

ITEM #:	<u>30</u>
DATE:	<u>12-10-24</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

**SUBJECT: REQUEST TO DEFER ANNEXATION COVENANTS BY OWNERS OF 2114 &
2126 STATE AVENUE**

BACKGROUND:

Earlier this year City Council received two separate requests for 2114 & 2126 State Avenue to delay executing covenants for annexation by 18 months to three years (see attachments). Council directed staff to place these requests on a future agenda for discussion. City Council reviewed the request on October 22 and direct staff to provide notice of Council's discussion prior to it making a final decision. Staff provided mailed notice to each property in November stating their request would be reviewed by City Council on December 10. Staff has had no additional response since sending the letter.

Original Report

In 2022, the City Council voted to annex two properties owned by ISU at 2219 and 2121 State Avenue. At that time staff noted that properties on the east side of State Avenue (2114 & 2126 State Avenue) had previously agreed to future annexation at the City's discretion, and they could be annexed per the Covenant & Agreement for Annexation in place since 2011 (See Attachment B- Covenants). City Council chose not to include these two properties with the annexation of the ISU properties at that time, but to initiate their annexation consistent with the covenants at a future date. Therefore, staff initiated contact with the two property owners in 2023 to implement City Council's direction. In response, the two owners have requested a delay in annexation (See Attachments C & D).

The two properties have been receiving City water service without being within the City for the past 13 years. The City has traditionally required property owners who are provided City utilities outside of the city limits to agree to annex at a later date at the City's discretion. Therefore, at that time the City required the property owners to sign covenants agreeing to future annexation. Now that the city boundaries abut the two properties, staff believes it is the appropriate time to initiate annexation.

Annexation of the properties would extend the City boundaries logically along existing boundary lines south of Highway 30 and adjoining the properties annexed in 2022. This would maintain uniform boundaries to deliver City services to these two properties. Both properties total 2.79 acres. The current City limits abut these properties to the west along State Avenue. State Avenue serves as access to both properties.

The issue of whether to require annexation at this point or not is a matter up to City Council. If it is not believed annexation should be a priority at this time, staff believes City Council could pass a resolution to revisit the issue and plan to require annexation in three years. This would put a date in the resolution that would place an expectation on revisiting the matter and moving forward with annexation. This would also create a defined date for the property owners to anticipate being brought into the City.

ALTERNATIVES:

1. Direct staff to proceed with the annexation of the properties at 2114 & 2126 State Avenue in accordance with the Covenant & Agreement for Annexation agreed to in 2011.
2. Decline to initiate annexation of the properties at 2114 & 2126 State Avenue and pass a Resolution that the City Council will accept annexation applications submitted to the City by July 1, 2027 in accordance with the Covenant & Agreement for Annexation agreed to in 2011.
3. Defer action at this time and request more information from staff or propose a new annexation agreement.

CITY MANAGER'S RECOMMENDED ACTION:

The initial direction of Council to staff was to begin the annexation of the properties at 2114 and 2126 State Avenue. With the recent ISU annexation, the land on the opposite side of State Avenue in 2022, the land now abuts the City. While not an immediate necessity, annexing the properties now is consistent with City policy and the covenants that are in place.

The two properties owners are requesting to not be annexed at this time for various reasons. Staff believes that deferring annexation at this time will not create an adverse impact on the City's development plans. However, staff believes if Council chooses to defer the matter, a timeline should be established. In this case, staff believes a 3-year timeline of July 1, 2027 is reasonable. At that point in time the City would initiate the annexation of the properties based upon the current covenants and no new agreement is proposed. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 2, agreeing to delay annexation of the two properties until July 1, 2027.

ATTACHMENT(S):

[Attachment A- 2114 & 2126 State Avenue Location Map.pdf](#)

[Attachment B- Covenant & Agreement for Annexation.pdf](#)

[Attachment C- Epplin-Mowers-Feed Mill Noise Output.pdf](#)

[Attachment D-Geisinger Family - Annexation 2126 State Ave.pdf](#)