

## **Annexation Workshop**

# **Montana Community Technical Assistance Program**

September 11, 2012

Sidney, Montana

# Contents

- General Overview
- Review of Statutes
- Examples
- Extension of Services Plan

# Purpose

The purpose of Montana's annexation statutes are to provide expanding communities with:

- a.** a united and effective single form of government;
- b.** orderly growth through uniform regulations such as building codes, planning, and zoning standards; and
- c.** an equal sharing of community resources and financial responsibility by people living in an area united by social, political, and economic interests.

# Annexation: A Tale of Two Cities

## **SIMPLE?**

- Logical extension of Municipal Boundaries
- Requires extension of utilities and services
- Let's get together and feel all right - everything is agreed to up-front
- Requires adoption of a Resolution or Ordinance
- All is well that ends well, if plan as submitted is completed

# Annexation: A Tale of Two Cities

## or **COMPLEX?**

- Requires Judgment which may defy logic
- Extension of utilities and services is not always uniform
- Can't we all just get along - Certain items are deferred
- Process for adoption of a Resolution varies
- We are experiencing a bit of turbulence, if plan as submitted is not completed

# What Is Annexation?

- A process whereby a municipality incorporates additional territory into its corporate boundaries
- Dictated by MCA 7-2-42 through 7-2-48
- Generally initiated by a written petition to City



# How does Annexation work other Planning Tools?

- General Mitigation of Impacts
- Growth Policy
- Zoning
- Subdivision

# How does Annexation work other Planning Tools?

- Impact Fees
- Capital Improvements Plan
- Wastewater Facility Plan
- Water Facility Plan

# Types of Annexation

- Addition to Municipalities, MCA 7-2-42
- Annexation of Contiguous Land, MCA 7-2-43
- Annexation of Contiguous Government Land, MCA 7-2-44
- Annexation of Wholly Surrounded Land, MCA 7-2-45
- Annexation by Petition, MCA 7-2-46 (most utilized)
- Annexation with the Provision of Services, MCA 7-2-47
- Exclusion of Land from Municipalities, MCA 7-2-48

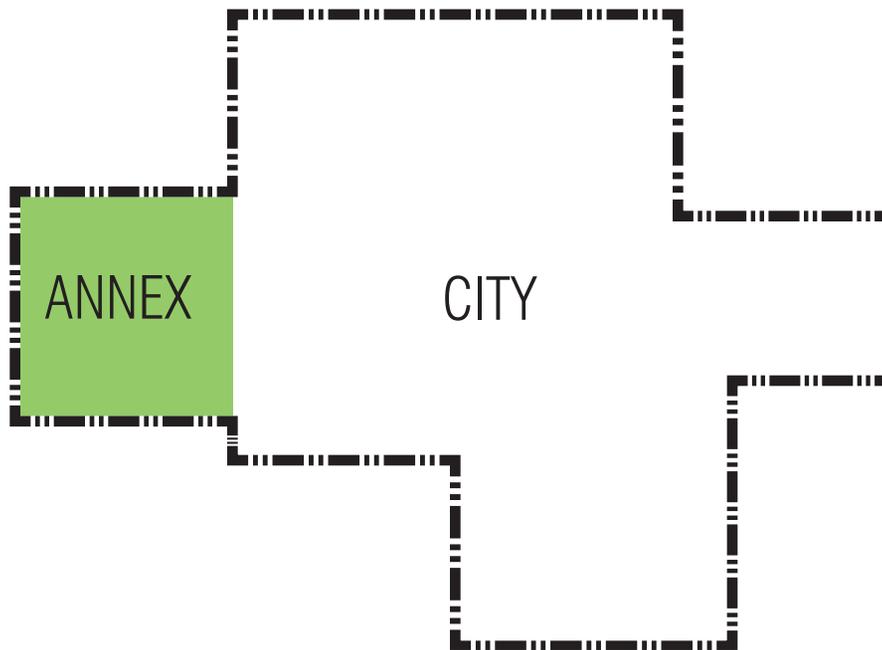
# Addition to Municipalities 7-2-42

“Whenever territory adjoining any incorporated city or town is surveyed and laid off into streets or blocks as an addition thereto, said territory may become a part of such city or town:

1. upon filing the map or plat thereof in the office of the county clerk; and
2. upon the approval of the mayor and a majority of the council endorsed thereon”

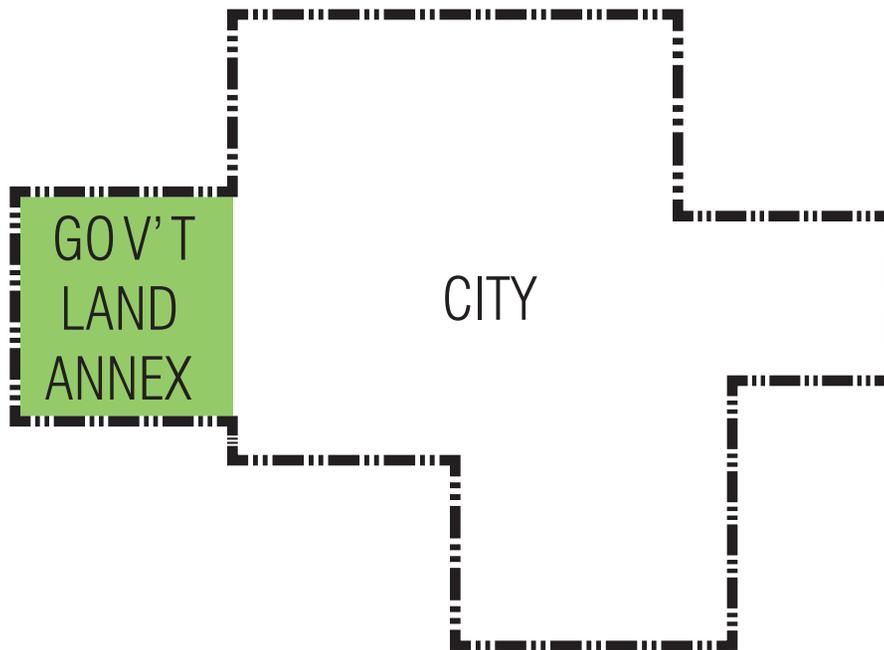
# Annexation of Contiguous Land 7-2-43

“Any tracts or parcels of land...is contiguous to any incorporated city or town, may be embraced within the corporate limits of the city or town, and the boundaries of the city or town may be extended to include the platted or unplatted land.”



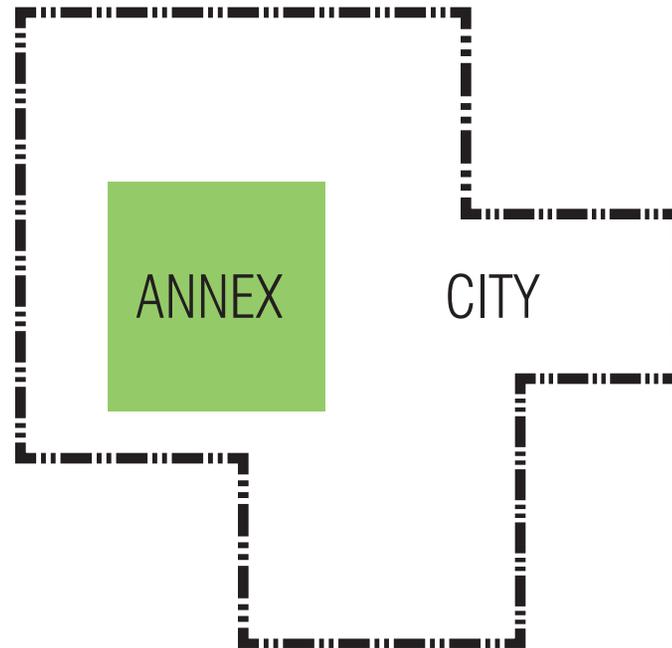
# Annexation of Contiguous Gov't Land 7-2-44

“Whenever any land contiguous to a municipality is owned by the United States or by the state of Montana or by any agency, instrumentality, or political subdivision of either...such land may be incorporated and included in the municipality to which it is contiguous and may be annexed...”



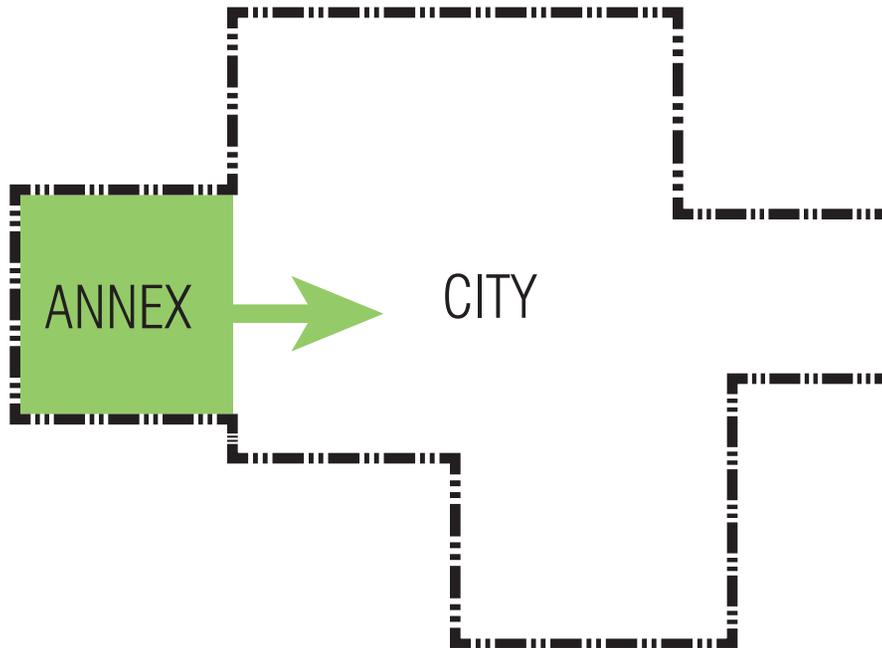
# Annexation of Wholly Surrounded Land 7-2-45

“A city may include as part of the city any platted or unplatted tract or parcel of land that is wholly surrounded by the city upon passing a resolution of intent. ”



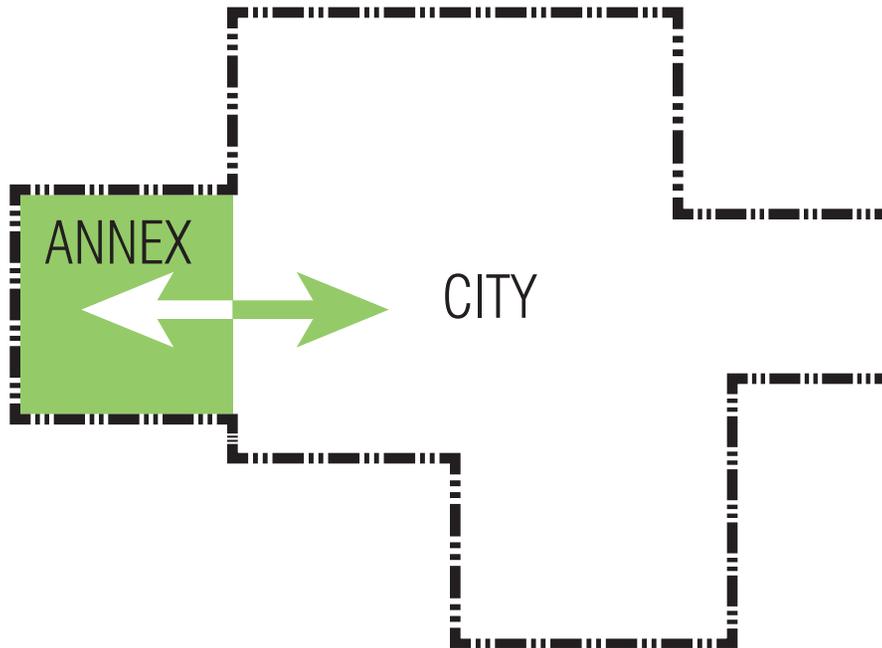
# Annexation by Petition 7-2-46

“The boundaries of any incorporated city or town may be altered... upon receiving a written petition for annexation containing a description of the area to be annexed and signed by not less than 33 1/3% of the registered electors of the area proposed to be annexed...”



