

City of Bonners Ferry 2012 Annexation Plan

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I. Introduction

The City of Bonners Ferry is proposing to annex 76 parcels of property that are adjacent to the existing City municipal boundaries and are within its area of impact. Two of the parcels are on the south hill; one of these is at the south end of Buffalo Street and the other is a City parcel next to the City maintenance yard. The other 74 parcels are south of the existing city limits. The proposed annexation areas are shown in the maps included in Appendix A.

The annexation areas have developed as urban areas with a median parcel size of .6 acres, more like the rest of Bonners Ferry and unlike the rural county surrounding the City. The parcels have developed in an urban configuration and include two mobile home parks, a four-plex apartment building, school district property, Idaho Transportation Department property, Idaho Department of Lands property as well as two mini-storage businesses and single-family residences.

The area enjoys all of the amenities the City has to offer, without bearing any of the burdens. Annexation is in the public interest so that the City can control land use and public safety issues in the annexation area.

The City currently provides water, sewer and electric services in the proposed area. The City also provides emergency police and fire protection through mutual aid agreements. After annexation, the City will provide primary fire protection, primary police protection, garbage collection, street maintenance, parks and recreation services, and land use regulation services to the proposed area. This plan provides information about changes in taxes, user supported fees, zoning and services in the proposed area.

II. Consent to Annexation

In 2005, voters in the annexation area voted to have the City assume responsibility for the existing water and sewer district serving the area. Property owners within the annexation area have been receiving water, sewer and other services provided by the City of Bonners Ferry since 2007. Even before 2005, the City had been providing water and sewage treatment to the district.

Idaho Code 50-222 (4)(b)(ii) Implied consent: In category B and C annexations, valid consent to annex is implied for the area of all lands connected to a water or wastewater collection system operated by the city if the connection was requested in writing by the owner, or the owner's authorized agent, **or completed before July 1, 2008.**

Because of their implied consent, it is not necessary for the City to obtain the written consent of these property owners.

III. General Fund & Tax Supported Municipal Services

The City of Bonners Ferry will provide General Fund & tax supported Police, Fire and Street maintenance within the proposed annexation area.

- Police services will be provided by the Bonners Ferry Police Department located at City Hall at 7232 Main Street. Dispatch services are provided by Boundary County using the 911 system.
- Fire protection will be provided by the Bonners Ferry Fire Department. The City has two fire stations. Station #1 is located at 7137 First Street. Station #2 is located at 6316 McCall Street, adjacent to the area being annexed.
- Street maintenance, including snow removal, will be provided by the Bonners Ferry Street Department.
- The City of Bonners Ferry maintains numerous parks within the current city limits, including the Municipal Swimming Pool, the Veteran’s Memorial Park, the North Side Park and the Visitor’s Center Park. While these facilities are not in the area to be annexed, they are likely used by people in the annexation area by virtue of their close proximity to the facilities.

Because City assets are located in the vicinity of the annexation area, it is much better suited to provide these services.

The City will receive an estimated \$25,468 per year in property taxes from the annexation area, which exceeds the estimated cost of providing General Fund & Tax supported services. The additional costs to provide primary Police and Fire service are not significant, as no additional equipment or employees will be required and the City currently provides emergency services via mutual aid agreements. The estimated proportional increase in the Street Department maintenance budget due to the increased area of streets in the annexation area is \$12,742 per year.

General Fund services are funded by property taxes (31% of the total in 2011), licenses and permits (3%), intergovernmental revenues (43%), charges for services (12%), fines and forfeitures (4%), investment and royalty earnings (6%) and miscellaneous revenues (2%). Details of the General Fund Revenue Sources are included in Appendix B.

IV. Fee Supported Municipal Services

The City currently provides fee supported water, sewer and electric service in the proposed annexation area. There are no anticipated changes to the infrastructure of these utilities due to the proposed annexation. New requests for services will be subject to the existing City Extension Policy, available at the Bonners Ferry City Hall.

- The current fees for water and sewer services are the same inside and outside the municipal boundaries.
- The electric service base rate is lower inside the municipal boundaries, which will result in lower electric charges in the proposed annexation area after annexation. These changes are detailed in the “Changes in Taxation and Other Costs” section.
- The City also provides mandatory residential garbage pickup within its municipal boundaries. All residents within the proposed annexation area will be required to pay for the service, which is currently \$11.50 per month and includes weekly garbage pickup and biweekly recyclables pickup.

