

WEST LONGVIEW ANNEXATION – OCEAN BEACH HIGHWAY CORRIDOR

EVALUATION OF ANNEXATION PROPOSAL

Background

Along the Ocean Beach Highway there is a 237± acre corridor of unincorporated land that is (except for an 85± foot gap) completely surrounded City limits. This area was almost annexed in 2006 when the City asked the Cowlitz County Boundary Review Board (BRB) to expand an annexation application to include the total unincorporated area. The BRB approved the expansion but before the Council could adopt an ordinance approving the annexation a Washington State Supreme Court decision was rendered that the Boundary Review Boards had only limited powers to expand annexations. Thus, only the original annexation area was brought into the City

Since 2006 the Council has considered annexing the OBH corridor several times. In 2015, the City sent a letter to Cowlitz County and Cowlitz 2 Fire & Rescue (C2FR) asking them to participate in a method of annexation where the three parties come to an agreement. [RCW 35A.14.480(1)(b)] Cowlitz County agreed but C2FR did not. C2FR was concerned about the loss of tax revenue. The City entered negotiations with C2FR about revenue sharing upon annexation and signed an agreement in April 2016. The term of the agreement remains in effect unless terminated by either party. The agreement is attached as Exhibit A.

A map of the area is attached as Exhibit B.

Statistics

Acreage: 237±

Number of residential units:

158 residential units contained in 10 multi-family complexes ranging from 4 to 56 units

36 units contained in 2 condominium developments

32 manufactured/mobile homes

16 units contained in 8 duplexes

155 single family homes

397 total

Estimated population: 860

Number and type of businesses: 3 restaurants, 1 bakery, 2 convenience stores with one having fueling stations, 1 recreational marijuana store, 1 beauty shop, 2 upholstery businesses, 1 appliance parts and repair business, 1 laundromat, 1 paint contracting business, 1 automobile service and parts business, 1 trailer sales and service business, 1 statuary business, 1 animal hospital, 1 auto wrecking yard, 1 Christmas tree plantation, and 6 self-storage businesses.

Other land uses: 3 churches, 1 fraternal organization (VFW)

Street mileage: 1.74 miles of county roads, 1.09 miles of Ocean Beach Highway (State Route 4), 0.11 miles of private road (Alter Street)

Assessed valuation: \$52,579,000

Existing utility services:

Water: City services throughout

Sewer: City services throughout

Electricity: Cowlitz PUD throughout

Natural Gas: Primarily along Ocean Beach Hwy, 42nd Avenue, 46th Avenue and 48th Avenue

Solid Waste: Waste Control under individual private agreement

Telecommunications: Comcast and Century Link throughout

Existing public parks & playgrounds: None

Schools and public buildings: None

Increase in population, area and assessed valuation as the result of annexation

	population	area (acres)	valuation
City of Longview	37,230	9,713	\$3,431,512,397
Proposed West Longview annexation area	860	237	\$52,579,000
percent increase	2.3%	2.4%	1.5%

Increase in residential units as the result of annexation

	Single- family	Duplex	3-4 plex	5+ units	Manufactured Homes	Total units
City of Longview	10,975	642	494	3,743	686	16,540
Proposed West Longview annexation area	156	30	8	171	32	397
percent increase	1.4	4.7	1.6	4.6	4.7	2.4

Longview Comprehensive Plan Classifications

Classification	Acres	Percent of annexation area
Low Density Residential	15.3	6%
Traditional Neighborhood	70.6	30%
Medium Density Residential	41.4	17%
High Density Residential	67.4	28%
Community Commercial	42.0	42%
Total	236.7	100%

Narrative:

Community Development

Cowlitz County currently provides planning, building permitting and nuisance abatement services to the proposed West Longview Annexation area. Upon annexation, Longview Community Development will be responsible for providing those services. The annexation would increase Longview's population by

approximately 2.3% and its land area by 2.4%. The total number of housing units would also increase by approximately 2.4%. The proposed annexation area is surrounded by existing City limits. So, City staff already visits the area regularly. If annexed, Community Development staff estimates that the need for its services would increase commensurate with the population increase (2.4%).

Current staffing levels are adequate to address the anticipated 2.4% increase in needed Community Development Department services. However, development pressure in Longview has been relatively flat. If development pressures increase, annexations will exacerbate the need for additional staffing. There is some leeway. The City of Longview provides building plan review and inspection services for the City of Kelso. Those services can be dropped if needed.

Staffing for solid waste/recycling services is within the Community Development Department. Per state law, solid waste services cannot be provided by the City to the annexed area until seven years have passed. Until then, persons inside the annexed area need to contract directly with Waste Control. City solid waste services include contract management, community outreach, and responding to complaints. It is difficult to anticipate what staffing needs will be in seven years. However, as of now, the need for additional staffing is not expected. Any increased costs beyond staffing will be minimal.

