars, auto sales, and contractor yards. Up to 60-foot-tall buildings could be permitted with these uses. The areas surrounding the Manitou PAA, i.e., the South Tacoma neighborhood, are currently designated R2-STGPD Single-Family Dwelling District with South Tacoma Groundwater Protection District Overlay.

As depicted in the figure below, existing land uses in the Manitou PAA to a large degree reflect the Mixed-Use District designation, in the sense that there is a wide variety of uses in the area. In the west section of the PAA (between Lakewood Dr. W. and 53rd Ave. W.), there are multifamily dwellings, offices, retail uses, a gas station, and auto repair services. The middle-section (between 53rd Ave. W. and 52nd Ave. W.) consists of single-family and multifamily dwellings and a mobile home park. The east section (east of 52nd Ave. W.) includes single-family and multifamily dwellings, a used tire shop, and a used car sales lot.



3. Zoning Reference

Zoning	Description	Samples of Development																								
R-2	<p>Zoning Classification: Single-Family Dwelling District Land Use Designation: Single-Family Residential</p> <p>The R-2 District is the most common residential zoning district in the City. This district is intended primarily for single-family detached housing but may also allow a limited number of compatible uses including lodging uses, holiday sales for Christmas and Halloween, and two-family dwellings in certain circumstances. The district is characterized by low residential traffic volumes and generally abuts more intense residential and commercial districts.</p> <table><tr><td>Zone</td><td>R-2</td></tr><tr><td>Min. Standard Lot Area (sf)</td><td>5,000</td></tr><tr><td>Min. Small Lot Area (sf)</td><td>4,500</td></tr><tr><td>Min. Standard lot width (ft)</td><td>50</td></tr><tr><td>Min. Small lot width (ft)</td><td>35</td></tr><tr><td>Max. height (ft)</td><td>35</td></tr><tr><td>Setback Front (ft)</td><td>20</td></tr><tr><td>Setback Side (ft)</td><td>5</td></tr><tr><td>Setback Rear (ft)</td><td>25</td></tr></table>	Zone	R-2	Min. Standard Lot Area (sf)	5,000	Min. Small Lot Area (sf)	4,500	Min. Standard lot width (ft)	50	Min. Small lot width (ft)	35	Max. height (ft)	35	Setback Front (ft)	20	Setback Side (ft)	5	Setback Rear (ft)	25	 						
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Setback Side (ft)	5																									
Setback Rear (ft)	25																									
R-3	<p>Zoning Classification: Two-Family Dwelling District Land Use Designation: Multi-Family (Low Density)</p> <p>The R-3 District is intended for one-, two-, and three-family dwellings. Some lodging and boarding homes are also appropriate. The district is characterized by low residential traffic volumes and generally abuts more intense residential and commercial districts.</p> <table><tr><td>Zone</td><td>R-3</td></tr><tr><td>Min. Standard Lot Area (sf)</td><td>5,000</td></tr><tr><td>Min. Small Lot Area (sf)</td><td>4,500</td></tr><tr><td>Min. Standard lot width (ft)</td><td>50</td></tr><tr><td>Min. Small lot width (ft)</td><td>30</td></tr><tr><td>Bldg. Coverage (%)</td><td>50%</td></tr><tr><td>Density (units/acre)</td><td>10</td></tr><tr><td>Max. height (ft)</td><td>35</td></tr><tr><td>Setback Front (ft)</td><td>20</td></tr><tr><td>Setback Side (ft)</td><td>5</td></tr><tr><td>Setback Rear (ft)</td><td>25</td></tr><tr><td>Tree Canopy (%)</td><td>30%</td></tr></table>	Zone	R-3	Min. Standard Lot Area (sf)	5,000	Min. Small Lot Area (sf)	4,500	Min. Standard lot width (ft)	50	Min. Small lot width (ft)	30	Bldg. Coverage (%)	50%	Density (units/acre)	10	Max. height (ft)	35	Setback Front (ft)	20	Setback Side (ft)	5	Setback Rear (ft)	25	Tree Canopy (%)	30%	 
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Setback Side (ft)	5																									
Setback Rear (ft)	25																									
Tree Canopy (%)	30%																									

Zoning	Description	Samples of Development																								
R-4L	Zoning Classification: Low-Density Multiple-Family Dwelling District Land Use Designation: Multi-Family (Low Density)	 																								
	The R-4L District is intended primarily for low-density multiple-family housing, mobile home parks, retirement homes and group living facilities. It is similar to the R-4 District, but has more restrictive site development standards intended to minimize adverse impacts of permitted and conditional uses on adjoining land.																									
	<table><tr><td>Zone</td><td>R-4L</td></tr><tr><td>Min. Standard Lot Area (sf)</td><td>5,000</td></tr><tr><td>Min. Small Lot Area (sf)</td><td>2,500</td></tr><tr><td>Min. Standard lot width (ft)</td><td>50</td></tr><tr><td>Min. Small lot width (ft)</td><td>25</td></tr><tr><td>Bldg. Coverage (%)</td><td>50%</td></tr><tr><td>Density (units/acre)</td><td>14</td></tr><tr><td>Max. height (ft)</td><td>35</td></tr><tr><td>Setback Front (ft)</td><td>20</td></tr><tr><td>Setback Side (ft)</td><td>5</td></tr><tr><td>Setback Rear (ft)</td><td>25</td></tr><tr><td>Tree Canopy (%)</td><td>30%</td></tr></table>		Zone	R-4L	Min. Standard Lot Area (sf)	5,000	Min. Small Lot Area (sf)	2,500	Min. Standard lot width (ft)	50	Min. Small lot width (ft)	25	Bldg. Coverage (%)	50%	Density (units/acre)	14	Max. height (ft)	35	Setback Front (ft)	20	Setback Side (ft)	5	Setback Rear (ft)	25	Tree Canopy (%)	30%
	Zone		R-4L																							
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Setback Side (ft)	5																									
Setback Rear (ft)	25																									
Tree Canopy (%)	30%																									
C-1	Zoning Classification: General Neighborhood Commercial District Land Use Designation: Neighborhood Commercial	 																								
	The C-1 District contains low-intensity, smaller-scale land uses such as retail, office, daycares, service uses, and fueling stations. Building sizes are limited for compatibility with surrounding residential areas. Residential uses are appropriate.																									
	<table><tr><td>Zone</td><td>C-1</td></tr><tr><td>Min. Standard Lot Area (sf)</td><td>Not applicable (N/A)</td></tr><tr><td>Bldg. Coverage (%)</td><td>N/A or R-4L for residential</td></tr><tr><td>Max. height (ft)</td><td>35</td></tr><tr><td>Setback Front (ft)</td><td>None required</td></tr><tr><td>Setback Side (ft)</td><td>None required</td></tr><tr><td>Setback Rear (ft)</td><td>None required</td></tr><tr><td>Maximum Floor Area (sf)</td><td>30,000</td></tr><tr><td>Tree Canopy (%)</td><td>30%</td></tr></table>		Zone	C-1	Min. Standard Lot Area (sf)	Not applicable (N/A)	Bldg. Coverage (%)	N/A or R-4L for residential	Max. height (ft)	35	Setback Front (ft)	None required	Setback Side (ft)	None required	Setback Rear (ft)	None required	Maximum Floor Area (sf)	30,000	Tree Canopy (%)	30%						
	Zone		C-1																							
	Min. Standard Lot Area (sf)		Not applicable (N/A)																							
	Bldg. Coverage (%)		N/A or R-4L for residential																							
	Max. height (ft)		35																							
	Setback Front (ft)		None required																							
	Setback Side (ft)		None required																							
	Setback Rear (ft)		None required																							
	Maximum Floor Area (sf)		30,000																							
	Tree Canopy (%)		30%																							



