



**UTILITIES COMMITTEE**  
**AUGUST 12, 2016**  
**4:00 P.M.**  
**COUNCIL CHAMBERS**

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1. **MARTIN WAY EAST ANNEXATION**  
*RYAN ANDREWS, PLANNING MANAGER*  
*(STAFF REPORT ATTACHED)*



**UTILITIES COMMITTEE**  
**August 12, 2016**

**SUBJECT: Martin Way East Annexation. Project no. 16-179.**

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**RECOMMENDATION: Recommend to the full council that a motion be approved to proceed with the proposed Martin Way East annexation proposal that includes the following provisions:**

- 1) Authorize the applicants to circulate a petition and gather signatures of property owners representing at least 60% of the assessed value of the annexation property demonstrating their consent to annex;**
- 2) Include two additional parcels (assessor's parcel no.'s 11812420300 and 11812420100) located east of the requested annexation area as a logical and regular boundary.**
- 3) Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed; and**

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**STAFF CONTACT:** Scott Spence, City Manager *SS*  
Rick Walk, Community Development Director *RW*  
Ryan Andrews, Planning Manager *RA*

**ORIGINATED BY:** Community Development Department

**ATTACHMENTS:**

1. [Notice of Intent to Commence Annexation](#)
2. [Letter from Applicant](#)
3. [Existing Zoning](#)
4. [Aerial Photo](#)
5. [Existing Sewer Lines](#)
6. [Existing Water Lines and Water Service Areas](#)

**FISCAL NOTE:** None.

**PRIOR REVIEW:** None.

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**BACKGROUND:**

The City has received a notice of intent to commence annexation proceedings filed by Sigrid Esfeld, Michael L. Citrak, and Peter M. Citrak. The filing of the notice is the first step in the

annexation process under the petition method (RCW 35A.14.120), which requires a petition filed by property owners representing a minimum of 10% of the valuation of the area proposed for annexation. The City has verified that the ownership does comprise a minimum of more than 10% of the assessed valuation for general taxation purposes of the properties for which annexation is requested.

As a result of the petition, the Utilities Committee will review the annexation proposal to verify that the City can effectively provide utility service to the proposed annexation area. Additionally, the Committee will review the boundaries of the annexation area for any recommended modifications.

### **Proposed Annexation Area**

The area proposed for annexation is located in the Meadows Planning Area and within the Lacey Urban Growth Area north of Martin Way E, east of River Ridge Drive NE, and west of Meridian Road NE. The area includes 6.13 acres in seven separate tax parcels. The largest parcel is 2.47 acres in size and is the location of the Puerto Del Sol Restaurant (formerly the Shipwreck Café). On the same parcel, behind the Puerto Del Sol Restaurant, is an existing single-family residence. Additionally, Summit Towing is a tenant in the eastern portion of the restaurant. There are three other businesses in the annexation area east of Puerto Del Sol including the Cedar Inn Tavern, Redline Cycle, and Okie's Barber Shop. The 2015-2016 assessed value of these parcels is \$2,814,400, of which the Esfeld/Citrak ownership represents \$728,650, or approximately 26 percent of the assessed valuation.

Other than the existing businesses and one home, the area proposed to be annexed is undeveloped and is primarily forested with second and third-growth Douglas firs. There are no identified critical areas in the area proposed for annexation with no identified water bodies, steep slopes, or critical aquifer recharge areas. Outside of the proposed annexation area to the north are the Abbey Rowe Apartments and to the south across Martin Way are the Madison Apartments—both of which are also zoned Mixed Use High Density Corridor.

The subject properties are zoned Mixed Use High Density Corridor (MHDC). The purpose of the MHDC zone is to allow for commercial uses and other mixed use development in a way that serves the needs of the neighborhood and the community and enhances the appearance and identity of the mixed high density corridor. The intent also includes encouraging a variety of businesses which offer retail goods or consumer services that appeal to pedestrians and/or serve the needs of the surrounding neighborhood. In addition to commercial uses, the MHDC zone also allows multi-family residential uses at a minimum of 12 units per acre. In accordance with the Countywide Planning Policies and joint planning agreements with Thurston County, the zoning would remain MHDC upon annexation.