Fire Department

The following table illustrates the number of incidents in the area along Ocean Beach Hwy, between 38th Ave. and Coal Creek Road that currently are not within the City Limits of Longview. The call types are divided between Emergency Medical and Fire. The data is for years 2016 and 2017.

Adding this amount of incidents does not immediately cause a dramatic impact, however, our incident volume increases, on average, by about 4% per year. The addition of these incidents, coupled with the average annual increase, does have a greater impact over the course of months and years.

Year	Event Type	Total
2016	EMS	122
	Fire	21
2016 Total		143
2017	EMS	135
	Fire	34
2017 Total		169

Library

The impacts to the Library Department by annexing West Longview are expected to be minimal. The residents in the West Longview annexation area currently belong to the Cowlitz County Partial-County Rural Library District that contracts with the City of Longview for library services. Since the residents already have access to the City library, no increase in demand for library services is expected. Although no immediate financial impacts to the City library department are expected, ongoing annexations will erode the tax base for the library district that could lead to a reduction in the amount of the annual contract.

Parks and Recreation

The Park and Recreation Department will be minimally impacted by annexing West Longview. The residents in the proposed annexation area already use and have access to City parks as they are in close proximity to the parks in West Longview. No additional wear and tear on parks is expected. A minor reduction in revenue may occur for recreation programs because the residents, once they are annexed, will be eligible for the financial assistance (scholarship) program. Non-residents, those living outside of city limits, are not eligible for the program. However, the newly annexed residents will be subject to the City's property tax which funds much of the Parks and Recreation programs.

The Parks and Recreation Department is also responsible for maintaining street trees through the Urban Forestry Division. There are few, if any, street trees in the proposed annexation area that would need to be added to the annual care and maintenance program. Additionally, the Urban Forestry Division is not proposing planting any new trees in the annexation area and so the impacts to that program are negligible.

Police Department

Currently, there are four patrol areas in the City of Longview. If the proposed West Longview Annexation is incorporated into the City, the population needing to be served will increase by approximately 860 persons. In addition, new development in West Longview will add hundreds more persons to the area. Because of the additional service needs, the Police Department believes an additional patrol area is warranted. The existing patrol area in West Longview Annexation would be divided into two areas making a citywide total of five patrol areas. The new patrol area would need six patrol officers. The first year expenses, due to training and other start-up costs, would be approximately \$100,000 per officer (\$600,000 total). The annual expenses per officer would be less following the first year. In addition, start-up costs would include the purchase of two patrol vehicles at a cost of approximately \$53,000 per vehicle (\$106,000 total).

Exhibit C contains call data for the area.

Public Works

Cowlitz County currently maintains the streets and street drainage system in the proposed West Longview Annexation area. The City of Longview provides water and sewer service and is responsible for the maintenance of those systems. Upon annexation, Longview Public Works would become responsible for maintaining the streets and street drainage system. Most of the roads in the proposed annexation area are chip sealed with open ditches for drainage. Public works would incur additional costs maintaining the ditches but this cost would be offset by the stormwater fees from the newly annexed area. Most of the streets are in fair to good condition. There may need to be some panel replacements and the cost of the replacements will come from the Street Maintenance Budget. Public Works estimates that the cost would be approximately \$11,000 per year. Additional street maintenance costs would be incurred for traffic signals, street lights, signs and pavement markings. The annual cost to maintain these facilities would be approximately \$14,200. The utility tax and gas tax revenue would cover the cost of the above street maintenance items.

Currently, the proposed annexation area is subject to a 65% surcharge on water and sewer services. Upon annexation, the surcharge would no longer be in effect and the revenue reduction would be approximately \$316,780 annually. This revenue loss would be slightly offset with approximately \$7,000 of new revenue from the Storm Drainage/Urban Forestry/Sidewalks enterprise fund.

Public works does not anticipate that the proposed annexation will unduly strain their ability to maintain the services citywide, including the newly annexed area. However, the loss of the surcharge revenue will need to be considered when setting future rates for sewer and water services.

See Exhibit D for more information on budget impacts for the Public Works department

Revenue:

Annexing the West Longview area would result in approximately \$152,500* in additional property tax revenue and approximately \$51,800 in additional utility tax. Library District revenue would decrease by approximately \$15,500*. There would be an unknown increase in sales and business and occupation taxes. In addition, there would be some tax revenue from the marijuana store.

** These are figures for the year 2015. Updated figures will be available at the Council workshop.*

Evaluation report date: June 14, 2018