



CITY OF BULLHEAD CITY

ANNEXATION POLICY

Adopted by
City Council
October 3, 2006

Prepared by
Development Services Department

PREFACE

Bullhead City, including the areas located in Mohave County, previously known as Bullhead City and Riviera, was incorporated as the City of Bullhead City on August 28, 1984. The incorporation of these areas included approximately 40.4 square miles. The City later annexed an additional 2.5 square miles in the mid 1990's and remained at 42.9 square miles until recently. On May 23, 2006 the City approved the Laughlin Ranch annexation. This annexation contained 14.4 square miles of land lying to the east of Bullhead City's then eastern boundary and brought the City's total area to 57.3 square miles.

Bullhead City is located in west central Mohave County, along the Colorado River and lies near the juncture of Arizona, Nevada and California. As such, it is greatly impacted by its neighbors, most notably Laughlin, Nevada, located directly across the Colorado River. Bullhead City's historic growth has been built upon retirement housing, commercial uses, and a relationship with Laughlin, Nevada. Laughlin has an active gaming and hospitality industry, which has been a catalyst for Bullhead City's economic growth. At the same time, Bullhead City provides services and housing for Laughlin. Physical and economic proximity requires Bullhead City and Laughlin to work closely together to take full advantage of the benefits of cooperation. As a result a mutually beneficial relationship has developed between the two jurisdictions.

Bullhead City and its environs provide a range of recreation activities for sports people and outdoor enthusiasts. The City is bordered to the west by the Colorado River, to the north by the Lake Mead National Recreation Area, and to the east and south by lands located within Mohave County. Due to its location and warm year round temperatures, recreation activities associated with the River attract retirees and visitors to Bullhead City. The rugged attractiveness of the area and closeness to major recreational amenities provide Bullhead City with a unique opportunity to develop into a recreation hub of the region.

The City continues to grow and mature, and has reached a number of important development milestones in the last few years. After years of planning and twenty years of development the City has begun to make significant progress in a number of areas. The City has achieved stability in its governance. Development impact fees are under consideration as a mechanism to help with the impacts of growth. An election to ask voters to approve an alternative expenditure limit is scheduled for early 2007. If approved, this change in the expenditure limit will allow the City to complete a number of much needed capital improvement projects. The third sewer improvement district is underway and upon completion in early 2008, 98% of the City will now be on public sewer. Construction of two significant east/west connectors between Highway 95 and the Bullhead Parkway will be completed in 2007.

The annexation of the Laughlin Ranch properties has heightened interest in annexation of the remaining unincorporated parcels located within the City and Mohave Water Conservation District's water contract areas and possibly areas beyond the water contract areas, all of which lie within Mohave County. Annexation in the City had occurred without the benefit of a written policy or process. Adoption of this Policy will mark Bullhead City's first Annexation Policy.

GROWTH MANAGEMENT

Growth management is one of the key areas of emphasis in the State of Arizona's 1998 and 2000 Growing Smarter Legislation. Bullhead City's 2001 General Plan Update, addresses this concept in its Growth Areas Element.

Annexation is a tool that can be used by a city to direct and manage growth.

Annexation is defined as the process by which cities increase their geographical area. There are both benefits and costs associated with annexation. When considering annexation it is imperative that not only the short-term costs be identified but also the long-term benefits. It should be noted that annexations that occur in the near future would result in less short-term costs and greater long-term benefits compared to waiting a number of years to "close-up" the jurisdictional boundaries of the City and Mohave Water Conservation District's water contract areas. See Exhibit A, City of Bullhead City, Potential Annexation Areas.

There are a number of reasons that a city may want to incorporate new areas into its boundaries (long-term benefits), such as:

- Effectively managing urban development
- Allowing for the efficient planning and provision of services
- Creation of a stronger community
- Social and economic benefit to the City
- Increasing the City's economic base and providing additional sources of revenue
- Management and implementation of the City's Transportation Plan
- Assuring high quality development in accordance with City standards

Annexation has costs associated with it as well. These "short-term" costs can include:

- Upgrading service levels in the newly annexed area(s) to the same level and quality that current residents of the City already receive.
- Establishing or extending infrastructure, such as police and fire protection, streets, water and sewer service to the newly annexed area(s). The costs of upgrading infrastructure for developed parcels, once they are annexed, can be addressed through existing City programs for infrastructure improvement or the formation of an improvement district. Undeveloped parcels will include the necessary infrastructure improvements during planning, design and construction of the project. This exemplifies the concept of "making development pay for itself".

ANNEXATION POLICY AND PROCESS

The purpose of developing an annexation policy for the City of Bullhead City is to provide a rational and consistent methodology for making annexation decisions. By employing a prescribed process, the City Council will use consistent criteria provided to use in determining whether or not an individual annexation request will be in the best interest of the City of Bullhead City.

ANNEXATION TYPES

The Annexation Policy outlines the policy and process for two distinct types of annexation requests. The two types of annexation requests are undeveloped areas and developed areas. Consideration will be given to annexation requests submitted from any location within and beyond the Bullhead City and Mohave Water Conservation District contract areas.

