

RESOLUTION NO. 01-768

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, APPROVING ANNEXATION POLICIES, PROCEDURES AND CRITERIA FOR EVALUATING THE DESIRABILITY OF ANNEXING A PARTICULAR AREA INTO THE GOODYEAR CORPORATE LIMITS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED, by the Mayor and Council of the City of Goodyear, Maricopa County, Arizona, as follows:

WHEREAS, requests for annexation of new areas into the corporate boundaries of Goodyear requires an evaluation of the benefits and consequences of providing the newly annexed area with City services; and,

WHEREAS, the Council desires policies, procedures and criteria for evaluating requests for annexation; and,

WHEREAS, annexation policies, procedures and criteria will enable the Council to make decisions on annexation that will result in a more efficient delivery of City services, as well as provide for a more logical extension of Goodyear's corporate boundaries; and,

WHEREAS, these annexation policies, procedures and criteria are in conformance with State legislation on Growing Smarter and Growing Smarter Plus, as well as the provisions of A.R.S. 9-471.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Goodyear, Maricopa County, Arizona, as follows:

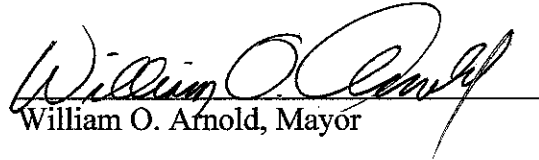
Section 1. That the Annexation Policy, dated April 23, 2001, a copy of the Policy in its final form is attached hereto, is hereby adopted.

Section 2. That it is in the best interests of the City of Goodyear that this Annexation Policy be adopted and be used to assess the desirability of annexing a particular area into the City of Goodyear.

BE IT FURTHER RESOLVED, by the Mayor and City Council of the City of Goodyear, Maricopa County, Arizona, as follows:

Section 3. That this Resolution shall become effective as provided by law.

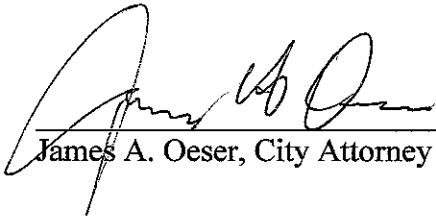
PASSED AND ADOPTED this 23rd day of April 2001.


William O. Arnold, Mayor

ATTEST:


Dee Cockrum, City Clerk

APPROVED AS TO FORM:


James A. Oeser, City Attorney

CERTIFICATION OF RECORDING OFFICER

STATE OF ARIZONA)

COUNTY OF MARICOPA)

I, the undersigned Dee Cockrum, being the duly appointed, qualified and acting City Clerk of the City of Goodyear, Maricopa County, Arizona, certify that the foregoing Agenda is a true, correct and accurate copy of said Agenda for a regular scheduled meeting of the Council of the City of Goodyear, Maricopa County, Arizona held on the 23 day of April 2001, and was publicly posted in the appropriate designated posting sites on April 19 2001, at 5:00 p.m.

Given under my hand and seal, this 23rd day of April 2001.




City Clerk

CITY OF GOODYEAR
ANNEXATION POLICY
April 23, 2001

INTRODUCTION

The purpose of this annexation policy is to identify a process that the City of Goodyear will utilize in making annexation decisions. By employing a prescribed process and specified criteria, the Mayor and Council will have the pertinent information to determine whether an annexation request is in the best long-term interest of the City of Goodyear. According to State law, a plan, policy or procedure identifying how services and infrastructure will be provided to the anticipated development within the annexed area over a ten-year period is required for each municipality. The adoption of this policy will satisfy this State requirement.

The implementation of these policies will enable the Mayor and Council and City Staff to make decisions that will ultimately result in the efficient delivery of urban services, as well as protect the health and safety of Goodyear residents. Further, it will allow for the logical extension of Goodyear's corporate boundaries through annexation of County islands and appropriate adjacent lands.

Annexation requires the consent of the owners of at least one-half of the value of the real and personal property, and more than one-half of the property owners in the territory to be annexed as shown by the last County assessment. In addition, the consent and approval of the Mayor and Council are required for an annexation request.

In any annexation decision, the practical consequences and costs of providing services to the area to be annexed must be considered. While the annexation of new territory may certainly mean additional state shared revenue, the additional revenue to be gained must be considered in light of the necessary expenditures to provide services to the annexed area. Further, it is important to consider not only the short-term costs associated with an annexation request, but also the long-term benefits and City costs of providing services to the proposed annexation.