No municipal taxes are utilized to support these services.

V. Annexation Consistent with Provisions for Public Services

The forgoing services are all municipal services that are in concert with the urban status of the annexation area. The current City of Bonners Ferry policy is not to extend our water and sewer systems outside of the municipal boundaries unless the property owner provides written, recorded consent to annexation and the connection does not require the installation of additional mainline.

VI. Changes in Taxation and Other Costs

A. Property Taxes

Property in the proposed annexation area will be subject to the Bonners Ferry property tax levy rate. All of the property in the proposed area was in the Paradise Valley Fire District in tax year 2011 and subject to the fire district levy rate. After annexation, the property in the proposed area will not be subject to the Paradise Valley Fire District tax levy.

The following chart estimates the changes in property taxes for net property values of \$50,000, \$75,000, \$100,000 and \$150,000 using the 2011 levy rates. The net property value is the value after the homeowner exemption is subtracted from the assessed property value.

The levy rates used and itemized taxes are included in Appendix C.

Estimated Changes in Property Taxes

Net Property Value (After Home Owners Exemption)	\$50,000	\$75,000	\$100,000	\$150,000
Total Tax Before Annexation	\$447.82	\$671.74	\$895.65	\$1,343.48
Total Tax After Annexation	\$589.51	\$884.28	\$1,179.03	\$1,768.55
Tax Increase After Annexation	\$141.69	\$212.54	\$283.38	\$425.07

B. Utility Costs

The City of Bonners Ferry currently provides water and sewer services in the proposed annexation area. The fees for these services are currently the same inside and outside the municipal boundaries, so there will be no change in the fees due to annexation.

The City of Bonners Ferry currently provides electric service in the proposed annexation area. The electric service base rate is lower inside the municipal boundaries, which will result in lower electric charges in the proposed annexation area after annexation. For residential or small commercial single phase users, the decrease in the base rate is \$53.28 per year. For three phase small commercial or

large commercial users, the decrease in base rate is \$107.64 per year. Details are included in Appendix D.

The City also provides mandatory residential garbage pickup within its municipal boundaries. All residents within the proposed annexation area will be required to pay for the service, which is currently \$11.50 per month and includes weekly garbage pickup and biweekly recyclables pickup. The current contractor the City uses for garbage pickup is Frederickson's B. F. Garbage Company.

C. Other Fees

- Boundary County charges residents a solid waste fee to pay the costs associated with the landfill. The cost for tax year 2011 for a resident inside the Bonners Ferry city limits is \$93.48 per year and the cost for residents outside the Bonners Ferry city limits is \$111.48 per year. Solid waste fees for residents in the proposed annexation area will decrease by \$18.00 per year, based on the 2011 fees.
- Boundary County Translator Fees will not change due to annexation.
- Idaho Department of Lands assessed fees on 22 parcels in the annexation area in tax year 2011. These fees will not be assessed after annexation.
- Avista provides natural gas service to the proposed annexation area. Avista charges a 3% franchise fee to customers within the Bonners Ferry municipal boundaries.
- The City of Bonners Ferry requires all businesses operating within the City to purchase a business license. The current cost is a \$10.00 one time fee, unless the business name or location changes.
- The City requires residents to purchase dog licenses. The current fee is \$20 per calendar year, or \$10 if purchased before the end of January.
- Building permits are required within the City of Bonners Ferry, and a fee is charged based on the construction value of the project.

The expected total change in property taxes, City utility base fees, County solid waste fees and City garbage pickup fees are summarized in the chart below. Additional details are included in Appendix E.

Estimated Total Changes in Property Taxes and Fees

Net Property Value (After Home Owners Exemption)	\$50,000	\$75,000	\$100,000	\$150,000
Total Estimated Change in Taxes and Fees After Annexation	\$208.41	\$279.26	\$350.10	\$491.79

VII. Effects on Other Units of Government

The other units of government that levied taxes in the proposed annexation area in tax year 2011 are: Boundary County, Boundary County School District, Boundary County Library and Paradise Valley Fire District.

