

MEMORANDUM

DATE: September 12, 2008
TO: Council Members
SUBJECT: Annexation Policy Discussion

This information is provided as background for the Council and Mayor's upcoming annexation policy discussions. The document provides a general summary of annexation issues and summarizes the City's official actions taken relating to annexation policy. The information is divided into four general categories and chronological order from current to past.

Please see the attached maps created by Salt Lake County in compliance with House Bill 155 adopted in 2001 by the State Legislature for additional background.

Current Annexation Information

1. Legislative Activity

- In 1995, the Utah Legislature created the Township Provision which allowed unincorporated Salt Lake County to form townships (U.C.A. 10-2-427). Under the provisions of the legislation, a township could be annexed or incorporated only as a whole unless there is a vote of the township residents authorizing a partial annexation or incorporation. The annexation provisions in this legislation were set to sunset on July 1, 2006.
- In 2005, House Bill 40 extended the sunset provision of that law to 2010. HB 40 also enacted the legislative intent to insure that Salt Lake County and the cities residing within and adjacent to existing townships would work together to determine the desire of the residents and property owners within the townships. Today there are six townships in Salt Lake County: Copperton, Emigration Canyon, Kearns, Magna, Millcreek and White City.
- HB 40 required that each county of the first class and each municipality that is in a county of the first class and is adjacent to a township area shall jointly, by July 1, 2008, provide appropriate public information and funding to conduct a survey of residents and property owners within each township in the county to determine their desires about whether all or portions of unincorporated areas within the township should:
 - a. incorporate into a municipality
 - b. annex to an adjoining municipality
 - c. remain in the unincorporated area of the county and within the township area; or
 - d. remain in the unincorporated area of the county but withdraw from the township area.

2. Salt Lake County Survey

- The survey required by HB 40 was conducted during April 2008 through the Center for Public Policy and Administration of the University of Utah (a copy of the survey questionnaire is attached). The survey was administered by mail and by telephone. Prior to the administration of the survey, the Center provided educational materials to property owners.
- Results of the survey have been compiled and will be reported to the Political Subdivisions Subcommittee of the Utah State Legislature later in 2008. The legislature may or may not take any further action.
- Survey results, while non-binding, will be taken under advisement by Salt Lake County officials, municipalities, and township residents as they consider future annexations, incorporation and land-use plans.
- The survey was mailed to all 51,997 property owners in the unincorporated areas of Salt Lake County. There were 11,813 responses (a 22.7% response rate). In addition, the Center for Public Policy and Administration commissioned Dan Jones and Associates to conduct a phone survey of property owners. This survey reached 6,295 property owners in the unincorporated areas.
- When asked “regarding the existing form of local government in your area, would you like to see things remain the same- no change in the existing form of government, or see the form of local government change? 58% of phone survey respondents said they would like to see things remain the same, while 74.5% of mail survey respondents indicated they would like to see things remain the same.

Preferred Option

Phone Survey	Mail Survey
Annexation- 14.0%	Annexation- 15.4%
Incorporation- 5.9%	Incorporation- 5.2%
Township- 49.5%	Township- 1.9%
Not affiliate- 16.4%	Not affiliate- 12.5%
Other- 2.3%	Other- 1.6%
Don't Know- 12.0%	Don't Know- 3.4%

3. Annexation Process

- The process to annex an unincorporated area into a municipality is initiated by a petition that contains the signatures of the owners of private real property that is equal to at least ½ of the value of all private property within the area proposed for annexation.
- A township would only be dissolved if the County Council voted in favor of dissolving it. If no new legislation is proposed and passed by the end of 2010, townships would not be dissolved; however, the provision of the township law that prevents piecemeal annexation would be repealed as of July 1, 2010.

Recent Studies

1. 2000 - Salt Lake City Wall to Wall Cities Annexation Study

- In the year 2000, the consulting firms of Rick Giardina & Associates, Inc. and BBC Research & Consulting were retained by the Council to provide additional information in response to an annexation feasibility study (1999) provided for the County Council of Governments (COG). The City study incorporated and expanded on previous information compiled by City staff in 1999. Areas discussed in the report are located along the east bench of the Salt Lake Valley. Potential annexation areas identified in the City's 1979 Annexation Policy Declaration located on the west side of the Salt Lake valley were not included in this report.
- Key components considered in the study included items such as:
 - A review of all potential sources of revenue and expenses.
 - What would be needed within the different areas to conform to current service levels, both public safety and physical infrastructure.
 - What capital needs each area
 - What the cost of each area would be if the City were to purchase existing County assets, purchase new assets, or rely on current equipment in the City to provide services
- The end result of the study indicated that even with the massive capital needs of the potential annexation area the City would be economically ahead if Salt Lake City were to annex all or part of the area to Creek Road in Sandy City.
- As follow-up to this study, the Council adopted a resolution that reaffirmed the City's intent to annex those communities served by the City's water and water distribution area.