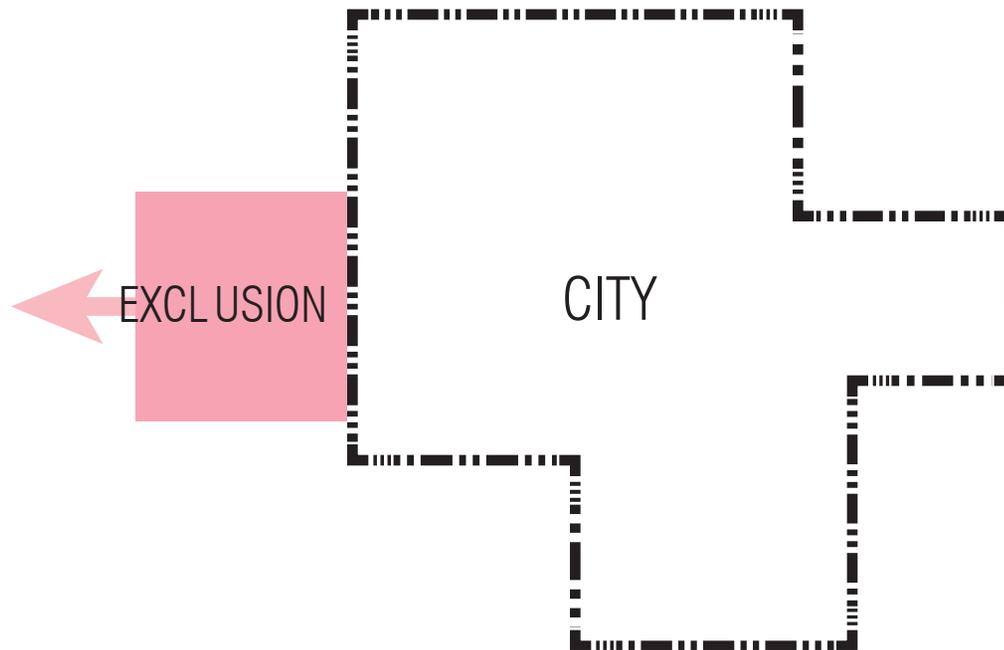
# Annexation with Provision of Services 7-2-47

“The governing body of any municipality may extend the corporate limits of the municipality under the procedure set forth in this part upon the initiation of the procedure by the governing body itself...[or]... Whenever the owners of real property situated outside the corporate boundaries of any municipality, but contiguous to the municipality, desire to have real estate annexed to the municipality, they shall file...a petition...”



# Exclusion of Land 7-2-48

“The boundaries of any incorporated city or town of this state may be altered and a portion of the territory thereof excluded therefrom, and the councils of such cities and towns are hereby granted power to enact resolutions for that purpose...”



# Annexation by Petition, 7-2-46

Governing Body adopts Resolution for Extension of Services Plan per MCA 7-2-4732



Petition must have signatures of at least 1/3 of residents in annex per MCA 7-2-4601



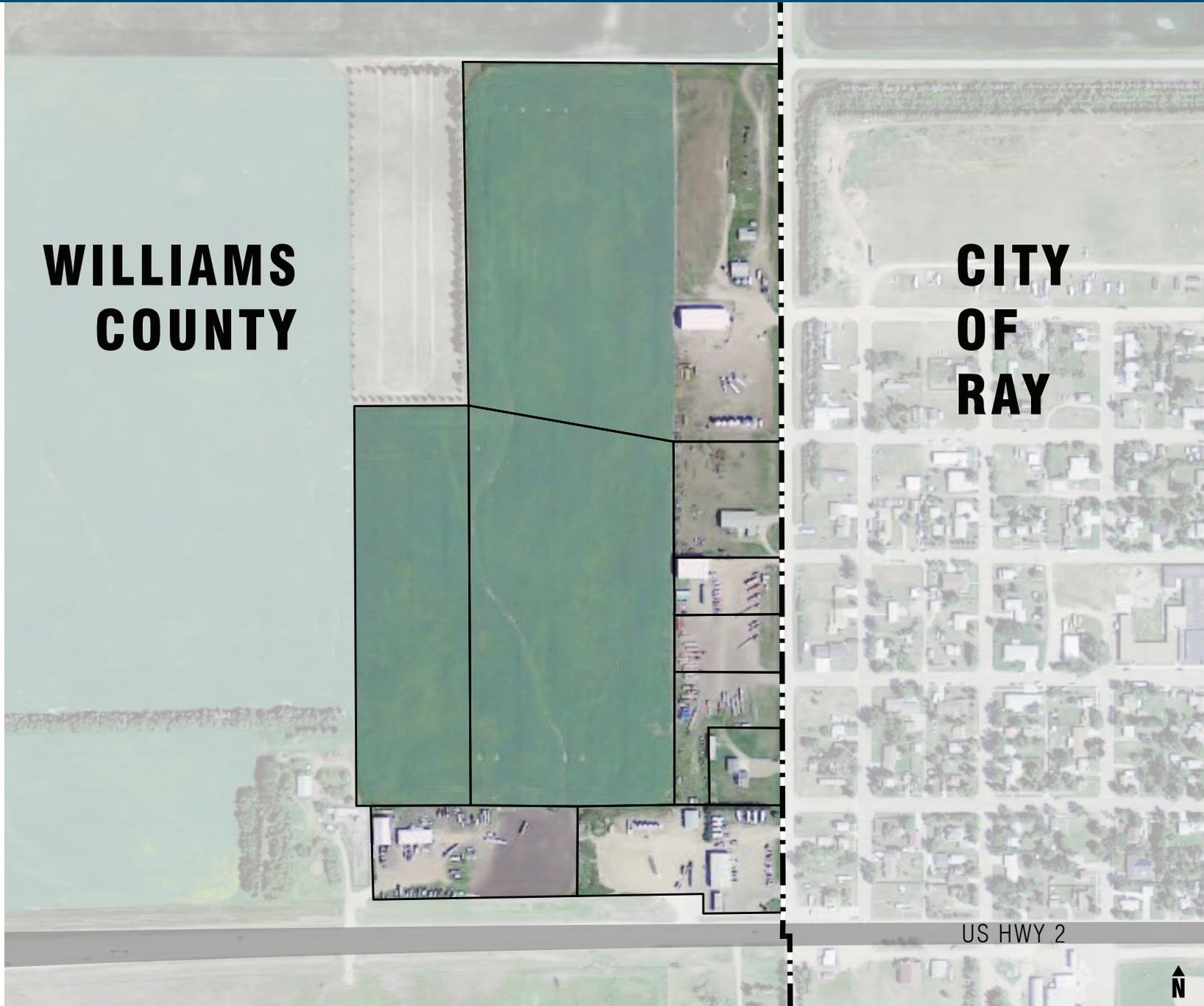
# Report on Extension of Services (7-2-4732)

- 1.** Must provide long-range plan for extension of services
- 2.** Plan must:
  - Provide for extending police, fire, garbage, streets and street maintenance services
  - Provide for future extension of services so that when they become necessary, owners are able to secure them
  - Set a proposed timeline
- 3.** Set forth a method to finance improvements
- 4.** Provide specific steps for transfer of these services

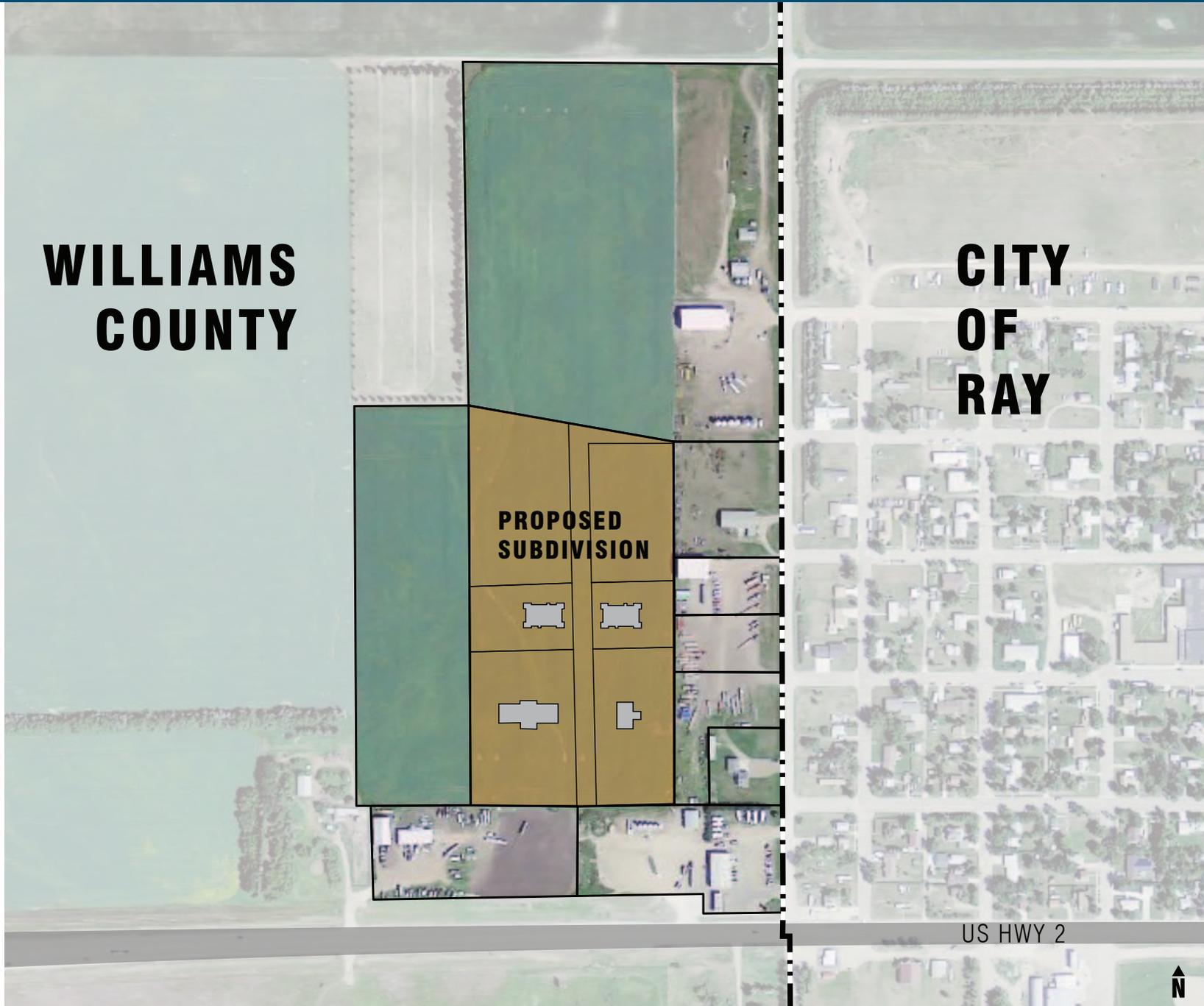
# Annexation Agreements

- First-class cities (Billings, Bozeman) can utilize annexation agreements with developers/annexation applicants
- Can be a detailed technical document or a simple narrative of how services for new demand will be met