Zoning	Description	Samples of Development																		
C-2	Zoning Classification: General Community Commercial District Land Use Designation: General Commercial	 																		
	The C-2 District is intended to allow a broad range of medium- to high-intensity uses of larger scale. Office, retail, and service uses that serve a large market area are appropriate. Residential uses are also appropriate. Higher intensity uses of the permitted uses in the C-1 District are allowed in the C-2 District.																			
	<table><tr><td>Zone</td><td>C-2</td></tr><tr><td>Min. Standard Lot Area (sf)</td><td>Not applicable (N/A)</td></tr><tr><td>Bldg. Coverage (%)</td><td>N/A or R-4 for residential</td></tr><tr><td>Max. height (ft)</td><td>45</td></tr><tr><td>Setback Front (ft)</td><td>None required</td></tr><tr><td>Setback Side (ft)</td><td>None required</td></tr><tr><td>Setback Rear (ft)</td><td>None required</td></tr><tr><td>Maximum Floor Area (sf)</td><td>45,000</td></tr><tr><td>Tree Canopy (%)</td><td>20%</td></tr></table>		Zone	C-2	Min. Standard Lot Area (sf)	Not applicable (N/A)	Bldg. Coverage (%)	N/A or R-4 for residential	Max. height (ft)	45	Setback Front (ft)	None required	Setback Side (ft)	None required	Setback Rear (ft)	None required	Maximum Floor Area (sf)	45,000	Tree Canopy (%)	20%
	Zone		C-2																	
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	Setback Rear (ft)		None required																	
Maximum Floor Area (sf)	45,000																			
Tree Canopy (%)	20%																			
STGPD	Zoning Classification: South Tacoma Groundwater Protection District																			
	The South Tacoma Groundwater Protection District is an overlay zoning and land use control district specifically designed to prevent the degradation of groundwater in the South Tacoma aquifer system by controlling the handling, storage and disposal of hazardous substances by businesses.																			

EXHIBIT "B"
Manitou Annexation –
Policy Framework and Objectives



A. Policy Framework

The pre-annexation planning for the Manitou Potential Annexation Area (PAA) is encouraged and supported by, and consistent with, the following state, regional, countywide and local planning mandates and directives:

(a) State Legislation – Urban Growth Area (UGA):

The designation of the Manitou UGA and PAA is pursuant to the Growth Management Act (GMA) (RCW 35.70A.110). A basic premise of the GMA is that denser urban development should be supported by urban services, such as roads, transit, sidewalks, water, sewer, parks, and libraries, and should be located in cities to ensure the most efficient provision of service. As provided in RCW 35.70A.110(4), “In general, cities are the units of local government most appropriate to provide urban governmental services.”

(b) State Legislation – Interlocal Annexation Agreement:

The Manitou annexation can be carried out through the Interlocal Agreement method, since the area meets the two criteria set forth in RCW 35.13.470(1), i.e., it is a designated UGA of the City and at least 60% of its boundaries (in fact, 83.4%) is contiguous to the City. RCW 35.13.470 also provides the major steps in the interlocal agreement process, which has been generally described in the Background section above.

(c) Regional Planning Policies:

VISION 2040 provides the following goal and policies concerning unincorporated UGAs:

- “All unincorporated lands within the urban growth area will either annex into existing cities or incorporate as new cities.” (Goal)
- “.....To fulfill the regional growth strategy, annexation is preferred over incorporation.” (Policy MPP-DP-18)
- “Support joint planning between cities and counties to work cooperatively in planning for urban unincorporated areas” (Policy MPP-DP-19)
- “Support the provision and coordination of urban services to unincorporated urban areas by the adjacent city” (Policy MPP-DP-20)

(Source: VISION 2040 – The Growth Management, Environmental, Economic, and Transportation Strategy for the Central Puget Sound Region, December 2009, Part III. Multicounty Planning Policies (MPP), Section of “Development Patterns (DP)”, Subsection of “Urban Lands – Unincorporated Urban Growth Area”, page 53)

(d) Countywide Planning Policies (CWPP):

Pierce County CWPP contains a number of policies addressing UGAs, such as:

- “The County and its cities and towns should proactively coordinate the annexation of unincorporated areas within the urban growth area that are within each respective city or town’s Potential Annexation Area.” (Policy UGA-4.3)
- “The County’s highest priority should be Potential Annexation Areas representing unincorporated “islands” between cities and towns.” (Policy UGA-4.4.1)

(Source: Pierce County Countywide Planning Policies, as amended July 27, 2014, Part III. Countywide Planning Policies (CPPs), Section of “Urban Growth Areas”, Subsection of “Annexation within the Urban Growth Area”, pages 87-89)

(e) Pierce County Comprehensive Plan:

The following are some of Pierce County’s land use goals and policies that are applicable to the Manitou annexation:

- “Promote the annexation of adjacent unincorporated urban areas by the neighboring city or town.” (GOAL LU-1)
- “The preference is for unincorporated urban areas to be affiliated with neighboring cities or towns rather than being identified as a potential area for incorporation.” (Policy LU-2.3)
- “Pierce County shall support annexation proposals that are consistent with the Pierce County Countywide Planning Policies and the Washington State Growth Management Act, when the area proposed for annexation is wholly within the annexing city’s adopted Potential Annexation Area (PAA).” (Policy LU-4.1.1)
- “The County’s highest priority for annexation are unincorporated islands between cities and towns.” (Policy LU-4.1.2)

(Source: Pierce County Comprehensive Plan, as amended June 30, 2016, Chapter 2 Land Use Element, Section of “Annexation and Urban Growth Area Expansion”, pages 2-18 to 2-19)

(f) One Tacoma Comprehensive Plan:

The One Tacoma Plan contains a number of policies addressing the subject of “Annexation Areas”, such as:

- “In partnership with residents, service providers and adjoining jurisdictions, incorporate the City’s Urban Growth Area by 2040.” (Goal PFS–2)
- “Conduct joint planning with Pierce County and other adjacent jurisdictions for land use development, transportation and services within urban growth areas to ensure

development is orderly, compatible and sufficiently served, and consistent with City plans.” (Policy PFS–2.3)

- “Provide for active participation by affected residents and property owners in the joint planning, annexation proposals, or agreements for service within Tacoma’s urban growth area.” (Policy PFS–2.6)
- “Expand the city’s boundaries within established urban growth areas in a manner that will benefit both the citizens of Tacoma and the citizens of the area to be annexed.” (Policy PFS–2.7)

(Source: One Tacoma Comprehensive Plan, as amended June 26, 2018, Public Facilities and Services Element, Section of “Annexation Areas”, pages 9-7 to 9-9)

(g) Tacoma Municipal Code (TMC):

According to TMC 13.02.040.K, it is part of the Commission’s duties and responsibilities “to conduct pre-annexation planning for areas which are within the City’s urban growth area and which may be reasonably expected to be annexed to the City. Planning for these areas may include, but not be limited to: land use; transportation; public facilities and services; capital facility needs; parks and open space; and zoning classifications and regulations. Areas not included in the Comprehensive Plan and annexed to the City will necessitate a plan amendment.”

B. Objectives

Would the proposed amendment achieve any of the following objectives?