Boundary County, Boundary County School District and the Boundary County Library will continue to levy taxes in the proposed annexation area, and the annexation will not change the levy rate.

Paradise Valley Fire District will not levy taxes in the proposed annexation area, as the Bonners Ferry Fire Department will provide fire fighting services in the area. The estimated amount of taxes levied from the proposed annexation area by Paradise Valley Fire Department in 2011 was \$6,717. The Paradise Valley Fire Department included \$109,960 in property taxes in their 2011 budget, \$115,870 in their 2012 budget and \$119,280 in their 2013 budget. The reduction in property taxes from the area annexed by the City of Bonners Ferry in December of 2011 did not reduce the expected property tax collection for the District, but it did increase the levy rate for the remaining property owners in the Paradise Valley Fire District.

The estimated reduction in Idaho Department of Lands fees is \$898 based on 2011 assessments.

VIII. Proposed Future Land Use and Zoning Designations

The proposed land use map is shown in Appendix F. The proposed land uses are consistent with the existing uses and the land use of the adjacent areas.

The proposed zoning designations for the annexation area are B-residential and C-commercial as shown in the maps in Appendix A. Details about the purposes of the zones are included in Appendix G. The proposed zoning is based on current uses, zoning of adjacent parcels, and probable suitable uses. This is consistent with Policy #4 of Goal #8 of the Land Use Section (6.0) of the City of Bonners Ferry 2006 Comprehensive Plan. The proposed initial zoning is subject to change based on input from affected residents and businesses at the Planning and Zoning hearing. The public is encouraged to attend the hearing to give input on the proposed initial zoning.

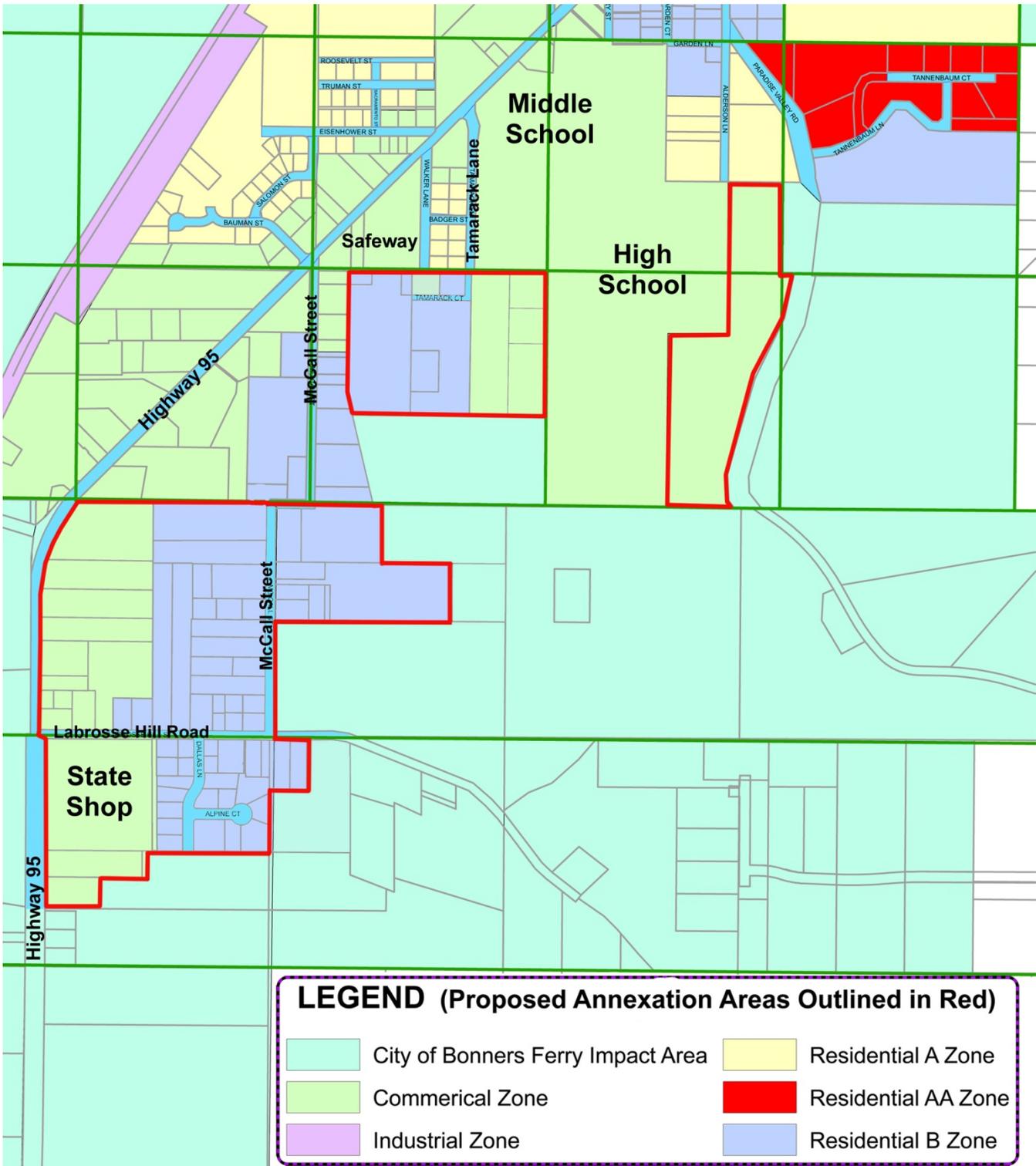
Future changes in zoning would require the City to conduct public hearings as required by Idaho code.