Prior to assessing the desirability of annexing a particular area, a determination must be made on whether the proposed area meets the State legal requirements for annexation. A.R.S. 9-471 provides the procedures and criteria for extending the corporate boundaries of a city.

LEGAL REQUIREMENTS FOR ANNEXATION

Contiguity, Size and Shape

Arizona law (A.R.S. 9-471) requires that the territory to be annexed must adjoin the boundary of the City for at least 300 feet. This provision does not apply if the area proposed for annexation is surrounded by the City on at least three sides.

The size and shape of the territory to be annexed must be a minimum of 200 feet in width at all points, exclusive of rights-of-way and roadways. The length of the parcel is measured from where the territory adjoins the City to the furthest point of the parcel and cannot be more than twice the maximum width of the annexed territory. These length and width requirements do not apply if the City surrounds the territory proposed for annexation on at least three sides.

Creating County Islands

The City cannot annex territory if, as a result of the annexation, it results in the creation of a County island. The City may annex only a portion of a County island, and this annexation would be exempt from the size, shape and contiguity provisions of A.R.S. 9-471 (H), provided the territory to be annexed is surrounded on at least three sides by the City.

Unincorporated Area

The City may only annex unincorporated territory. It cannot annex territory lying within the boundaries of another incorporated city or town.

County Rights-of-Way

A County right-of-way adjacent to the City with no taxable property may be annexed to the City with the mutual consent of the County Board of Supervisors and the Mayor and Council. The right-of-way must be adjacent to the City limits for the entire length of the annexation. No petitions or public hearings are required for these annexations.

SYNOPSIS OF ANNEXATION PROCEDURES

1. Landowner files application and petition requesting annexation, along with a filing fee of \$5,000, with the City Clerk.

2. Staff provides an impact analysis of the annexation proposal to determine whether the City would be able to provide services to the newly annexed territory, and presents its findings to the Mayor and Council at a regular or special meeting of the Council.
3. Council will consider the annexation proposal, and make a determination on whether to authorize Staff to proceed with the annexation. If authorization is not provided, then no further action on the annexation will be taken and Staff will refund one-half of the fee paid by the applicant.
4. If Council determines that the annexation should proceed, then Staff would be authorized to follow the State statutory requirements for annexing the land into the City.
5. A blank (unsigned) petition containing the legal description and an accurate map of all exterior boundaries, including all County rights-of-way and roadways with no taxable value, of the territory proposed to be annexed shall be filed with the County Recorder.
6. Signatures for annexation shall not be obtained for 30 days after filing the blank (unsigned) petition.
7. A public hearing must be held within the last 10 days of the 30-day waiting period.
8. Notice of the public hearing must be published in a newspaper of general circulation at least six days prior to the hearing and at least fifteen days before the end of the 30-day waiting period.
9. Notices of the public hearing must be posted in at least three conspicuous public places in the territory proposed to be annexed.
10. Notice of the public hearing must be sent by first class mail to the Chairman of the County Board of Supervisors.
11. Notice of the public hearing, along with an accurate map of the proposed annexation area, must be mailed first class to each owner of real and personal property subject to taxation by the City in the event of annexation.
12. No alterations increasing or decreasing the proposed annexation area can be made after a property owner has signed a petition.
13. Signatures by the owners of one-half or more in value and more than one-half of the persons owning real and personal property, subject to taxation by the City upon annexation, must be filed in the office of the County Recorder within one year after the last day of the 30 day waiting period.

14. When all annexation requirements have been compiled with, an ordinance for annexation may be presented to the City Council for consideration.

BENEFITS OF ANNEXATION

Annexation is the process by which a city or town may assume jurisdiction over unincorporated territory adjacent to its boundaries. Since annexation of new areas into the corporate boundaries of Goodyear requires the extension of services to more people over a larger area, there are important questions that need to be addressed when considering whether annexation is in the best interest of the City of Goodyear.

There are many pro and con arguments that have been advanced regarding annexations. From the City's perspective, the major advantages to annexation are as follows:

- It can be used as a tool to effectively manage and control growth and development.
- It allows for the efficient delivery of municipal services.
- It can protect the City's revenue base by bringing into the City additional sources of revenue generating properties.
- It will increase the assessed valuation of the City.
- It will protect the City's borders by requiring properties developing on its borders to comply with municipal building codes, and zoning and subdivision regulations.
- Additional population will increase the City's share of State sales tax distributed to cities and towns in Arizona.
- Additional population will increase the City's share of motor vehicle fuel taxes distributed to cities and towns in Arizona.
- City ad valorem taxes will be assessed and collected based upon the assessed valuation of property within the area annexed.
- It protects the natural environment by providing the City with greater influence over the issuance of septic tank permits by Maricopa County.