- **Address inconsistencies or errors in the Comprehensive Plan or development regulations;**
 - The scope of work for the pre-annexation planning for the Manitou Neighborhood Annexation Area is in essence defined in the above-cited TMC 13.02.040.K. The work is expected to result in potential amendments to the Comprehensive Plan, including changes to the Future Land Use Designations and Map, changes to other maps that include delineations of City boundaries, and as appropriate, amendments to certain goals, policies and provisions applicable to the subject area. Although not the intent of the pre-annexation planning, there might be needs or opportunities to address certain inconsistencies or errors in the Plan or the Tacoma Municipal Code.
- **Respond to changing circumstances, such as growth and development patterns, needs and desires of the community, and the City’s capacity to provide adequate services;**
 - The pre-annexation planning will review the growth and development patterns in the Manitou Neighborhood Annexation Area and the surrounding areas, understand the needs and desires of the residents and businesses in the neighborhood, and assess the City’s capacity to provide or maintain adequate services for the area.

- **Maintain or enhance compatibility with existing or planned land uses and the surrounding development pattern; and/or**
 - The pre-annexation planning will carefully study and suggest how to zone the Manitou Neighborhood Annexation Area, upon annexation to the City, so to maintain or enhance the compatibility of land use designations and development pattern with the surrounding areas.
- **Enhance the quality of the neighborhood.**
 - It is the intent of the pre-annexation planning to maintain or enhance the quality of life of the Manitou Neighborhood Annexation Area through the application of appropriate land use designations and zoning requirements and the provision of adequate or improved services.



Manitou Annexation Fact Sheet (updated August 2018)

Background

Annexation is the process of transferring land from one jurisdiction to another. We propose the area of Manitou nearest the Meadow Park Golf Course between 64th Street W and 70th Street W—not presently part of any city or town—be annexed into the City of Tacoma. Annexation would give residents and businesses in Manitou a greater voice as part of the Tacoma community, and expand access to municipal services.

What Could Change?

Local Government Administration



The City of Tacoma would provide several services that are currently offered by the County, such as pet licensing, solid waste management, business licensing, and parking regulation.

Surface Water Management Fee



Local jurisdictions manage surface water runoff to reduce flooding and prevent water pollution, billing property owners for this service. Fees for this service would likely increase with annexation into the City of Tacoma. As an example, a typical single-family residence would see rates increase from \$127 per year to \$279 per year; a larger commercial development would see charges increase from \$2,281 per year to \$4,740 per year.

Police



Police services would be provided by the Tacoma Police Department, where they are contracted with the University Place Police Department today. However, Tacoma may choose to continue contracting with University Place PD.

Fire



Fire protection services that are currently provided by West Pierce Fire & Rescue would instead be provided by the Tacoma Fire Department if annexed to the City of Tacoma. But Tacoma may choose to contract so fire services remain with West Pierce Fire.

Roads



The City of Tacoma Public Works Department would take over responsibility from Pierce County Planning and Public Works for maintaining and improving public roads in the neighborhood. Tacoma would study the need for new street name signs, parking restrictions, traffic safety measures, speed limits, and other elements.

Water



Residential and commercial water rates would decrease by approximately 20% due to Tacoma Public Utilities' existing surcharge on unincorporated communities.

Addresses

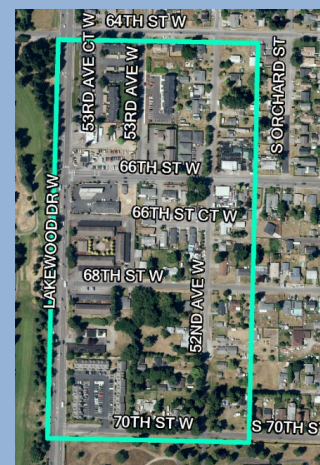


Becoming part of Tacoma would result in changes to neighborhood street names to conform with those in the rest of the City. For example, 66th Street W would become S 66th Street. Tacoma would work with the US Postal Service to update addresses, and would notify residents and businesses when the change is approved.

Area Profile

425 People
33 Median Age
\$42,000 Average
Household Income
31% Households on Food
Stamps/SNAP
97 Properties
197 Houses
26 Businesses
37 Acres

Single-family homes
Multi-family apartments
Mobile homes
Businesses
Professional Offices



Building, Planning and Zoning



Pierce County currently regulates land and building in the neighborhood under the Mixed Use District designation, which allows a broad variety of mid-density residential, commercial, and industrial land uses including multi-family housing, nursing homes, mobile home parks, day-care centers, sewage collection facilities, offices, agricultural supply, malls, restaurants and bars, auto sales, and contractor yards. Up to 60-foot-tall buildings could be permitted with these uses. The areas surrounding the neighborhood are currently designated R2-STGPD Single-Family Dwelling District. Tacoma would carefully study and determine how to zone the Manitou neighborhood upon annexation.

Solid Waste



The City of Tacoma's Waste Management would take over waste management services from LeMay Pierce County Refuse. For a 60-gallon container, residential rates for City of Tacoma customers start at \$43.85 per month, compared to \$77.84 at present; commercial rates for a one-cubic-yard container start at \$170.05 per month, compared to \$117.87 at present. Recycling and food/yard waste pickup is also offered.

Business Licenses and Taxes



Tacoma requires that businesses obtain a Business License from the City, while Pierce County does for only a few types of businesses. Tacoma business license fees are assessed yearly and are based on business income and business type, varying from \$25 to \$250. More information may be found at <http://www.cityoftacoma.org/businesslicense>. Pierce County does not assess Business and Occupation taxes, whereas Tacoma does. Rates for businesses within the City of Tacoma are based on gross receipts, and vary from .05% to .4%. However, B&O taxes would not be assessed on existing businesses for the first three years after annexation.

Elected Representative



Tacoma City Council Position 5 would represent the neighborhood; City Councilmember Chris Beale currently serves in this position. County Councilmember Connie Ladenburg would continue to represent residents at the County level.

Property Taxes



In 2018, property owners in the unincorporated Manitou neighborhood paid .0162% of their property's assessed value in property taxes; in contrast, residents in the Manitou community within the City of Tacoma paid .0158% of assessed value in property taxes. For example, a typical single-family home worth \$253,571, a homeowner would have owed \$3997 in property taxes as a resident of the City of Tacoma, as compared with paying \$4113 in the unincorporated County.

Libraries



Pierce County libraries are available to residents of the Manitou community. With annexation, residents would be free to utilize the Tacoma Public Library system as well.

Neighborhood Council Program



The City of Tacoma's Neighborhood Council Program establishes an environment in which residents are afforded an opportunity to participate in City government decisions in an advisory role. The Manitou area is within the boundaries of the South Tacoma Neighborhood Council.

Customer Support Center



Citizens can utilize the TacomaFIRST 311 system to ask questions, register complaints, or request for services. To access the system, dial 311 within city limits or (253) 591-5000 from anywhere else, or search online for "Tacoma First 311."

What Would Remain the Same?

Schools



Tacoma Public Schools would continue to serve families in the area.

Electric, Natural Gas, Water, Wastewater Providers



Tacoma Public Utilities provides electric service and Puget Sound Energy provides natural gas service. For customers not utilizing wells or septic, Tacoma Public Utilities also provides municipal water and wastewater service. Rates would not change for electric, natural gas, commercial water, or wastewater.