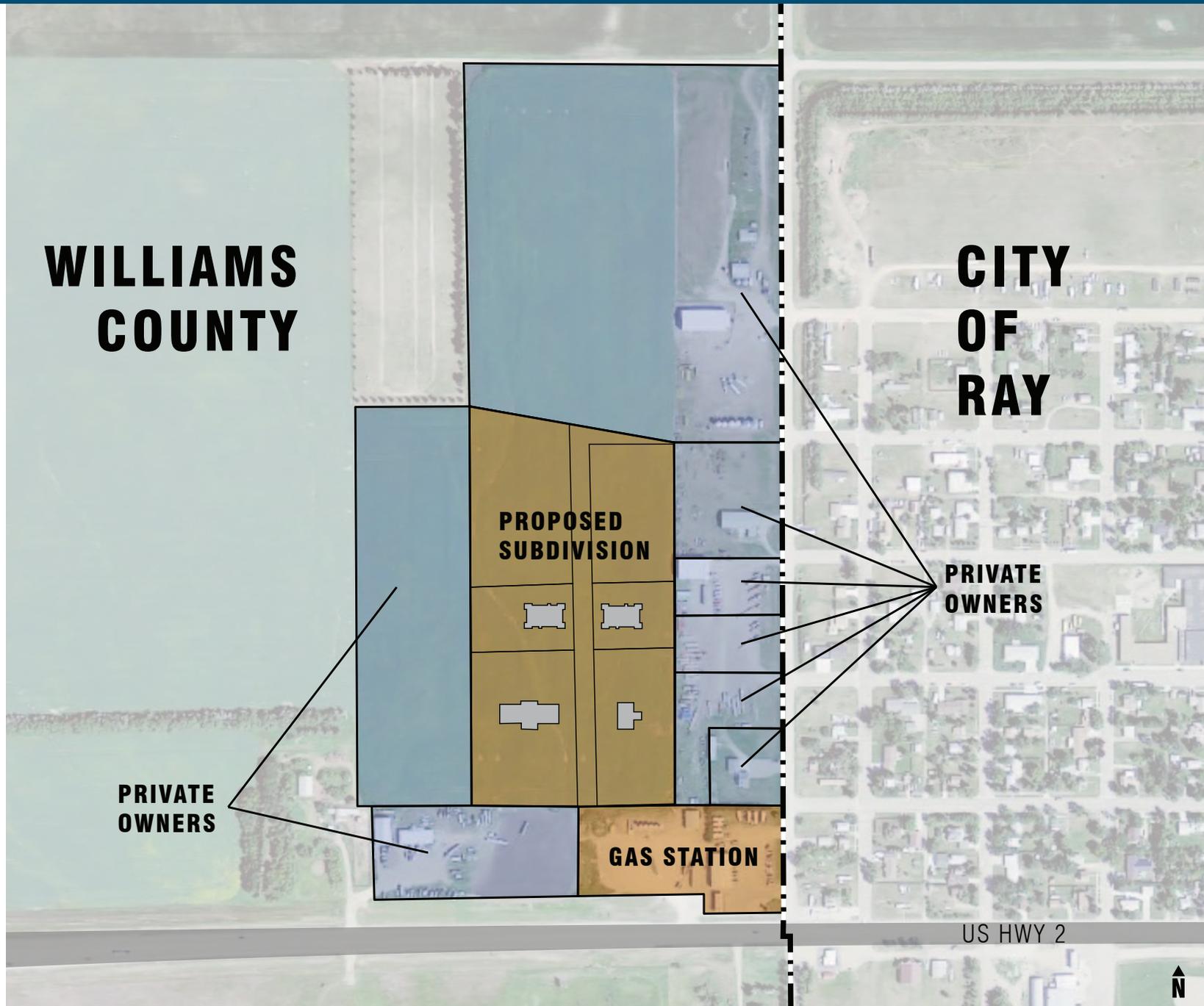
# Ray North Dakota



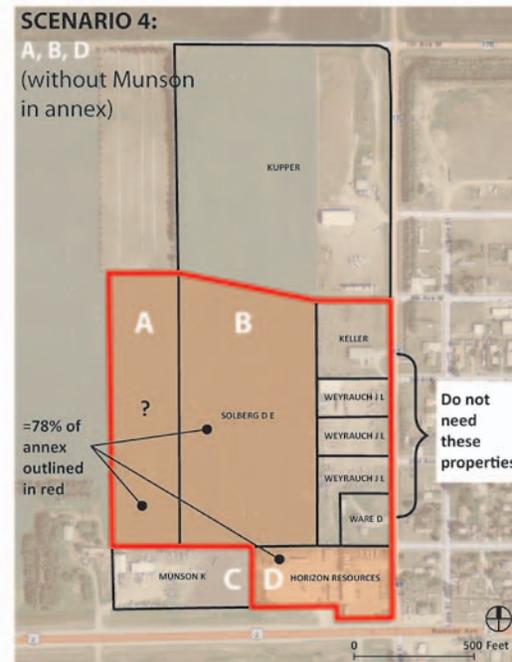
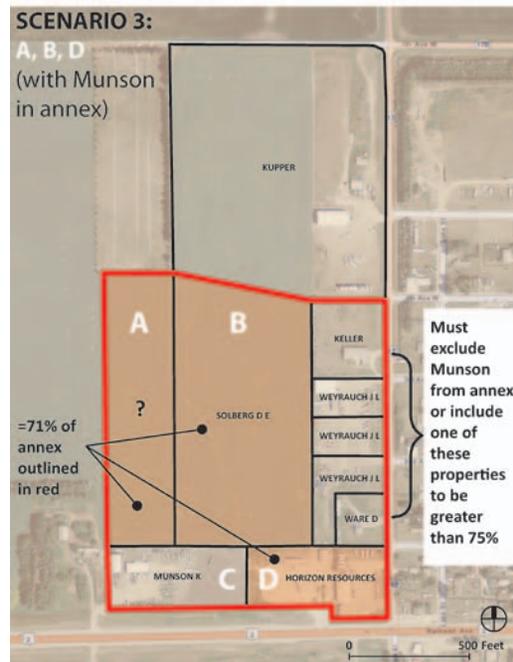
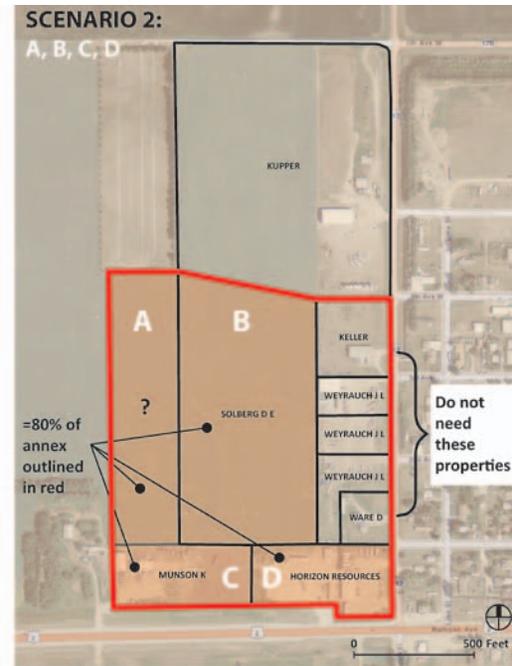
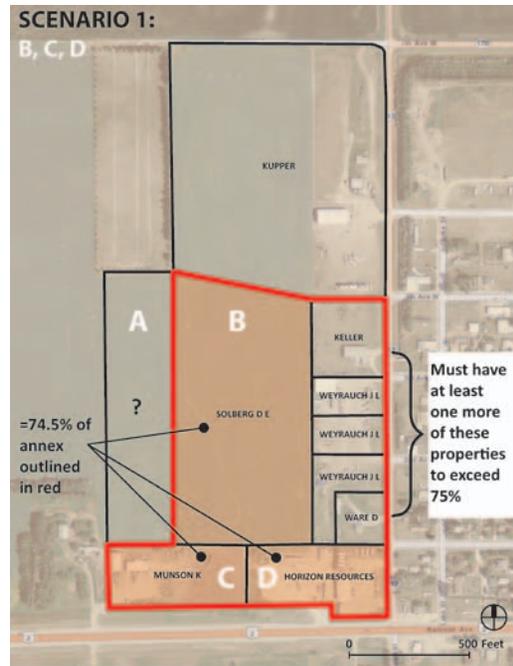
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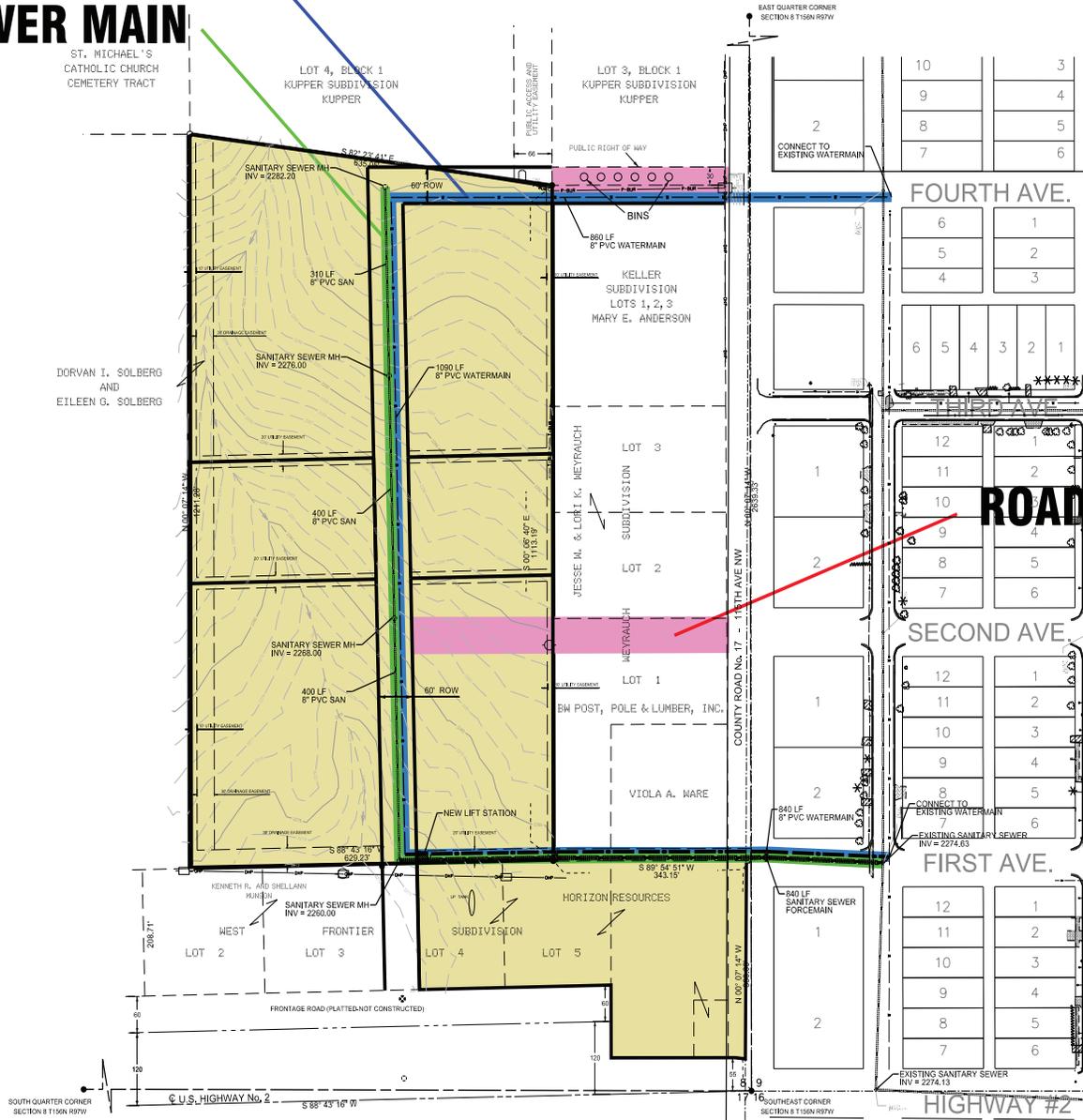


