

Memorandum

REPORT TO: City Commission

FROM: Tom Rogers, Senior Planner
Chris Saunders, Community Development Manager
Erin George, Director of Community Development

SUBJECT: Adoption of a Resolution of the City Commission to Replace and Readopt the Annexation Policy for the City of Bozeman. This Resolution Replaces Resolution 5076 (**Revised February 24, 2025**)

MEETING DATE: February 25, 2025

AGENDA ITEM TYPE: Resolution

RECOMMENDATION: **Consider the Motion:** *I move to adopt the Resolution provided to Replace and Readopt the Annexation Policy.*

STRATEGIC PLAN: 4.1 Informed Conversation on Growth: Continue developing an in-depth understanding of how Bozeman is growing and changing and proactively address change in a balanced and coordinated manner.

BACKGROUND: **“****ADDENDUM February 24, 2025****:** The published memorandum did not contain a clean version of the proposed resolution adopting adjustments to the existing annexation policy. This clean version is now included as an attachment. Also, we provide a comparison document that shows the changes between the proposed resolution and the current applicable resolution (Resolution 5076). One of the attachments provided with the original publication (the document labeled “Revised Annexation Policy Proposed Revisions 2-18-2025 strike and underline) contains all of the changes being proposed by City staff but is not in final resolution format. We provide two additional documents: (i) a clean version of the proposed resolution the motion would adopt (labeled Resolution Revising and Re-Establishing City of Bozeman Annexation Policy); and (ii) a resource document that compares the new proposed resolution with the current Resolution 5076. These two documents are now listed first in the agenda. We have not removed any of the documents provided with the first publication of this agenda item.

The City must follow state law in annexation. There are multiple methods allowed in law but all focus on provision of services to the annexing property. The City has had an annexation policy since 1984 to communicate City expectations and intentions with annexation. It has revised its approach periodically as needed. The last revision was adopted in 2019 by Resolution 5076. Experience with Resolution 5076 has shown several areas where improvements in clarity and simplicity are needed without modifying the basic purpose or intent. An incremental step for delivery of efficient city services, the attached Resolution restates the existing annexation policy (Resolution 5076), reorganizes the document, and improves it on several points as described herein.

Annexations and annexation policy are important components of community growth and implementation of numerous city goals and objectives. This resolution only addresses citizen initiated petitions and not City initiated actions. In conjunction with the adoption of Resolution 5076 on October 28, 2019 [[External Agenda Link](#)], the Commission directed the City Manager to bring an Extension of Service Plan for City Initiated Annexations for the Commission to consider. On May 10, 2022, the Commission adopted Resolution 5383, an Extension of City Service Plan for City Initiated Annexation [[External Link](#)].

Revising and improving the City's annexation policy is supported by the Strategic Plan. Strategic Plan 4.1 Informed Conversation on Growth, subsection a) Adopt a New Growth Policy Based on Sustainable Growth Principles - Direct and guide sustainable growth through appropriate planning, annexation, land use, and a streamlined development review process and b) Develop and Align Infill Policies - Develop, adopt and align city policies for infill and redevelopment, economic development and public infrastructure. Under High Performance Organization section 7.3(e) High-level Policy Conversations - Develop a structure to foster regular, ongoing dialogue on innovative ideas and information to assist the Commission with high level policy deliberation and decisions.

Bozeman Community Plan 2020 (BCP2020) addresses annexation policy in Theme 7 | A City Engaged in Regional Coordination. Specifically, RC-3.3 Prioritize annexations that enable the incremental expansion of the City and its utilities, RC-3.4 Encourage annexation of land adjacent to the City prior to development and encourage annexation of wholly surrounded areas, and RC-3.7 Provide education and information on the value and benefits of annexation, including existing un-annexed pockets surrounding the City, to individual landowners and the community at large. Establish interlocal agreements, when appropriate, to formalize working relationships and procedures.

Both the number of annexation requests and the area to be annexed varies greatly from year to year. The city processes approximately 6.8 annexation

applications annually with an average of 31.9 acres per application since 2018. During this period the city has added approximately 10,000 residents assuming a 2024 population of 58,500. Currently, the Community Development Department is processing six annexation applications in 2024.

The Resolution revises the annexation policy by generally reorganizing the document from three sections of goals, policies, and adoption to a more complete form. The revision creates legislative intent, clearly delineates procedural requirements from city policy, eliminates redundancy, clarifies existing annexation policies based on prior experience to improve criteria, and integrates references for recently revised and adopted City plans. Annexation is the first step in any potential future development. All future development is contingent on meeting existing requirements and standards for provisions of services, transportation, and site development. Annexation does not grant entitlement for development.

Organization:

Section 1 Legislative Intent & Goals

Section 2 Policies

Section 3 Procedures

Section 4 Adoption

The Resolution defines what considerations must be present for favorable review of annexation request. However, every application is unique and may have a particular set of circumstances making strict application of these policies contrary to the City's best interest. Therefore, policy #12 is included to allow the Commission, with evidence, to determine an annexation is appropriate that may not meet a strict interpretation of city policy.

With the Commission's adoption of the 2023 Parks, Recreation, and Active Transportation Plan (PRAT), the existing requirements for securing public access easements for Class I Trails is moot. The PRAT incorporates the Anchor Routes system that, with currently adopted standards, can be secured with site plan or subdivision application review. Furthermore, the general intent of Anchor Routes is not conducive to establishing their location at time of annexation. Upon development review with site plan or subdivision the overall design will consider the anchor routes for better placement. Therefore, anchor route easement is not included with the revised annexation policy.

This Resolution formalizes an existing procedure of coordinating annexation review with the County. Bozeman Community Plan 2020, Objective RC-3.7 Provide education and information on the value and benefits of annexation, including existing un-annexed pockets surrounding the City, to individual landowners and the community at large. Establish interlocal agreements, when appropriate, to formalize working relationships and procedures. See Section 3, Procedure # 4.

Previous Annexation Policy Resolutions:

Resolution [2502](#) May 29, 1984
Resolution [2524](#) September 10, 1984
Resolution [3137](#) August 19, 1996
Resolution [3907](#) January 6, 2006
Resolution [4400](#) September 10, 2012
Resolution [5076](#) October 28, 2019

UNRESOLVED ISSUES: There are no identified conflicts on this application.

ALTERNATIVES:

1. Adopt the Resolution as presented.
2. Adopted the Resolution with revisions/edits determined by the Commission.
3. Request specific revisions for further review and direct staff to address identified issues.
4. Do not approve the Resolution. The existing Resolution 5076 will continue to be in force.

FISCAL EFFECTS: No unusual fiscal effects have been identified.

Attachments:

[Resolution Revising and Re-Establishing City of Bozeman Annexation Policy.pdf](#)

[Annexation Policy_5076 and New Policy Comparison.pdf](#)

[Resolution 5076 Revising and Re-establishing Goals and Policies for Landowner Initiated Annexation of Properties.pdf](#)

[Revised Annexation Policy 5076 Proposed Revisions 2-18-2025 strike and underline.pdf](#)

[Resolution 4400 Revising and Re-Establishing goals and policies for Annexation of Properties.pdf](#)

Report compiled on: February 19, 2025