EXHIBIT "D"



Manitou Annexation Community Meeting, May 14, 2018 Questions/Comments and Staff Responses (updated January 31, 2019)

Theme(s)	Question / Comment	Response (if applicable)
General	What is the purpose of annexation?	The Manitou area is an Urban Growth Area or a Potential Annexation Area as designated in both Pierce County's and the City of Tacoma's comprehensive plans. It is also one of the unincorporated "islands" in Pierce County, where future annexation to the City is expected by the State Growth Management Act (GMA) and considered a high priority in regional and county-wide planning policies. A basic premise of the GMA is that denser urban development should be supported and accommodated by urban services, such as roads, transit, sidewalks, water, sewer, parks, and libraries, and should be located in cities to ensure the most efficient and effective provision of such services.
General	Support annexation.	Comment noted.
General	Please consider showing the annexation timeline/process and appropriate materials on the internet.	Pierce County and the City of Tacoma are pursuing a collaborative planning effort for the potential annexation of the Manitou area, to be carried out through the Interlocal Annexation Agreement method, pursuant to RCW 35.13.470. The annexation process and the negotiation of the interlocal agreement has been initiated by the City Council on October 30, 2018, per Resolution No. 40150. The resolution corresponds to a similar resolution adopted by the Pierce County Council on September 4, 2018. It could take a few months before the interlocal agreement is reached, upon which time the City will consider an ordinance to officially annex the area. The annexation is anticipated to be effective in August 2019. Updates and relevant information are posted on both the County's website at www.piercecountywa.gov/annexation and the City's website at www.cityoftacoma.org/Manitou .
Outreach	Hold more community meetings soon; follow up on unanswered questions. Hold special Council meetings in neighborhood.	The initial community meeting was conducted on May 14, 2018 and a follow-up community meeting was held on December 10, 2018, both at the Manitou Park Elementary School. Additional community meetings will be held to solicit additional feedback from the community.

Theme(s)	Question / Comment	Response (if applicable)
Outreach	Difficult to hear in meeting venue, especially for those hard of hearing.	Staff will attend to this issue or seek different venues for subsequent meetings.
Building & Planning	Zone to R2-STGPD Single-Family District. Existing uses are ok, but no more density or new multi-family or commercial development.	The areas surrounding the Manitou annexation area are currently designated R2-STGPD Single-Family Dwelling District with South Tacoma Groundwater Protection District Overlay. Extending the R2-STGPD zone to this area could be considered. However, Pierce County currently regulates land and building in the Manitou area under the "Mixed-Use District" designation, which allows a broad variety of mid-density residential, commercial, and industrial land uses. Therefore, a lower intensity transitional/commercial zone may be considered as well (such as C-1, C-2, R-3 or R-4L Districts). It is also possible to consider a mix of lower intensity transitional/commercial and residential zones.
Building & Planning	How will City of Tacoma zone the area? Notify people of proposed rezone.	How the area is to be zoned, if and when annexed to the City, is yet to be determined. The Tacoma Planning Commission will consider some options and make a recommendation to the City Council. The Commission has conducted a preliminary review of the matter and suggested that staff take an approach that would respect the existing development patterns and result in least impacts to the existing land uses. Residents and stakeholders of the Manitou area will be notified of upcoming meetings of the Commission and the Council when this matter is on the agendas and will be provided opportunities to weigh in.
Building & Planning	Some existing mobile homes are not up to code; how will they be affected?	It depends on whether the mobile home was built with a building permit under Pierce County. (A response will be needed from a residential plans examiner). For Land Use, the use will become non-conforming to use and possibly development standards and will be reviewed under the City's Non-Conforming Code (TMC Section 13.06.630).
Building & Planning	What happens to uses/buildings that become noncomplying under Tacoma's zoning code?	Staff will review all future applications under the City's Non-Conforming Code (TMC Section 13.06.630).
Infrastructure	Streets in poor condition.	The City would conduct a pavement rating analysis to assess condition and include in the residential paving program. For more information, please visit www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=2844 .

Theme(s)	Question / Comment	Response (if applicable)
Infrastructure	What will happen to existing private septic systems with annexation? Will property owners be compelled to connect to sewer? Who will pay for sewer connections? How would property owners voluntarily hook up to sewer? If not connected to sewer, will property owners still pay for sewer service?	Upon annexation, properties in the area can potentially hook up to the City's sewer system, subject to an in lieu fee assessment. The estimated costs for the customers/City to receive/provide sewer services are not readily available until the assessment, which is site/property specific, is performed. In short, the potential range of costs associated with parcels in the annexation that are currently served by septic depends on many things, such as the lot size, the distance to the sewer and the age of the sewer main. If the septic system is functioning and if an in-lieu of assessment fee has not been paid by the parcel, the fee could range from \$1,000 to \$5,000 or more. If at some point in the future, the septic system fails, then the parcel could be required to make a connection to the sewer. Connections costs, currently, can range between \$5,000 to \$10,000 or more. If a sewer main does not already exist in front of the house, a sewer main extension would be required. The extension could be constructed as a Local Improvement District project with each parcel owner paying a portion of the cost. These costs can range from \$7,000 to \$20,000 or more per parcel but can be financed over 5 to 20 years. The City has a "Septic Amnesty" program that may allow a 50% discount on the assessment fee. In addition, the City has a low interest loan program to assist citizens with side sewer connections and rehabilitations.
Infrastructure	Where are existing sewer lines?	There is a sewer main line on 52nd Ave. W. between 64th St. W. and 68th St. W. At the north end, it connects with a main line on 64th St. W. that connects with Tacoma's system to the east (at S. Orchards St.) and University Place's system to the west (at Lakewood Dr. W.). At the mid-point, it connects with a short main line on 66th St. W. that extends westward to approximately 100 feet west of 53rd Ave. W. At the south end, it turns eastward onto 68th St. W., entering Tacoma and connecting with a main line at S. Huson St. (Source: Pierce County GIS Map at https://matterhornwab.co.pierce.wa.us/publicgis/) The City's Environmental Services has completed the review of the existing wastewater mains within the Manitou Annexation area. The mains were installed in 1977 with a couple mains installed in 2002 for a total of approximately 2,500 feet of main. Based on the review of the video inspections provided by Pierce County the system is in a condition that one would anticipate for the age of the system. The review did not find the need for any repairs or rehabilitation of the existing mains at this time.
Infrastructure	Desire for Tacoma to connect septic properties with sewer.	Comment noted.

Theme(s)	Question / Comment	Response (if applicable)
Infrastructure	Will the water system connectivity be improved?	(Staff will review this issue and provide appropriate response later.)
Infrastructure	Would Lakewood Drive or other streets be renamed?	The City is still evaluating how the street names will be addressed. It is likely that streets addressed "West" would be converted to "South" for consistency and identification; however, the impacts are being evaluated. Also, according to the USPS Address Management group, via our local Business Network Representative, the post office does not generally (rarely) changes the ZIP code when areas are annexed. ZIP codes are used primarily for mail sortation and not city/town designations. However, we can designate those streets as Tacoma vs. University Place, so the customers can use either as the Preferred Last Line. As for the changing of street names, depending on how they do it (if they change the primary or only the street name), once notified by the addressing authority, we can use an alias or link the addresses so that mail will be sorted correctly.
Infrastructure	Will private roads become public with annexation?	Private roads would remain private.
Infrastructure, Public Safety	Need street lights to deter crime and make pedestrians more visible. Will more street lights be installed if annexed?	Streetlights will not be installed as a part of the annexation. There are numerous areas within the current City of Tacoma limits that do not have streetlighting or where additional infill lighting is warranted. There is currently no funding for adding streetlight infrastructure in the budget. New residential street lights can be installed through the Local Improvement District Program that is supported by adjacent property owners. Existing street lights would be considered for conversion to LED. For more information, please visit www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=11488 and www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=11548 .
Infrastructure, Public Safety	Unsafe walking conditions. Will the City add missing sidewalks?	The City is working on a program to assess and prioritize installation of missing sidewalks. The program is not currently funded.
Parking	Semi-trucks are parking near intersections; how will the City manage this issue?	Road Use Compliance and TPD would respond to complaints about illegal parking or commercial vehicles in residential neighborhoods.
Public Safety	Perceived high crime area. How will police availability and responsiveness change?	(Staff will review this issue and provide appropriate response later.)