# Ray North Dakota

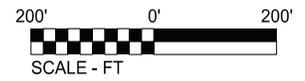


# Ray North Dakota

## WATER MAIN SEWER MAIN



**ROAD EASEMENT**



- NOTES:**
1. LIFT STATION SHOWN IS FOR FUTURE DEVELOPMENT ONLY.
  2. CURRENT PROPOSED DEVELOPMENT HAS THE POTENTIAL TO BE SERVED BY GRAVITY SEWER, BUT WILL LIMIT ANY FUTURE DEVELOPMENT FROM HAVING ABILITY TO CONNECT.

# Ray North Dakota

SW DESIGN BUILD, INC. DEVELOPMENT ECONOMIC BENEFITS TO CITY OF RAY				
1	INCREASED TAX BASE FOR MOTEL, RESTAURANT, HOUSING	\$8,200,000.00		
2	ESTIMATED ANNUAL REAL ESTATE TAX ON 4 BUILDINGS	\$120,000.00		
3	ESTIMATED ANNUAL SALES TAX REVENUE ON MOTEL AND RESTAURANT	\$30,000.00 @ \$2,500 per month (Motel: \$2000/mo and Restaurant: \$500/mo)		
4	24 UNITS OF AFFORDABLE HOUSING FOR LOCAL EMPLOYEES/SERVICE STAFF OF SCHOOL, CITY, BUSINESSES	See below income & rent level requirements		
<b>6 UNITS @ 50% MEDIAN INCOME</b>				
		Max Income Limit		Max Rent Level
		1 Person	2 Persons	2-Bed Unit      3-Bed Unit
Williams Co		\$20,550	\$23,450	\$660*      \$761*
<b>6 UNITS @ 140% MEDIAN INCOME</b>				
		Max Income Limit		Max Rent Level
		1 Person	2 Persons	2-Bed Unit      3-Bed Unit
Williams Co		\$57,540	\$65,660	\$1848*      \$2133*
*Note: Maximum Rent Levels must be reduced by amount of utilities paid by tenant (approx. \$150 per month)				
5	LOCAL EMPLOYEES ADDED AS A RESULT OF MOTEL AND RESTAURANT BUSINESSES	4-6 FTE Employees plus 10-20 part-time employees		
6	INCREASED REVENUE OF EXISTING LOCAL BUSINESSES IN SERVICING NEWLY DEVELOPED MOTEL AND RESTAURANT	????		
7	PROJECTED ANNUAL WAGES ADDED TO CITY	\$200,000.00 Annually		
8	ADDED UTILITY FEE REVENUE	\$43,200.00 Housing \$60,000.00 Motel \$24,000.00 Restaurant		
9	ADDED TOURISM REVENUE CURRENTLY PASSING THROUGH CITY & NOT RETAINED	???		
10	<b>NOTES:</b> <ul style="list-style-type: none"> <li>Proposed development does not assess any existing local residents for infrastructure costs. City is requiring development bear cost.</li> <li>Proposed development has no preference, and is not requesting, annexation of properties east of proposed development.</li> <li>Cenex/Horizon property has agreed to annexation.</li> <li>Development suggests city establish "No Truck Traffic" on 4<sup>th</sup> Avenue.</li> <li>Development will work with City to identify fire protection equipment, and will consider 2-story motel if resolution cannot be identified.</li> <li>Development understands and accepts Impact Fees, and wishes to identify them for planning purposes.</li> </ul>			

# Ray North Dakota

March 29, 2012

## ESTIMATED WASTEWATER USAGE FOR OPPORTUNITY SUBDIVISION (RAY, ND)

### **Commercial Uses Proposed:**

1. (1) – 66 double occupancy hotel @ 70 gpd/unit = 4,620 gpd
2. (1) – 4,500 sf restaurant (Assume 300 sf/employee @ 140 gpd/employee) = 2,100 gpd

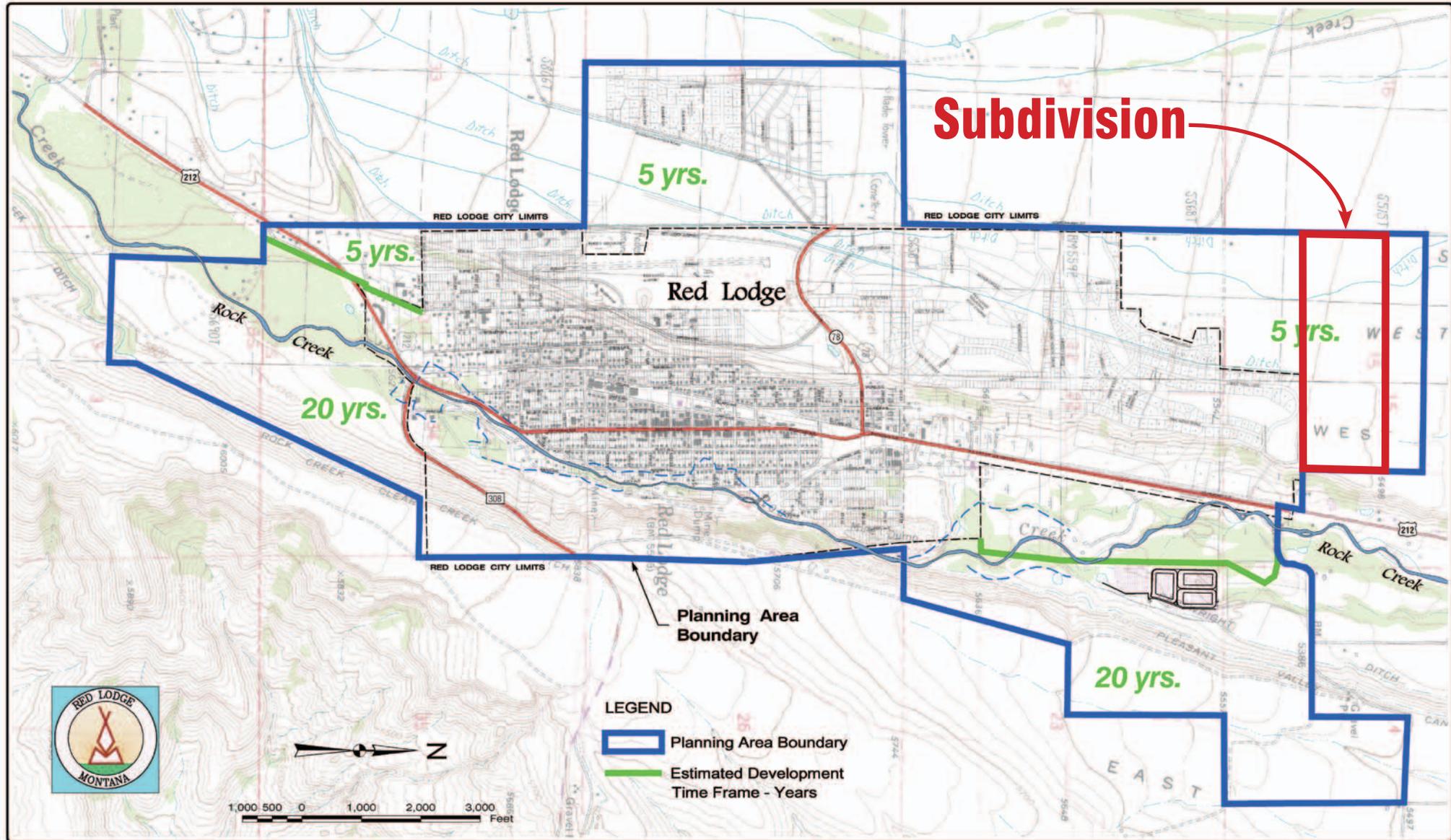
### **Residential Uses Proposed:**

1. (2) – 12 unit apartment buildings (Assume 2 people per unit @ 100gpd) = 4,800 gpd

**Total Estimated Wastewater Usage = 11,520 gpd**

*\*Estimated water uses were taken from Water Supply and Pollution Control 6<sup>th</sup> Edition by Viessman, Jr & Hammer.*

# Red Lodge Montana



**HKM**  
ENGINEERING

Granite Tower Building  
222 N. 32nd St., Suite 700  
P.O. Box 31318  
Billings, MT 59107-1318  
(406) 656-6399

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C:\2009\05\01\59-DWG\PER\ArcGIS\Exhibits\RedLodgePlanningArea.mxd  
July 2009. BJ