IX Conclusions

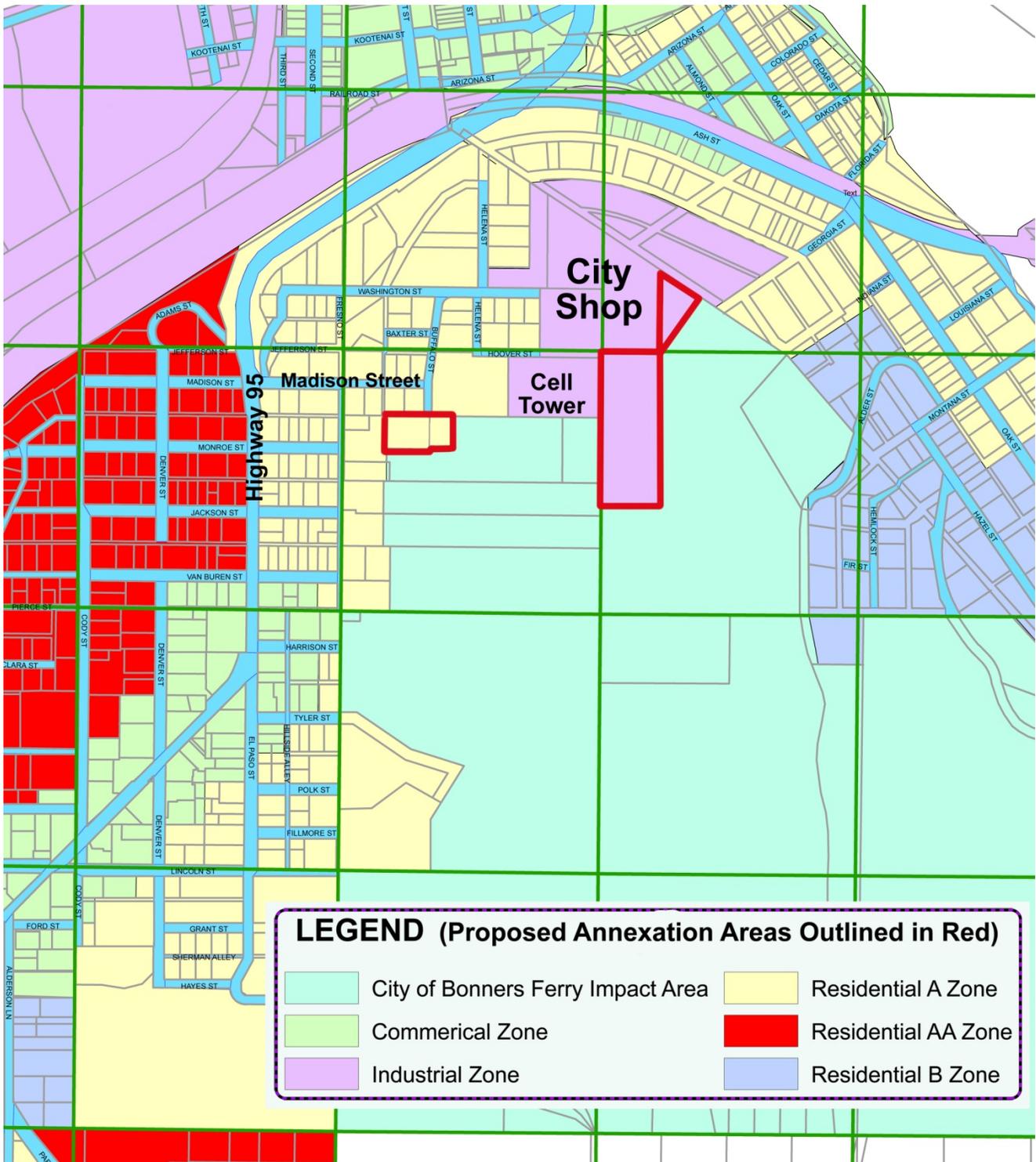
Based on the foregoing analysis, the following conclusions are adopted:

- (A) The land to be annexed meets the applicable requirements of this Idaho Code 50-222 and does not fall within the exceptions or conditional exceptions contained in that section;
- (B) The annexation would be consistent with the public purposes addressed in this annexation plan because the City is better able to provide public services to this area;
- (C) The annexation is reasonably necessary for the orderly development of the city because of the way this area has developed and the way the areas adjacent to it may develop.
- (D) Based on the fiscal analysis herein, the additional tax revenue, and the fact the City is already providing most services, the City will be able to provide all City services to the annexation area without any negative impact or reduction in services to existing residents.

Appendix A Annexation Area Maps



Appendix A Annexation Area Maps



Appendix B 2011 General Fund Revenue Sources

Income Source:	Revenue	Percent of total
Property Taxes	\$500,905.94	31%
Licenses and Permits:		
Alcohol Beverage Licenses	\$4,485.00	
Avista Franchise Fees	\$32,424.14	
Cable Franchise	\$4,411.23	
Joint Pole Use Agreement	\$1,750.00	
Building Permits	\$8,546.16	
Dog License and Pound Fees	\$1,620.00	
Other	\$1,470.00	
Total License and Permits	\$54,706.53	3%
Intergovernmental Revenues:		
ITD Safety Grant	\$13,898.00	
Fire Department Grants	\$6,203.62	
D.A.R.E.	\$21,836.00	
Drug Task Force	\$8,730.36	
Economic Development Coordinator	\$51,870.88	
State Liquor Fund Revenues	\$95,528.00	
Sales Tax Revenue Sharing	\$140,323.64	
Highway Users Fees	\$85,635.34	
General Fund Transfer	\$277,047.44	
Total Intergovernmental Revenues	\$701,073.28	43%
Charges for Services:		
Police and Fire Protection Contract	\$39,008.04	
Swimming Pool Revenues	\$8,505.00	
Golf Revenues	\$142,028.58	
Other	\$2,779.17	
Total Charges for Services	\$192,320.79	12%
Total Fines and Forfeitures	\$58,490.04	4%
Miscellaneous Revenue:		
Cell Tower Lease	\$8,492.81	
Donations	\$14,204.50	
Other	\$17,219.17	
Total Miscellaneous Revenue	\$39,916.48	2%
Investment and Royalty Earnings	\$94,154.23	6%
Total General Fund Revenue	\$1,641,567.29	

Appendix C

Estimated changes in taxes for property owners in the annexation area

CHANGES IN ANNUAL PROPERTY TAXES BASED ON 2011 LEVY RATES

Net Property Value (After Home Owners Exemption)	\$50,000	\$75,000	\$100,000	\$150,000
County	\$245.91	\$368.86	\$491.81	\$737.72
School Tort	\$4.66	\$6.99	\$9.32	\$13.99
School Bond	\$49.54	\$74.31	\$99.08	\$148.62
School Supp.	\$81.02	\$121.54	\$162.05	\$243.07
PV Fire District	\$50.76	\$76.14	\$101.52	\$152.28
Library District	\$15.93	\$23.90	\$31.87	\$47.80
Total Tax Before Annexation	\$447.82	\$671.74	\$895.65	\$1,343.48
City Levy	\$192.45	\$288.68	\$384.90	\$577.35
Less PV Fire District Levy	(\$50.76)	(\$76.14)	(\$101.52)	(\$152.28)
Total Tax After Annexation	\$589.51	\$884.28	\$1,179.03	\$1,768.55
Tax Increase After Annexation	\$141.69	\$212.54	\$283.38	\$425.07