Theme(s)	Question / Comment	Response (if applicable)
Public Safety	Concern about safety of neighborhood worsening with annexation due to changes in police service.	(Staff will review this issue and provide appropriate response later.)
Public Safety	Will additional resources be dedicated to Tacoma Police Department?	(Staff will review this issue and provide appropriate response later.)
Infrastructure	How will parks amenities be different?	Residents would qualify for in-district pricing or fee assistance on classes, programs and rental facilities. They also would qualify for Tacoma Resident Free Days at Point Defiance Zoo & Aquarium.
Taxes/Fees	General concern about higher costs, taxes.	Upon annexation, the property tax, water rate and solid waste rate are expected to decrease; electricity and natural gas rates are expected to remain the same; and wastewater, stormwater fees are expected to increase. Also, the City has a local Business & Occupation (B&O) Tax, which is assessed on gross income and the rates vary from .102% to .4%. When annual gross income is less than \$250,000 no tax will be due and no tax return is required to be filed. The City B&O tax classifications and rates can be found at www.cityoftacoma.org/businesslicense . The City requires an annual business license fee that is based on a company's gross income - gross income of less than \$12,000 = \$25 fee; gross income between \$12,000 - \$250,000 = \$110 fee; gross income over \$250,000 = \$250 fee.

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RESOLUTION NO. 40150

1 A RESOLUTION relating to annexation; initiating the planning process and
2 negotiation of an interlocal agreement with Pierce County relating to the
3 proposed annexation of the Manitou Potential Annexation Area.

4 WHEREAS the Manitou Potential Annexation Area ("Manitou PAA"), as
5 designated on the map in the attached Exhibit "A," is one of the City's Urban
6 Growth Areas ("UGAs"), as designated in the One Tacoma Comprehensive Plan
7 and Pierce County's Comprehensive Plan, pursuant to the Washington State
8 Growth Management Act ("Act") and consistent with the Regional VISION 2040 and
9 Pierce County Countywide Planning Policies ("Pierce County CPPs"), and

10 WHEREAS, with approximately 83 percent of its boundaries contiguous to
11 the City of Tacoma and 17 percent to the City of University Place, the Manitou PAA
12 is identified as one of the unincorporated "islands" of Pierce County, and, as such,
13 its annexation to the City of Tacoma is encouraged by the Act and considered a
14 high priority in VISION 2040 and the Pierce County CPPs, and

15 WHEREAS, as set forth in Goal PFS-2 of the One Tacoma Plan, the Public
16 Facilities and Services Element, the City will "in partnership with residents, service
17 providers and adjoining jurisdictions, incorporate the City's Urban Growth Area by
18 2040," and

19 WHEREAS Pierce County has approached the City to suggest
20 collaboratively pursuing planning efforts for the annexation of the Manitou PAA, and

21 WHEREAS, on May 14, 2018, a community meeting was held jointly by staff
22 of Pierce County and the City to inform and engage residents, business owners,
23 and property owners before the planning process officially commenced, and
24
25
26



WHEREAS RCW 35.13.470 allows the legislative body of a county or city to
1 initiate an annexation process for unincorporated territory by adopting a resolution
2 commencing negotiations for an interlocal agreement, provided that the territory
3 proposed for annexation meets both criteria of being a designated UGA within the
4 annexing city and having at least 60 percent of its boundaries contiguous to the
5 annexing city, and
6 annexing city, and

7 WHEREAS, on September 4, 2018, the Pierce County Council adopted
8 Resolution No. R2018-97, in accordance with RCW 35.13.470, to initiate the
9 negotiation of such interlocal agreement with the City, and
10 negotiation of such interlocal agreement with the City, and

11 WHEREAS, at its meetings of August 21 and October 16, 2018, the
12 Government Performance and Finance Committee reviewed the Manitou PAA and
13 recommended that the City Council consider adoption of a resolution,
14 corresponding to the action of the Pierce County Council, to commence the
15 annexation process, which resolution would (1) authorize the City Manager and
16 designated officials to begin negotiation the terms of an interlocal annexation
17 agreement with Pierce County; (2) authorize the City Manager to work with
18 Planning and Development Services staff to continue conducting community
19 outreach and engagement services for the Manitou PAA, in collaboration with
20 Pierce County, and to continue analyzing the potential fiscal impacts of said
21 annexation to the City; and (3) request the Planning Commission to conduct
22 appropriate pre-annexation planning for the Manitou PAA, in accordance with
23 Tacoma Municipal Code 13.02.040.K; Now, Therefore,
24
25
26



BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

1 Section. 1. That the City Manager is hereby directed to work with City staff
2 and other designated officials to begin negotiating the terms of an interlocal
3 annexation agreement with Pierce County for the Manitou Potential Annexation
4 Area ("Manitou PAA"), as designated on the map in the attached Exhibit "A."
5

6 Section 2. That the City Manager is hereby directed to work with Planning
7 and Development Services Department staff to continue conducting community
8 outreach and engagement services for the Manitou PAA, in collaboration with
9 Pierce County, and to continue analyzing the potential fiscal impacts of said
10 annexation to the City.
11

12 Section 3. That the Planning Commission is hereby directed to conduct
13 appropriate pre-annexation planning for the Manitou PAA, in accordance with
14 Tacoma Municipal Code 13.02.040.K.
15

16 Adopted OCT 30 2018

17 

Mayor

19 Attest:

20 

22 City Clerk

23 Approved as to form:

24 

25 Deputy City Attorney
26

Exhibit "A"