**CITY OF RED LODGE, MONTANA  
PLANNING AREA**

**FIGURE 3**  
July 2006

# Red Lodge Montana

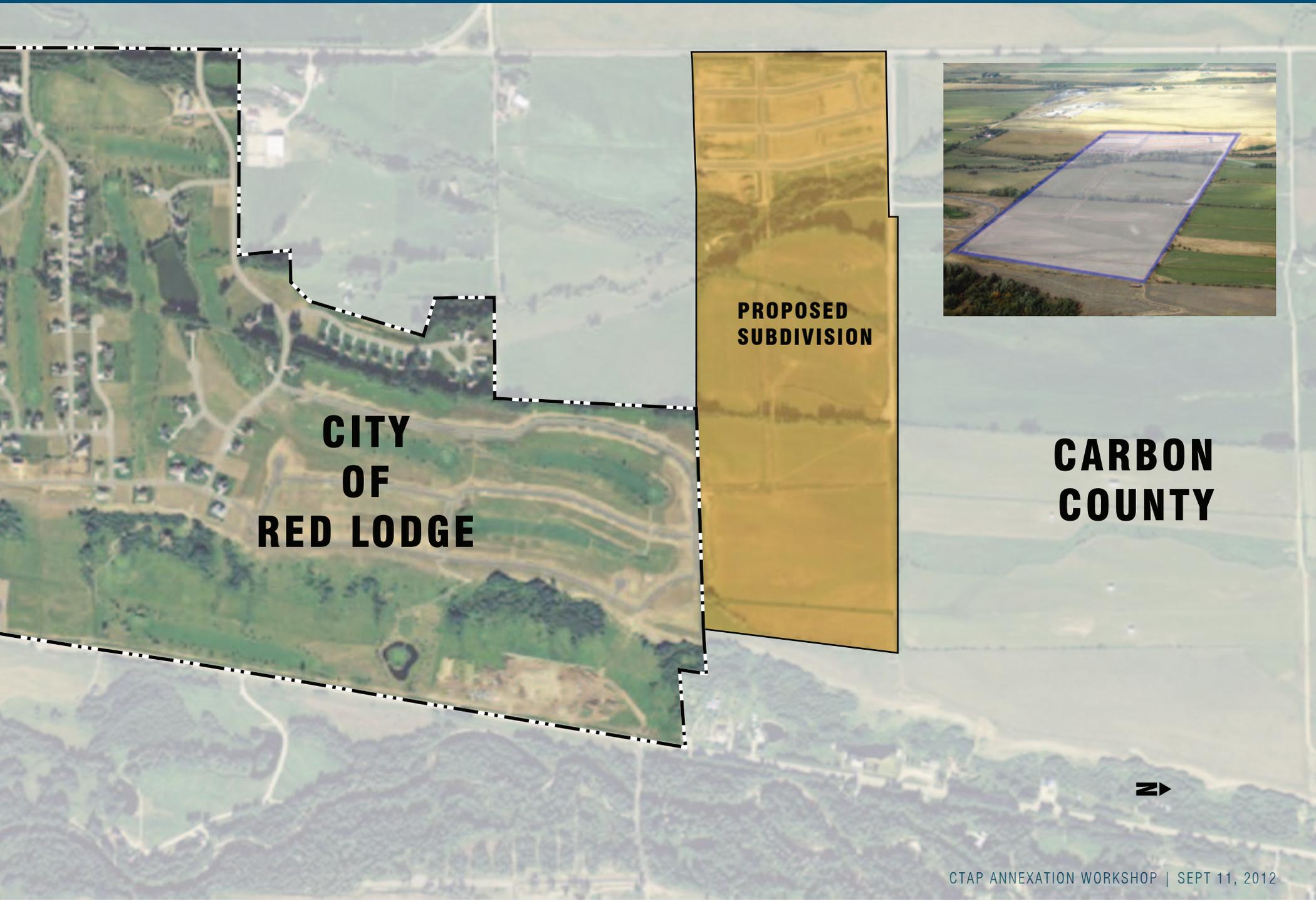


**CITY  
OF  
RED LODGE**

**CARBON  
COUNTY**



# Red Lodge Montana



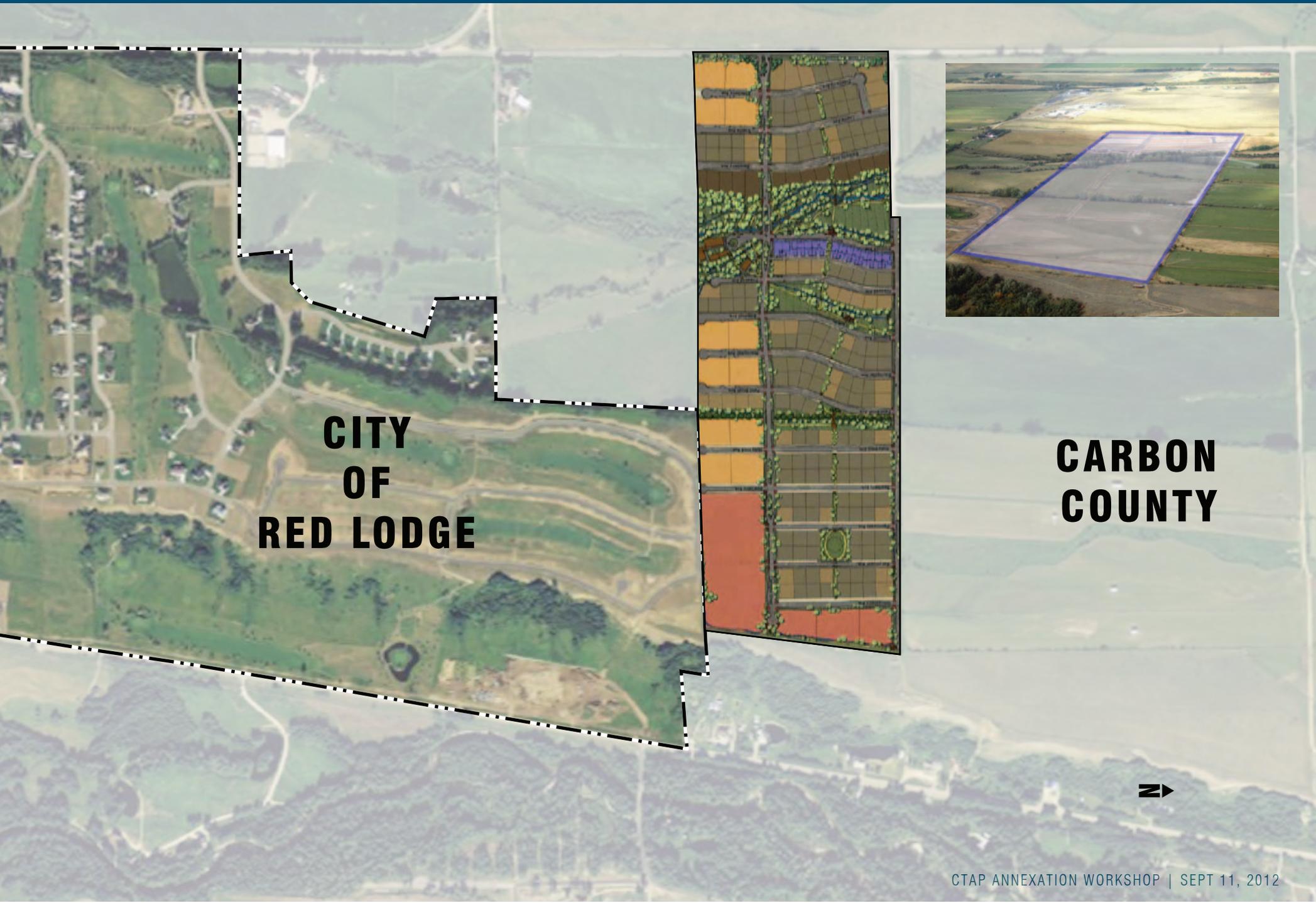
**CITY  
OF  
RED LODGE**

**PROPOSED  
SUBDIVISION**

**CARBON  
COUNTY**



# Red Lodge Montana



**CITY  
OF  
RED LODGE**

**CARBON  
COUNTY**

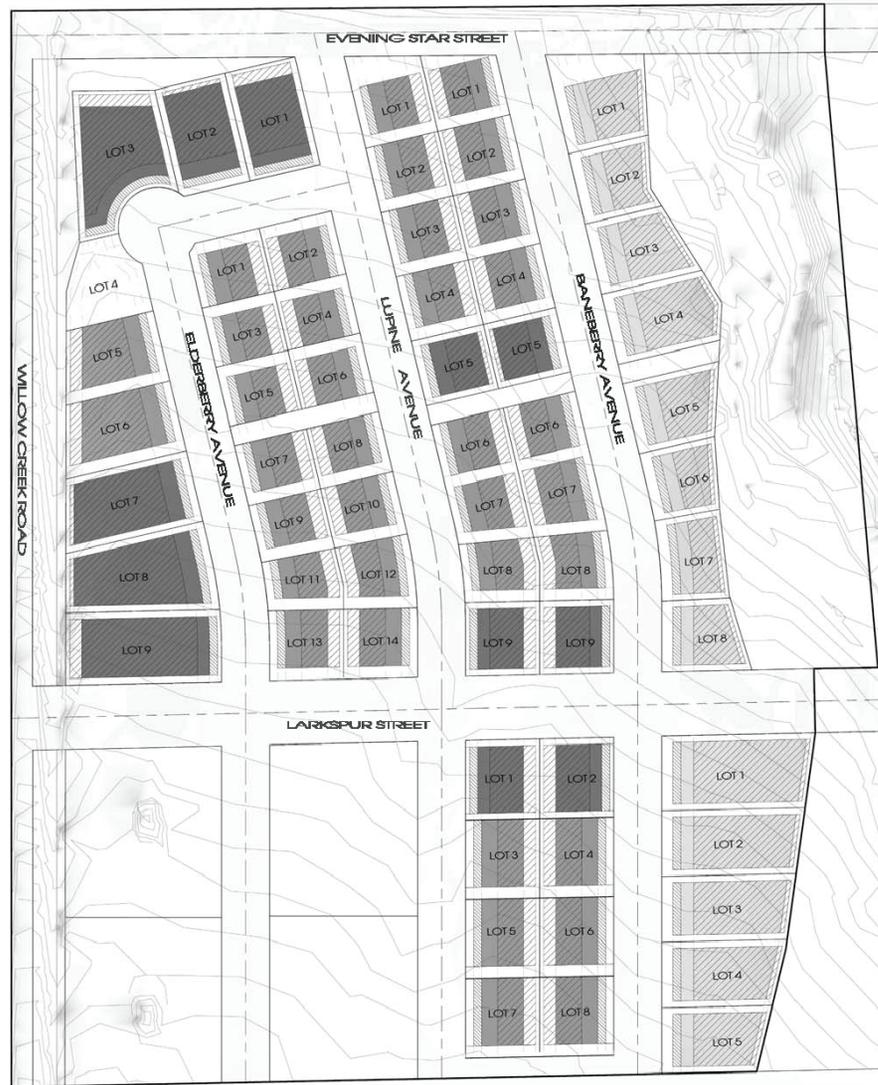


# Red Lodge Montana



# Red Lodge Montana

*PUD-S, Phase 1A and 1B Lot Configuration*



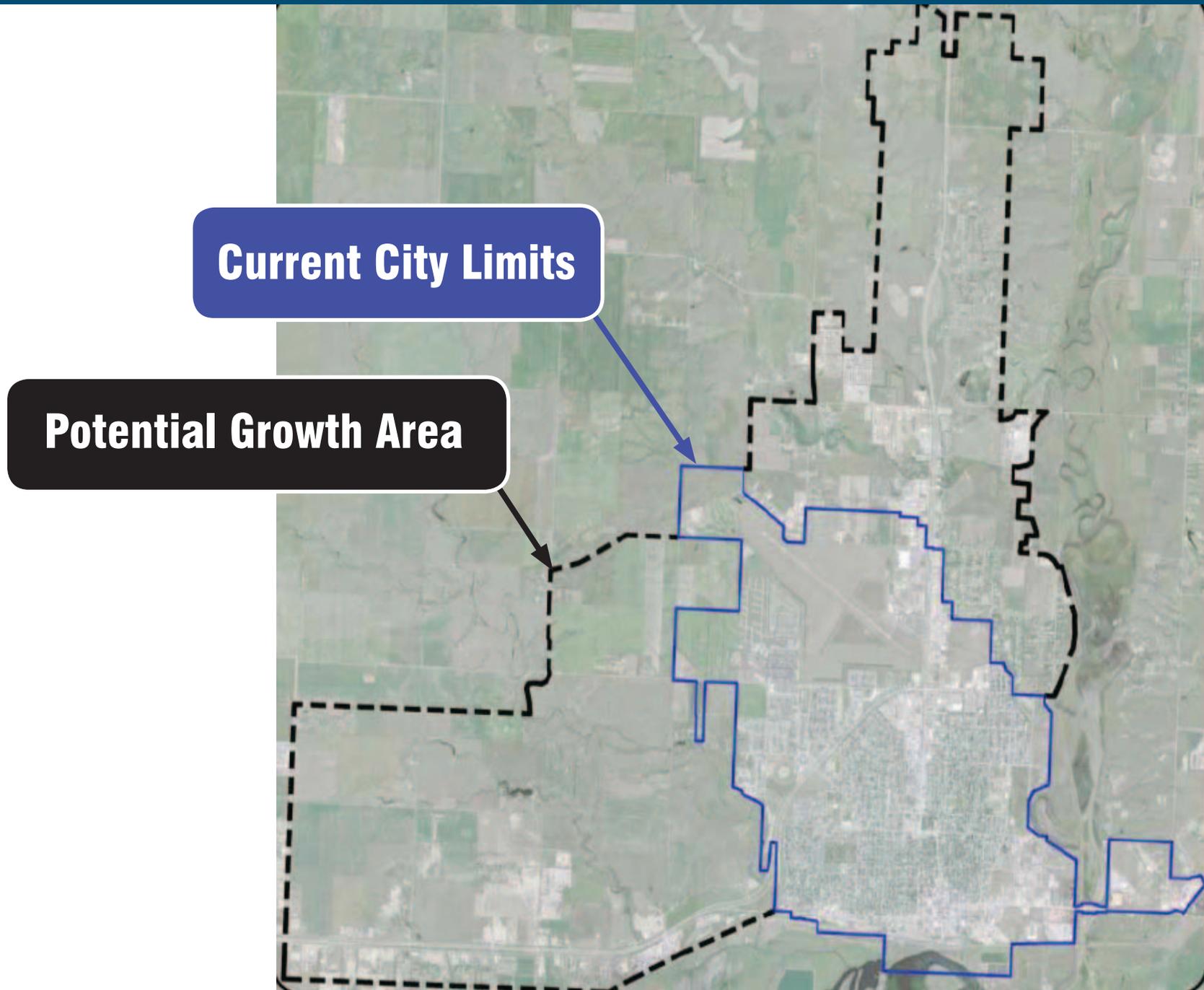
- UPPER BUG SINGLE FAMILY
- PATIO SINGLE FAMILY
- HYBRID UPPER BUG SINGLE FAMILY
- DENOTES OUTBUILDING BOUNDARY LOCATION