2. 1999 - Salt Lake County Feasibility Scenarios Report

- On December 8, 1999, Nesbitt Planning and Management, Inc. presented to the Salt Lake County Council of Governments "A Reconnaissance of Potential Annexations and Incorporations Facing Salt Lake County, Salt Lake County Feasibility Scenarios". This study attempted to define the cumulative impact on revenues and service delivery across Salt Lake County.
- The study considered 28 scenarios for 10 unincorporated communities. The study provided information gathered in three main areas; Base Fiscal Parameters, Revenues and Costs, and Remainders Analysis.
- The study projected the cumulative impacts upon the tax bases and revenues of the County and the annexing Cities and discussed the challenges of potential overhead increases for the County with declining service delivery demand but did not address the impact to Salt Lake City.

- Salt Lake City reviewed the County study and using the same methodology evaluated the impact of the various annexation and incorporation scenarios that were outlined in the study.

3. 1999 - Salt Lake City Wall to Wall Cities Study

- Salt Lake City Budget and Policy staff prepared a “Wall to Wall Cities” study at the same time the City was supplying information to the County for the Council of Governments annexation feasibility study.
- City staff reviewed the history of annexation issues within the City and evaluated the different components of the County study area to determine the impact of any annexation plans on the City. Staff chose 4 logical boundaries to divide the potential annexation areas. The only areas discussed in this City report are located along the east bench of the Salt Lake Valley. Potential annexation areas identified in the City’s 1979 Annexation Policy Declaration located on the west side of the Salt Lake valley were not included in this report.
- City staff used data from property, franchise and sales taxes and sales tax distribution to calculate revenue in this area. Enterprise Funds services were not included in the calculation of revenue. It is expected that Enterprise Fund services would pay for themselves. The staff then attempted to quantify costs in each of the four service areas as best possible.
- The Administration presented the results of the study to the City Council. At that time the Council chose to hire an outside consultant to review the work of City staff and help guide the Council as they reviewed what course the City should take. City staff lent their expertise to the consultant and assisted in gathering and reviewing information as needed. The resulting consultant study presented essentially the same findings as that of the City staff.

Additional Information

- Other Cities such as Murray, Midvale, West Valley City and Holladay have completed consultant and in house studies that identify potential areas of annexation. Some encroach on the boundaries listed in the City’s 1979 Master Annexation Policy Declaration. (The annexation studies of Murray and Sandy advocate annexation to the east of their present boundaries and the incorporation of Holladay and Cottonwood Heights that incorporated portions of the unincorporated County along the east bench of the Salt Lake Valley.) It should be noted that the boundaries of Holladay City do not correspond with their water system boundaries.

City Annexation Policies

1. City Resolution No. 34 of 2000

Reaffirmation of 1979 Master Annexation Policy Declaration, and Declaration of Intent to annex the areas served by the City's water system in unincorporated Salt Lake County

- City's Public Utilities Department since the 1920's has provided culinary water service to the eastern unincorporated portion of Salt Lake County
- Service is provided to approximately 30,500 water accounts
- Salt Lake County's tax base has been reduced through annexations and incorporations, including Taylorsville and Holladay, requiring an increase in County taxes
- In 1979, Salt Lake City prepared a Master Annexation Policy Declaration that included the intent to annex the portion of Salt Lake County served by the City's water system
- In 2000, the Salt Lake City Council commissioned an independent study that concluded:
 - Annexation would produce long-term benefits for County residents if annexed into the City through:
 - Improved levels of water service
 - A net reduction in the cost of water service
 - Annexation would not significantly increase water rates currently paid by City residents
- Annexation would provide Salt Lake City with benefits including:
 - Relieve potential conflicts between jurisdictions relating to:
 - Service levels
 - Water rates
 - Watershed protection
 - Planning and zoning issues
- Expressed the City's interest and willingness to:
 - Enter into discussions with Salt Lake County and State of Utah representatives, residents, property owners, and other elected representatives
 - Explore the feasibility, desirability and potential for annexation implementation