Map 1. Manitou Potential Annexation Area Location Map

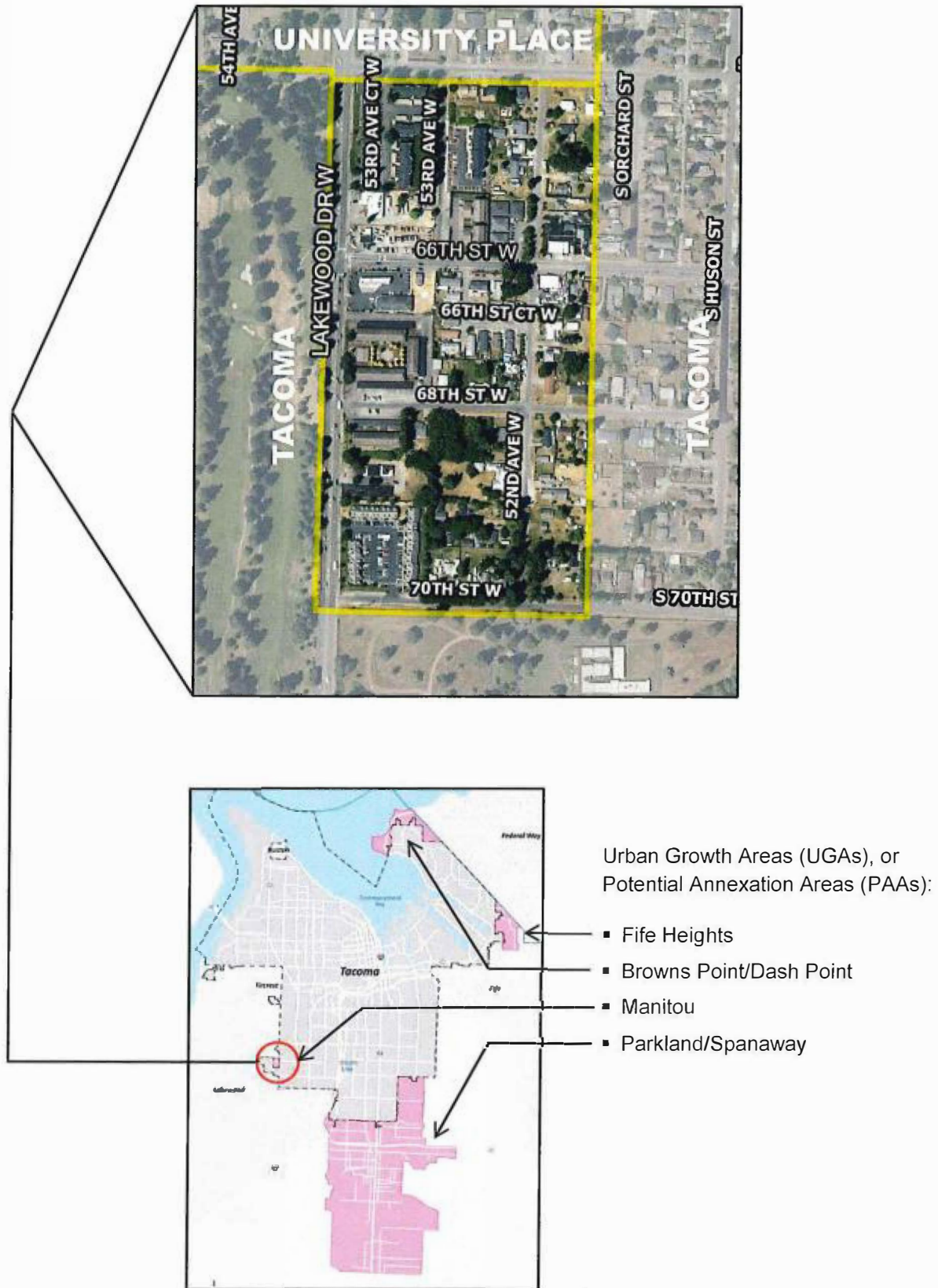


EXHIBIT "F"
Manitou Annexation –
Fiscal Impacts Preliminary Review



**Manitou Annexation Fiscal Impacts
Preliminary Review**

(Updated February 27, 2019)

A. Review of Services

The City of Tacoma is working collaboratively with Pierce County on the proposed annexation of the Manitou Potential Annexation Area. As part of the pre-annexation planning efforts, a preliminary review of the potential fiscal impacts to the residents and businesses of the Manitou area and to City of Tacoma has been conducted.

The review examined some essential public services and utilities that would be provided by various departments, including taxes and fees collected by Tax and License Division. All service providers have indicated the confidence of being able to incorporate the Manitou area into their current scope of service while maintaining the level of service comparable to what is being provided. However, the expected revenues and estimated costs for services, in specific dollar amounts, are not all readily available. Fiscal impacts remain to be further analyzed and determined, depending on various factors associated with different services.

A summary of review is shown in Table 1 below, followed by a brief narrative for each item.

Table 1. Preliminary Review of Fiscal Impacts	
Public Services/Utilities and Taxes/Fees Reviewed	Notes
Property Tax	Estimated revenues (1st year of annexation): \$97,600
Sales Tax	Estimated revenues (1st year of annexation): \$2,500
Business and Occupation Tax	Estimated revenues (starting in the 4th year): \$30,000
Utilities Tax	To be determined (depending on actual usage and other factors)
Water	Capable of serving the area; 20% reduction in water bills for both residential and commercial customers, resulting in \$2,800 reduction in revenues; fiscal impact to be determined
Solid Waste	Capable of serving the area; fiscal impact to be determined (depending on customer's orders for services)
Stormwater	Capable of serving the area; fiscal impact to be determined
Sewer	Capable of serving the area; fiscal impact to be determined (depending on site-specific, in lieu fee assessment for sewer hook-up)
Police	Capable of serving the area; additional cost of service estimated at \$25,600; fiscal impact to be determined
Fire	Capable of serving the area; additional cost of service estimated at \$42,000; fiscal impact to be determined
Roads and Traffic	Capable of serving the area; Transportation Benefit District revenue estimated at \$3,900 per year, assuming one vehicle per household; additional cost of service estimated at \$58,500; fiscal impact to be determined (depending on the needs for improvement and the prioritization and funding of selected projects and programs)

Property Tax

Table 2 depicts the differences in the County tax rates currently (Tax Year 2018) applicable to the Manitou area and the City tax rates that would be applicable to the area. Upon the Manitou area's annexation to the City, property owners would see their property tax decrease, in amounts dependent on the property's taxable value. In 2018, they paid .0162% of their property's assessed value in property tax, as compared to .0158% for those in the adjacent area within the City.

As depicted in Table 3, for a typical single-family home worth \$240,400 (median taxable value), the homeowner would have owed \$3,789 in property tax as a resident of the City of Tacoma, as compared with paying \$3,899 in the unincorporated County, a reduction of \$110.

Within the City of Tacoma, property taxes are allocated to 15 different taxing districts, such as "Conservation Futures", "Port of Tacoma", "Metropolitan Park – Tacoma", and "School District #10 Bond." Of the 15 districts, 3 are associated with the City government, i.e., "City", "City Bond", and "City EMS", which amount to approximately 21%. In other words, of the total property tax of \$464,313 expected from the Manitou area, approximately \$97,600 would be revenues to the City.

Table 2. Comparison of County and City Tax Rates					
Manitou Tax Rate (TCA 275 Tax Year 2018)			City Tax Rate (TCA 005 Tax Year 2018)		
Regular Levy Rate (RLR)	8.630754			8.471619	Regular Levy Rate (RLR)
Excess Levy Rate (ELR)	7.587929			7.290488	Excess Levy Rate (ELR)
Total Levy Rate	16.218684			15.762107	Total Levy Rate
Districts					Districts
Name	Rate	Type	Type	Rate	Name
Conservation Futures	0.044281	RLR	RLR	0.044281	Conservation Futures
Flood Control Zone	0.082969	RLR	RLR	0.082969	Flood Control Zone
Port of Tacoma	0.183674	RLR	RLR	0.183674	Port of Tacoma
Central PS Regional Transit Authority	0.227450	RLR	RLR	0.227450	Central PS Regional Transit Authority
Pierce County Rural Library	0.429450	RLR	RLR	0.462304	City/Town of Tacoma EMS
Fire District #3 EMS - West Pierce	0.483148	RLR	RLR	0.653331	Metropolitan Park - Tacoma
State School Levy 2	1.025274	RLR	RLR	1.025274	State School Levy 2
County	1.183137	RLR	RLR	1.183137	County
Fire District #3 Expense - West Pierce	1.462528	RLR			
County Road	1.627345	RLR			
State	1.881499	RLR	RLR	1.881499	State
Water District - Lakewood	0.000000	ELR	RLR	2.727701	City/Town of Tacoma
Fire District #2 Bond - Lakewood	0.210106	ELR	ELR	0.121937	City/Town of Tacoma - Bonds
SD #10 Capital Projects Fund - Tacoma	0.411786	ELR	ELR	0.411786	SD #10 Capital Projects Fund - Tacoma
Fire District #3 M&O - West Pierce	1.102996	ELR	ELR	0.893723	Metropolitan Park - Tacoma Bond
SD #10 Bond - Tacoma	2.325249	ELR	ELR	2.325249	SD #10 Bond - Tacoma
SD #10 M&O - Tacoma	3.537793	ELR	ELR	3.537793	SD #10 M&O - Tacoma
(Source: Tax and License Division, Finance Department, City of Tacoma)					

Table 3. Property Tax (2018) in Manitou Potential Annexation Area				
Land Use Type	2019 Taxable Value (Median)	2018 Tax (Current) (Total Levy Rate: 16.218684)	2018 Tax (If Annexed) (Total Levy Rate: 15.762107)	Difference
Single-family dwelling	\$240,400	\$3,899	\$3,789	(\$110)
Multi-family (Apts 5 units or more)	\$1,245,900	\$20,207	\$19,638	(\$569)
Mobile Home Park Condos	\$68,300	\$1,108	\$1,077	(\$31)
Office Condo	\$277,500	\$4,501	\$4,374	(\$127)
Commercial	\$423,000	\$6,861	\$6,667	(\$193)
Grand Total (97 parcels collectively)	\$29,457,580	\$477,779	\$464,313	(\$13,466)
(Source: Tax and License Division, Finance Department, City of Tacoma)				

Business Licenses and Taxes

Tacoma requires that businesses obtain a Business License from the City, while Pierce County does for only a few types of businesses. Tacoma business license fees are assessed yearly and are based on business income and business type, varying from \$25 to \$250.