2011 Levy Rates

City	.003849019
County	.004918103
School Tort	.000093249
School Bond	.000990773
School Sup	.001620481
Paradise Valley Fire District	.001015177
Library	.000318685

Appendix D

City of Bonners Ferry Electric Base Rate Comparison

Residential or Small Commercial Service (single phase) <i>(Based on rates in effect September 2011)</i>	Monthly Base Fee Inside City	\$ 10.47
	Monthly Base Fee Outside City	\$ 14.91
	Decrease after annexation (monthly)	\$ 4.44
	Decrease after annexation (annual)	\$ 53.28
Small Commercial or Large Commercial Service (three phase) <i>(Based on rates in effect September 2011)</i>	Monthly Base Fee Inside City	\$ 32.83
	Monthly Base Fee Outside City	\$ 41.80
	Decrease after annexation (monthly)	\$ 8.97
	Decrease after annexation (annual)	\$ 107.64

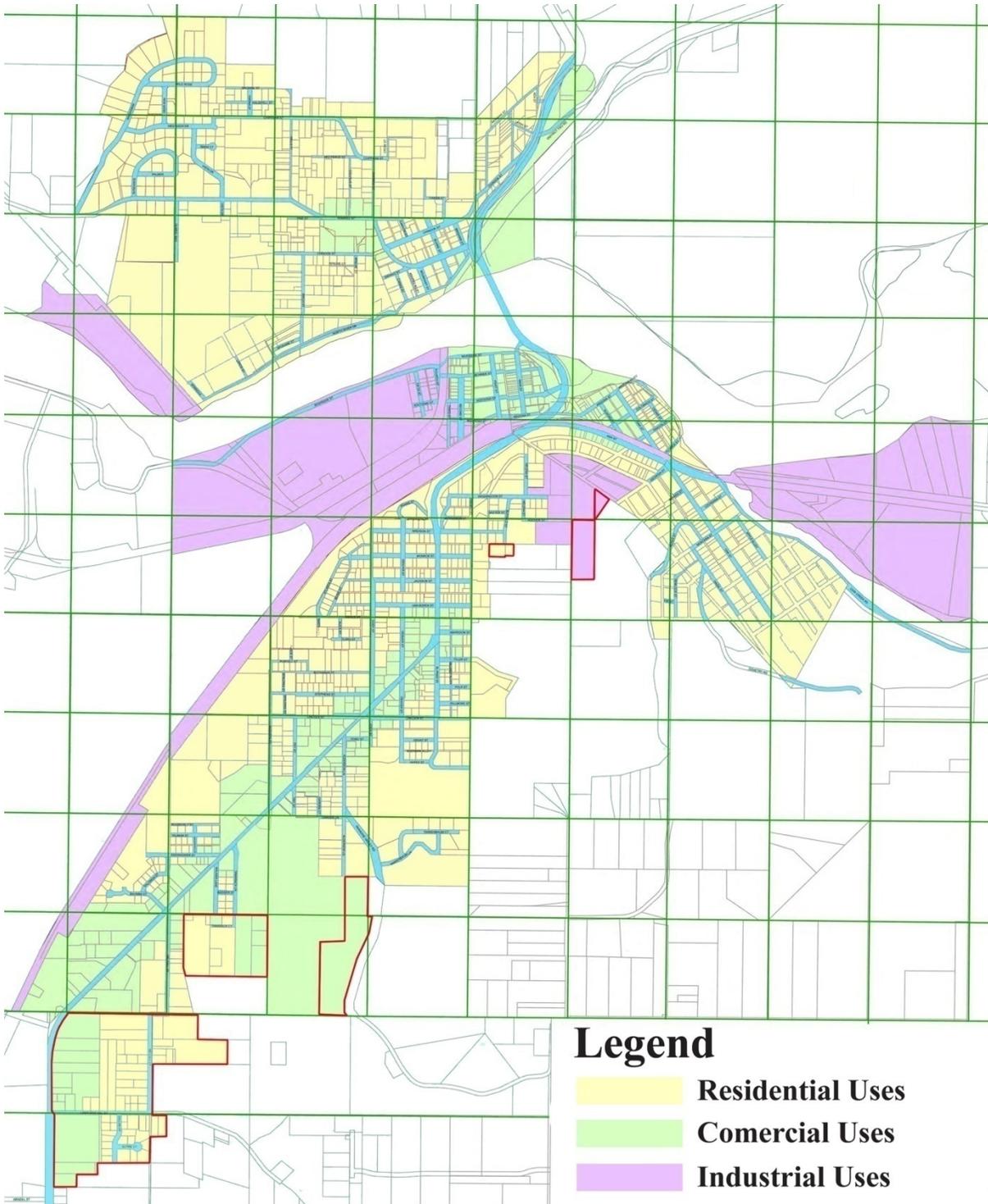
Appendix E

Estimated changes in taxes and fees for property owners in the annexation area

Net Property Value (After Home Owners Exemption)	\$50,000	\$75,000	\$100,000	\$150,000
Total Tax Before Annexation	\$447.82	\$671.74	\$895.65	\$1,343.48
City Levy	\$192.45	\$288.68	\$384.90	\$577.35
Less PV Fire District Levy	(\$50.76)	(\$76.14)	(\$101.52)	(\$152.28)
Total Tax After Annexation	\$589.51	\$884.28	\$1,179.03	\$1,768.55
Tax Increase After Annexation	\$141.69	\$212.54	\$283.38	\$425.07
Estimated Changes in Fees:				
Reduction in Solid Waste Fee	(\$18.00)	(\$18.00)	(\$18.00)	(\$18.00)
Reduction in Electric Base Rate	(\$53.28)	(\$53.28)	(\$53.28)	(\$53.28)
Increase for Garbage Pickup	\$138.00	\$138.00	\$138.00	\$138.00
Total Changes in Fees	\$66.72	\$66.72	\$66.72	\$66.72
Total Estimated Change in Taxes and Fees After Annexation	\$208.41	\$279.26	\$350.10	\$491.79

This chart does not reflect Avista franchise fees charged within the City limits.

Appendix F Land Use Map



2012 Bonners Ferry Land Use Map
(annexation areas outlined)

Appendix G

Zoning Districts

The City of Bonners Ferry has established the following zoning districts:

- **AA- residential district:** To provide for single-family residences.