- DENOTES PORCH ENCRoACHMENT BOUNDARY LOCATION

PRIMARY BLDG FORM  
BOUNDARY LOCATION  
NOTE: REFERENCE BLDG  
TYPOLOGY DIAGRAMS



PHASE 1A & 1B  
OF THE SPIRES  
AT RED LODGE  
SUBDIVISION

# Williston North Dakota



# Kalispell Montana

**FLATHEAD  
COUNTY**

**CITY OF  
KALISPELL**

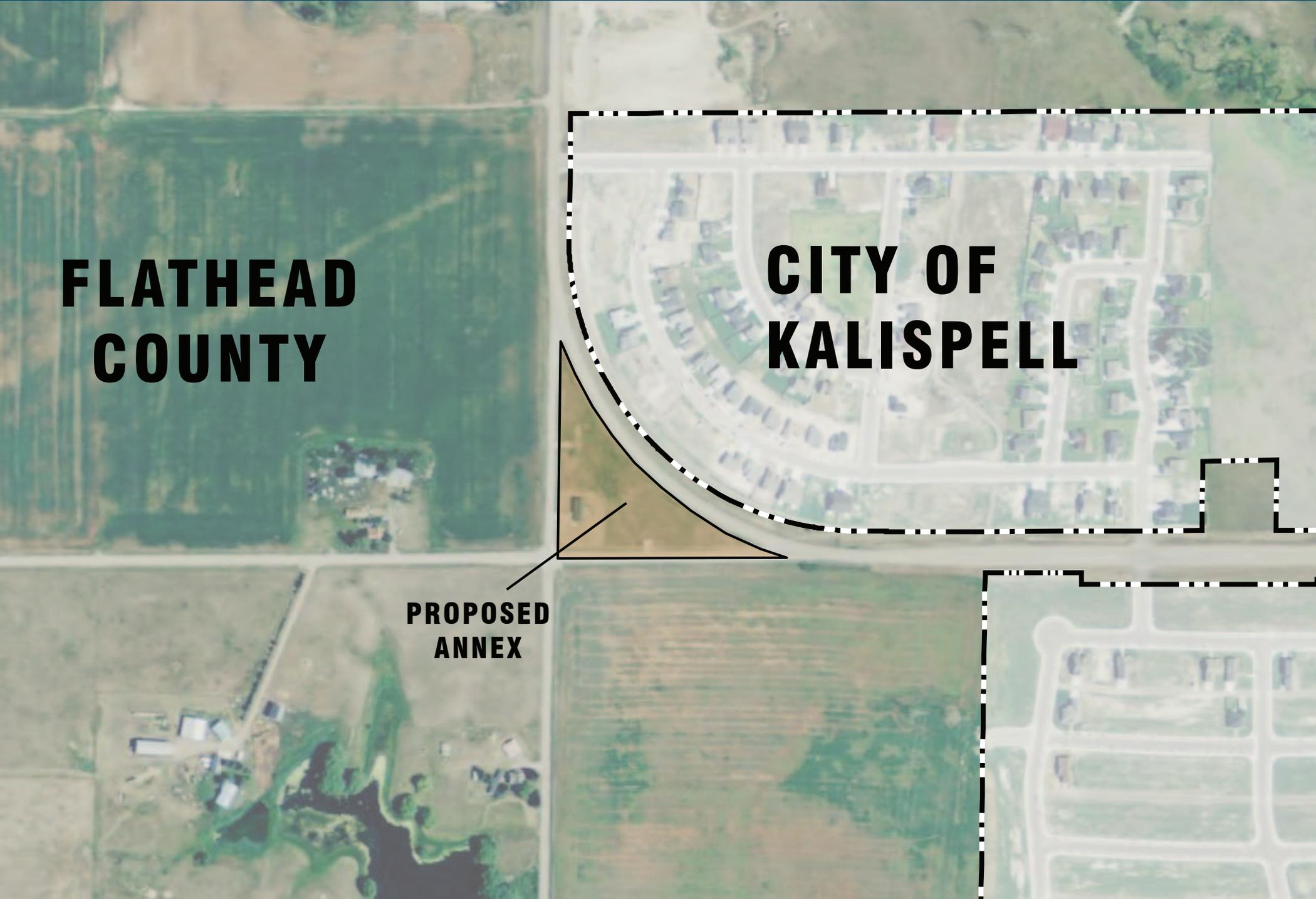


# Kalispell Montana

**FLATHEAD  
COUNTY**

**CITY OF  
KALISPELL**

**PROPOSED  
ANNEX**



# Kalispell Montana

## Financial Summary

Total Acres: 3.5

Total Units: 1.0

Total Anticipated Revenue (Taxes, Assessments): +\$1,253

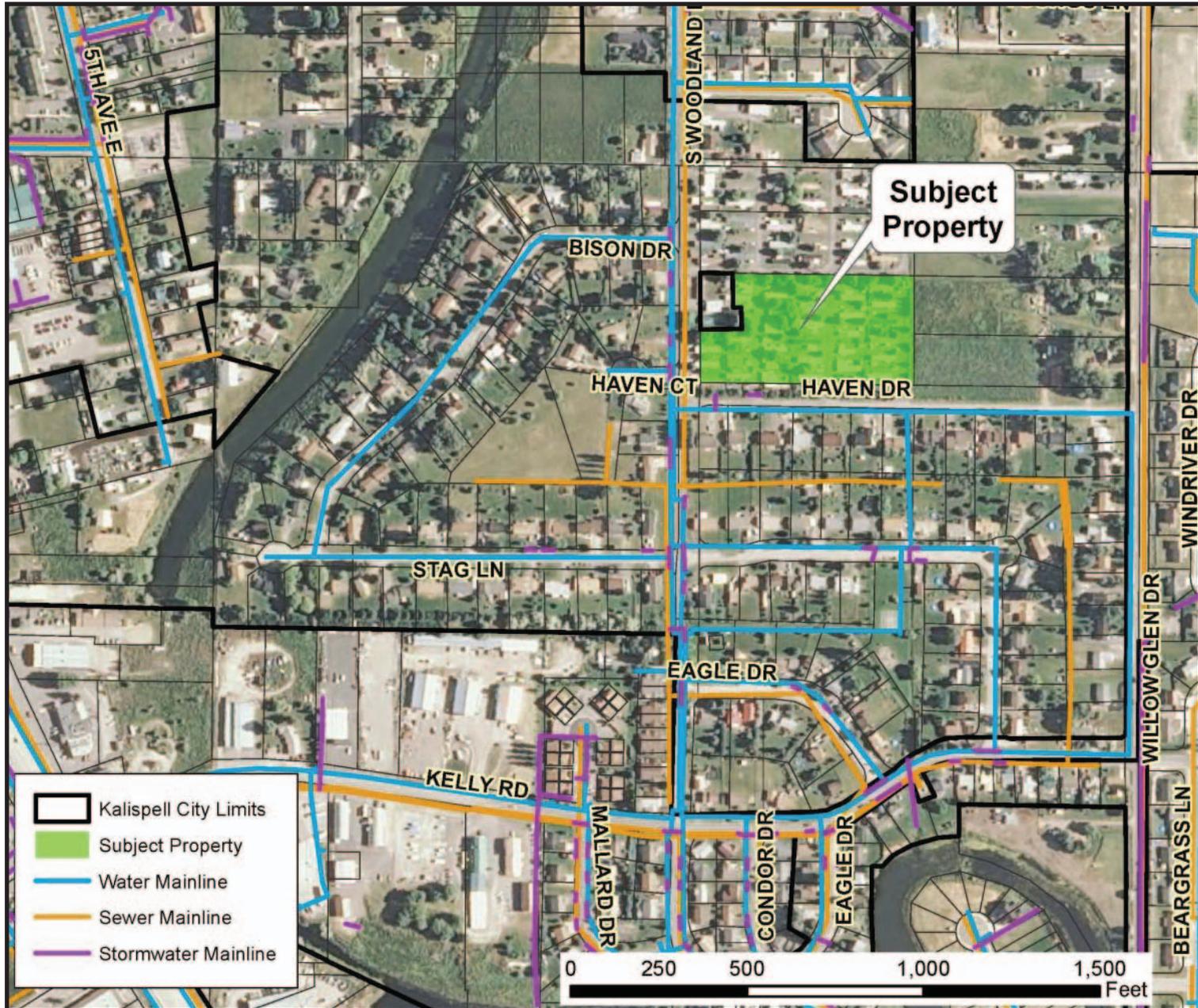
Total Anticipated Costs (Fire, Police, Water, Sewer, etc): -\$1,775