Pierce County does not assess Business and Occupation (B&O) tax, whereas Tacoma does. Rates for businesses within the City are based on gross receipts, and vary from .102% to .4%. However, B&O tax would not be assessed on existing businesses for the first three years after annexation.

Upon the area's annexation, the City would expect to collect approximately \$3,500 in business license fees from the existing 26 businesses, \$2,500 of sales tax in the first year, and \$30,000 of B&O tax starting in the fourth year.

Water

Residential and commercial water rates would decrease by approximately 20% due to Tacoma Public Utilities' existing surcharge on unincorporated communities. According to the financial impact modeling conducted by Tacoma Water, the monthly water bill for an average single family residence would be reduced from approximately \$46 to \$39, after factoring in the embedded utility and gross earnings taxes, and for an average general service commercial business, from \$342 to \$290.

Solid Waste

The City of Tacoma's Waste Management would take over waste management services from LeMay Pierce County Refuse. For a 60-gallon container, residential rates for City of Tacoma customers start at \$43.85 per month, compared to \$77.84 at present; commercial rates for a one-cubic-yard container start at \$170.05 per month, compared to \$117.87 at present. Recycling and food/yard waste pickup is also offered. There is a \$3.00 cost for establishing an account. There will probably not be a substantial cost for rerouting or providing new cans.

Stormwater

Local jurisdictions manage surface water runoff to reduce flooding and prevent water pollution, billing property owners for this service. Fees for this service would likely increase with annexation into the City of Tacoma. As an example, a typical single-family residence would see rates increase from \$127 per year to \$279 per year; a larger commercial development would see charges increase from \$2,281 per year to \$4,740 per year.

Sewer

Currently there are four segments of sewer mains within and near the Manitou area, along 52nd Ave. W. (between 64th and 68th), 64th St. W. (between Lakewood Dr. and S. Orchard), 66th St. W. (between 53rd and 52nd), and 68th St. W. (between 52nd and S. Huson). Most of the wastewater mains were installed in 1977 with a couple of mains installed in 2002 for a total of approximately 2,500 feet of main. Based on the review of the video inspections provided by Pierce County, the system is in a condition that one would anticipate for the age of the system. The review did not find the need for any repairs or rehabilitation of the existing mains at this time. Pierce County's Sewer Division has indicated that they would have no objections to Tacoma taking over the sewer lines and that all public facilities in the annexation area were constructed by developers and there are no outstanding latecomers or Utility Local Improvement District (ULID) charges for these facilities.

Upon annexation, properties in the area would not be required to but may opt to hook up to the City's sewer system, subject to an in lieu fee assessment. The estimated costs for the customers/City to receive/provide sewer services are not readily available until the assessment, which is site/property specific, is performed. In short, the potential range of costs associated with parcels in the annexation that are currently served by septic depends on many things, such as the lot size, the distance to the sewer and the age of the sewer main. If the septic system is functioning and if an in-lieu of assessment fee has not been paid by the parcel, the fee could range from \$1,000 to \$5,000 or more. If at some point in the future, the septic system fails, then the parcel could be required to make a connection to the sewer. Connections costs, currently, can range between \$5,000 to \$10,000 or more. If a sewer main does not already exist in front of the house, a sewer main extension would be required. The extension could be constructed as a Local Improvement District project with each parcel owner paying a portion of the cost. These costs can range from \$7,000 to \$20,000 or more per parcel but can be financed over 5 to 20 years. The City has a "Septic Amnesty" program that may allow a 50% discount on the assessment fee. In addition, the City has a low interest loan program to assist citizens with side sewer connections and rehabilitations.

Police

Police services for the Manitou area are currently provided by the University Place Police Department (on contract with Pierce County). The Tacoma Police Department (TPD) has conducted a preliminary review of the current calls for service from the area and concluded that TPD would be able to respond to the limited amount of calls the annexation is expected to generate with their current staffing level.

TPD's review indicates that there were 337 calls for service in the Manitou area in 2018. The total time of all units spent on these calls for service was 355.52 hours. The total time of all units that were not TPD units spent on these calls for service was 277.78 hours. If TPD were to assume the 277.78 unit hours in response to calls for service in the area, and the most recent activity pricing rate for an officer (including benefits) is \$79.64, a basic estimation for added direct cost would be \$22,122.40. The additional years of 2016 and 2017 were also calculated, and the three years were averaged to help smooth the year-to-year fluctuations. See Table 4 below.

Table 4. Estimated Additional Direct Cost to TPD				
Census Block 274	2016	2017	2018	3-yr Average
Total Calls for Service	433	510	337	427
Unit Total Hours (non-TPD units)	324.28	362.09	277.78	321.38
Estimation (Hours x \$79.64 -Officer Rate)	\$25,825.66	\$28,836.49	\$22,122.40	\$25,594.85
(Source: Tacoma Police Department, February 7, 2019)				

TPD also indicates that this estimate should be considered a Rough Order of Magnitude (ROM) style estimate based on best available information. This estimation is limited for the following reasons:

- This does not factor in when multiple officers are assigned to the same unit. Any two-officer unit responding is only being counted as one-officer unit.

- It does not factor in the opportunity cost of different officer efforts.
- This estimation does not include any proactive, community-policing efforts.
- It does not factor in the SouthSound911 cost for calls for service in this area that may be transferred to Tacoma. Note: due to the small number, this will likely have minimal impact.
- Dispatch-related policies may differ between SouthSound911 agencies.

Fire

Fire protection services are currently provided by West Pierce Fire & Rescue (WPFR). The Tacoma Fire Department (TFD) conducted a comprehensive fire service impacts review in September 2018, comparing the current fire service provided by WPFR and the prospective fire service provided by TFD. The review examined multiple capacity and service level indicators associated with each agency, such as the service area, number of employees, staff capabilities and training, types of service, number of fire stations, equipment and apparatus, estimated distances and response times, and budget and funding sources. The review concludes that TFD would be capable of providing fire and EMS services comparable to those currently provided by WPFR. In the event of annexation, TFD does not recommend contracting services to WPFR.

TFD's review also indicates that there were 337 incidents in the Manitou area in 2017 and 278 in 2018. The average annual number of incidents for the two years is 308, which represent a 0.70% increase in TFD's total incident volume for 2017. The estimated additional cost incurred for TFD to respond to 308 incidents (using 2017 flat rate of \$1,230/incident) would be \$378,840. However, Pierce County will realistically only want to consider the estimated incremental cost increase to respond to the area, which will only be a fraction of that, probably \$34,000 to \$50,000. The precise amount would need to be further analyzed and calculated.