## **Annexation Boundary**

The area proposed for annexation includes the properties as described in the notice of intent to commence annexation proceedings including the properties owned by the Esfeld/Citrak ownership, Wolim Inc., and Easton Properties One.

This boundary, as proposed, would connect to the current city limits to the west of the Puerto Del Sol Restaurant. This configuration is a logical extension and would not create any unincorporated islands. There are two parcels to the east of the proposed annexation area that would make the area proposed for annexation more logical. The two parcels are under the same ownership and contain the A1 Japanese Auto Repair and an existing used car dealership. The City Council does have the opportunity to modify any boundaries prior to the applicant proceeding with the annexation. In this case, staff is recommending that the two parcels to the east of the proposed area (assessor's parcel no.'s 11812420300 and 11812420100) also be included within the boundary of the area to be considered for annexation to create more logical boundaries.

With annexation, the associated street frontage and right-of-way is also annexed. Therefore, Martin Way and its associated right-of-way would be annexed from the current city limits boundary to the eastern boundary of the proposed annexation area.

## **Utilities**

The properties are located partially within the City of Lacey's water service area. The four Esfeld/Citrak properties are located within the City's water service area, however, the Eason Properties One and Wolim properties are served by a private well located on the Eason property. The two parcels east of the proposed annexation that are recommended to be included in the annexation are also served by a private water system. Water service to these properties would continue to be served by the private water systems unless a request was made to and approved by the owners to remove the properties from the private service area. Should that occur, the properties would be added to the City's water service area with the closest point of connection to the City's water service along the south side of Martin Way to an existing 12-inch water main.

City of Lacey sewer service is available with a 12-inch line along the south side of Martin Way. Sewer is also available to the north at the Abbey Rowe Apartments, however, easements would need to be obtained from the property owner and additional study would need to be done to assess whether this was a viable route. Upon development of the properties within the annexation area, sewer service would be required to be extended.

The area is also served by private utilities including Puget Sound Energy and Comcast. No issues are expected concerning provision of these utilities to the area.

## **Taxes, Fees, and Services**

Typically, as part of an annexation proposal, a full annexation study is performed to outline all issues associated with the annexation including taxes and fees. However, with the small area to be annexed and since all of the properties are commercial, there is little benefit in having the applicant

complete a study. The city would benefit from additional property, sales, and B&O taxes associated with the existing and future businesses and the revenue associated with any future land use and building permits. This revenue would offset any costs associated with additional law enforcement calls and/or upkeep of Martin Way in this area which are the only additional services the city would provide upon annexation. It is the City Council's option to require an annexation study; however, staff believes that in this can be handled through analysis in the staff report and would recommend that the applicant not be required to complete one.

### **Process**

The applicant has submitted a notice of intent to commence annexation using the petition method of annexation (RCW 35A.14.120). Using the petition method, property owners representing a minimum of 10 percent of the assessed valuation of the property proposed for annexation are required to submit the notice. After filing the petition, the City Council must pass a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. Prior to full City Council review of the annexation, the City Council Utility Committee reviews the application for the provision of utilities. If the Council votes to approve the petition, then the applicant moves forward on obtaining a petition from a total of 60% of the assessed valuation of the area. Once the City receives the 60% petition, the City can move forward on annexation proceedings. This will also initiate notification and coordination of the proposed annexation with Thurston County.

### **Recommendation**

The Utilities Committee will review the annexation request under the 10% petition method and is requested to make a recommendation that the Council pass a motion indicating the following:

- 1) Authorize the applicants to circulate a petition and gather signatures of property owners representing at least 60% of the assessed value of the annexation property demonstrating their consent to annex;
- 2) Require the two parcels east of the submitted notice of intent to commence annexation (assessor's parcel no.'s 11812420300 and 11812420100) also be included within the boundary of the area to be considered for annexation;
- 3) Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed.