2. City Resolution 20 of 1982 - Water Service provide outside the City limits

- Formalized policy for providing water service to development outside the City limits
 - Requires annexation in order to receive City water services, or
 - Provide an agreement to annex when annexation becomes possible

3. 1979 Salt Lake City Master Annexation Policy Declaration

- 1979 State Legislature House Bill No. 61 required municipalities anticipating annexation to adopt an annexation policy declaration
- Salt Lake City's Master Annexation Policy Declaration addresses the following:

- Citywide master annexation policy declaration and proposed future boundaries map
- Study areas:
 - West Airport
 - North Redwood Road
 - Magna
 - Emigration Canyon
 - Brickyard Area
 - Parley's
 - East Millcreek
 - Holladay – Olympus
 - Holladay – Cottonwood
 - West Valley
- Individual study area sections include:
 - Geographical boundary description for each study area
 - Land use and socio-economic characteristics
 - Estimate of assessed property values
 - Comparison of costs of government services
 - ◇ Water, sewer, fire, and police
 - ◇ Planning and zoning
 - ◇ Refuse and garbage collection and disposal
 - ◇ Streets and highways

Community Master Plans Annexation Policy Statements

1. Sugar House

- Encourage the annexation of designated areas as a whole rather than in small pieces to provide coordinated land use development policies and comprehensive municipal services.
- Establish new community planning districts for areas annexed into the City south of the existing Sugar House community planning boundary.

2. East Bench

- Preserve the present unique beauty, environmental habitat, recreational use, and accessibility of the Wasatch foothills, and ensure city control over foothill development in the East Bench Community.
- To maintain control over foothill development, the city should:
 - Amend its Annexation Policy Declaration to encompass the privately owned East Bench foothills as the means to having control over future development proposals.
 - Restrict urban development beyond an one-half-mile area, to encompass all of the privately owned foothill property. This could be accomplished through an interlocal agreement, under the State Interlocal Cooperation Act.
 - Seek an official agreement of resolution with the County to ensure that smaller residential developments will also be referred to the city for annexation and

development approval. Annexation should even be required for a single-family home. The city should refuse to provide water or sewer services to accommodate development outside city boundaries.

3. Arcadia Heights, Benchmark, & H Rock Small Area Plan

- It should continue to be the City's policy that municipal water and sewer service will not be provided to new developments unless they are located within the City limits.

4. Jordan River – Airport Area Small Area Plan (short range)

- Facilitate Salt Lake City's Annexation of County land area west and north to the Great Salt Lake.
- Annex lands west of and north toward the Great Salt Lake from Salt Lake County, and zone appropriately according to land uses identified in the Plan.

5. Rose Park Small Area Plan

- Support annexation of properties in the jurisdictional boundaries of Salt Lake County into Salt Lake City.

