

KING COUNTY GROWTH MANAGEMENT PLANNING COUNCIL AGENDA ITEM

AGENDA TITLE: Klahanie Potential Annexation Area

PRESENTED BY: Interjurisdictional Staff Team (IJT)

Background

Klahanie is an area of unincorporated urban King County adjacent to the cities of Sammamish and Issaquah. The land area is approximately 1,240 acres with an estimated population of 10,840 people. The area is currently designated as a Potential Annexation Area (PAA) for the City of Issaquah. A vote to annex the PAA to Issaquah failed earlier this year. Following a discussion at the February 26, 2014 meeting of the GMPC, an Interlocal Agreement (ILA) between the cities of Sammamish and Issaquah was signed by both cities on April 22, 2014 to transfer the Klahanie PAA to the City of Sammamish so that Sammamish can pursue annexation of the area.

Analysis:

In accordance with CPP policy DP-23, urban areas should be annexed to cities:

DP-23 Facilitate the annexation of unincorporated areas within the Urban Growth Area that are already urbanized and are within a city's Potential Annexation Area in order to provide urban services to those areas. Annexation is preferred over incorporation.

In order for the City of Sammamish to propose annexation of the Klahanie PAA, it must first be transferred from the City of Issaquah to the City of Sammamish. This action requires an amendment to the Potential Annexation Areas Map included in the Countywide Planning Policies.

At the February 26, 2014 meeting of the GMPC, the members requested that the two cities reach agreement on the future status of the Klahanie PAA and return to the GMPC with a report on their progress. In the intervening time, the two cities met and agreed upon the future direction for the Klahanie PAA. On April 22, 2014 the two cities signed an ILA supporting transfer of the PAA from Issaquah to Sammamish. The essential details of the agreement are:

- Issaquah agrees to release the Klahanie PAA;

- Sammamish agrees to support the Issaquah Central Issaquah Plan and designation as a Regional Growth Center;
- Sammamish agrees to not accept the state's retail sales tax credit for the Klahanie PAA;
- Sammamish agrees to dedicate \$3 million for improvements to the Issaquah-Fall City Road if the annexation is successful; and
- Sammamish agrees to pay Issaquah \$30,000 for the use of the Klahanie Annexation Feasibility Study.

The documented agreement between the two cities makes the transfer of the Klahanie PAA from the City of Issaquah to the City of Sammamish a procedural matter for the GMPC. The City of Sammamish has expressed its intention to initiate annexation proceedings as soon as possible but needs the approval of the GMPC to amend the PAA Map as a first step.

Staff Recommendation:

Approve Motion 14-1 to amend the PAA Map to transfer the Klahanie area from the PAA for the City of Issaquah to the PAA for the City of Sammamish.

Next Steps:

Consider action on Motion 14-1 to amend the PAA Map to transfer the Klahanie area from the PAA for the City of Issaquah to the PAA for the City of Sammamish.

Attachments:

1. Motion 14-1, amending the PAA Map
2. Map depicting transfer of the PAA to Sammamish
3. Letter signed by the cities of Issaquah and Sammamish, dated April 25, 2014
4. ILA between the cities of Issaquah and Sammamish, dated April 22, 2014

5/21/14

Sponsored By: Executive Committee

GMPC MOTION NO. 14-1

A MOTION to amend to the Potential Annexation Areas map in the 2012 King County Countywide Planning Policies to transfer the Klahanie PAA from Issaquah to Sammamish.

WHEREAS, DP-23 calls for urban areas that are within a city's Potential Annexation Area (PAA) to be annexed to cities; and

WHEREAS, on April 22, 2014, the cities of Sammamish and Issaquah signed an Interlocal Agreement on the future status of the Klahanie PAA, and

WHEREAS, on April 25, 2014, the cities of Sammamish and Issaquah submitted the signed Interlocal Agreement with a request for the GMPC to adopt a motion transferring the PAA from Issaquah to Sammamish.

NOW THEREFORE BE IT RESOLVED that the Growth Management Planning Council of King County hereby recommends that the Potential Annexation Areas map in the 2012 King County Countywide Planning Policies be amended to transfer the area known as the Klahanie PAA from Issaquah to Sammamish.

