

**BURIEN BUSINESS AND  
ECONOMIC DEVELOPMENT PARTNERSHIP (BEDP)  
STUDY SESSION**

**Date:** April 11, 2008

**Time:** 7-8:30 a.m.

**Members Present:** Harvey Aulgur, Mary Averett, Rick Cosgrave, Nancy Damon, David Elliott, Bob Ewing, Geri Fain, Kevin Fitz, Michael Goldsmith, Jim Hughes, Karen Lautermilch, Mark Minium, Doug Moreland

**Excused Absentees:** Jane Voget

**Staff:** Mike Martin, City Manager; Dick Loman, Economic Development Manager; Janet Stallman, Department Assistant, City Manager Office

**Guests:** Patty Sader, Interim Executive Director of Discover Burien; Mayor Joan McGilton, Councilmember Gordon Shaw

**Call to Order:** Meeting opened at 7:00 a.m. by Michael Goldsmith, Chair

**Discussion on Annexation**

Review by Mike Martin:

- 4 options have been provided to Council
- West of 509 all are the same; east of 509 are where the differences lie.
- SeaTac is no longer interested in annexing.

**Review by Scott Hardin, Finance Director**

Option 2 is the largest 11,600 people

Option 3 smallest, 10,300 people

Option 1 is in the middle, 10,600 people

We asked Berk & Associates to analyze the fiscal implications of annexing with these scenarios. City's current fiscal situation would be maintained by \$2.8 - \$3.2 million in general fund revenue, \$700,000 to \$800,000 for the street fund; city would receive an addition \$670,000 in tax credit; \$4.2 – 4.6 million revenue.

Option 2 would provide the most revenue.

Berk's analysis estimated that we would incur additional expenses of slightly over \$4 million. This was only looking at the operating budget; not capital infrastructure needs. From an operating standpoint, it is roughly even.

SeaTac's area: Twelve square blocks; has 3,050 people as of the 2,000 census; if we added that we would have 13,000 – 14,000 overall. Fiscal impact of adding extra part is pretty much a break even; add \$1M in revenue and cost approximately \$950,000 in expenditures.

The reason these scenarios pan out is economy of scale; primary costs are staffing. We wouldn't adjust our staffing to the level of scale as residents are added.

Q. How is the city handling the capital needs?

A. A list of projects has been developed by Steve Clark, Public Works Director; \$49 million estimate. \$16 million in SeaTac. The needs assessment is on the web.

Understand how the City currently deals with those kinds of capital needs from a budgeting standpoint. Our projects compete with projects in other cities. Relationships allow you to cobble together funds from various places and eventually fund projects.

Q. Is there ever part of the capital needs issue that is addressed with annexation?

A. The county set aside some money to encourage annexations. They've told us in the past that it's available for North Highline; King County has budget problems, so we're not sure if there's any money available.

Q. Can you surcharge an area to take care of their capital needs?

A. There is the possibility of creating a Transportation Benefit District (TBD). There are various funding mechanisms that can be used.

Most of the large capital needs improvements are not shouldered by the municipality. Grants, LIDs, etc. have all come into play as far as meeting our own capital needs. We bite them off one bit at a time. It is an ongoing process.

Q. Would there be a new priority list if North Highline were annexed?

A. No. The larger the city the more likely you are to get capital dollars. We're not going to cannibalize what's going on in the city to get stuff done up there.

Q. In Feb. 05, suggestions were made for analysis of annexation. Were they undertaken?

A. The City has explored everything that has been suggested in terms of analysis.

Horace Parker, Kathy Parker & Mark Ufkes all expressed their concerns and opposition to annexing North Highline.

**Meeting Adjourned at 8:30 a.m.**