RECEIVED JUL 01 2016

17022 SE 47<sup>th</sup> CT  
Bellevue, WA 98006  
June 24, 2016

Lacey City Council  
420 College Street SE  
Lacey, WA 98503

RECEIVED

Re: Annexation Notice of Intent to Commence Annexation Proceedings

JUL 06 2016

Dear Ladies and Gentlemen:

BY 16-179

The undersigned as owners of four parcels on Martin Way E. respectfully request the City to commence annexation proceedings for the properties indicated on the attached map. The property includes 6.13 acres and has a valuation of \$2,814,400. The four parcels we own equal more than 10% of the assessed valuation for general taxation purposes of the properties for which annexation is requested.

The proposal is to annex the properties with the same zoning currently identified with each parcel: MDHC, mixed used high density corridor. We respectfully request the Council to set a date, not later than sixty days after the filing of the request, for a meeting with the initiating parties to determine whether the City will accept, reject, or geographically modify the proposed annexation and whether it shall require the assumption of all or of any portion of existing City indebtedness by the area to be annexed.

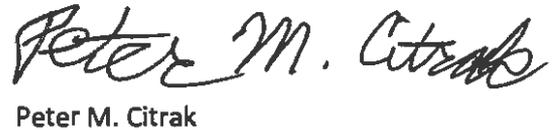
We have sent copies of this request to the property owners of record identified on County records.

We look forward to working with the City on this annexation.

Sincerely,

  
Sigrid Esfeld  
425-442-1731

  
Michael L. Citrak

  
Peter M. Citrak

Enclosures:

Thurston County Map with proposed parcels noted in shaded area  
Parcels Proposed for Annexation: Ownership

cc: Wolim Inc. w/Enclosures  
Eason Properties One L.L.C. w/Enclosures



**Parcel Proposed for Annexation: Ownership**

<b>Parcel No.</b>	<b>Site Address</b>	<b>Owner</b>	<b>Assessed Value</b>	<b>Total Acres</b>
11812420301	9140 Martin Way E. Olympia, WA 98516	Peter Citrak, Michael Citrak, Sigrid Esfeld	\$ 119,900.00	0.57
11812420203	None Assigned	Peter Citrak, Michael Citrak, Sigrid Esfeld	\$ 135,850.00	0.39
11812420200	9118 Martin Way E. Olympia, WA 98516	Peter Citrak, Michael Citrak, Sigrid Esfeld	\$ 218,400.00	0.79
11812420202	9106 Martin Way E. Olympia, WA 98516	Peter Citrak, Michael Citrak, Sigrid Esfeld	\$ 254,500.00	0.58
11812420204	None Assigned	Wolim Inc.	\$ 215,350.00	0.64
11812420201	9030 Martin Way E. Olympia, WA 98516	Wolim Inc.	\$ 633,900.00	0.69
11812420400	9020 Martin Way E. Olympia WA 98516	Eason Properties One L.L.C.	\$ 1,236,500.00	2.47
<b>TOTALS</b>			<b>\$ 2,814,400.00</b>	<b>6.13</b>

17022 SE 47<sup>th</sup> CT  
Bellevue, WA 98006  
July 21, 2016

Lacey City Council Utilities Committee

Dear City Council Utilities Committee members:

My sincere apologies for not being able to attend the meeting scheduled on August 12. I will be traveling outside of Washington state.

I understand you will want to know why we are requesting to be annexed to the City of Lacey.

I feel, very strongly, that being within the Lacey city limits offers many advantages: lower permit fees for development, a professional development and planning organization to work with, better response time from police to name just a few. All of these add value to our property and make it more attractive to companies looking for property to develop.

My brothers and I inherited this property some years ago. We do not have the deep financial resources required to adequately develop this property to its best and highest use. Our goal is to use what resources we have to improve the property to make it attractive for a developer who has the resources to fully develop it.

