

**COUNCIL ACTION FORM**

**SUBJECT: REQUEST FOR PRE-ANNEXATION AGREEMENT FOR EXISTING HOMEOWNERS WITHIN THE BURGASON SOUTHERN ANNEXATION**

**BACKGROUND**

Steve Burgason, representing the interests of a number of property owners considering participating in an annexation request between Cedar Lane and University Boulevard, requested that City Council consider creating a pre-annexation agreement to encourage voluntary annexation. (Attachment A-Location Map, B-Email) Mr. Burgason has referenced the "Frame" pre-annexation agreement as a model to entice voluntary participation in an annexation as was done for the property owners in North Ames along Hyde Avenue (formerly Grant Avenue) in 2013.

The City has no current policy regarding pre-annexation agreements to encourage voluntary annexation. The Hyde Avenue annexation was a complicated annexation due to individually negotiated developer agreements for street assessments and connection districts for water and sewer with developers along with the existence of smaller existing parcels with homes that impacted the amount of territory that could be annexed. The City Council directed staff to reach out to existing homeowners along Hyde Avenue in 2013 to encourage their voluntary annexation in combination with the large Friedrich and Hunziker controlled parcels to try and complete a holistic annexation rather than piecemeal. Ultimately, only one property owner, the Frame's, voluntarily annexed in conjunction with the larger development parcels.

The Hyde Avenue pre-annexation agreement for existing homeowners addressed four primary issues.

1. Water
  - A. At the time of the property owners choosing, a single connection to City water to serve an existing home at a one-time reduced frontage calculation based upon a typical urban lot frontage of 80 feet regardless of the actual frontage. (Currently the rate is \$20.00 per linear foot) All hook up costs were the responsibility of the property owner. At the time of any future development, the remainder of the property would be subject to established connection fees.
2. If a property owner was subject to the requirements of Rural Water, the property owner must obtain approval of the transfer of service rights to the City prior to connecting.

### 3. Sanitary Sewer

- A. At the time of the property owners choosing, a single connection to City sanitary sewer to serve an existing home at a one-time reduced frontage calculation based upon a typical urban lot frontage of 80 feet regardless of the actual frontage. (Currently the rate is \$20.00 per linear foot) All hook up costs were the responsibility of the property owner. At the time of any future development, the remainder of the property would be subject to established connection fees.

### 4. Street Paving

- A. The City agreed to not special assess existing homeowners for planned Hyde Avenue improvements. Note that the primary developers in the area had already negotiated with the City on how to distribute the costs of the street improvements. Any other future traffic improvements needed as a result of their development were the requirement of the property owner.

### 5. Easements

- A. The property owner would provide to the City any needed temporary or permanent easements related to road, water, and sewer improvements. The City would bear the cost related to surveying, construction, and restoration.

The Frame agreement provides an example of minor concessions related to existing homes entering the City voluntarily. **The agreement does not address in detail obligations that a developer would assume for the development of the property, nor do the agreements address zoning and subdivision standards.** The deferred revenue of a limited connection fee is not significant to the City as there is no anticipated income from this area. The City would potentially benefit from the agreement in helping to facilitate a more complete annexation that helps create logical boundaries and could assist in the deployment of infrastructure with the easement provisions of the agreement.

### **ALTERNATIVES:**

1. Direct staff to prepare a pre-annexation agreement for voluntary application for annexation within the area located south of the existing city limits between Cedar Lane and University Boulevard modeled after the North Hyde Avenue agreement that includes 1A&B, 2A, 4A of the primary issues reflected above:
  - a. Connection fees to water lines based upon an 80-foot lot frontage with deferral of remaining costs.
  - b. Requirements of a property owner to secure any Xenia service territory rights prior to connecting to city water.
  - c. Connection fees to sanitary sewer lines based upon an 80-foot lot frontage with deferral of remaining costs.

- d. The property owner would provide to the City any needed temporary or permanent easements related to road, water, and sewer improvements. The City would bear the cost related to surveying, construction, and restoration.
2. Direct staff to prepare a pre-annexation agreement with different terms or provisions.
3. Provide direction to Mr. Burgason that the City is not interested in a pre-annexation agreement at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

Mr. Burgason believes that with the City's willingness to offer a pre-annexation agreement to existing homeowners he would be able to complete a more holistic annexation application. The proposed terms of the agreement are a minor financial concession relevant only to existing homeowners that may elect to connect to City utilities at their cost in the future.

**Therefore, the City Manager recommends that the City Council approve Alternative # 1 for a pre-annexation agreement modeled off the North Hyde Avenue agreement, minus any reference to street paving assessments.** With this alternative, the City Attorney would draft an agreement for distribution by Mr. Burgason to interested property owners for voluntary annexation applications.

**The Council should note the City will not be responsible for the street improvements related to the development of the annexed area. In this situation, the developers will be responsible to construct the street improvements necessary to serve their development.**