- **A- residential district:** To provide regulations for a more mixed use in a residential area.
- **B- residential district:** To provide regulations for a mixed use such as in a residential A area, except for allowing animal units per the standards below which may be maintained in buildings or enclosures. The buildings or enclosures for housing such animals shall meet the approval of the health district and/or the commission and does not cause offensive odors, noise or disturbances to people in the neighborhood. Residential B does not include the operation of livestock confinement operations (LCOs). Livestock and poultry shall be allowed on all properties exceeding twenty one thousand seven hundred eighty (21,780) square feet (1/2 acre) in size, following the guideline of one animal unit per the one-half (1/2) acre: One animal unit equals: one cow, or one horse, or three sheep, or four goats, or twenty five poultry. Other animal maximum numbers shall be set by the city council. Buildings housing farm animals shall not be located closer than fifty feet (50') from any property line.
- **C- commercial district:** To accommodate the location of new businesses and encourage further expansion of business in the municipal limits. To also establish areas in the municipal limits for future business growth.
- **I- industrial district:** To encourage the development of industrial, manufacturing, warehousing, major research and testing, and wholesale business establishments or other related uses. Research activities are encouraged.
- **M- medical district:** To encourage medical uses within a designated area. This zone would include the permitted uses and special uses allowed in a residential A district. This district would also allow as a permitted use medical professional offices, extended care facilities, and residential care facilities.

Additional details about the zones, including allowed uses, setback requirements and height requirements are available at City Hall.