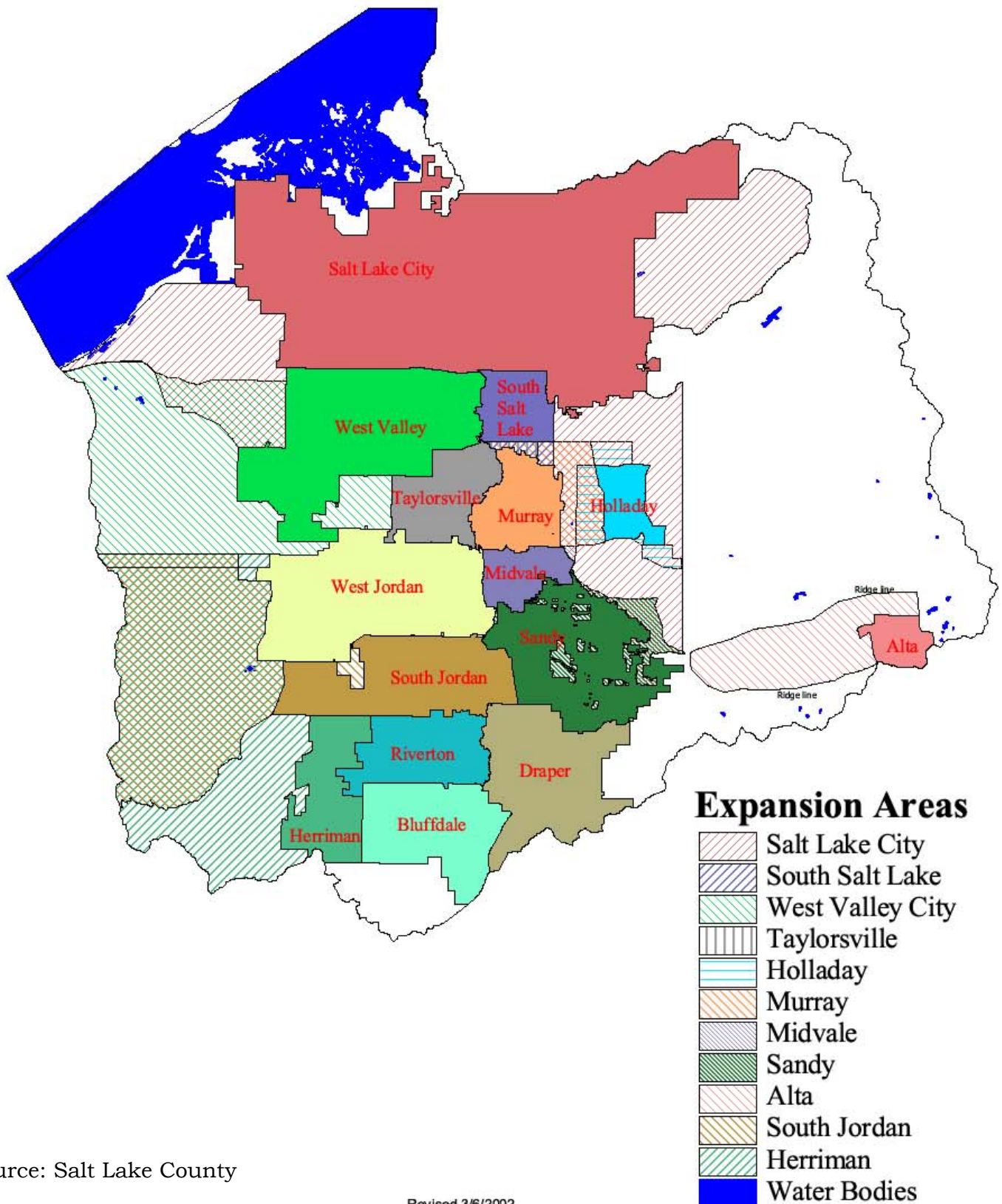
1. Regarding the existing form of local government in your area, would you like to:
 - a. See things remain the same—no changes to your existing form of local government.
 - b. See the form of local government change.
2. Which of the following options is your preferred choice:
 - a. Joining an existing city or town that is located near my property (Annexation).
 - b. Forming a new city or town (Incorporation).
 - c. Remain in unincorporated Salt Lake County AND as part of a township (restrictions on future annexations).
 - d. Remain in unincorporated Salt Lake County BUT not as part of a township (no restrictions on future annexations).
 - e. Other _____
3. Please provide a brief explanation as to why you chose your answer in Question 2 (optional):

4. If there was a vote held today on incorporating the portion of Salt Lake County in which your property is located—how likely would you be to vote in favor of incorporation?
 - a. Very Likely
 - b. Likely
 - c. Neutral
 - d. Unlikely
 - e. Very Unlikely
5. If you were asked to sign a petition that would annex your property into an existing city or town that is adjacent to your property—how likely would you be to sign that petition?
 - a. Very Likely
 - b. Likely
 - c. Neutral
 - d. Unlikely
 - e. Very Unlikely
 - f. Depends on which city or town would annex my property
6. If you chose “f” in Question 5, which city would you most like to join or annex into?

7. How long have you owned this property?
 - a. Less than 1 year
 - b. At least 1 year but less than 5 years
 - c. At least 5 years but less than 10 years
 - d. At least 10 years but less than 15 years
 - e. 15 years or more
8. Please indicate your age category:
 - a. 18-24
 - b. 25-34
 - c. 35-44
 - d. 45-54
 - e. 55-64
 - f. 65 and over

Master Plan for Municipal Annexations in Salt Lake County

(in accordance with H.B. 155 - 2001 General Session)



Source: Salt Lake County

Revised 3/6/2002

Master Plan for Municipal Annexations in Salt Lake County

(in accordance with H.B. 155 - 2001 General Session)