Roads and Traffic

The City's Public Works Department would take over responsibility from Pierce County Planning and Public Works for maintaining and improving public roads in the neighborhood. Preliminarily, Public Works suggests the following notions:

- General – Tacoma would study the need for new street name signs, parking restrictions, traffic safety measures, speed limits, pavement (including residential paving program), and other elements.
- A rough estimate of cost for Public Works to maintain the streets in the proposed annexation area is \$58,500 per year. This estimate is based on the current total cost to repair/reconstruct a residential street and the life cycle of a street. (Assume it is 17 residential blocks and use the typical costs of the residential packages for the Streets Initiative (\$86,000 per block), it would cost approximately \$1,462,000. With a life cycle of 25 years, it would cost the City \$58,480/yr.)
- There are many factors to the cost of repair/reconstruction, including subgrade condition and storm water management. Maintenance of a particular street does not typically occur annually and it should not be assumed that the City would improve the proposed area upon annexation. This area would be added to the City's street inventory, evaluated for condition, and prioritized based on existing criteria and funds available.
- There are quite a few homes on septic and the storm system has incorporated quite a few dry wells. All of that could cause a chain reaction that leads to repaving streets rather than preserving them. That might just mean it would cost a little more on the front end.
- Operation and maintenance does not include reconstruction or major rehabilitation. Currently, there are minimal to no sidewalks, concrete curbs, residential streetlights, or residential sidewalks. The City is working on a program to assess and prioritize installation of missing sidewalks. The program is not currently funded.
- Streetlights – Streetlights will not be installed as a part of the annexation. There are numerous areas within the current City of Tacoma limits that do not have street lighting or where additional

infill lighting is warranted. There is currently no funding for adding streetlight infrastructure in the budget. New residential street lights can be installed through the Local Improvement District Program that is supported by adjacent property owners. Existing street lights would be considered for conversion to LED.

- Transportation Benefit District (TBD) – The City imposes TBD at \$20 per vehicle, which would be a financial impact to residents. Assuming there is at least one registered vehicle per household, the revenues to the City are estimated at \$3,900.

B. Additional Notes

Scale of Manitou

While continued analysis of the fiscal impacts is needed, it may be noteworthy that the size of the Manitou area (37 acres) is 0.1% of that of the City of Tacoma (31,765 acres) and the population (425) is 0.2% that of the city (213,418 according to U.S. Census, 2017). By annexing the area, the City would add 97 parcels, where there are about 200 households and 26 businesses. There would be one traffic light and 3.5 lane miles of roadways added to the City's inventory. The land uses are not complicated at all – basically just residential and commercial; no industrial or manufacturing, or mixed-use development. It's a typical neighborhood that blends right in with the South Tacoma Neighborhood area. The scale of the Manitou area is very manageable. These proportions might be useful in anticipating the scale of the fiscal impacts.

Cost of Community Services

A common planning tool to help determine the fiscal impacts of annexation, or provisions of public services in general, is the Cost of Community Services (COCS) Ratio, which shows for each dollar of revenue raised, what the cost to provide public services is. The ratio is usually broken down by land use types. There are numerous studies across the nation about the COCS, and the results are fairly consistent, as illustrated in Table 5 below.

Table 5. Cost of Community Services Ratios (For each dollar of revenue raised, the cost to provide public services)		
Residential	Commercial/Industrial	Sources
1.18	0.38	"Cost of Community Services Studies", American Farmland Trust, September 2016
1.00 – 1.40	0.15 – 0.90	"A Meta-Analysis of Cost of Community Service Studies", Kotchen (UCSB) and Schulte (Univ. of Colorado), July 2009
1.02 – 2.11	0.05 – 1.04	"The Fiscal Impacts of Land Uses on Local Government", Dorfman, Univ. of Georgia, April 2006
1.15 – 1.50	0.35 – 0.65	"Costs of Community Services", Univ. of Illinois Extension, 2000
1.03 – 2.11	0.06 – 0.37	"Calculating a Cost of Community Services Ratio for Your Pennsylvania Community", Penn State Univ., 1998

A general conclusion can be drawn from the information in the table, which indicates that for residential development, the COCS ratio is around 1 to 1.50, i.e., for each dollar of revenue collected, the municipality needs to return about a dollar and 50 cents back in the community in some types of government and municipal services; and for commercial development, the ratio is around 1 to 0.5, which means the municipality only needs to provide 50 cents worth of services.

Based on these ratios, and given that the Manitou area has approximately 75% of land uses residential and 25% commercial, the annexation would likely to be a financial wash or a relatively insignificant financial drain for the City of Tacoma.

C. Preliminary Conclusions

Upon annexation to the City of Tacoma, residents and businesses in the Manitou area are expected to see some changes in certain taxes and service fees, as generally described in Table 6 below.

Table 6. General Description of Financial Impacts to Residents and Businesses	
Item	Increase or Decrease
Property Tax	Decrease
Water	Decrease
Solid Waste	Decrease
Electricity	The Same
Natural Gas	The Same
Wastewater	Increase
Stormwater	Increase
Business License Fee	Increase
Business & Occupation Tax	Increase
Sales Tax	Increase

Upon annexation of the Manitou area, the City of Tacoma anticipates to receive \$101,200 of revenues per year for the first 3 years and \$131,200 per year starting in the 4th year, whereas the annual upfront costs to the City for providing essential services are estimated to be \$25,600 for the police service, \$42,000 for the fire service, and \$58,500 for roadway operations and maintenance. See Tables 7 and 8.

Table 7. Anticipated Revenues to the City of Tacoma						
Item	General Fund	EMS	Trans. Benefit Dist.	Water	Total	Notes
Property Tax	\$84,000	\$13,600			\$97,600	
Sales Tax	\$2,500				\$2,500	
Transportation Benefit District			\$3,900		\$3,900	Assuming one vehicle per household
Water (rate reduction)				(\$2,800)	(\$2,800)	20% reduction in residential and commercial rates
Business and Occupation Tax	\$30,000				\$30,000	Starting in the 4th year
TOTAL	\$86,500	\$13,600	\$3,900	(\$2,800)	\$101,200	First 3 years
	\$116,500				\$131,200	Starting in the 4th year

Table 8. Anticipated Revenues and Costs to the City (Annual)			
Revenues		Costs	
Property Tax	\$97,600	Police	\$25,600
Sales Tax	\$2,500	Fire	\$42,000
Transportation Benefit District	\$3,900	PW	\$58,500
Water Rate Reduction	(\$2,800)		
B&O Tax	\$30,000*		
Total Revenues	\$101,200 \$131,200*	Total Costs	\$126,100
*Starting in the 4 th year			

The relatively insignificant amount of anticipated revenues begs the question of whether the Manitou annexation would be a fiscal drain to the City. A review of anticipated expenditures has been conducted, focusing on major services that are not currently provided by the City and would be upon annexation, i.e., Police, Fire, Sewer and Roadways. The review concludes that, given the scale of the Manitou area, the City has the physical and financial capability to provide the required services, with current staffing level.

In addition, a review of the results of some studies about the Cost of Community Services Ratios (a commonly used planning tool to assess the fiscal impacts of annexation or provisions of public services) has also suggested that the Manitou annexation would likely to be a financial wash or a relatively insignificant financial drain for the City of Tacoma.

However, no new services can be provided without any additional resources, which would need to be reallocated from within the organization or acquired from outside sources. Therefore, the fiscal impacts of the Manitou annexation, albeit expected to be minimal and manageable, requires continued and further analysis.