Type One: Undeveloped Area

Annexation requests for undeveloped land with or without development master plans previously approved by Mohave County.

Type Two: Developed Areas

Annexation requests for existing residential parcels, subdivisions, or non-residential sites that have been developed according to Mohave County requirements. Property owners desiring annexation will be asked to submit written documentation that indicates that a majority of the affected property owners are interested in annexation.

The intent for both types of annexation request is to facilitate annexation of all sites by working with the respective property owners.

DISCLOSURE STATEMENT

The City of Bullhead City is committed to providing a wide range of publicly funded services to all of the City's residents. In addition to these services a number of improvement programs are available to the City's residents to be used to upgrade existing infrastructure and enhance neighborhoods. In an effort to ensure that property owners annexing into the City have a clear understanding of the services to be provided and programs available an Annexation Disclosure statement has been prepared. The Annexation Disclosure Statement will be provided to the property owners within the proposed annexation area throughout the annexation process. The purpose of the Annexation Disclosure Statement is to provide information regarding the following:

1. Notification to developed areas interested in annexing into the City that infrastructure improvements and the payment of the Municipal Service Fee are required prior to annexation. A Pre-Annexation Agreement is required to outline the specific improvements and fee for each developed area requesting annexation.
2. Clarification of the scope of services to be provided by the City of Bullhead City at the time of annexation.
3. Providing general information on improvement programs administered by the City that are available to residents of the City of Bullhead City for upgrading infrastructure or enhancing neighborhoods.
4. The process followed to bring newly annexed properties into compliance with the adopted codes and ordinances of the City of Bullhead City.

INFRASTRUCTURE IMPROVEMENTS AND MUNICIPAL SERVICE FEE – DEVELOPED AREAS

All developed areas requesting annexation will be required to:

1. Upgrade the proposed annexation area's existing infrastructure to comply with the current City of Bullhead City standards before the adoption of the annexation ordinance, and
2. Pay a Municipal Service Fee (MSF) equal to the total costs to provide general governmental services to the area proposed for annexation.
3. Enter into a Pre-Annexation Agreement with the City of Bullhead City. The purpose of this Agreement is to clarify the extent of the infrastructure improvements to be accomplished and the amount of the MSF to be paid.

The Council has the authority to waive the MSF and/or selected improvements, which may be accomplished through improvement programs administered by the City, if the annexation is in the best interest of the City. This allows the Council some flexibility so that each developed area requesting annexation can be evaluated on a case-by-case basis.

The intent of the MSF is to obtain by in from the residents wishing to be annexed so that the existing residents do not have to subsidize the provision of city services.

PRE-ANNEXATION OR DEVELOPMENT AGREEMENT

In situations where the City determines that an undeveloped annexation area warrants an agreement that contains more specific information than contained in the Annexation Disclosure Statement, a Pre-Annexation or Development Agreement may be used. The necessity of a Pre-Annexation or Development Agreement will be determined on a case-by-case basis.

A Pre-Annexation Agreement will be required for developed areas requesting annexation. The purpose of the Agreement is to specifically address the infrastructure improvements that must be completed and MSF that must be paid prior to the annexation of the developed area.

COMPLIANCE WITH CITY CODES

Upon annexation into the City of Bullhead City all properties must comply with the adopted Codes and Ordinances of the City. Code compliance issues are a main area of concern when considering the annexation of developed properties into the City. As part of the Annexation Analysis for a developed area an evaluation of existing code violations would be completed by the City's Code Enforcement Division. Once the initial evaluation has been completed the property owners within the proposed annexation area are informed of the specific violations that exist on their respective properties. All properties within the proposed annexation area must be brought into compliance within one year of the effective date of the annexation. An initial 6-month "grace period" will be allotted to all property owners to voluntarily address the code violations that were identified during the Annexation Analysis. At the end of the "grace period" the properties will be re-inspected and property owners will be cited for any code violation(s) that exist. The property owners will have until the one-year anniversary of the annexation to correct all violations. After that anniversary date the Code Enforcement Division will take the appropriate corrective action, generally this means that the issue will go to court.

ANNEXATION PROCESS

Type One: Undeveloped Areas

1. Annexation Pre-application Meeting – A pre-application meeting similar to those used for other types of planning cases. Actual staff participants may include the City Manager, Assistant City Manager, City Attorney, Development Services Director, Public Works Director, and other staff as necessary. The function of this meeting is to make an initial determination regarding whether or not the annexation will meet statutory requirements and to discuss potential development implications associated with annexation. Additionally, at this first meeting the Annexation Disclosure Statement is presented to the property owner/applicant interested in annexation.

