

MUNICIPAL LEAGUE OF KING COUNTY

SUPPORTS

Proposition 1 to Annex Fairwood to the City of Renton

November 2, 2010, General Election Ballot

SUMMARY OF THE MEASURE

The proposed Fairwood annexation is a residential area southeast of Renton with a population over 27,000. Under the Washington State Growth Management Act, unincorporated areas of significant population are encouraged to either annex to existing cities or incorporate as new cities. Two previous attempts to incorporate Fairwood as a new city failed at the ballot in 2006 and 2009. A group of Fairwood residents petitioned the City of Renton in 2009 to annex and the City Council agreed. The Boundary Review Board approved the annexation petition in April 2010.

The Fairwood area is composed primarily of single-family neighborhoods, with residential land uses accounting for the majority of the community's land area. There are some acres of re-developable land within the annexation area but Renton plans to maintain the residential character of the community. Fairwood neighborhoods would be served by City of Renton police and fire service. The contract with Fire District 40 would be discontinued and its assets transferred to the City. Two police patrol districts would be added to serve the annexed area 24 hours a day, 7 days a week. School and library districts and water, sewer and garbage services would remain unchanged. Renton is negotiating with King County about the transfer of some of the parks in the area. The City's fiscal analysis states that individual homeowner taxes would remain unchanged or decrease under annexation.

The Municipal League recommended a 'no' vote on both earlier proposals to incorporate because of concerns about the fiscal viability of the area as an independent city. The City of Renton calculates that the impact on the City's budget will be neutral. The annexed area will generate \$13.5 million in revenues, including a temporary 0.1% sales tax credit from the state, and services will cost \$13.1 million in 2012, the first full year as part of Renton. However, forecasts indicate that by 2017 a revenue gap of \$750,000 will emerge and widen to \$5 million by 2022 when the 10-year state sales tax credit ends. The City states that it can manage the gap by phasing in the effective date of services, by managing costs and tax rates, and by assuming some economic development and revitalization.

In March 2009 the City of Renton and King County conducted a survey of Fairwood residents and found that opinions about future governance were mixed. About a third each of respondents preferred to annex to Renton, incorporate as a new city and remain part of unincorporated King County. As the annexation election nears, Renton has an outreach campaign underway to provide public information to voters through mailings and open houses. Citizens for and against annexation are waging spirited campaigns.

ARGUMENTS FOR THE MEASURE

The proponents of the annexation make the following arguments for the annexation measure:

- Renton is a strong regional city experiencing a growing population and commercial base. It has a well-functioning municipal government and well-developed public services and programs that will provide benefits to the annexing area.
- The City of Renton's zoning plans for the annexation area are to maintain the residential character of the Fairwood community. The City is able to make this commitment because urban growth and economic development will primarily be directed into the historic downtown core.
- Renton will receive state sales tax funds for 10 years to offset the costs of annexation. Such start-up funds are not available to newly incorporated cities.

- City police patrol services in Fairwood will be increased over what the King County Sheriff is able to provide. Fire and emergency medical services will be provided by the City and levels will remain unchanged.
- Under the February 2010 voted to merge Renton libraries into the King County Library system, the popular Fairwood library will not experience any change.
- Unlike previous incorporation proposals, Renton is able to offer strong fiscal stability into the future. A new City of Fairwood would be financially marginal and would struggle to provide the services its residents would expect.

ARGUMENTS AGAINST THE MEASURE

Arguments against the measure were articulated by the opponents of the annexation and by members of the Municipal League:

- Fairwood residents believe they are a unique community with its own identity. Renton has a very different character and will not have any incentive to preserve what is good and unique in the area.
- Residents of a new City of Fairwood would have control over their own decisions about taxation and public services. As part of a much larger city, Fairwood residents will have little say in their government.
- Smaller cities are more efficient and responsive to citizens' preferences, especially with respect to land use and community character.
- A new Fairwood city government would be financially feasible. Two incorporation studies projected revenues that would match expenses.
- Annexation to Renton will allow the City to divert revenues derived from Fairwood to support services in the downtown area.
- Adding the population of Fairwood to Renton's will create a city larger than Bellevue; the government of Renton is not ready to assume this level of responsibility.

RECOMMENDATION AND RATIONALE

The Municipal League of King County supports the annexation of Fairwood to the City of Renton.

Significant islands of population remain unincorporated in the urban areas of King County, wedged between growing regional cities. The proposed Fairwood annexation is such an area. It has long been costly and inefficient for King County to continue to serve such areas and residents increasingly expect urban levels of service. The Municipal League supports the goals of the Growth Management Act and believes that completing the annexation and incorporation of the remaining areas is appropriate.

In 2006 and 2009, the Municipal League expressed concerns about the financial viability of a proposed new City of Fairwood. In the current recessionary environment of reduced government revenues and sharply lower property values, we are even more strongly convinced that annexation to the much stronger City of Renton is the better option. Annexation to Renton is preferable to incorporation for several reasons: the larger city's more diversified tax base can accommodate future service and infrastructure expenses more reliably; and residents of Fairwood will receive urban services – public safety, parks, animal control, etc. – directly from the City of Renton without the expense of a new layer of administration and the complexity of contracting.

The League recognizes the desire of residents in Fairwood to maintain their identity as a local community and to have a role in self-government. We believe this goal can be accomplished as strong and vibrant neighborhoods within a growing regional city. The numerous homeowners' associations within Fairwood clearly already provide a self-governance mechanism that allows its residents a decision-making role in local affairs and the shaping of the community's identity.