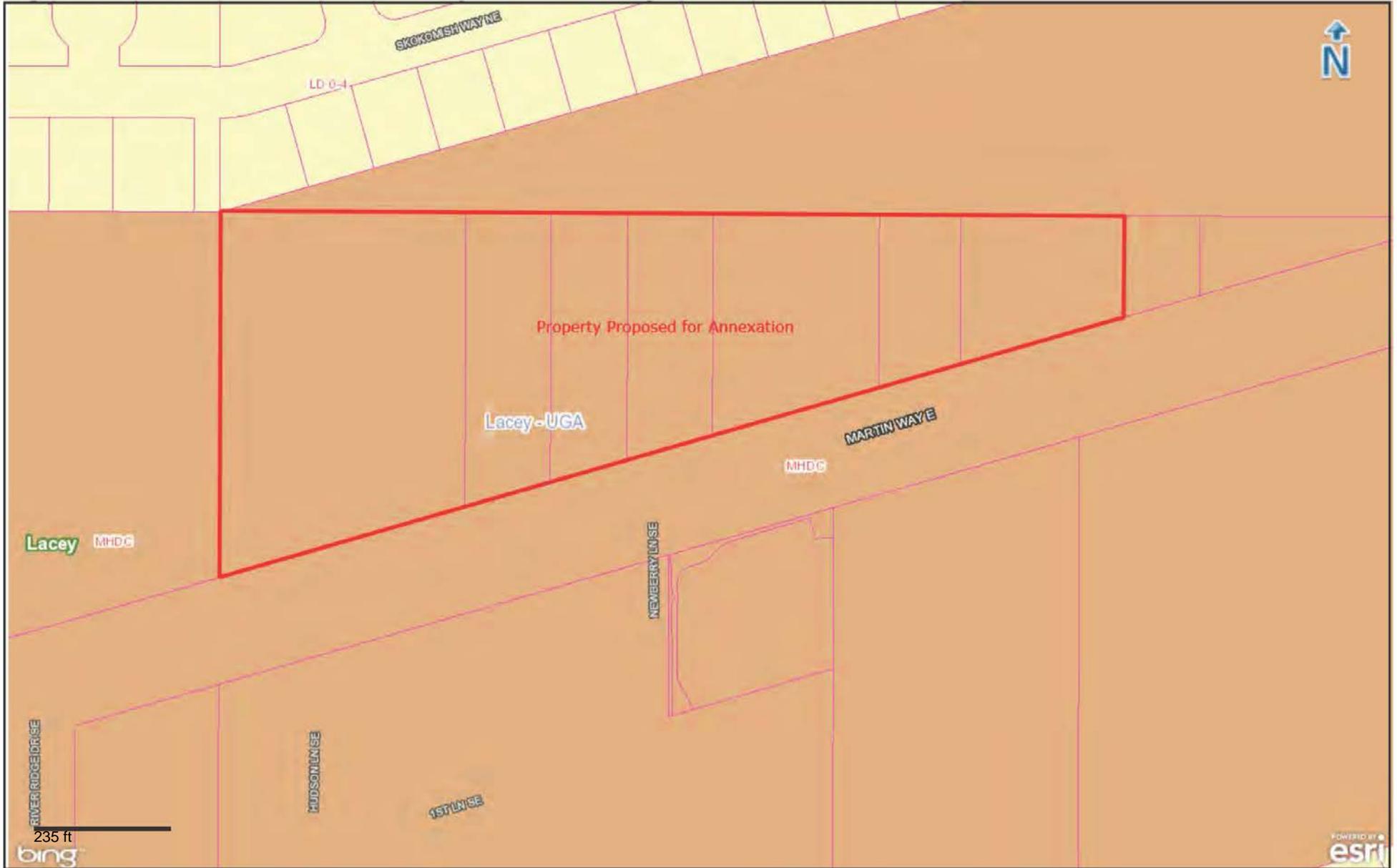
Most property owners want to get the best price possible when selling but I have an additional reason. The modest income we have enjoyed from owning this property has helped to support one of my brothers who is disabled. I feel a deep responsibility to be able to continue supporting my brother financially and a better selling price helps to make that possible.

I thank you all for your consideration and time in this matter.

Sincerely,

Sigrid Esfeld

# Martin Way East Annexation Zoning



The City of Lacey uses the most current and complete data available. However, GIS data and product accuracy may vary. GIS data and products may be developed from sources of differing accuracy, accurate only at certain scales, based on modeling or interpretation, incomplete while being created or revised, etc. The City of Lacey reserves the right to correct, update, modify, or replace, GIS products without notification. The City of Lacey cannot assure the accuracy, completeness, reliability, or suitability of this information for any particular purpose. Using GIS data for purposes other than those for which they were created may yield inaccurate or misleading results. The recipient may neither assert any proprietary rights to this information nor represent it to anyone as other than City Government-produced information. The City of Lacey shall not be liable for any activity involving this information with respect to lost profits, lost savings or any other consequential damages.