**Net Revenue per Year if Annexed: -\$522**

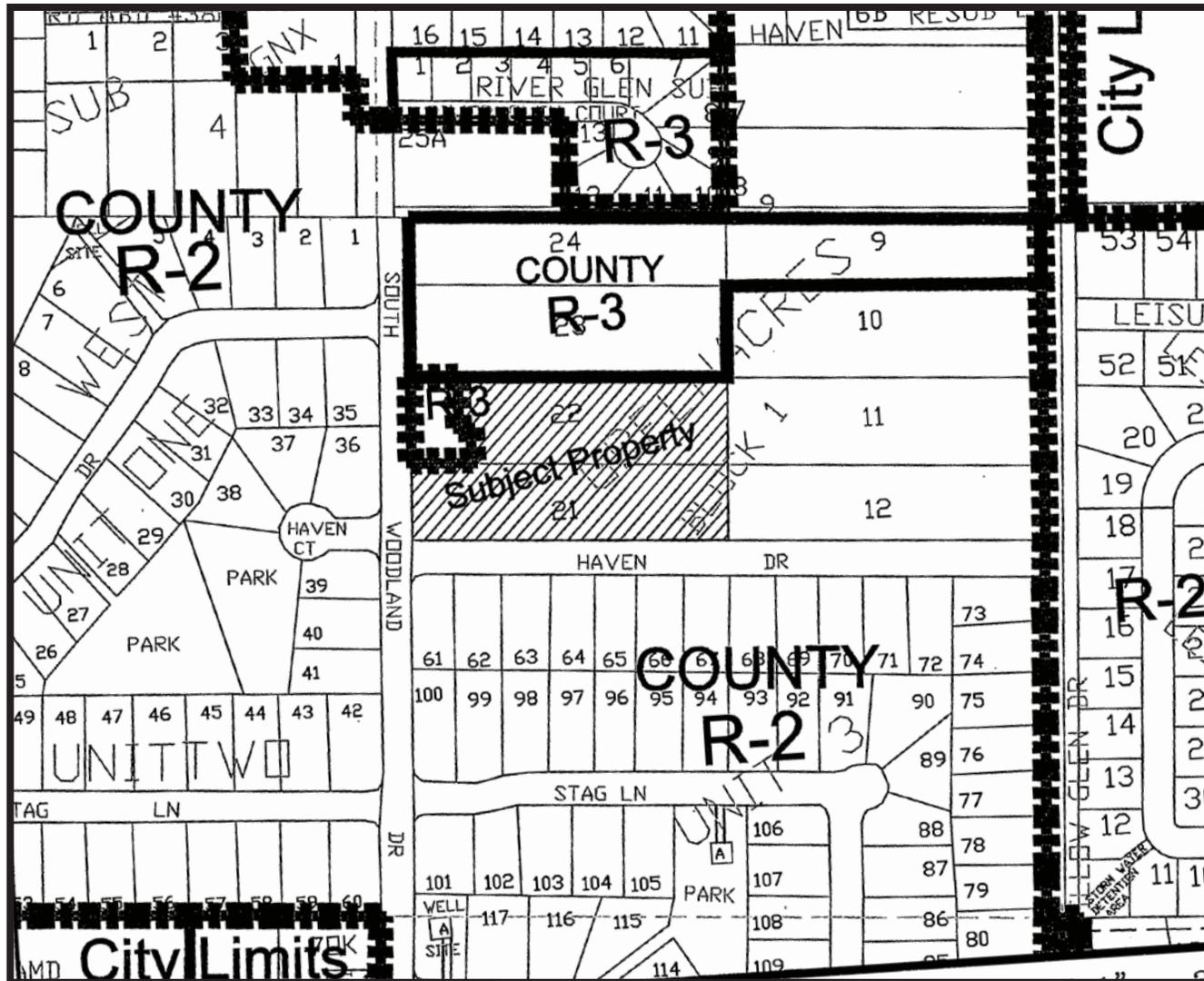
One-time Impact Fee: +\$2,637  
**=\$2,115**

**Net Revenue per Year if Not Annexed: -\$1,440.**

# Kalispell Montana



# Kalispell Montana



**VICINITY MAP** SCALE 1" = 300'

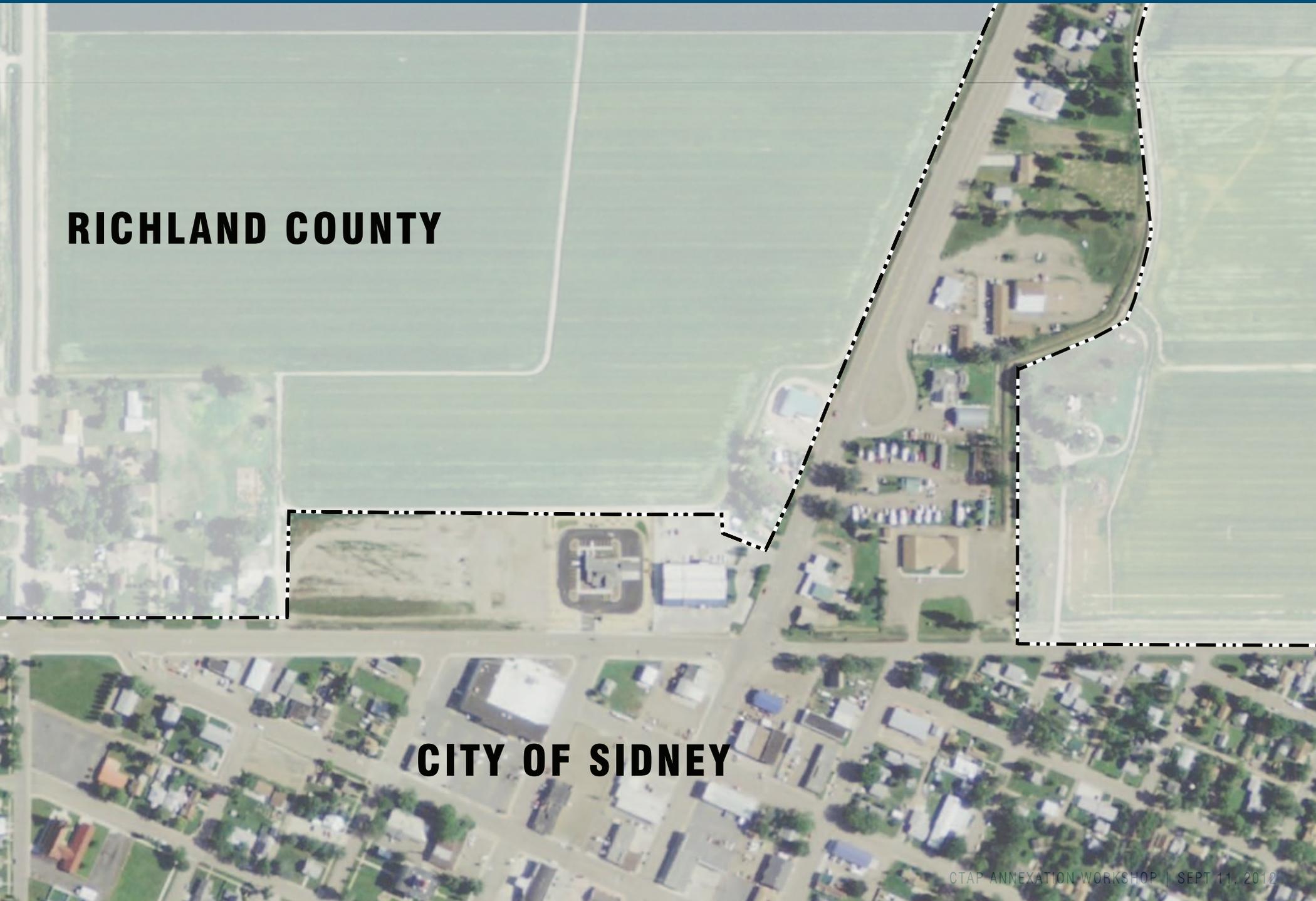
GREEN ACRES COOPERATIVE, INC.

REQUEST FOR ANNEXATION & INITIAL ZONING ON APPROXIMATELY 4.3 ACRES  
ON SOUTH WOODLAND DRIVE WITH R-4 (RESIDENTIAL) ZONING. THE  
REQUEST WOULD ENABLE THE CURRENT MOBILE HOME PARK TO CONNECT  
TO CITY SEWER.