2. Annexation Application– To initiate the formal review of an area interested in annexation into the City of Bullhead City the property owner(s) shall submit an Annexation Application to the Development Services Director.
3. Property Acquisition/Annexation Team – Review of new annexation requests and on-going annexation activity occurs monthly. The purpose of this Team review will be to identify potential impacts that a requested annexation may have on provision of city services, infrastructure, and other city liability issues. This information is used as the basis for the Annexation Analysis.
4. Annexation Analysis - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request will be performed at Council's request. Arizona Revised Statutes annexation criteria are also included as part of the formal analysis. The necessity of a Pre-Annexation or Development Agreement is reviewed at this point and a recommendation is prepared.
5. City Manager Briefing – The annexation analysis and the staff recommendation regarding the necessity of a Pre-Annexation Agreement is presented to the City Manager along with staff and Property Acquisition/Annexation Team comments prior to the annexation request being scheduled for a City Council Workshop.
6. If a Pre-Annexation or Development Agreement is deemed necessary, that Agreement is developed prior to the City Council Workshop.
7. City Council Workshop – The City Council will be briefed at a workshop study session on the annexation request. Direction will be requested from the City Council regarding the Pre-Annexation or Development Agreement (if applicable), and whether or not to record the blank petition that formally initiates the annexation process.
8. Pre-Annexation or Development Agreement (if applicable) is to be finalized and prepared for approval by the City Council.
9. Recordation of Blank Petition for Annexation
10. Public Hearing on the Blank Petition, within the last 10 days of the required 30-day waiting period.
11. Collection of Signatures, after the 30-day waiting period has expired.
12. Verification of signatures and assessed valuation percentages [50% +1]

13. City Council adoption of the Annexation Ordinance.

Type Two: Developed Areas

WHEN DEALING WITH DEVELOPED AREAS AND POTENTIALLY LARGE NUMBERS OF PROPERTY OWNERS, THE PROCESS FOR ANNEXATION IS QUITE DIFFERENT THAN IT IS FOR UNDEVELOPED PROPERTIES. ANNEXATION OF DEVELOPED AREAS ALSO TENDS TO TAKE SIGNIFICANTLY LONGER TO ACCOMPLISH.

1. Annexation Interest/Disclosure Statement - Information and education are the initial steps in responding to a developed area that is interested in annexation. Meeting(s) with the property owners of a developed area interested in annexation are the first step. It is vital that the Annexation Disclosure Statement is provided at the first inquiry made and subsequent meetings so that the property owners have accurate information to allow them to reach an informed decision about whether or not to proceed with an annexation request.
2. Self-Inventory Packet - The developed area requesting annexation will be required to complete a Self-Inventory Packet to provide an overview of the existing development. The Packet will contain a wide range of questions such as construction date of the subdivision [if applicable], number of existing dwelling units, number of vacant lots, water provider, sewer provider or septic tanks, does the development contain curb, gutter, sidewalks, streetlights and pavement, and other similar questions that will give a general overview of the existing infrastructure.
3. Neighborhood meeting(s) are organized when at least 70 percent of the property owners in the developed area are interested in annexation. The number of neighborhood meetings necessary to address property owners' questions and concerns vary greatly and are determined on a case-by-case basis. The Annexation Disclosure Statement is presented to the attendees of these meetings as well as mailed out to all property owners within the proposed annexation area in an effort to educate property owners about the annexation process for developed areas.
4. Property Management Team – Review of city owned property and annexation activity occurs monthly. The Team will review the Self-Inventory Packets and provide a preliminary list of infrastructure improvements that would need to be completed by the proposed annexation area.
5. Annexation Analysis - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request. Arizona Revised

Statutes annexation criteria are also included as part of the formal analysis. This does not include a complete Code Enforcement Division evaluation at this point in the process. The Code Enforcement Division evaluation will be completed after the infrastructure improvements have been done.

6. City Manager Briefing – Presentation and discussion of the annexation request for a developed area, the results of the Property Management Team evaluation of the Self-Inventory Packet and other pertinent information from the Annexation Analysis. City Manager will provide direction to either proceed to a City Council workshop or to obtain additional information before specific direction can be provided.
7. City Council Workshop – The City Council will be briefed at a workshop on the annexation request. Direction will be requested from the City Council regarding the preparation of a Pre-Annexation Agreement and initiation of the formal annexation process, as outlined in the Arizona Revised Statutes.
8. Pre-Annexation Agreement - Prepare and present the Pre-Annexation Agreement for approval by the City Council. The Agreement shall include at a minimum: a listing of infrastructure improvements required, verify receipt of payment of the Municipal Service Fee, details on design and constructions standards to be met, how inspection of the improvements will be accomplished, and who the review, permitting, and inspection entity will be for this area.
9. Infrastructure Improvements - After the Pre-Annexation Agreement has been fully executed the developed area will proceed and pay for all design, engineering, and construction of the required infrastructure improvements.
10. Recordation of Blank Petition
11. Public Hearing on the Blank Petition, within the last 10 days of the required 30-day waiting period.
12. Collection of Signatures, after the 30-day waiting period has expired.
13. Verification of signatures and assessed valuation percentages [50% +1]
14. City Council adoption of the Annexation Ordinance.