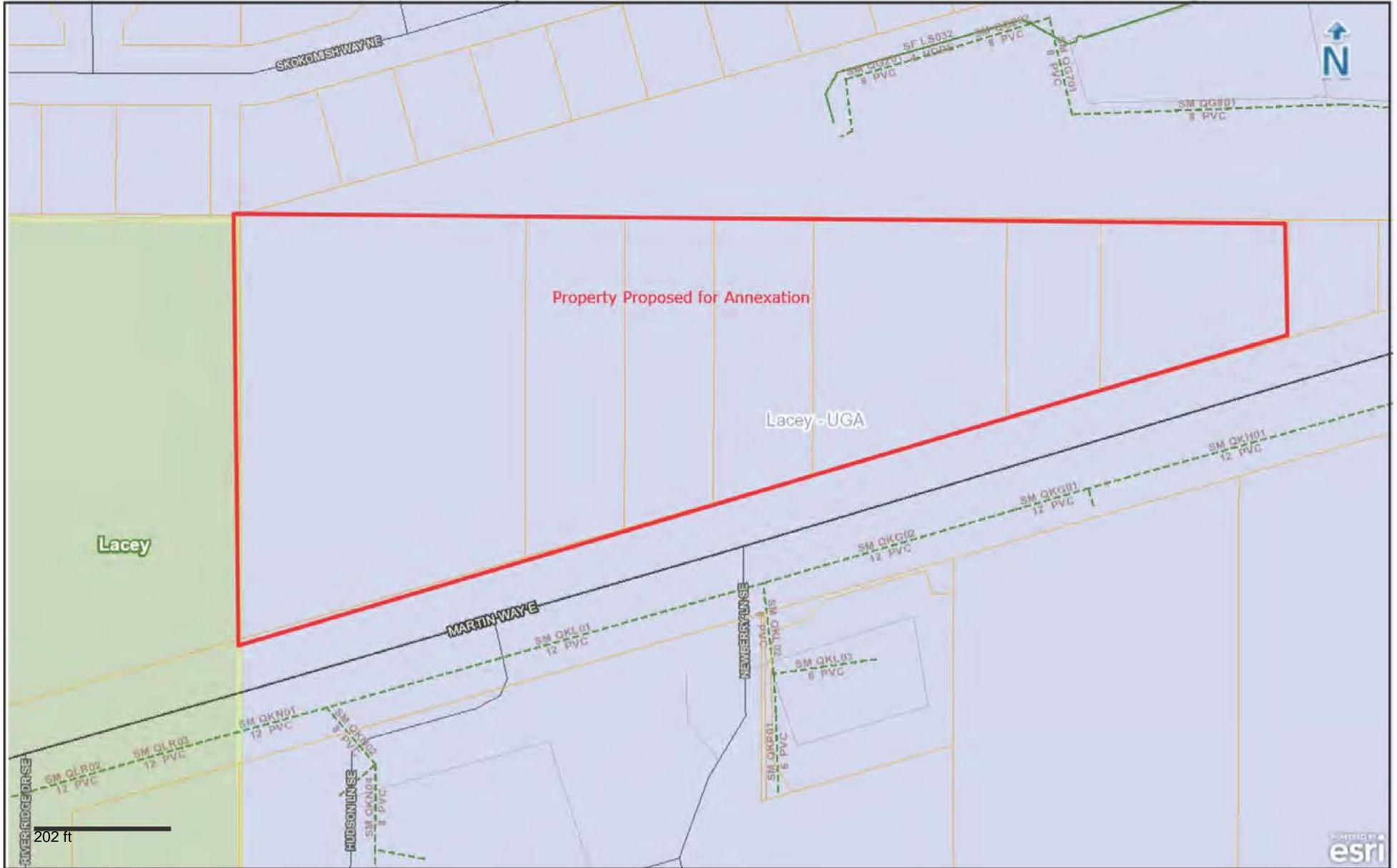
# Martin Way East Annexation Aerial Photo