From a landowner's perspective, annexation provides various benefits. Upon annexation, the City has an obligation to provide municipal services to the new territory on a similar basis as other areas of the City. The benefits include the following:

Water and Wastewater Services

Since the Maricopa County does not provide water and wastewater services, unincorporated areas must receive water from individual underground wells, or a private water company if one serves the area. Also, County wastewater service is typically provided by septic tanks and cesspools, or private sewer systems. The cost of combining with others and building water and wastewater infrastructure may be prohibitive. Further, the cost of adequately maintaining these facilities may also be costly for a limited number of residents and businesses.

With annexation, the extension of water and wastewater lines to the new territory would be permitted, and user fees for these services would be on the same basis as other residents and businesses on the City's central water and wastewater systems.

Fire Protection & Rescue Services

The City of Goodyear Fire Department is professionally managed, and with appropriate resources, is capable of providing fire protection and rescue services to Goodyear residents and businesses. The rating of the Fire Department may well reduce the fire insurance premium on residential, commercial and industrial properties.

Police Protection

The City of Goodyear provides regular patrolling in residential and non-residential areas by a competent, trained and well-equipped police force.

Zoning and Building Protection

The City provides protection of the environment, the lifestyle of residents, as well as property values through the adoption and enforcement of ordinances relating to planning, zoning, and building safety. State law provides that a city annexing an area shall adopt zoning classifications that permit uses and densities no greater than those permitted by the County at the time of annexation. It is the policy of the City of Goodyear to establish a city zoning classification at the time of Council approval of the annexation ordinance.

Street Maintenance

The City of Goodyear maintains dedicated and improved streets and rights-of-way. The City's Public Works Department has a regular schedule for cleaning all fully improved streets. In addition, the City provides standards that ensure the proper installation and maintenance of modern street lighting, traffic signals, street signs, major street improvements and sidewalks.

Parks and Recreational Services

The City provides public parks and recreational facilities, such as the Goodyear Aquatic Center, for the enjoyment of Goodyear residents and others.

Participation in City Government

Residents of Goodyear have a voice in the affairs of city government, including eligibility for City office, the right to vote in City elections, and the right to serve on voluntary boards and commissions.

CLASSIFYING ANNEXATION TYPES

Annexation requests may be initiated either by the City or by citizens residing immediately outside the Goodyear municipal boundaries. The initial consideration of an annexation request should be a careful review of the desirability of annexing the territory into the City of Goodyear, as well as making a determination on whether the legal requirements as provided by Arizona State Statutes for annexation are complied with.

To evaluate annexation requests, it is first necessary to classify the various types of annexations that the Mayor and Council may consider. For purposes of these policies, annexations shall be categorized as follows:

- | | |
|----------------|--|
| General Area: | Proposed annexations of developed or undeveloped land. |
| County Island: | Proposed annexations that are surrounded by the Goodyear corporate limits on at least three sides. |
| Rights-of-way: | Annexation of existing roadways located within Maricopa County. |

CRITERIA FOR EVALUATING GENERAL AREA AND COUNTY ISLAND ANNEXATIONS

The following criteria will be used to determine whether it is beneficial now or at some point in the future to annex an area or if some lands would never be beneficial to annex:

- A. Ability to provide basic services in a timely manner and with an acceptable revenue to cost ratio.

The first question that will be addressed is whether the City has sufficient resources to provide services to both existing and future development. Does the City have sufficient water resources and wastewater capacity to serve the area now and in the future?

Can the City provide fire service to the existing or planned development in a timely manner? If the area is beyond a reasonable response time from existing facilities, the City can pursue one of three options: (1) Build a new facility and staff it partly or fully; or, (2) provide fire service from existing facilities if service can be provided on a similar basis as other residences and businesses within the City; or, (3) If feasible, contract with another agency to provide an appropriate level of service on a temporary basis.

The key phrase for this criterion is "timely manner". If service cannot be provided for several years, it may be better to wait a few years until development catches up with the area. The long-term drawback to this approach would be if development occurs within the County to lower standards and less amenities than Goodyear would require with annexation and development. This may result in pressure from County residents in the future to "fix" their infrastructure problems. In addition, this approach will complicate area-wide transportation and utility improvement planning and implementation.

