



CITY OF WASHINGTON, ILLINOIS

Finance and Personnel Committee Agenda Communication

Meeting Date: May 17, 2021

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: Non-Resident Water Account Property Annexations

Explanation: The owner of 1940 Inglewood Drive reached out to staff recently asking about connecting to the City's water, as his existing well is failing. This one-acre property at the corner of Inglewood and Lori Lane is unincorporated and entirely surrounded by other parcels in the city limits.

Chapter 50.25 of the City Code (attached) addresses the extension of water or sewer service to users located outside of the city limits. In essence, any property owner is subject to annexation when requested by the City prior to the extension of the utilities. Staff informed the owner of the need to annex the property in order to allow for the connection to the water main. The owner indicated a strong preference to not annex due to the increase in his property tax bill and staff has said that it could not issue a permit for a water connection given the City Code language. This was brought before the Public Works Committee on May 3 and the direction given was to require annexation as part of a City water connection.

There are five current non-resident water accounts (see attached map). Each pay an additional 20% surcharge as is mandated by City Code. Three of these accounts are associated with Wehnes Enterprises on S. Main. The City Council approved an agreement in 1985 that allowed for the extension of water to the 1103, 1103½, and 1105 S. Main properties. The agreement mandated that the owners pay their proportional share of the main extension. It also required them to annex at such a time that the City made the request (they were not contiguous at the time of the agreement and could not be annexed). The 1105 S. Main property was annexed in 1993 but the Wehnes parcels have not been annexed. These are now contiguous and eligible to be annexed. The other two accounts are for 910 S. Main and 405 Charlotte. The lack of annexation of the 910 S. Main property appears to have been an oversight by City staff when the connection was made, as all of the other parcels that utilized the S. Main water extension have annexed with the exception of the Wehnes parcels. The 405 Charlotte property was connected in 1990 but has not been annexed.

Fiscal Impact: There would be a net financial impact for those residential properties that would annex (see attached spreadsheet). The average annual bill for a two-person household paying the non-resident water rate is \$500.76 compared to \$424.80 for the average annual resident bill. The net property tax increase for the two residential properties that were to add the City's tax rate but eliminate the applicable fire district rate would be about \$68.35 for 405 Charlotte and \$185.04 for 910 S. Main based on the 2020 payable 2021 rates. This would be offset by a savings of \$75.96 for the water bill as well as \$267.96 for the annual PDC rate (\$456 for non-resident vs. \$188.04 for resident). The total net savings would be approximately \$234.21 for 405 Charlotte and \$139.92 for 910 S. Main. The three non-resident water accounts with Wehnes Enterprises have an average annual bill of \$585.72. This would be reduced to \$510.12 with the resident rate.

Action Requested: Staff seeks feedback on whether annexation should be sought for these parcels as with the 1940 Inglewood property as allowed by City Code.

§ 50.25 EXTENSION OF SERVICE OUTSIDE CITY LIMITS

Neither water nor sewer service shall be extended to users located outside the city limits except when a majority of the corporate authorities vote to allow such an extension and the following conditions have been met:

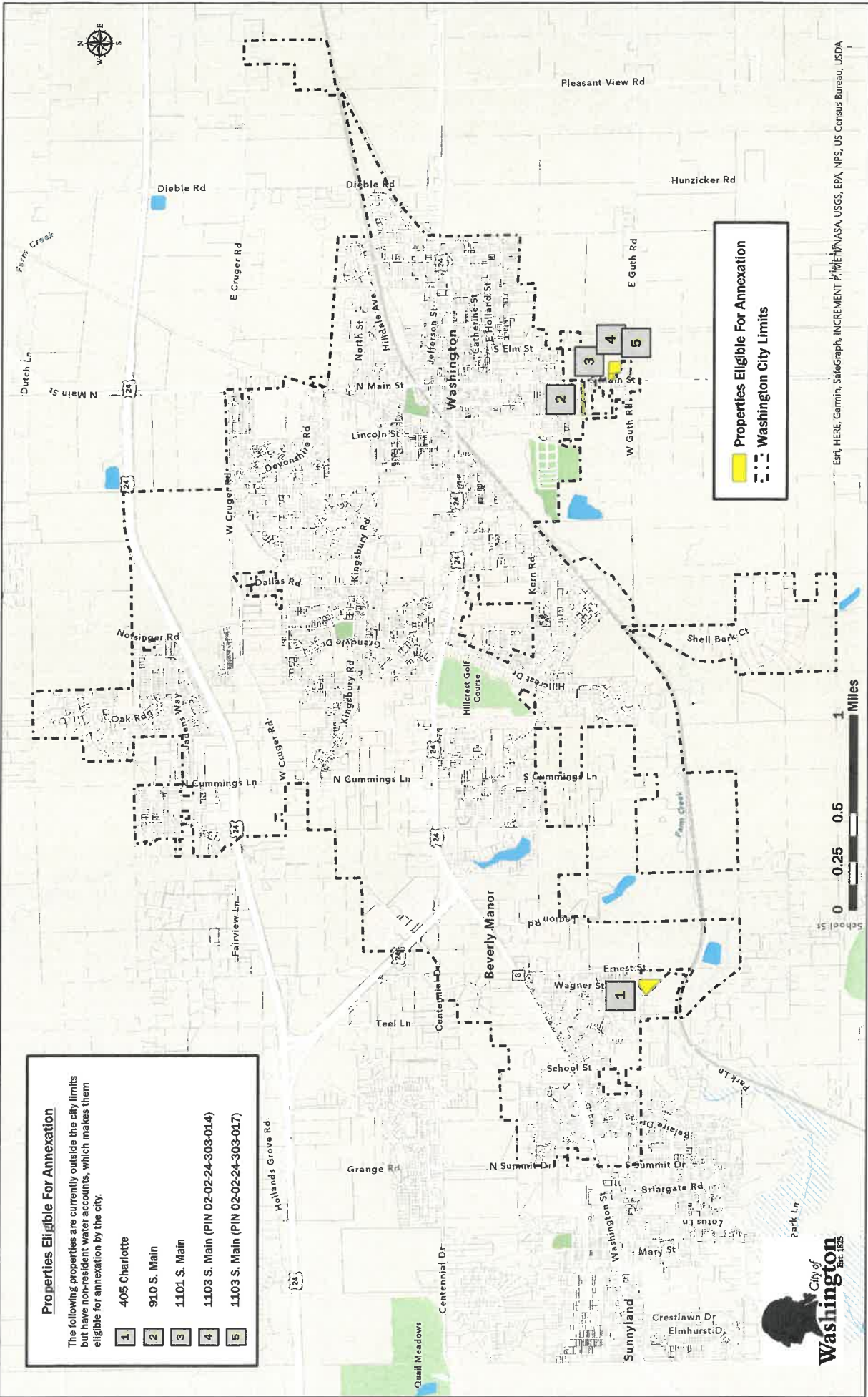
- (A) All of the property owners of record of the real property within the area to receive service file with the City Clerk a petition for water or sewer service. The petition must be signed by all of said owners and must contain an accurate legal description of the property to be serviced.
- (B) Prior to the extension of water or sewer service, all of the property owners must also sign an agreement, that shall bind all present and future owners of the real estate, in which they must agree to annex to the city when requested to do so by the city.
- (C) In the event the property owner receiving service, or their successor in title, fails to file a valid and irrevocable petition for annexation to the city, without condition, within 45 days of receiving a written request from the city to do so, the city may terminate all water or sewer service to their property without further notice.
- (D) The rates for service outside the city shall include a surcharge as established by the city pursuant to § 52.105, as amended from time to time.
- (E) In the event water or sewer service is terminated pursuant to division (c) of this section, no rebate, in whole or in part, shall be paid to the owner for any fees, hook-up charges, or the like previously paid to the city.
- (F) Nothing contained herein shall be construed to create any obligation on the part of the city to provide water or sewer service to any property outside the city limits nor shall it be construed to create any right in any third party to receive water or sewer service outside the city limits even if they agree to the conditions stated herein.

Properties Eligible For Annexation

Properties Eligible For Annexation

The following properties are currently outside the city limits but have non-resident water accounts, which makes them eligible for annexation by the city.

- 1 405 Charlotte
- 2 910 S. Main
- 3 1101 S. Main
- 4 1103 S. Main (PIN 02-02-24-303-014)
- 5 1103 S. Main (PIN 02-02-24-303-017)



Est. HERE, Garmin, SafeGraph, INCREMENT P, HERE, NASA, USGS, EPA, NPS, US Census Bureau, USDA



Non-Resident Water Accounts As of 5/13/21

<u>Address</u>	<u>PIN</u>	<u>Acres</u>	<u>Net Taxable Value</u>	<u>Current Total Tax</u>	<u>20 Payable</u>		<u>Additional City Tax</u>	<u>20 Payable</u>		<u>Reduced Fire Tax</u>	<u>Revised New Tax</u>	<u>Revised Total Tax</u>	<u>PDC Non-Res.</u>		<u>PDC Res. Annual Rate</u>	<u>PDC Res. Annual Rate</u>	<u>PDC Resident Savings</u>	<u>Net Annex. Impact</u>
					<u>21 City Rate</u>	<u>21 City Rate</u>		<u>21 Nor. Tax. Fire Rate</u>	<u>21 Nor. Tax. Fire Rate</u>				<u>Annual Rate</u>	<u>Annual Rate</u>				
405 Charlotte	02-02-29-201-011	3.12	\$13,830	\$1,193.62	0.49422	\$68.35	0.25015	N/A	\$34.60	\$33.75	\$1,261.97	\$456	\$188.04	\$188.04	\$267.96	\$234.21		
910 S. Main	02-02-23-404-009	1.28	\$37,440	\$3,066.56	0.49422	\$185.04	N/A	0.15224	\$57.00	\$128.04	\$3,251.60	\$456	\$188.04	\$188.04	\$267.96	\$139.92		
1101 S. Main	02-02-24-303-012	0.51	\$3,380	\$276.84	0.49422	\$16.70	N/A	0.15224	\$5.15	\$11.56	\$293.54	N/A	N/A	N/A	N/A	(\$16.70)		
1103 S. Main	02-02-24-303-014	2.63	\$112,950	\$9,251.28	0.49422	\$558.22	N/A	0.15224	\$171.96	\$386.27	\$9,809.50	N/A	N/A	N/A	N/A	(\$558.22)		
1103 S. Main	02-02-24-303-017	0.11	\$1,020	\$83.54	0.49422	\$5.04	N/A	0.15224	\$1.55	\$3.49	\$88.58	N/A	N/A	N/A	N/A	(\$5.04)		