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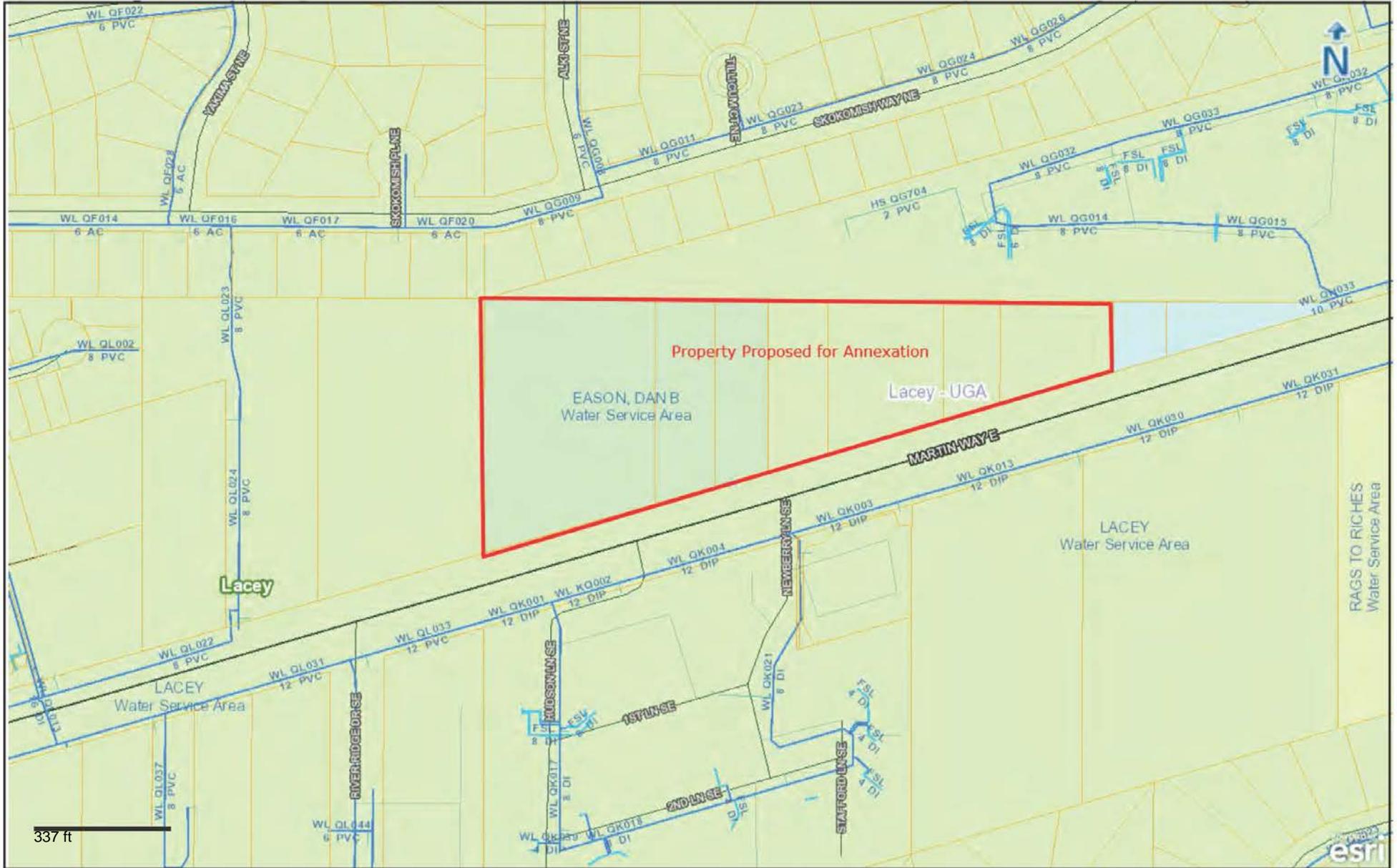
# Martin Way East Annexation Sewer Lines



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# Martin Way East Annexation Water Lines and Service Areas



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