The City utilizes a fiscal impact model to assess the revenues and costs associated with a proposed annexation and development. Generally, the model has projected negative cash flow results over a ten-year period with most residential developments, positive revenue results with commercial development, and varied results with mixed-use developments, depending upon the amount of commercial land use in comparison with the residential uses. In those areas that produce a negative fiscal impact, the City will need to determine whether it is willing to subsidize an area for the short-term in order to obtain long-term economic gains. If the City is willing to provide these short-term investments in a development, then what is the criterion for an "acceptable" level? By how much and for how long? In some cases, a proposed annexation may be highly desirable to the City's growth and development. A policy of not providing any level of short-term monetary investment in a development for any length of time may result in the area developing within Maricopa County and the loss of any future development and revenue opportunities.

B. Long-term desirability for community development and economic growth as well as preservation of revenue of likely future land uses that would occur in the area.

Most recent annexation requests considered by the City have been County lands that are either vacant or partly developed with scattered, low-density housing. If the property is partly or fully developed, what is the quality of the use? Will the land uses remain or evolve into other land uses after annexation? Will the existing land uses have no impact or a detrimental impact on the attraction of high quality residential, commercial and industrial growth to nearby vacant parcels? After an evaluation of the existing land uses, there may be important policy reasons for annexing an area with some substandard land uses and structures for economic and planning considerations.

Annexing areas that have undesirable land uses with code violations should be avoided, unless these areas need to be annexed to reach more desirable development and vacant land. If the land use is unlikely to change, then the City should bypass these areas if it does not violate any legal requirements. In considering any proposed annexations, it is important to insure that no noise sensitive land uses develop in locations that could hinder the operations of Luke Air Force Base or the Phoenix-Goodyear Airport.

C. Likelihood of the area being developed in Maricopa County and never wishing to annex, or being annexed by another city or town.

If a property is a County island, or located completely within the City of Goodyear's strip annexed area (east of Perryville Road), then the landowners' options regarding annexation will be very limited. The area will be either developed within the County, or be annexed into the City of Goodyear. If the lands, such as Sarival Gardens and Sweetwater Estates, were developed years ago within the County and the residents appear to be satisfied with the County's level of service, it is unlikely that the residents will desire annexation and will likely resist it, unless the City wishes to make unrealistic concessions. In these cases, the City should not annex existing areas without the landowners agreeing to upgrade their infrastructure to City standards, and should not provide additional city services without annexation. The City should avoid assuming ownership and maintenance of substandard infrastructure that will financially burden the existing City residents.

If the City entertains an annexation proposal that is outside the strip annexed area and the City's Planning Area, it may be necessary to annex the property if it has strategic value to the long-term economic interests of the City and there is a possibility of losing the opportunity for annexation to another municipality.

D. Ability to control the quality of land use types and appearance and the standards for constructing infrastructure.

If lands within the City's strip annexed area are undeveloped, then there is the possibility of lower quality projects and substandard infrastructure developing within Maricopa County. However, low quality development is more unlikely today than it was several years ago since the County has continued to raise its zoning and subdivision standards and appears to be less interested in serving leap frog developments.

E. Compatibility with General Plan, infrastructure needs and timing of development.

Is the proposed annexation and development proposal compatible with the City's General Plan? If the property is not located within the Goodyear Planning Area, the City will require that a General Plan amendment be processed. The General Plan will determine the appropriate land uses for the area, as well as the

infrastructure needs for the development. If the City cannot provide services to the area under the prescribed timeframe for development, or there is uncertainty on the timing of development, then a pre-annexation agreement will be utilized. The pre-annexation agreement can specify the phasing and timing of development. Annexation of land will not be an automatic guarantee of immediate zoning of any type or intensity of land use if that zoning does not otherwise fit with good planning.

Having land within Goodyear's corporate limits gives the City the ability to control the timing and intensity of zoning. The burden of proof will be on the landowner requesting zoning to demonstrate that it is necessary for reasonable use of the land and that a market exists. Providing a development fee ordinance that is structured for the extraordinary costs of extending services to areas outside the City's existing infrastructure and services is one way to avoid leap frog development. Another way is to condition zoning on a reasonable schedule for development and to revert the zoning if no construction occurs or the agreed upon minimum amount of construction does not occur.

CRITERIA FOR EVALUATING ROADWAY ANNEXATIONS

It is the policy of the City of Goodyear to annex only those County roadways that have either been improved to prevailing City standards, or the County has provided funds to the City for upgrading those roadways. Deviations to this general policy may be appropriate in some cases where there are strategic reasons for annexing roadways to provide more efficient service delivery to Goodyear residents or to reduce jurisdictional confusion.