# Sidney Montana

**RICHLAND COUNTY**

**CITY OF SIDNEY**

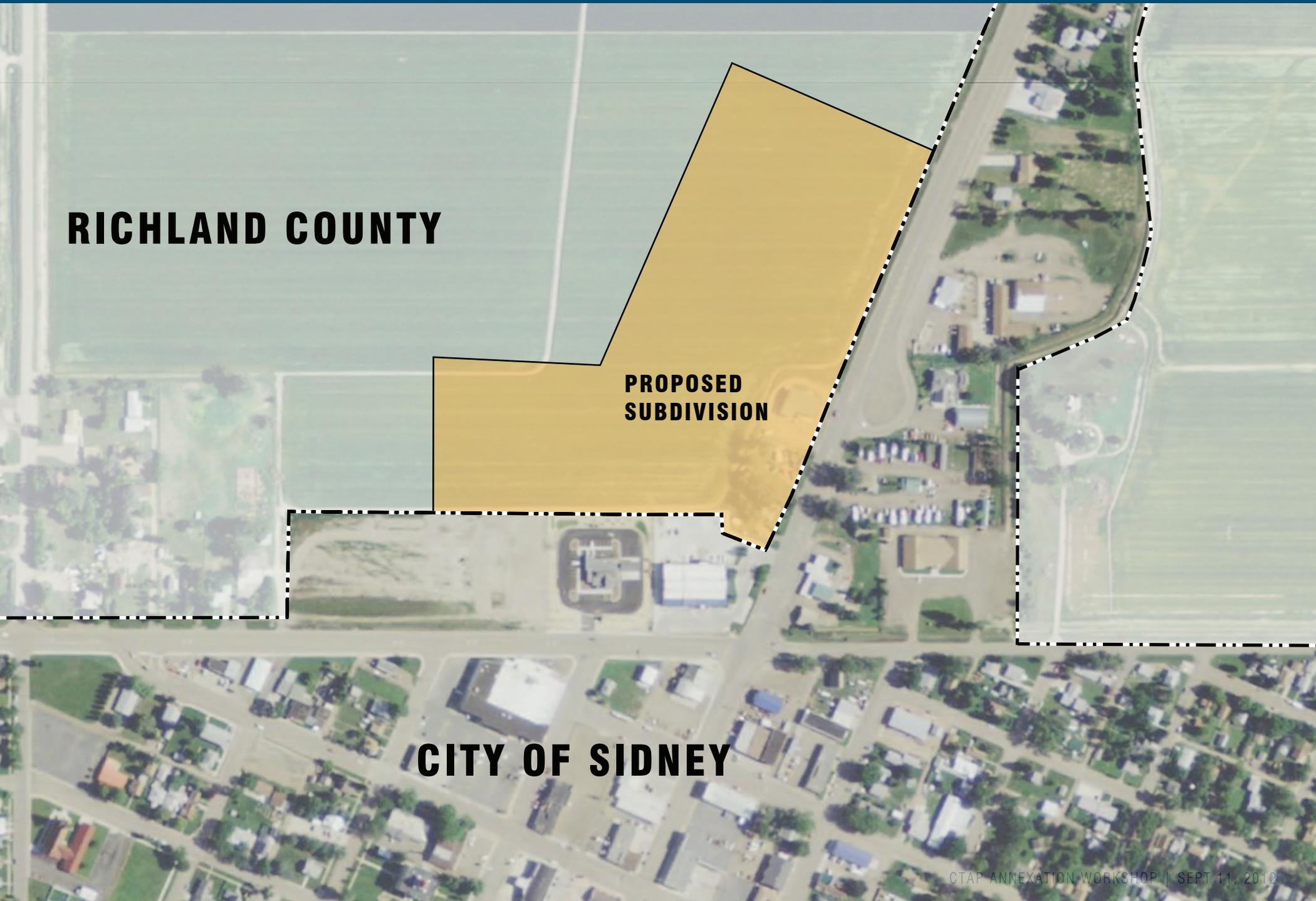


# Sidney Montana

**RICHLAND COUNTY**

**PROPOSED  
SUBDIVISION**

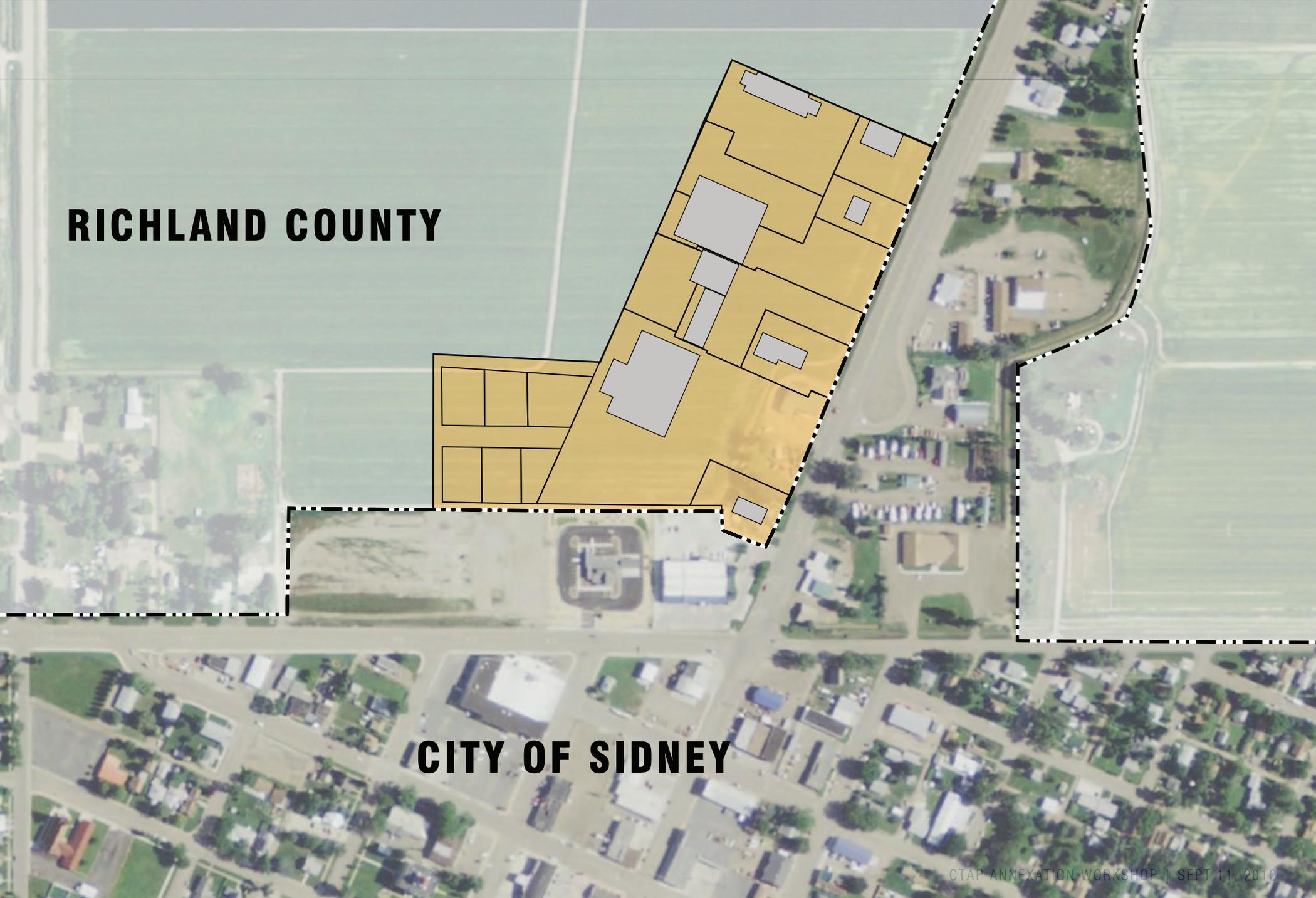
**CITY OF SIDNEY**



# Sidney Montana

**RICHLAND COUNTY**

**CITY OF SIDNEY**



# Plentywood Montana



**CITY OF  
PLENTYWOOD**

**SHERIDAN  
COUNTY**

# Plentywood Montana

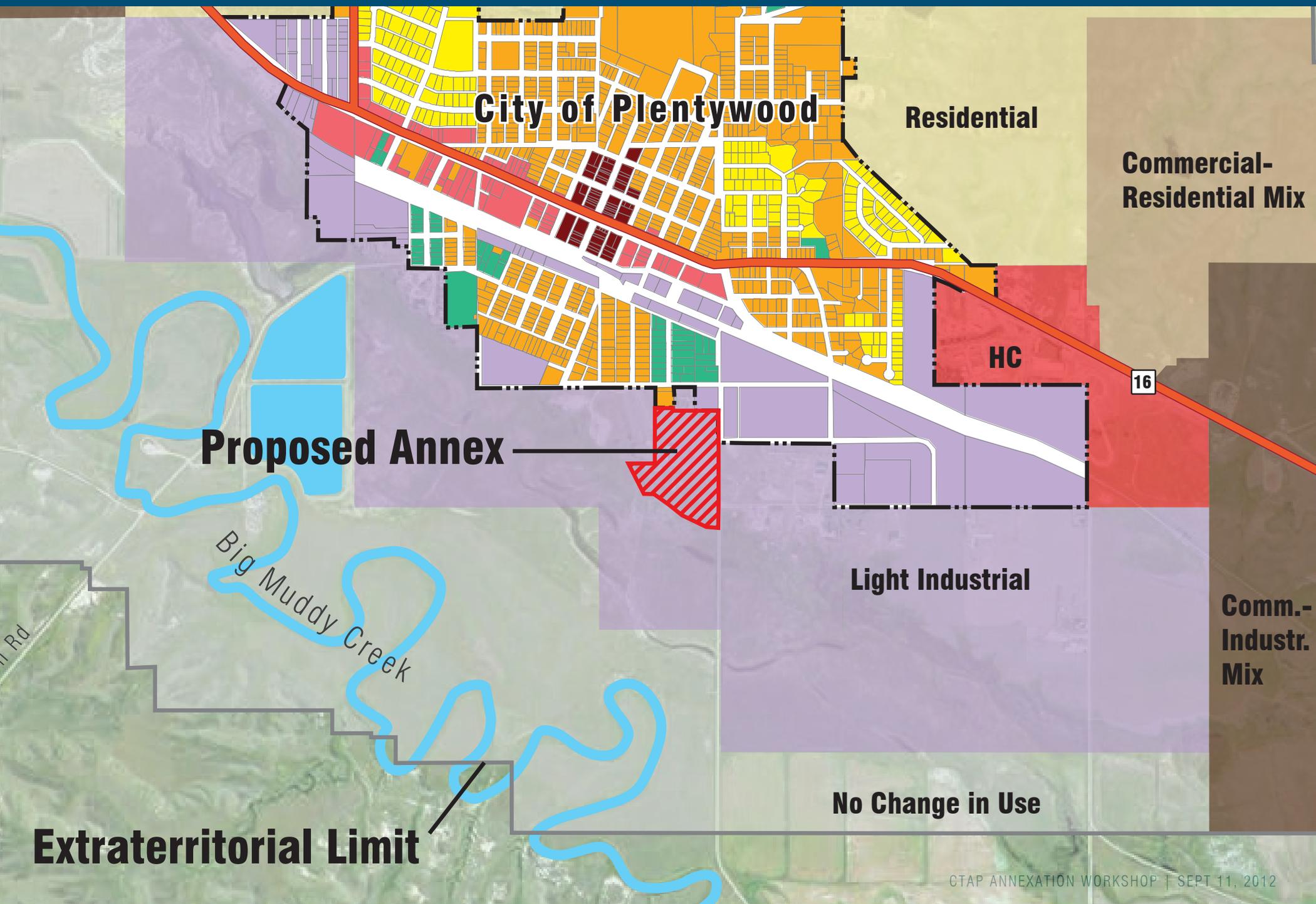


**CITY OF  
PLENTYWOOD**

**PROPOSED  
ANNEXATION**

**SHERIDAN  
COUNTY**

# Plentywood Montana



# Financial Impacts

## Missoula, MT

**TOTAL IMPACT ESTIMATE:** The total estimate for these impacts is \$399,659. Deducting this amount from the potential revenue of \$469,031 indicates that the general fund operating budget cost impacts are fully supported at the current level of service.

Potential Revenue	\$469,031
Potential Impacts	<u>\$399,659</u>
Impact Balance	\$69,373

As always, these are estimates based upon the best numbers available at the time of annexation and are subject to change. Changes would be city-wide and not limited to these areas alone. Factors that may bring change include, but are not limited to:

1. Changes in State method of assessing property taxes
2. Changes in City's mill levy
3. Changes in anticipated rate of growth in new subdivisions due to market fluctuations
4. City choices regarding capital improvement projects, bond issues and new programs

# Steps

- Step 1: Develop an Annexation Extension of Services Plan
- Step 2: Applicant Submits Petition
- Step 3: Review Submitted Petitions using the Annexation of Services Plan as the review tool
- Step 4: Resolution of Annexation

# Annexation with Provision of Services 7-2-47

Governing Body adopts Resolution for Extension of Services Plan per MCA 7-2-4732

Petition must have signatures of at least 1/3 of residents in annex per MCA 7-2-4601