Dow Constantine, Chair, Growth Management Planning Council

Attachment A: Amendment to PAA Map

Klahanie PAA Redesignation Map



King County

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Date: May 6, 2014

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MCCOMBSP



Redesignated PAA



Incorporated Areas



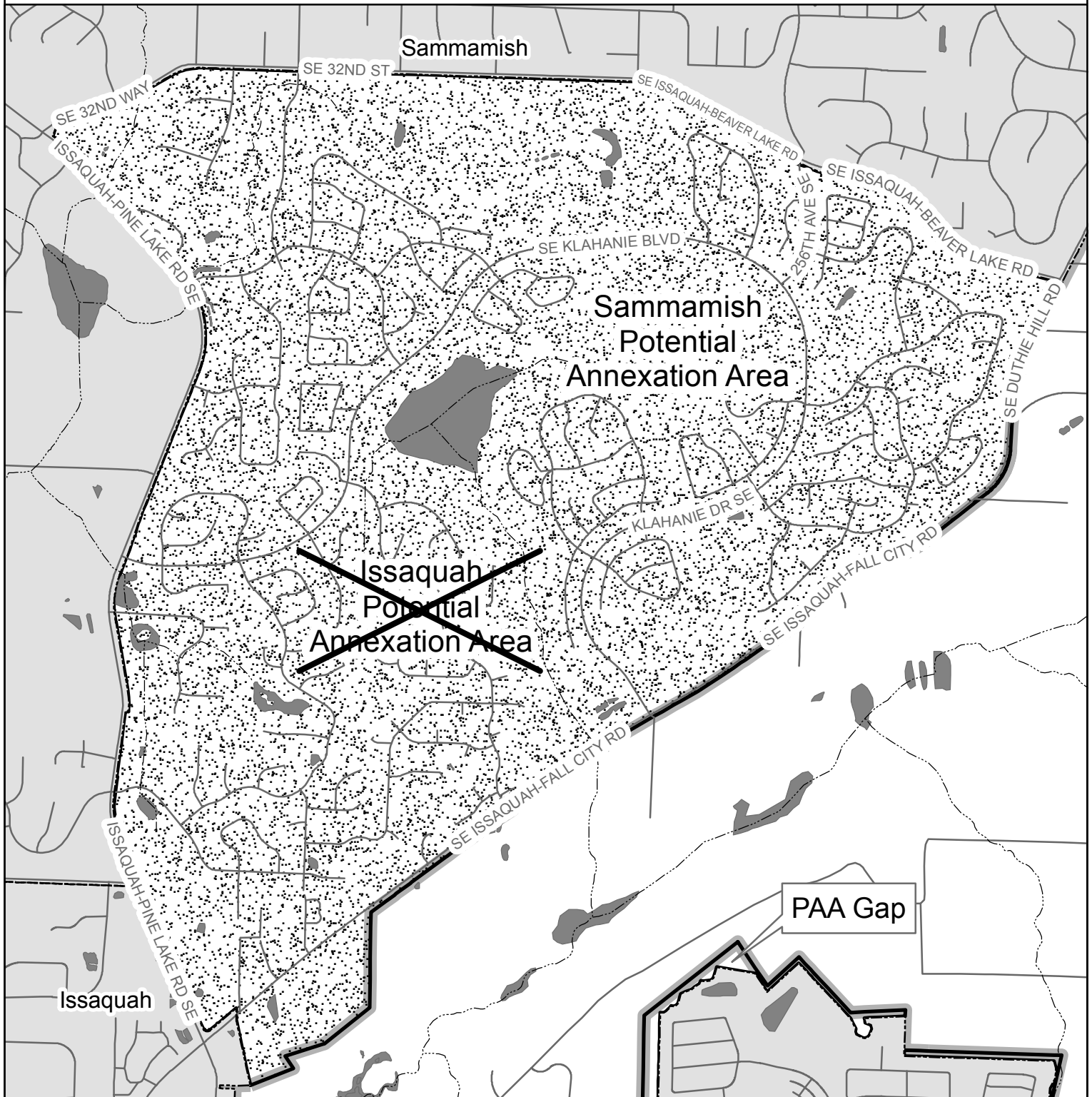
Urban Growth Boundary

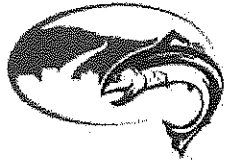


Proposed Urban Growth Boundary



0 650 1,300
Feet





CITY OF
ISSAQUAH
WASHINGTON



April 25, 2014

Dow Constantine
King County Executive
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

RE: Interlocal agreement regarding Klahanie Annexation Area

Dear Executive Constantine:

Issaquah and Sammamish have been in discussions regarding the Klahanie Potential Annexation Area since the February 26, 2014, GMPC meeting. And as all of us had hoped, these conversations have been highly productive. We are pleased to announce that both of our City Councils have approved an interlocal agreement (Exhibit A) that addresses not only the Klahanie matter, but other important regional issues as well. Here are the essential details:

- Issaquah has agreed to release the Klahanie PAA so Sammamish can take immediate steps to incorporate it into its comprehensive plan and proceed with a potential annexation.
- Sammamish passed a resolution of support for Issaquah's Central Issaquah Plan and its Urban Center and Regional Growth Center designation proposals.
- Sammamish agreed not to impose or accept the state's retail sales tax credit for a Klahanie PAA annexation.
- Sammamish agreed to promptly dedicate \$3 million for improvements to Issaquah-Fall City Road if the annexation proceeds. Sammamish would make the project a top priority, start preliminary design work, and pursue state and federal matching grants.
- Sammamish agreed to pay the City of Issaquah \$30,000 for the full use of its Klahanie annexation study.

We respectfully request that you consider a motion at the May 21st GMPC meeting amending the Potential Annexation Areas (PPA) Map in the King County Countywide Planning Policies to transfer the area known as the Klahanie PAA to the City of Sammamish from the City of Issaquah.

Following your careful review, we trust that the Executive's office, the GMPC and all other pertinent agencies will look favorably on this agreement. In addition to resolving the issues summarized above, we believe it sets a standard for regional cooperation that will benefit residents of both cities, and the entire area, for many years to come.

Sincerely,

Fred Butler, Mayor
City of Issaquah

Thomas E. Vance, Mayor
City of Sammamish

Attachment: Exhibit A

Cc: Issaquah Council
Sammamish Council
Ben Yazici, Sammamish City Manager
Bob Harrison, Issaquah City Administrator

4/1/14

4/2/14

4/3/14

**INTERLOCAL AGREEMENT REGARDING
POTENTIAL ANNEXATION AREA**

THIS AGREEMENT is made this 22nd day of April, 2014, between the City of Issaquah, Washington (hereafter referred to as "Issaquah"), and the City of Sammamish, Washington (hereinafter referred to as "Sammamish").

WHEREAS, an area of unincorporated King County, known as the "Klahanie Annexation Area" is currently designated by the King County Comprehensive Plan as within Issaquah's Potential Annexation Area (PAA); and

WHEREAS, Sammamish desires to transfer the Klahanie Annexation Area into the Sammamish PAA and immediately take steps in furtherance of annexation; and

WHEREAS, the parties are willing to cooperate to achieve this result; and

WHEREAS, Issaquah believes this cooperation honors the results of the February 2014 annexation election; and

WHEREAS, Sammamish understands and approves of the Issaquah City Council's careful and deliberate decision process in the weeks since the election ended; and

WHEREAS, Issaquah and Sammamish greatly value the regional benefits flowing from good faith negotiations and cooperation;

NOW, THEREFORE, in consideration of mutual benefits, the parties agree as follows:

1. Klahanie Annexation Area. The parties agree to cooperate and not oppose efforts to transfer the Klahanie Annexation Area from Issaquah's PAA to Sammamish's PAA. This shall include but not be limited to the following:

A. Amendment of the parties' comprehensive plans to remove the Klahanie PAA from Issaquah's comprehensive plan, and addition of the Klahanie PAA to Sammamish's comprehensive plan. Issaquah agrees to take all necessary steps to amending its comprehensive plan to remove the Klahanie PAA by the end of 2014.

B. Joint petition and cooperation before the Growth Management Planning Council (GMPC), for the May 21st, 2014 meeting.

C. Joint petition and cooperation before the King County Council.

D. Joint cooperation in any legal challenges by providing testimony and documents upon reasonable request by the other party.

2. Issaquah's Urban Center Designation. Issaquah is currently seeking an Urban Center designation from the GMPC, King County and Regional Growth Center designation from the PSRC. Sammamish agrees to support and not oppose Issaquah's Urban Center and Regional Growth Center designation requests before all government entities, including the GMPC, King County and the PSRC. Sammamish agrees to pass a resolution of support for Issaquah's Central Issaquah Plan and Issaquah's Urban Center designation proposal.

3. Retail Sales Tax Credit. Elected officials from Sammamish have publicly stated on several occasions that the City of Sammamish does not need or desire the retail sales tax credit for annexations as authorized by RCW 82.14.415. If the Klahanie Annexation Area is transferred to Sammamish's PAA, Sammamish agrees that it will not impose or accept any retail sales tax credit as authorized by RCW 82.14.415.

4. Issaquah-Fall City Road. Elected representatives from Sammamish have publicly stated that Sammamish would promptly take steps to fund improvements to Issaquah-Fall City Road if Sammamish were to annex the Klahanie PAA, noting that Sammamish residents

currently face onerous traffic congestion along that corridor and have repeatedly pressed the Sammamish City Council to make improvements along what they describe as a major community transportation link. Given that, Sammamish agrees, within one year of annexation, to place \$3 million in a separate transportation project account for Issaquah-Fall City Road, to amend its transportation and capital improvement plans to make improvements to Issaquah-Fall City Road one of its top four priority projects, to complete preliminary engineering that would make improvements to Issaquah-Fall City Road, to complete a detailed and reliable cost estimate, and to immediately pursue state and federal matching funds to complete the improvements as quickly as possible. Issaquah will support Sammamish's effort to obtain Federal and State grant funds. Sammamish agrees to continue the design process until federal and state grant funds are secure. As used herein, "improvements to the Issaquah-Fall City Road" shall be from Beaver Lake Road and Duthie Hill to the Issaquah Pine Lake/Issaquah-Fall City intersection. Within 6 months of annexation, Sammamish and Issaquah will jointly agree on the project's scope and timing.

5. Annexation Study. Issaquah has already completed a very detailed study of the Klahanie annexation area (the "Study"). Sammamish will benefit from this Study when it does its own Annexation Study. Sammamish will reimburse Issaquah \$30,000 for the full use of the Study. In return, Issaquah will give to Sammamish electronic and hard copies of the Study and any background content associated with the Study in Issaquah's possession and as requested by Sammamish.

6. Interlocal Provisions.

A. This agreement shall terminate by its terms or sooner by written agreement of the parties.

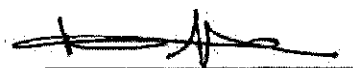
- B. No separate legal or administrative entity is created by this Agreement.
- C. Any joint or cooperative undertaking resulting from this Agreement does not require the joint financing, budgeting, acquisition, holding, or disposal of any real or personal property.
- D. To the extent necessary, this Agreement shall be jointly administered by Issaquah's Mayor and Sammamish's City Manager.
- E. Consistent with RCW 39.34.040, this Agreement shall be filed for recording with the King County Department of Records and Elections, or posted on each city's respective websites listed by subject matter.

7. General.

- A. This Agreement is made for the sole benefit of the parties hereto and is not intended to benefit any other person or entity.
- B. This Agreement may be executed in counterparts, each of which shall be deemed an original and with the same effect as if the parties had signed the same document.
- C. If any part or provision of this Agreement is held invalid or unenforceable as written, it shall not affect any other part.

8. This Agreement is made under, and shall be governed by and construed in accordance with the laws of the State of Washington. If either party breaches or threatens to breach this Agreement the other party shall be entitled to seek all legal, injunctive or other equitable relief, including but not limited to specific performance.

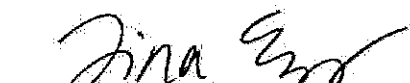
CITY OF ISSAQUAH



FRED BUTLER, Mayor

DATED: Apr 22, 2014

ATTEST:



TINA EGGERS, City Clerk

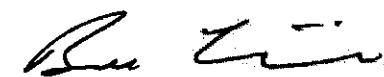
DATED: 4.22.2014

APPROVED AS TO FORM:


WAYNE D. TANAKA, Attorney for City of Issaquah

DATED: 4.22.2014

CITY OF SAMMAMISH



BEN YAZICI, City Manager


DATED: 4/22/2014

ATTEST:


MELONIE ANDERSON, City Clerk

DATED: 4/22/2014

APPROVED AS TO FORM:


Mike Kenyon, Attorney for City of Sammamish

DATED: 4/22/2014