SUMMARY OF KEY ANNEXATION POLICIES

1. It is the City's policy to minimize any short-term subsidies and maximize the long-term benefits through careful determination of which areas should be annexed and provide the optimum timing for annexation and development.
2. City Staff will continue to apply a fiscal impact model to each annexation and development proposal.
3. Developed County residential subdivisions will be required to upgrade their infrastructure and facilities through the use of improvement districts or other means prior to annexation.
4. The City will not extend infrastructure or provide any services to areas outside the corporate limits without annexation or a commitment to annex in the future.

5. Pre-annexation agreements should be used by the City with single ownership annexation proposals in order to specify the infrastructure needs for the development and the schedule for development of the annexed lands.
6. Premature rezoning of annexed lands should be avoided.
7. Annexation requests, other than roadway annexations, will be evaluated using the five criteria in this policy which results in a Staff recommendation for annexing the property now, in the future or not at all.
8. The City should annex only those County roadways that have either been improved to prevailing City standards, or the County has provided funds to the City for upgrading those roadways.

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Resolution No. 01-768 adopting an Annexation Policy for assessing the desirability of annexing new areas into the Goodyear corporate limits.

STAFF PRESENTER: Harvey Krauss,
Community Development Director

COMPANY

CONTACT: N/A

RECOMMENDATION:

Council approve Resolution No. 01-768 adopting an Annexation Policy, dated April 23, 2001, for assessing the desirability of annexing new areas into the corporate limits of Goodyear.

DISCUSSION:

Staff has drafted an Annexation Policy summarizing the legal requirements and various procedures for annexation, the benefits of annexation, and criteria for evaluating various types of annexations. These policies, procedures and criteria will enable the Council and Staff to better assess the desirability of annexing new areas into the city limits. A careful review and evaluation of the various costs and consequences of annexing a particular area in the City will ultimately result in the more efficient delivery of City services to existing and future residents of Goodyear.

Further, the Growing Smarter Plus legislation required that cities and towns approve a "plan, policy or procedure to provide the annexed (land) with appropriate levels of infrastructure and services to serve anticipated new development within 10 years after the date when the annexation becomes final..." The adoption and application of this Annexation Policy will enable the City to satisfy this new State requirement.

A work session was held with Council on this draft annexation policy, and Council members had the following comments:

- 1) Incorporate the legal requirements for annexing property into the proposed policy.

A synopsis of the legal requirements and procedures for annexations has been added to the policy.

- 2) Provide the annexation fee in the policy.

This has been added to the policy, as well as the City's policy of refunding one-half of the fee if the Council does not authorize the Staff to proceed with the annexation after an evaluation of the benefits, costs and consequences of annexing the land.

- 3) There was a question on whether the policy should be adopted by ordinance rather than resolution.

Originally it was Staff's understanding of Growing Smarter Plus that the "policy, procedure or plan" needed to be adopted by ordinance. However, the League of Arizona Cities and Towns has advised Staff that the policy does not require adoption by ordinance. Typically, policies are adopted by resolution, and Staff has drafted a resolution rather than an ordinance for Council to consider for adoption.

If Council adopts this Annexation Policy, then the Policy will be distributed to those individuals and parties interested in submitting an annexation petition.

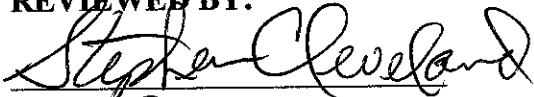
Current Policy

In November 2000 Council adopted a two-step process for evaluating annexation requests. First, the Staff would provide an initial impact analysis for this annexation, and present this analysis to the Council for their consideration. Based upon Council evaluation of this analysis, Council would make a determination on whether the annexation should proceed any further in the process. If the annexation fails to warrant further consideration, then no further time or expense by the City would be incurred and the City would refund the applicant one-half of the annexation filing fee of \$5,000. If Council authorizes Staff to proceed with the annexation, then the statutory steps involved with processing an annexation would be followed. These steps have been incorporated into the proposed Annexation Policy.

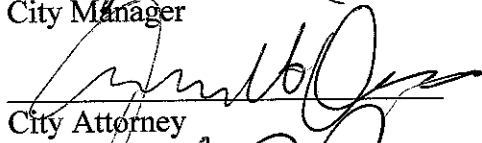
FISCAL IMPACT

The Annexation Policy requires that the Staff evaluate the short-term and long-term costs associated with annexing a particular area into the city limits.

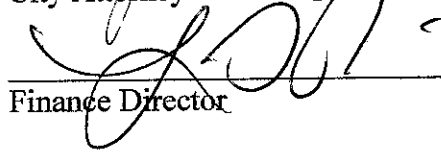
REVIEWED BY:



City Manager



City Attorney



Finance Director

PREPARED BY:

